



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 Five Months Ended

May 31, 2022

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I have prepared the accompanying Balance Sheet – Tax Basis as of May 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 Five 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
May 31, 2022 and 2021

Assets

	2022	2021
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 38,579.50	\$ 84,286.47
Ckg - CIT Debit Card ****4202	2,700.90	2,459.07
MMkt - CIT Savings *****2119	231,423.41	26,613.00
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
Subtotal - Cash	<u>272,703.81</u>	<u>316,848.89</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	1,269.55	6,522.96
A/R - Prior & Collection	29,734.22	29,315.49
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>0.00</u>	<u>246.34</u>
Subtotal - Accounts Receivable	<u>9,280.51</u>	<u>14,361.53</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,076.00	0.00
Prepaid State Income Tax	1,341.00	0.00
Unexpired Insurance	70,058.77	66,189.95
NJF Clearing Account	<u>98,189.23</u>	<u>97,112.50</u>
Subtotal - Other Current Assets	<u>175,665.00</u>	<u>163,302.45</u>
TOTAL CURRENT ASSETS	<u>457,649.32</u>	<u>494,512.87</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	<u>2,234,402.73</u>	<u>2,209,753.44</u>
Subtotal - Capital Reserves	<u>2,234,402.73</u>	<u>2,209,753.44</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(26,040.00)</u>	<u>(22,320.00)</u>
Subtotal - Fixed Assets	<u>48,360.00</u>	<u>52,080.00</u>
TOTAL OTHER ASSETS	<u>2,282,762.73</u>	<u>2,261,833.44</u>
TOTAL ASSETS	<u><u>\$ 2,740,412.05</u></u>	<u><u>\$ 2,756,346.31</u></u>

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

Liabilities and Fund Balances

	2022	2021
CURRENT LIABILITIES		
A/P - Trade	\$ 24,515.53	\$ 18,124.63
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	0.00
Owner Prepayments	53,474.61	52,344.75
A/P - NJF Units	98,189.23	97,112.50
A/P - Insurance	41,241.00	62,604.00
Accrued General Excise Tx	<u>242.64</u>	<u>241.18</u>
Subtotal - Current Liabilities	<u>226,737.57</u>	<u>239,292.33</u>
TOTAL CURRENT LIABILITIES	<u>226,737.57</u>	<u>239,292.33</u>
TOTAL LIABILITIES	<u>226,737.57</u>	<u>239,292.33</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	279,271.75	307,300.54
Restricted Members' Equity	<u>2,234,402.73</u>	<u>2,209,753.44</u>
Subtotal Members' Equity	<u>2,513,674.48</u>	<u>2,517,053.98</u>
TOTAL MEMBERS' EQUITY	<u>2,513,674.48</u>	<u>2,517,053.98</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,740,412.05</u></u>	<u><u>\$ 2,756,346.31</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 5 Months Ended May 31, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	81,987.82	79.1	81,988	(0)	409,939.10	78.1	409,939	0	983,854	573,915
406 - Capital Reserve	21,000.18	20.3	21,000	0	105,000.90	20.0	105,001	(0)	252,002	147,001
415 - Delinquent Owners Late Fee	127.46	0.1	200	(73)	957.12	0.2	1,000	(43)	2,400	1,443
416 - Delinquent Owners Interest	7.97	0.0	17	(9)	57.18	0.0	85	(28)	204	147
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	300.00	0.3	208	92	800.00	0.2	1,042	(242)	2,500	1,700
Total Membership Income	103,423.43	99.8	103,413	10	517,079.30	98.5	517,067	12	1,240,960	723,881
Non-Membership Income										
430 - Interest Income	32.70	0.0	100	(67)	1,215.94	0.2	500	716	1,200	(16)
431 - Reserve Interest Income	163.13	0.2	937	(774)	5,360.35	1.0	4,683	677	11,240	5,880
441 - Kayak Rack Rental	0.00	0.0	180	(180)	1,185.00	0.2	900	285	2,160	975
450 - Rental Income	0.00	0.0	0	0	200.00	0.0	0	200	0	(200)
499 - Other Income	0.00	0.0	0	0	60.00	0.0	0	60	0	(60)
Total Non-Membership Income	195.83	0.2	1,217	(1,021)	8,021.29	1.5	6,083	1,938	14,600	6,579
Total Revenues	103,619.26	100.	104,630	(1,011)	525,100.59	100.	523,150	1,951	1,255,560	730,459
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees *	756.00	0.7	0	756	3,780.00	0.7	0	3,780	0	(3,780)
701.3 - NJF Repairs & Maint	0.00	0.0	0	0	(20.83)	0.0	0	(21)	0	21
Total NJF Unit Expenses	756.00	0.7	0	756	3,759.17	0.7	0	3,759	0	(3,759)
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	10.00	0.0	50	(40)	120	110
645 - Dues & Subscriptions	0.00	0.0	27	(27)	0.00	0.0	133	(133)	319	319
710 - Meetings *	1,696.86	1.6	250	1,447	2,311.02	0.4	1,250	1,061	3,000	689
715 - Office & Administration	177.30	0.2	500	(323)	2,089.88	0.4	2,500	(410)	6,000	3,910
715.1 - Office/Admin - Site Office	14.96	0.0	150	(135)	545.15	0.1	750	(205)	1,800	1,255
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	250	(250)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	653.05	0.1	600	53	1,440	787
720 - Operating Supplies	0.00	0.0	167	(167)	111.14	0.0	833	(722)	2,000	1,889
910 - Depreciation	310.00	0.3	310	0	1,550.00	0.3	1,550	0	3,720	2,170
Total Administration Exp	2,309.93	2.2	1,584	726	7,270.24	1.4	7,916	(646)	18,999	11,729
Employee Costs										
610 - Auto	54.99	0.1	100	(45)	293.00	0.1	500	(207)	1,200	907
648 - Education & Seminars	0.00	0.0	50	(50)	173.84	0.0	250	(76)	600	426
653 - Emp/Ben.-Medical	1,166.00	1.1	1,259	(93)	5,937.33	1.1	6,293	(356)	15,104	9,167
780 - Salaries & Wages	12,524.00	12.1	12,208	316	60,648.50	11.5	61,042	(394)	146,500	85,852
801 - P/R Ins. - TDI & WC	335.33	0.3	420	(85)	2,649.19	0.5	2,100	549	5,040	2,391
802 - Taxes - Payroll *	1,385.14	1.3	1,210	175	6,791.74	1.3	6,050	742	14,520	7,728
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	83	(83)	200	200
Total Employee Costs	15,465.46	14.9	15,264	201	76,493.60	14.6	76,318	176	183,164	106,670

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 5 Months Ended May 31, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Insurance Expense										
677 - Ins. - Bond	44.17	0.0	37	7	208.95	0.0	184	25	442	233
678 - Ins. Business Interruption	130.50	0.1	111	20	556.50	0.1	553	4	1,326	770
679 - Ins. - Dir./Officers	598.50	0.6	653	(55)	2,556.18	0.5	3,263	(707)	7,831	5,275
680 - Ins. - Package	4,812.92	4.6	4,998	(185)	23,324.24	4.4	24,990	(1,666)	59,977	36,653
683 - Ins. - CGL	339.00	0.3	369	(30)	1,771.00	0.3	1,847	(76)	4,432	2,661
684 - Ins. - Umbrella	<u>200.00</u>	<u>0.2</u>	<u>209</u>	<u>(9)</u>	<u>958.32</u>	<u>0.2</u>	<u>1,043</u>	<u>(85)</u>	<u>2,503</u>	<u>1,545</u>
Total Insurance Expenses	6,125.09	5.9	6,377	(252)	29,375.19	5.6	31,880	(2,505)	76,511	47,136
Professional Services										
705 - Management Fee	3,328.00	3.2	3,328	0	16,640.00	3.2	16,640	0	39,936	23,296
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	43.25	0.0	1,930	(1,887)	4,631	4,588
732 - Prof.Svc.- Legal *	1,709.36	1.6	417	1,292	1,709.36	0.3	2,083	(374)	5,000	3,291
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>412</u>	<u>(412)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	5,037.36	4.9	4,213	824	18,392.61	3.5	21,065	(2,672)	50,555	32,162
Repairs & Maint Expenses										
746 - R/M - Buildings	572.07	0.6	833	(261)	3,491.23	0.7	4,167	(676)	10,000	6,509
750 - R/M - Equipment	219.64	0.2	250	(30)	457.30	0.1	1,250	(793)	3,000	2,543
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	1,000	(1,000)	2,400	2,400
753 - R/M - Landscape Upgrades	78.75	0.1	125	(46)	211.87	0.0	625	(413)	1,500	1,288
754 - R/M - Grounds	0.00	0.0	83	(83)	466.75	0.1	417	50	1,000	533
755 - R/M - Grounds Contractor	21,840.00	21.1	21,840	0	109,200.00	20.8	109,200	0	262,080	152,880
756 - R/M - Irrigation	344.86	0.3	800	(455)	3,760.75	0.7	4,000	(239)	9,600	5,839
760 - R/M - Pest Control	0.00	0.0	555	(555)	1,597.91	0.3	2,774	(1,176)	6,658	5,060
762 - R/M - Pool, Spa, BBQ *	2,735.60	2.6	2,215	521	16,290.71	3.1	11,074	5,217	26,577	10,286
764 - R/M - Refuse Collection	1,467.47	1.4	1,618	(151)	7,337.35	1.4	8,090	(753)	19,415	12,078
764.1 - R/M - Recycling	770.53	0.7	794	(23)	3,852.65	0.7	3,968	(115)	9,524	5,671
767 - R/M - Security Contract	<u>1,041.67</u>	<u>1.0</u>	<u>1,146</u>	<u>(104)</u>	<u>5,208.35</u>	<u>1.0</u>	<u>5,729</u>	<u>(521)</u>	<u>13,750</u>	<u>8,542</u>
Total Repairs & Maint Exp	29,070.59	28.1	30,459	(1,388)	151,874.87	28.9	152,294	(419)	365,504	213,629
Tax Expenses										
796 - Taxes - Gen. Excise	25.25	0.0	66	(41)	494.96	0.1	328	167	788	293
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	5,000	(5,000)	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>729</u>	<u>(729)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	25.25	0.0	1,212	(1,187)	494.96	0.1	6,057	(5,562)	14,538	14,043
Utility Expense										
826 - Util. - Cable TV *	4,941.54	4.8	4,744	198	23,918.35	4.6	23,718	200	56,922	33,004
828 - Util. - Electric	1,630.93	1.6	1,906	(275)	9,881.88	1.9	9,532	350	22,876	12,994
830 - Util. - Gas	0.00	0.0	75	(75)	128.17	0.0	375	(247)	900	772
832 - Util. - Sewer *	5,185.00	5.0	5,170	15	25,198.41	4.8	25,848	(650)	62,034	36,836
834 - Util. - Telephone *	251.63	0.2	250	2	1,242.18	0.2	1,250	(8)	3,000	1,758
838 - Util. - Water	<u>10,258.00</u>	<u>9.9</u>	<u>11,443</u>	<u>(1,185)</u>	<u>48,321.65</u>	<u>9.2</u>	<u>57,215</u>	<u>(8,893)</u>	<u>137,317</u>	<u>88,995</u>
Total Utility Expenses	22,267.10	21.5	23,588	(1,321)	108,690.64	20.7	117,938	(9,247)	283,049	174,358
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.3	21,000	0	105,000.90	20.0	105,001	(0)	252,002	147,001

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 5 Months Ended May 31, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
916 - Reserves Interest	<u>163.13</u>	<u>0.2</u>	<u>937</u>	<u>(774)</u>	<u>5,360.35</u>	<u>1.0</u>	<u>4,683</u>	<u>677</u>	<u>11,240</u>	<u>5,880</u>
Total Reserve & Other Exp	<u>21,163.31</u>	<u>20.4</u>	<u>21,937</u>	<u>(774)</u>	<u>110,361.25</u>	<u>21.0</u>	<u>109,684</u>	<u>677</u>	<u>263,242</u>	<u>152,881</u>
Total Operating Expenses and Reserve Allocation	<u>102,220.09</u>	<u>98.6</u>	<u>104,634</u>	<u>(2,414)</u>	<u>506,712.53</u>	<u>96.5</u>	<u>523,152</u>	<u>(16,439)</u>	<u>1,255,562</u>	<u>748,849</u>
Total Revenue Over Exp	<u>1,399.17</u>	<u>1.4</u>	<u>(4)</u>	<u>1,403</u>	<u>18,388.06</u>	<u>3.5</u>	<u>(2)</u>	<u>18,390</u>	<u>(2)</u>	<u>(18,390)</u>
Beginning Members' Equity					<u>260,883.69</u>					
Ending Members' Equity					<u>279,271.75</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 5 Months Ended May 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 1,399.17	\$ 18,388.06
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	1,550.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	2,089.90	991.16
Prepays	5,650.42	(42,761.94)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(14,606.02)	(23,463.15)
Accrued Liabilities	(33,048.96)	18,538.70
Total Adjustments	<u>(39,604.66)</u>	<u>(45,145.23)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(38,205.49)</u>	<u>(26,757.17)</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

(38,205.49) (26,757.17)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

310,909.30 299,460.98

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 272,703.81 \$ 272,703.81