



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 Six Months Ended

June 30, 2022

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I have prepared the accompanying Balance Sheet – Tax Basis as of June 30, 2022, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Six 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
June 30, 2022 and 2021

Assets

	2022	2021
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 40,137.02	\$ 67,757.53
Ckg - CIT Debit Card ****4202	2,695.75	2,406.06
MMkt - CIT Savings *****2119	231,451.95	26,616.28
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
Subtotal - Cash	<u>274,284.72</u>	<u>300,270.22</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,162.08	9,732.93
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>308.05</u>	<u>596.72</u>
Subtotal - Accounts Receivable	<u>10,481.09</u>	<u>17,921.88</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,076.00	0.00
Prepaid State Income Tax	1,341.00	0.00
Unexpired Insurance	63,598.35	60,093.79
NJF Clearing Account	<u>96,878.73</u>	<u>98,722.50</u>
Subtotal - Other Current Assets	<u>167,894.08</u>	<u>158,816.29</u>
TOTAL CURRENT ASSETS	<u>452,659.89</u>	<u>477,008.39</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	1,552,005.59	2,229,073.05
Edward Jones	<u>600,000.00</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>2,152,005.59</u>	<u>2,229,073.05</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(26,350.00)</u>	<u>(22,630.00)</u>
Subtotal - Fixed Assets	<u>48,050.00</u>	<u>51,770.00</u>
TOTAL OTHER ASSETS	<u>2,200,055.59</u>	<u>2,280,843.05</u>
TOTAL ASSETS	<u>\$ 2,652,715.48</u>	<u>\$ 2,757,851.44</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
June 30, 2022 and 2021**

Liabilities and Fund Balances

	2022	2021
CURRENT LIABILITIES		
A/P - Trade	\$ 28,760.07	\$ 21,967.26
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	209.18
Owner Prepayments	55,438.72	59,660.55
A/P - NJF Units	96,878.73	98,722.50
A/P - Insurance	31,442.00	32,797.00
Accrued General Excise Tx	<u>360.22</u>	<u>410.96</u>
Subtotal - Current Liabilities	<u>221,954.30</u>	<u>222,632.72</u>
TOTAL CURRENT LIABILITIES	<u>221,954.30</u>	<u>222,632.72</u>
TOTAL LIABILITIES	<u>221,954.30</u>	<u>222,632.72</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	278,755.59	306,145.67
Restricted Members' Equity	<u>2,152,005.59</u>	<u>2,229,073.05</u>
Subtotal Members' Equity	<u>2,430,761.18</u>	<u>2,535,218.72</u>
TOTAL MEMBERS' EQUITY	<u>2,430,761.18</u>	<u>2,535,218.72</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u><u>\$ 2,652,715.48</u></u>	 <u><u>\$ 2,757,851.44</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	81,987.82	77.4	81,988	(0)	491,926.92	78.0	491,927	(0)	983,854	491,927
406 - Capital Reserve	21,000.18	19.8	21,000	0	126,001.08	20.0	126,001	0	252,002	126,001
415 - Delinquent Owners Late Fee	243.09	0.2	200	43	1,200.21	0.2	1,200	0	2,400	1,200
416 - Delinquent Owners Interest	14.22	0.0	17	(3)	71.40	0.0	102	(31)	204	133
417 - Key Fine	0.00	0.0	0	0	25.00	0.0	0	25	0	(25)
418 - Insurance Evidence Fine	100.00	0.1	0	100	100.00	0.0	0	100	0	(100)
420 - Tenant Information Form	0.00	0.0	0	0	300.00	0.0	0	300	0	(300)
425 - House Rule Violations	180.00	0.2	208	(28)	980.00	0.2	1,250	(270)	2,500	1,520
Total Membership Income	103,525.31	97.7	103,413	112	620,604.61	98.3	620,480	125	1,240,960	620,355
Non-Membership Income										
430 - Interest Income	33.34	0.0	100	(67)	1,249.28	0.2	600	649	1,200	(49)
431 - Reserve Interest Income	2,348.92	2.2	937	1,412	7,709.27	1.2	5,620	2,089	11,240	3,531
441 - Kayak Rack Rental	0.00	0.0	180	(180)	1,185.00	0.2	1,080	105	2,160	975
450 - Rental Income	0.00	0.0	0	0	200.00	0.0	0	200	0	(200)
499 - Other Income	20.00	0.0	0	20	80.00	0.0	0	80	0	(80)
Total Non-Membership Income	2,402.26	2.3	1,217	1,185	10,423.55	1.7	7,300	3,124	14,600	4,176
Total Revenues	105,927.57	100.	104,630	1,298	631,028.16	100.	627,780	3,248	1,255,560	624,532
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees *	1,310.50	1.2	0	1,311	5,090.50	0.8	0	5,091	0	(5,091)
701.3 - NJF Repairs & Maint	0.00	0.0	0	0	(20.83)	0.0	0	(21)	0	21
Total NJF Unit Expenses	1,310.50	1.2	0	1,311	5,069.67	0.8	0	5,070	0	(5,070)
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	10.00	0.0	60	(50)	120	110
645 - Dues & Subscriptions	0.00	0.0	27	(27)	0.00	0.0	159	(159)	319	319
710 - Meetings	104.17	0.1	250	(146)	2,415.19	0.4	1,500	915	3,000	585
715 - Office & Administration *	509.05	0.5	500	9	2,598.93	0.4	3,000	(401)	6,000	3,401
715.1 - Office/Admin - Site Office	119.38	0.1	150	(31)	664.53	0.1	900	(235)	1,800	1,135
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	300	(300)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	763.86	0.1	720	44	1,440	676
720 - Operating Supplies	108.41	0.1	167	(59)	219.55	0.0	1,000	(780)	2,000	1,780
910 - Depreciation	310.00	0.3	310	0	1,860.00	0.3	1,860	0	3,720	1,860
Total Administration Exp	1,261.82	1.2	1,584	(322)	8,532.06	1.4	9,499	(967)	18,999	10,467
Employee Costs										
610 - Auto	63.18	0.1	100	(37)	356.18	0.1	600	(244)	1,200	844
648 - Education & Seminars	0.00	0.0	50	(50)	173.84	0.0	300	(126)	600	426
653 - Emp/Ben.-Medical	1,166.00	1.1	1,259	(93)	7,103.33	1.1	7,552	(449)	15,104	8,001
780 - Salaries & Wages	11,907.00	11.2	12,208	(301)	72,555.50	11.5	73,250	(695)	146,500	73,945
801 - P/R Ins. - TDI & WC *	543.36	0.5	420	123	3,192.55	0.5	2,520	673	5,040	1,847
802 - Taxes - Payroll *	1,316.91	1.2	1,210	107	8,108.65	1.3	7,260	849	14,520	6,411
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	100	(100)	200	200
Total Employee Costs	14,996.45	14.2	15,264	(268)	91,490.05	14.5	91,582	(92)	183,164	91,674

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 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	253.12	0.0	221	32	442	189
678 - Ins. Business Interruption	130.50	0.1	111	20	687.00	0.1	663	24	1,326	639
679 - Ins. - Dir./Officers	598.50	0.6	653	(55)	3,154.68	0.5	3,915	(760)	7,831	4,676
680 - Ins. - Package	4,812.92	4.5	4,998	(185)	28,137.16	4.5	29,988	(1,851)	59,977	31,840
683 - Ins. - CGL	339.00	0.3	369	(30)	2,110.00	0.3	2,216	(106)	4,432	2,322
684 - Ins. - Umbrella	200.00	0.2	209	(9)	1,158.32	0.2	1,251	(93)	2,503	1,345
Total Insurance Expenses	6,125.09	5.8	6,377	(252)	35,500.28	5.6	38,254	(2,754)	76,511	41,011
Professional Services										
705 - Management Fee	3,328.00	3.1	3,328	0	19,968.00	3.2	19,968	0	39,936	19,968
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	43.25	0.0	2,316	(2,273)	4,631	4,588
732 - Prof.Svc.- Legal	0.00	0.0	417	(417)	1,709.36	0.3	2,500	(791)	5,000	3,291
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	494	(494)	988	988
Total Professional Exp	3,328.00	3.1	4,213	(885)	21,720.61	3.4	25,278	(3,557)	50,555	28,834
Repairs & Maint Expenses										
746 - R/M - Buildings	378.64	0.4	833	(454)	3,869.87	0.6	5,000	(1,130)	10,000	6,130
750 - R/M - Equipment	0.00	0.0	250	(250)	457.30	0.1	1,500	(1,043)	3,000	2,543
752 - R/M - Fire Equip. *	1,614.57	1.5	200	1,415	1,614.57	0.3	1,200	415	2,400	785
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	211.87	0.0	750	(538)	1,500	1,288
754 - R/M - Grounds *	275.00	0.3	83	192	741.75	0.1	500	242	1,000	258
755 - R/M - Grounds Contractor	21,840.00	20.6	21,840	0	131,040.00	20.8	131,040	0	262,080	131,040
756 - R/M - Irrigation	196.57	0.2	800	(603)	3,957.32	0.6	4,800	(843)	9,600	5,643
760 - R/M - Pest Control *	1,597.91	1.5	555	1,043	3,195.82	0.5	3,329	(133)	6,658	3,462
762 - R/M - Pool, Spa, BBQ *	2,224.97	2.1	2,215	10	18,515.68	2.9	13,289	5,227	26,577	8,061
764 - R/M - Refuse Collection	1,467.47	1.4	1,618	(151)	8,804.82	1.4	9,708	(903)	19,415	10,610
764.1 - R/M - Recycling	770.53	0.7	794	(23)	4,623.18	0.7	4,762	(139)	9,524	4,901
767 - R/M - Security Contract	1,041.67	1.0	1,146	(104)	6,250.02	1.0	6,875	(625)	13,750	7,500
Total Repairs & Maint Exp	31,407.33	29.6	30,459	948	183,282.20	29.0	182,753	529	365,504	182,222
Tax Expenses										
796 - Taxes - Gen. Excise	117.58	0.1	66	52	612.54	0.1	394	219	788	175
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	6,000	(6,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	875	(875)	1,750	1,750
Total Tax Expenses	117.58	0.1	1,212	(1,094)	612.54	0.1	7,269	(6,656)	14,538	13,925
Utility Expense										
826 - Util. - Cable TV *	4,941.54	4.7	4,744	198	28,859.89	4.6	28,461	399	56,922	28,062
828 - Util. - Electric	1,800.00	1.7	1,906	(106)	11,681.88	1.9	11,438	244	22,876	11,194
830 - Util. - Gas	0.00	0.0	75	(75)	128.17	0.0	450	(322)	900	772
832 - Util. - Sewer *	5,261.50	5.0	5,170	92	30,459.91	4.8	31,017	(557)	62,034	31,574
834 - Util. - Telephone *	268.57	0.3	250	19	1,510.75	0.2	1,500	11	3,000	1,489
838 - Util. - Water *	12,276.25	11.6	11,443	833	60,597.90	9.6	68,658	(8,060)	137,317	76,719
Total Utility Expenses	24,547.86	23.2	23,588	960	133,238.50	21.1	141,524	(8,286)	283,049	149,811

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	19.8	21,000	0	126,001.08	20.0	126,001	0	252,002	126,001
916 - Reserves Interest	<u>2,348.92</u>	<u>2.2</u>	<u>937</u>	<u>1,412</u>	<u>7,709.27</u>	<u>1.2</u>	<u>5,620</u>	<u>2,089</u>	<u>11,240</u>	<u>3,531</u>
Total Reserve & Other Exp	<u>23,349.10</u>	<u>22.0</u>	<u>21,937</u>	<u>1,412</u>	<u>133,710.35</u>	<u>21.2</u>	<u>131,621</u>	<u>2,089</u>	<u>263,242</u>	<u>129,532</u>
Total Operating Expenses and										
Reserve Allocation	<u>106,443.73</u>	<u>100.</u>	<u>104,634</u>	<u>1,810</u>	<u>613,156.26</u>	<u>97.2</u>	<u>627,780</u>	<u>(14,624)</u>	<u>1,255,562</u>	<u>642,406</u>
Total Revenue Over Exp	<u>(516.16)</u>	<u>(0.5)</u>	<u>(4)</u>	<u>(512)</u>	17,871.90	<u>2.8</u>	<u>0</u>	<u>17,872</u>	<u>(2)</u>	<u>(17,874)</u>
Beginning Members' Equity					<u>260,883.69</u>					
Ending Members' Equity					<u>278,755.59</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 6 Months Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (516.16)	\$ 17,871.90
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	1,860.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(1,200.58)	(209.42)
Prepays	7,770.92	(34,991.02)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	4,244.54	(19,218.61)
Accrued Liabilities	(9,027.81)	9,510.89
Total Adjustments	<u>2,097.07</u>	<u>(43,048.16)</u>
Net Cash Provided By (Used in) Operating Activities	<u>1,580.91</u>	<u>(25,176.26)</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

1,580.91 (25,176.26)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

272,703.81 299,460.98

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 274,284.72 \$ 274,284.72