



**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 Three Months Ended

March 31, 2022

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I have prepared the accompanying Balance Sheet – Tax Basis as of March 31, 2022, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Three 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**  
**March 31, 2022 and 2021**

**Assets**

	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Ckg - CIT *****1241	\$ 61,320.60	\$ 106,116.29
Ckg - CIT Debit Card ****4202	501.91	3,002.36
MMkt - CIT Savings *****2119	231,365.40	26,606.33
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
<b>Subtotal - Cash</b>	<u>293,187.91</u>	<u>339,215.33</u>
<b>ACCOUNTS RECEIVABLES</b>		
A/R - Owners Balances	1,129.52	10,007.87
A/R - Prior & Collection	29,596.73	33,196.98
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>2,019.28</u>	<u>0.00</u>
<b>Subtotal - Accounts Receivable</b>	<u>11,022.27</u>	<u>21,481.59</u>
<b>OTHER CURRENT ASSETS</b>		
Prepaid Federal Income Tax	6,076.00	0.00
Prepaid State Income Tax	1,341.00	0.00
Unexpired Insurance	9,160.35	8,355.69
NJF Clearing Account	<u>99,701.23</u>	<u>94,142.61</u>
<b>Subtotal - Other Current Assets</b>	<u>116,278.58</u>	<u>102,498.30</u>
<b>TOTAL CURRENT ASSETS</b>	<u>420,488.76</u>	<u>463,195.22</u>
<b>CAPITAL RESERVE ACCOUNTS</b>		
CIT Bank	<u>2,350,208.13</u>	<u>2,183,960.72</u>
<b>Subtotal - Capital Reserves</b>	<u>2,350,208.13</u>	<u>2,183,960.72</u>
<b>FIXED ASSETS</b>		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(25,420.00)</u>	<u>(21,700.00)</u>
<b>Subtotal - Fixed Assets</b>	<u>48,980.00</u>	<u>52,700.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,399,188.13</u>	<u>2,236,660.72</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,819,676.89</u></u>	<u><u>\$ 2,699,855.94</u></u>

**Wailea Fairway Villas Association  
Balance Sheet - Tax Basis  
March 31, 2022 and 2021**

**Liabilities and Fund Balances**

	<b>2022</b>	<b>2021</b>
<b>CURRENT LIABILITIES</b>		
A/P - Trade	\$ 24,879.90	\$ 20,808.90
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	0.00
Owner Prepayments	52,812.82	64,207.77
A/P - NJF Units	99,701.23	94,142.61
A/P - Insurance	2,587.00	1,388.00
Accrued General Excise Tx	340.86	888.64
Accrued Federal Income Tax	0.00	12,892.00
Accrued State Income Tax	<u>0.00</u>	<u>2,150.00</u>
<b>Subtotal - Current Liabilities</b>	<u>189,396.37</u>	<u>205,343.19</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>189,396.37</u>	<u>205,343.19</u>
<b>TOTAL LIABILITIES</b>	<u>189,396.37</u>	<u>205,343.19</u>
 <b>MEMBERS' EQUITY</b>		
Unrestricted Members' Equity	280,072.39	310,552.03
Restricted Members' Equity	<u>2,350,208.13</u>	<u>2,183,960.72</u>
<b>Subtotal Members' Equity</b>	<u>2,630,280.52</u>	<u>2,494,512.75</u>
<b>TOTAL MEMBERS' EQUITY</b>	<u>2,630,280.52</u>	<u>2,494,512.75</u>
 <b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	 <u><u>\$ 2,819,676.89</u></u>	 <u><u>\$ 2,699,855.94</u></u>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 3 Months Ended March 31, 2022**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Revenues</b>										
<b>Membership Income</b>										
405 - Maintenance Fees	81,987.82	78.2	81,988	(0)	245,963.46	78.0	245,963	0	983,854	737,891
406 - Capital Reserve	21,000.18	20.0	21,000	0	63,000.54	20.0	63,001	(0)	252,002	189,001
415 - Delinquent Owners Late Fee	50.50	0.0	200	(150)	438.20	0.1	600	(162)	2,400	1,962
416 - Delinquent Owners Interest	11.09	0.0	17	(6)	40.92	0.0	51	(10)	204	163
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	<u>250.00</u>	<u>0.2</u>	<u>208</u>	<u>42</u>	<u>250.00</u>	<u>0.1</u>	<u>625</u>	<u>(375)</u>	<u>2,500</u>	<u>2,250</u>
<b>Total Membership Income</b>	<b>103,299.59</b>	<b>98.6</b>	<b>103,413</b>	<b>(113)</b>	<b>310,018.12</b>	<b>98.3</b>	<b>310,240</b>	<b>(222)</b>	<b>1,240,960</b>	<b>930,942</b>
<b>Non-Membership Income</b>										
430 - Interest Income	1,136.40	1.1	100	1,036	1,151.45	0.4	300	851	1,200	49
431 - Reserve Interest Income	171.13	0.2	937	(766)	2,697.61	0.9	2,810	(112)	11,240	8,542
441 - Kayak Rack Rental	(45.00)	0.0	180	(225)	1,185.00	0.4	540	645	2,160	975
450 - Rental Income	200.00	0.2	0	200	200.00	0.1	0	200	0	(200)
499 - Other Income	<u>20.00</u>	<u>0.0</u>	<u>0</u>	<u>20</u>	<u>20.00</u>	<u>0.0</u>	<u>0</u>	<u>20</u>	<u>0</u>	<u>(20)</u>
<b>Total Non-Membership Income</b>	<b>1,482.53</b>	<b>1.4</b>	<b>1,217</b>	<b>266</b>	<b>5,254.06</b>	<b>1.7</b>	<b>3,650</b>	<b>1,604</b>	<b>14,600</b>	<b>9,346</b>
<b>Total Revenues</b>	<b><u>104,782.12</u></b>	<b><u>100.</u></b>	<b><u>104,630</u></b>	<b><u>152</u></b>	<b><u>315,272.18</u></b>	<b><u>100.</u></b>	<b><u>313,890</u></b>	<b><u>1,382</u></b>	<b><u>1,255,560</u></b>	<b><u>940,288</u></b>
<b>Operating Expenses</b>										
<b>NJF Unit Expenses</b>										
701.1 - NJF Unit Maint Fees	756.00	0.7	0	756	2,268.00	0.7	0	2,268	0	(2,268)
701.3 - NJF Repairs & Maint	<u>(20.83)</u>	<u>0.0</u>	<u>0</u>	<u>(21)</u>	<u>(20.83)</u>	<u>0.0</u>	<u>0</u>	<u>(21)</u>	<u>0</u>	<u>21</u>
<b>Total NJF Unit Expenses</b>	<b>735.17</b>	<b>0.7</b>	<b>0</b>	<b>735</b>	<b>2,247.17</b>	<b>0.7</b>	<b>0</b>	<b>2,247</b>	<b>0</b>	<b>(2,247)</b>
<b>Administration Expenses</b>										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	0.00	0.0	30	(30)	120	120
645 - Dues & Subscriptions	0.00	0.0	27	(27)	0.00	0.0	80	(80)	319	319
710 - Meetings	68.00	0.1	250	(182)	580.84	0.2	750	(169)	3,000	2,419
715 - Office & Administration	5.00	0.0	500	(495)	1,046.00	0.3	1,500	(454)	6,000	4,954
715.1 - Office/Admin - Site Office	0.00	0.0	150	(150)	22.33	0.0	450	(428)	1,800	1,778
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	150	(150)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	431.43	0.1	360	71	1,440	1,009
720 - Operating Supplies	43.27	0.0	167	(124)	43.27	0.0	500	(457)	2,000	1,957
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>930.00</u>	<u>0.3</u>	<u>930</u>	<u>0</u>	<u>3,720</u>	<u>2,790</u>
<b>Total Administration Exp</b>	<b>537.08</b>	<b>0.5</b>	<b>1,584</b>	<b>(1,047)</b>	<b>3,053.87</b>	<b>1.0</b>	<b>4,750</b>	<b>(1,696)</b>	<b>18,999</b>	<b>15,945</b>
<b>Employee Costs</b>										
610 - Auto	0.00	0.0	100	(100)	109.40	0.0	300	(191)	1,200	1,091
648 - Education & Seminars *	78.00	0.1	50	28	98.84	0.0	150	(51)	600	501
653 - Emp/Ben.-Medical	1,132.03	1.1	1,259	(127)	3,464.03	1.1	3,776	(312)	15,104	11,640
780 - Salaries & Wages	11,547.00	11.0	12,208	(661)	35,989.50	11.4	36,625	(636)	146,500	110,511
801 - P/R Ins. - TDI & WC *	1,353.87	1.3	420	934	1,978.53	0.6	1,260	719	5,040	3,061
802 - Taxes - Payroll *	1,277.09	1.2	1,210	67	4,064.46	1.3	3,630	434	14,520	10,456
812 - Uniforms	<u>0.00</u>	<u>0.0</u>	<u>17</u>	<u>(17)</u>	<u>0.00</u>	<u>0.0</u>	<u>50</u>	<u>(50)</u>	<u>200</u>	<u>200</u>
<b>Total Employee Costs</b>	<b>15,387.99</b>	<b>14.7</b>	<b>15,264</b>	<b>124</b>	<b>45,704.76</b>	<b>14.5</b>	<b>45,791</b>	<b>(86)</b>	<b>183,164</b>	<b>137,459</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 3 Months Ended March 31, 2022**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Insurance Expense</b>										
677 - Ins. - Bond	35.50	0.0	37	(2)	129.28	0.0	110	19	442	313
678 - Ins. Business Interruption	106.50	0.1	111	(5)	319.50	0.1	332	(13)	1,326	1,007
679 - Ins. - Dir./Officers	489.42	0.5	653	(164)	1,468.26	0.5	1,958	(490)	7,831	6,363
680 - Ins. - Package	4,627.83	4.4	4,998	(370)	13,883.49	4.4	14,994	(1,111)	59,977	46,094
683 - Ins. - CGL	358.00	0.3	369	(11)	1,074.00	0.3	1,108	(34)	4,432	3,358
684 - Ins. - Umbrella	<u>189.58</u>	<u>0.2</u>	<u>209</u>	<u>(19)</u>	<u>568.74</u>	<u>0.2</u>	<u>626</u>	<u>(57)</u>	<u>2,503</u>	<u>1,934</u>
<b>Total Insurance Expenses</b>	<b>5,806.83</b>	<b>5.5</b>	<b>6,377</b>	<b>(570)</b>	<b>17,443.27</b>	<b>5.5</b>	<b>19,128</b>	<b>(1,685)</b>	<b>76,511</b>	<b>59,068</b>
<b>Professional Services</b>										
705 - Management Fee	3,328.00	3.2	3,328	0	9,984.00	3.2	9,984	0	39,936	29,952
731 - Prof.Svc.- Audit	43.25	0.0	386	(343)	43.25	0.0	1,158	(1,115)	4,631	4,588
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	0.00	0.0	1,250	(1,250)	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>247</u>	<u>(247)</u>	<u>988</u>	<u>988</u>
<b>Total Professional Exp</b>	<b>3,371.25</b>	<b>3.2</b>	<b>4,213</b>	<b>(842)</b>	<b>10,027.25</b>	<b>3.2</b>	<b>12,639</b>	<b>(2,612)</b>	<b>50,555</b>	<b>40,528</b>
<b>Repairs &amp; Maint Expenses</b>										
746 - R/M - Buildings	236.82	0.2	833	(596)	2,326.83	0.7	2,500	(173)	10,000	7,673
750 - R/M - Equipment	39.90	0.0	250	(210)	230.89	0.1	750	(519)	3,000	2,769
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	600	(600)	2,400	2,400
753 - R/M - Landscape Upgrades	10.41	0.0	125	(115)	81.66	0.0	375	(293)	1,500	1,418
754 - R/M - Grounds	5.46	0.0	83	(78)	239.88	0.1	250	(10)	1,000	760
755 - R/M - Grounds Contractor	21,840.00	20.8	21,840	0	65,520.00	20.8	65,520	0	262,080	196,560
756 - R/M - Irrigation	0.00	0.0	800	(800)	2,281.16	0.7	2,400	(119)	9,600	7,319
760 - R/M - Pest Control *	1,597.91	1.5	555	1,043	1,597.91	0.5	1,664	(66)	6,658	5,060
762 - R/M - Pool, Spa, BBQ *	3,801.78	3.6	2,215	1,587	8,906.09	2.8	6,644	2,262	26,577	17,671
764 - R/M - Refuse Collection	1,467.47	1.4	1,618	(151)	4,402.41	1.4	4,854	(452)	19,415	15,013
764.1 - R/M - Recycling	770.53	0.7	794	(23)	2,311.59	0.7	2,381	(69)	9,524	7,212
767 - R/M - Security Contract	<u>1,041.67</u>	<u>1.0</u>	<u>1,146</u>	<u>(104)</u>	<u>3,125.01</u>	<u>1.0</u>	<u>3,437</u>	<u>(312)</u>	<u>13,750</u>	<u>10,625</u>
<b>Total Repairs &amp; Maint Exp</b>	<b>30,811.95</b>	<b>29.4</b>	<b>30,459</b>	<b>353</b>	<b>91,023.43</b>	<b>28.9</b>	<b>91,375</b>	<b>(352)</b>	<b>365,504</b>	<b>274,481</b>
<b>Tax Expenses</b>										
796 - Taxes - Gen. Excise	71.76	0.1	66	6	340.86	0.1	197	144	788	447
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	3,000	(3,000)	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>437</u>	<u>(437)</u>	<u>1,750</u>	<u>1,750</u>
<b>Total Tax Expenses</b>	<b>71.76</b>	<b>0.1</b>	<b>1,212</b>	<b>(1,140)</b>	<b>340.86</b>	<b>0.1</b>	<b>3,634</b>	<b>(3,293)</b>	<b>14,538</b>	<b>14,197</b>
<b>Utility Expense</b>										
826 - Util. - Cable TV	4,744.03	4.5	4,744	0	14,231.01	4.5	14,231	0	56,922	42,691
828 - Util. - Electric *	1,909.65	1.8	1,906	4	6,250.95	2.0	5,719	532	22,876	16,625
830 - Util. - Gas *	128.17	0.1	75	53	128.17	0.0	225	(97)	900	772
832 - Util. - Sewer *	5,653.00	5.4	5,170	483	14,229.91	4.5	15,509	(1,279)	62,034	47,804
834 - Util. - Telephone *	288.33	0.3	250	38	742.13	0.2	750	(8)	3,000	2,258
838 - Util. - Water	<u>9,655.45</u>	<u>9.2</u>	<u>11,443</u>	<u>(1,788)</u>	<u>24,962.55</u>	<u>7.9</u>	<u>34,329</u>	<u>(9,366)</u>	<u>137,317</u>	<u>112,354</u>
<b>Total Utility Expenses</b>	<b>22,378.63</b>	<b>21.4</b>	<b>23,588</b>	<b>(1,209)</b>	<b>60,544.72</b>	<b>19.2</b>	<b>70,763</b>	<b>(10,218)</b>	<b>283,049</b>	<b>222,504</b>
<b>Reserves &amp; Other Exp</b>										
915 - Capital Reserves	21,000.18	20.0	21,000	0	63,000.54	20.0	63,001	(0)	252,002	189,001

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 3 Months Ended March 31, 2022**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
916 - Reserves Interest	<u>171.13</u>	<u>0.2</u>	<u>937</u>	<u>(766)</u>	<u>2,697.61</u>	<u>0.9</u>	<u>2,810</u>	<u>(112)</u>	<u>11,240</u>	<u>8,542</u>
<b>Total Reserve &amp; Other Exp</b>	<u>21,171.31</u>	<u>20.2</u>	<u>21,937</u>	<u>(766)</u>	<u>65,698.15</u>	<u>20.8</u>	<u>65,811</u>	<u>(113)</u>	<u>263,242</u>	<u>197,544</u>
<b>Total Operating Expenses and Reserve Allocation</b>	<u>100,271.97</u>	<u>95.7</u>	<u>104,634</u>	<u>(4,362)</u>	<u>296,083.48</u>	<u>93.9</u>	<u>313,891</u>	<u>(17,808)</u>	<u>1,255,562</u>	<u>959,479</u>
<b>Total Revenue Over Exp</b>	<u>4,510.15</u>	<u>4.3</u>	<u>(4)</u>	<u>4,514</u>	<u>19,188.70</u>	<u>6.1</u>	<u>(1)</u>	<u>19,190</u>	<u>(2)</u>	<u>(19,191)</u>
<b>Beginning Members' Equity</b>					<u>260,883.69</u>					
<b>Ending Members' Equity</b>					<u>280,072.39</u>					

**Wailea Fairway Villas Association  
Statement of Cash Flows - Tax Basis  
For the 1 Month and 3 Months Ended March 31, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (Loss)	\$ 4,510.15	\$ 19,188.70
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	930.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	279.96	(750.60)
Prepays	6,898.16	16,624.48
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(5,481.16)	(23,098.78)
Accrued Liabilities	(6,990.97)	(19,166.87)
Total Adjustments	<u>(4,984.01)</u>	<u>(25,461.77)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>(473.86)</u>	<u>(6,273.07)</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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<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(473.86)	(6,273.07)
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<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>293,661.77</u>	<u>299,460.98</u>
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<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 293,187.91</u>	<u>\$ 293,187.91</u>
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