



DESTINATION MAUI INC.
Property Management

Wailea Fairway Villas Association

(A 118-Unit Hawaii Condominium Association)

Financial Statements and Supplementary Information

For the One Month and Two Months Ended

February 28, 2022

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I have prepared the accompanying Balance Sheet – Tax Basis as of February 28, 2022, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Two Months then ended, along with the accompanying schedules described above, in my capacity as a stockholder and officer of Destination Maui, Inc. I have not prepared the statements in my capacity as a CPA in the practice of public accounting.

Management has elected to omit substantially all of the disclosures required by the generally accepted principles as issued by the U.S. Financial Accounting Standards Board. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Ronald A. Kawahara

Wailea Fairway Villas Association
Balance Sheet - Tax Basis
February 28, 2022 and 2021

Assets

	2022	2021
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 61,938.14	\$ 86,701.03
Ckg - CIT Debit Card ****4202	1,490.42	2,466.63
MMkt - CIT Savings *****2119	26,742.86	26,602.94
CDAR - CIT Savings *****8249 3/17/22	<u>203,490.35</u>	<u>200,000.00</u>
Subtotal - Cash	<u>293,661.77</u>	<u>315,770.60</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,298.26	8,037.54
A/R - Prior & Collection	29,565.48	29,284.24
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>1,161.75</u>	<u>535.73</u>
Subtotal - Accounts Receivable	<u>11,302.23</u>	<u>16,134.25</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,076.00	0.00
Prepaid State Income Tax	1,341.00	0.00
Unexpired Insurance	15,302.51	14,107.27
NJF Clearing Account	<u>100,457.23</u>	<u>94,898.45</u>
Subtotal - Other Current Assets	<u>123,176.74</u>	<u>109,005.72</u>
TOTAL CURRENT ASSETS	<u>428,140.74</u>	<u>440,910.57</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	<u>2,343,497.23</u>	<u>2,153,444.69</u>
Subtotal - Capital Reserves	<u>2,343,497.23</u>	<u>2,153,444.69</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(25,110.00)</u>	<u>(21,390.00)</u>
Subtotal - Fixed Assets	<u>49,290.00</u>	<u>53,010.00</u>
TOTAL OTHER ASSETS	<u>2,392,787.23</u>	<u>2,206,454.69</u>
TOTAL ASSETS	<u><u>\$ 2,820,927.97</u></u>	<u><u>\$ 2,647,365.26</u></u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
February 28, 2022 and 2021**

Liabilities and Fund Balances

	2022	2021
CURRENT LIABILITIES		
A/P - Trade	\$ 30,361.06	\$ 28,694.19
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	0.00
Owner Prepayments	53,819.55	43,702.48
A/P - NJF Units	100,457.23	94,898.45
A/P - Insurance	7,887.00	1,388.00
Accrued General Excise Tx	269.10	231.48
Accrued Federal Income Tax	0.00	12,892.00
Accrued State Income Tax	<u>0.00</u>	<u>2,150.00</u>
Subtotal - Current Liabilities	<u>201,868.50</u>	<u>192,821.87</u>
TOTAL CURRENT LIABILITIES	<u>201,868.50</u>	<u>192,821.87</u>
TOTAL LIABILITIES	<u>201,868.50</u>	<u>192,821.87</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	275,562.24	301,098.70
Restricted Members' Equity	<u>2,343,497.23</u>	<u>2,153,444.69</u>
Subtotal Members' Equity	<u>2,619,059.47</u>	<u>2,454,543.39</u>
TOTAL MEMBERS' EQUITY	<u>2,619,059.47</u>	<u>2,454,543.39</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u><u>\$ 2,820,927.97</u></u>	 <u><u>\$ 2,647,365.26</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 2 Months Ended February 28, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	81,987.82	79.3	81,988	(0)	163,975.64	77.9	163,976	(0)	983,854	819,878
406 - Capital Reserve	21,000.18	20.3	21,000	0	42,000.36	20.0	42,000	0	252,002	210,002
415 - Delinquent Owners Late Fee	179.10	0.2	200	(21)	387.70	0.2	400	(12)	2,400	2,012
416 - Delinquent Owners Interest	22.74	0.0	17	6	29.83	0.0	34	(4)	204	174
417 - Key Fine	0.00	0.0	0	0	25.00	0.0	0	25	0	(25)
420 - Tenant Information Form	0.00	0.0	0	0	300.00	0.1	0	300	0	(300)
425 - House Rule Violations	0.00	0.0	208	(208)	0.00	0.0	417	(417)	2,500	2,500
Total Membership Income	103,189.84	99.8	103,413	(223)	206,718.53	98.2	206,827	(108)	1,240,960	1,034,241
Non-Membership Income										
430 - Interest Income	7.60	0.0	100	(92)	15.05	0.0	200	(185)	1,200	1,185
431 - Reserve Interest Income	149.75	0.1	937	(787)	2,526.48	1.2	1,873	653	11,240	8,714
441 - Kayak Rack Rental	0.00	0.0	180	(180)	1,230.00	0.6	360	870	2,160	930
Total Non-Membership Income	157.35	0.2	1,217	(1,060)	3,771.53	1.8	2,433	1,339	14,600	10,828
Total Revenues	103,347.19	100.	104,630	(1,283)	210,490.06	100.	209,260	1,230	1,255,560	1,045,070
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	756.00	0.7	0	756	1,512.00	0.7	0	1,512	0	(1,512)
Total NJF Unit Expenses	756.00	0.7	0	756	1,512.00	0.7	0	1,512	0	(1,512)
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	0.00	0.0	20	(20)	120	120
645 - Dues & Subscriptions	0.00	0.0	27	(27)	0.00	0.0	53	(53)	319	319
710 - Meetings *	285.23	0.3	250	35	512.84	0.2	500	13	3,000	2,487
715 - Office & Administration	139.36	0.1	500	(361)	1,041.00	0.5	1,000	41	6,000	4,959
715.1 - Office/Admin - Site Office	0.00	0.0	150	(150)	22.33	0.0	300	(278)	1,800	1,778
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	100	(100)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	320.62	0.2	240	81	1,440	1,119
720 - Operating Supplies	0.00	0.0	167	(167)	0.00	0.0	333	(333)	2,000	2,000
910 - Depreciation	310.00	0.3	310	0	620.00	0.3	620	0	3,720	3,100
Total Administration Exp	845.40	0.8	1,584	(739)	2,516.79	1.2	3,166	(649)	18,999	16,482
Employee Costs										
610 - Auto	49.73	0.0	100	(50)	109.40	0.1	200	(91)	1,200	1,091
648 - Education & Seminars	20.84	0.0	50	(29)	20.84	0.0	100	(79)	600	579
653 - Emp/Ben.-Medical	1,166.00	1.1	1,259	(93)	2,332.00	1.1	2,517	(185)	15,104	12,772
780 - Salaries & Wages	12,303.00	11.9	12,208	95	24,442.50	11.6	24,417	26	146,500	122,058
801 - P/R Ins. - TDI & WC	335.33	0.3	420	(85)	624.66	0.3	840	(215)	5,040	4,415
802 - Taxes - Payroll *	1,376.00	1.3	1,210	166	2,787.37	1.3	2,420	367	14,520	11,733
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	33	(33)	200	200
Total Employee Costs	15,250.90	14.8	15,264	(13)	30,316.77	14.4	30,527	(210)	183,164	152,847
Insurance Expense										
677 - Ins. - Bond	58.28	0.1	37	21	93.78	0.0	74	20	442	348
678 - Ins. Business Interruption	106.50	0.1	111	(5)	213.00	0.1	221	(8)	1,326	1,113

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 2 Months Ended February 28, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
679 - Ins. - Dir./Officers	489.42	0.5	653	(164)	978.84	0.5	1,305	(326)	7,831	6,852
680 - Ins. - Package	4,627.83	4.5	4,998	(370)	9,255.66	4.4	9,996	(740)	59,977	50,721
683 - Ins. - CGL	358.00	0.3	369	(11)	716.00	0.3	739	(23)	4,432	3,716
684 - Ins. - Umbrella	<u>189.58</u>	<u>0.2</u>	<u>209</u>	<u>(19)</u>	<u>379.16</u>	<u>0.2</u>	<u>417</u>	<u>(38)</u>	<u>2,503</u>	<u>2,124</u>
Total Insurance Expenses	5,829.61	5.6	6,377	(547)	11,636.44	5.5	12,752	(1,116)	76,511	64,875
Professional Services										
705 - Management Fee	3,328.00	3.2	3,328	0	6,656.00	3.2	6,656	0	39,936	33,280
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	0.00	0.0	772	(772)	4,631	4,631
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	0.00	0.0	833	(833)	5,000	5,000
734 - Prof.Svc.- Y/E Acctng.	<u>0.00</u>	<u>0.0</u>	<u>82</u>	<u>(82)</u>	<u>0.00</u>	<u>0.0</u>	<u>165</u>	<u>(165)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,328.00	3.2	4,213	(885)	6,656.00	3.2	8,426	(1,770)	50,555	43,899
Repairs & Maint Expenses										
746 - R/M - Buildings *	1,675.71	1.6	833	843	2,090.01	1.0	1,667	423	10,000	7,910
750 - R/M - Equipment	58.28	0.1	250	(192)	190.99	0.1	500	(309)	3,000	2,809
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	400	(400)	2,400	2,400
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	71.25	0.0	250	(179)	1,500	1,429
754 - R/M - Grounds *	116.51	0.1	83	34	234.42	0.1	167	67	1,000	766
755 - R/M - Grounds Contractor	21,840.00	21.1	21,840	0	43,680.00	20.8	43,680	0	262,080	218,400
756 - R/M - Irrigation	260.42	0.3	800	(540)	2,281.16	1.1	1,600	681	9,600	7,319
760 - R/M - Pest Control	0.00	0.0	555	(555)	0.00	0.0	1,110	(1,110)	6,658	6,658
762 - R/M - Pool, Spa, BBQ *	2,371.94	2.3	2,215	157	5,104.31	2.4	4,430	674	26,577	21,473
764 - R/M - Refuse Collection	1,467.47	1.4	1,618	(151)	2,934.94	1.4	3,236	(301)	19,415	16,480
764.1 - R/M - Recycling	770.53	0.7	794	(23)	1,541.06	0.7	1,587	(46)	9,524	7,983
767 - R/M - Security Contract	<u>1,041.67</u>	<u>1.0</u>	<u>1,146</u>	<u>(104)</u>	<u>2,083.34</u>	<u>1.0</u>	<u>2,292</u>	<u>(209)</u>	<u>13,750</u>	<u>11,667</u>
Total Repairs & Maint Exp	29,602.53	28.6	30,459	(856)	60,211.48	28.6	60,919	(708)	365,504	305,293
Tax Expenses										
796 - Taxes - Gen. Excise	14.37	0.0	66	(52)	269.10	0.1	131	138	788	519
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	2,000	(2,000)	12,000	12,000
945 - State Income Taxes	<u>0.00</u>	<u>0.0</u>	<u>146</u>	<u>(146)</u>	<u>0.00</u>	<u>0.0</u>	<u>292</u>	<u>(292)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	14.37	0.0	1,212	(1,198)	269.10	0.1	2,423	(2,154)	14,538	14,269
Utility Expense										
826 - Util. - Cable TV	4,743.49	4.6	4,744	(1)	9,486.98	4.5	9,487	(0)	56,922	47,435
828 - Util. - Electric *	2,107.24	2.0	1,906	201	4,341.30	2.1	3,813	528	22,876	18,535
830 - Util. - Gas	0.00	0.0	75	(75)	0.00	0.0	150	(150)	900	900
832 - Util. - Sewer *	5,437.00	5.3	5,170	267	8,576.91	4.1	10,339	(1,762)	62,034	53,457
834 - Util. - Telephone *	262.86	0.3	250	13	453.80	0.2	500	(46)	3,000	2,546
838 - Util. - Water	<u>10,263.85</u>	<u>9.9</u>	<u>11,443</u>	<u>(1,179)</u>	<u>15,307.10</u>	<u>7.3</u>	<u>22,886</u>	<u>(7,579)</u>	<u>137,317</u>	<u>122,010</u>
Total Utility Expenses	22,814.44	22.1	23,588	(774)	38,166.09	18.1	47,175	(9,009)	283,049	244,883
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.3	21,000	0	42,000.36	20.0	42,000	0	252,002	210,002
916 - Reserves Interest	<u>149.75</u>	<u>0.1</u>	<u>937</u>	<u>(787)</u>	<u>2,526.48</u>	<u>1.2</u>	<u>1,873</u>	<u>653</u>	<u>11,240</u>	<u>8,714</u>
Total Reserve & Other Exp	<u>21,149.93</u>	<u>20.5</u>	<u>21,937</u>	<u>(787)</u>	<u>44,526.84</u>	<u>21.2</u>	<u>43,873</u>	<u>654</u>	<u>263,242</u>	<u>218,715</u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 2 Months Ended February 28, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Total Operating Expenses and Reserve Allocation	<u>99,591.18</u>	<u>96.4</u>	<u>104,634</u>	<u>(5,043)</u>	<u>195,811.51</u>	<u>93.0</u>	<u>209,261</u>	<u>(13,449)</u>	<u>1,255,562</u>	<u>1,059,750</u>
Total Revenue Over Exp	<u>3,756.01</u>	<u>3.6</u>	<u>(4)</u>	<u>3,760</u>	<u>14,678.55</u>	<u>7.0</u>	<u>(1)</u>	<u>14,680</u>	<u>(2)</u>	<u>(14,681)</u>
Beginning Members' Equity					<u>260,883.69</u>					
Ending Members' Equity					<u>275,562.24</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 2 Months Ended February 28, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 3,756.01	\$ 14,678.55
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	620.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(1,868.97)	(1,030.56)
Prepays	2,874.16	9,726.32
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(2,203.63)	(17,617.62)
Accrued Liabilities	(6,202.63)	(12,175.90)
Total Adjustments	<u>(7,091.07)</u>	<u>(20,477.76)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(3,335.06)</u>	<u>(5,799.21)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash Provided By (Used In) Financing Activities	<u>0.00</u>	<u>0.00</u>
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(3,335.06) (5,799.21)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

296,996.83 299,460.98

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 293,661.77 \$ 293,661.77