



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 Seven Months Ended

July 31, 2022

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

Assets

	2022	2021
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 32,377.50	\$ 79,204.16
Ckg - CIT Debit Card ****4202	2,798.92	2,737.19
MMkt - CIT Savings *****2119	231,514.42	26,619.67
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
Subtotal - Cash	<u>266,690.84</u>	<u>312,051.37</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,264.04	10,570.03
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>265.67</u>
Subtotal - Accounts Receivable	<u>10,275.00</u>	<u>18,427.93</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,076.00	0.00
Prepaid State Income Tax	1,341.00	0.00
Unexpired Insurance	57,137.93	53,997.63
NJF Clearing Account	<u>96,122.73</u>	<u>100,377.76</u>
Subtotal - Other Current Assets	<u>160,677.66</u>	<u>154,375.39</u>
TOTAL CURRENT ASSETS	<u>437,643.50</u>	<u>484,854.69</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	1,468,801.77	2,244,757.49
Edward Jones	<u>600,034.58</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>2,068,836.35</u>	<u>2,244,757.49</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(26,660.00)</u>	<u>(22,940.00)</u>
Subtotal - Fixed Assets	<u>47,740.00</u>	<u>51,460.00</u>
TOTAL OTHER ASSETS	<u>2,116,576.35</u>	<u>2,296,217.49</u>
TOTAL ASSETS	<u><u>\$ 2,554,219.85</u></u>	<u><u>\$ 2,781,072.18</u></u>

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

Liabilities and Fund Balances

	2022	2021
CURRENT LIABILITIES		
A/P - Trade	\$ 25,101.83	\$ 22,783.84
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	11,927.97
Owner Prepayments	49,896.06	59,469.96
A/P - NJF Units	96,122.73	100,377.76
A/P - Insurance	31,442.00	28,310.00
Accrued General Excise Tx	<u>62.31</u>	<u>156.73</u>
Subtotal - Current Liabilities	<u>211,699.49</u>	<u>231,891.53</u>
TOTAL CURRENT LIABILITIES	<u>211,699.49</u>	<u>231,891.53</u>
TOTAL LIABILITIES	<u>211,699.49</u>	<u>231,891.53</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	273,684.01	304,423.16
Restricted Members' Equity	<u>2,068,836.35</u>	<u>2,244,757.49</u>
Subtotal Members' Equity	<u>2,342,520.36</u>	<u>2,549,180.65</u>
TOTAL MEMBERS' EQUITY	<u>2,342,520.36</u>	<u>2,549,180.65</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u><u>\$ 2,554,219.85</u></u>	 <u><u>\$ 2,781,072.18</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 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	78.4	81,988	(0)	573,914.74	78.0	573,915	(0)	983,854	409,939
406 - Capital Reserve	21,000.18	20.1	21,000	0	147,001.26	20.0	147,001	0	252,002	105,001
415 - Delinquent Owners Late Fee	266.01	0.3	200	66	1,466.22	0.2	1,400	66	2,400	934
416 - Delinquent Owners Interest	22.28	0.0	17	5	93.68	0.0	119	(25)	204	110
417 - Key Fine	0.00	0.0	0	0	25.00	0.0	0	25	0	(25)
418 - Insurance Evidence Fine	0.00	0.0	0	0	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	0.00	0.0	208	(208)	980.00	0.1	1,458	(478)	2,500	1,520
Total Membership Income	103,276.29	98.8	103,413	(137)	723,880.90	98.4	723,893	(12)	1,240,960	517,079
Non-Membership Income										
430 - Interest Income	69.77	0.1	100	(30)	1,319.05	0.2	700	619	1,200	(119)
431 - Reserve Interest Income	299.76	0.3	937	(637)	8,009.03	1.1	6,557	1,452	11,240	3,231
441 - Kayak Rack Rental	900.00	0.9	180	720	2,085.00	0.3	1,260	825	2,160	75
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	80.00	0.0	0	80	0	(80)
Total Non-Membership Income	1,269.53	1.2	1,217	53	11,693.08	1.6	8,517	3,176	14,600	2,907
Total Revenues	104,545.82	100.	104,630	(84)	735,573.98	100.	732,410	3,164	1,255,560	519,986
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	756.00	0.7	0	756	5,846.50	0.8	0	5,847	0	(5,847)
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	5,825.67	0.8	0	5,826	0	(5,826)
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	10.00	0.0	70	(60)	120	110
645 - Dues & Subscriptions *	175.00	0.2	27	148	175.00	0.0	186	(11)	319	144
710 - Meetings	161.56	0.2	250	(88)	2,576.75	0.4	1,750	827	3,000	423
715 - Office & Administration	341.11	0.3	500	(159)	2,940.04	0.4	3,500	(560)	6,000	3,060
715.1 - Office/Admin - Site Office	24.59	0.0	150	(125)	689.12	0.1	1,050	(361)	1,800	1,111
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	350	(350)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	874.67	0.1	840	35	1,440	565
720 - Operating Supplies	0.00	0.0	167	(167)	219.55	0.0	1,167	(947)	2,000	1,780
910 - Depreciation	310.00	0.3	310	0	2,170.00	0.3	2,170	0	3,720	1,550
Total Administration Exp	1,123.07	1.1	1,584	(461)	9,655.13	1.3	11,083	(1,428)	18,999	9,344
Employee Costs										
610 - Auto *	187.50	0.2	100	88	543.68	0.1	700	(156)	1,200	656
648 - Education & Seminars	0.00	0.0	50	(50)	173.84	0.0	350	(176)	600	426
653 - Emp/Ben.-Medical *	1,307.30	1.3	1,259	48	8,410.63	1.1	8,811	(400)	15,104	6,693
780 - Salaries & Wages	12,123.00	11.6	12,208	(85)	84,678.50	11.5	85,458	(780)	146,500	61,822
801 - P/R Ins. - TDI & WC	335.33	0.3	420	(85)	3,527.88	0.5	2,940	588	5,040	1,512
802 - Taxes - Payroll *	1,226.99	1.2	1,210	17	9,335.64	1.3	8,470	866	14,520	5,184
812 - Uniforms *	83.34	0.1	17	66	83.34	0.0	117	(34)	200	117
Total Employee Costs	15,263.46	14.6	15,264	(1)	106,753.51	14.5	106,846	(92)	183,164	76,410

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 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	297.29	0.0	258	39	442	145
678 - Ins. Business Interruption	1,706.50	1.6	111	1,596	2,393.50	0.3	774	1,620	1,326	(1,068)
679 - Ins. - Dir./Officers	598.50	0.6	653	(55)	3,753.18	0.5	4,568	(815)	7,831	4,078
680 - Ins. - Package	4,812.92	4.6	4,998	(185)	32,950.08	4.5	34,987	(2,037)	59,977	27,027
683 - Ins. - CGL	339.00	0.3	369	(30)	2,449.00	0.3	2,585	(136)	4,432	1,983
684 - Ins. - Umbrella	200.00	0.2	209	(9)	1,358.32	0.2	1,460	(102)	2,503	1,145
Total Insurance Expenses	7,701.09	7.4	6,377	1,324	43,201.37	5.9	44,632	(1,431)	76,511	33,310
Professional Services										
705 - Management Fee	3,328.00	3.2	3,328	0	23,296.00	3.2	23,296	0	39,936	16,640
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	43.25	0.0	2,701	(2,658)	4,631	4,588
732 - Prof.Svc.- Legal *	1,441.97	1.4	417	1,025	3,151.33	0.4	2,917	234	5,000	1,849
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	576	(576)	988	988
Total Professional Exp	4,769.97	4.6	4,213	557	26,490.58	3.6	29,490	(2,999)	50,555	24,064
Repairs & Maint Expenses										
746 - R/M - Buildings *	3,016.64	2.9	833	2,184	6,886.51	0.9	5,833	1,054	10,000	3,113
750 - R/M - Equipment *	890.36	0.9	250	640	1,347.66	0.2	1,750	(402)	3,000	1,652
752 - R/M - Fire Equip. *	264.00	0.3	200	64	1,878.57	0.3	1,400	479	2,400	521
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	211.87	0.0	875	(663)	1,500	1,288
754 - R/M - Grounds	0.00	0.0	83	(83)	741.75	0.1	583	159	1,000	258
755 - R/M - Grounds Contractor	21,840.00	20.9	21,840	0	152,880.00	20.8	152,880	0	262,080	109,200
756 - R/M - Irrigation	0.00	0.0	800	(800)	3,957.32	0.5	5,600	(1,643)	9,600	5,643
760 - R/M - Pest Control	42.99	0.0	555	(512)	3,238.81	0.4	3,884	(645)	6,658	3,419
762 - R/M - Pool, Spa, BBQ *	2,961.40	2.8	2,215	746	21,477.08	2.9	15,503	5,974	26,577	5,100
764 - R/M - Refuse Collection	1,540.84	1.5	1,618	(77)	10,345.66	1.4	11,325	(979)	19,415	9,069
764.1 - R/M - Recycling	770.53	0.7	794	(23)	5,393.71	0.7	5,556	(162)	9,524	4,130
767 - R/M - Security Contract	1,041.67	1.0	1,146	(104)	7,291.69	1.0	8,021	(729)	13,750	6,458
Total Repairs & Maint Exp	32,368.43	31.0	30,459	1,909	215,650.63	29.3	213,210	2,441	365,504	149,853
Tax Expenses										
796 - Taxes - Gen. Excise	(26.23)	0.0	66	(92)	586.31	0.1	460	126	788	202
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	7,000	(7,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	1,021	(1,021)	1,750	1,750
Total Tax Expenses	(26.23)	0.0	1,212	(1,238)	586.31	0.1	8,481	(7,895)	14,538	13,952
Utility Expense										
826 - Util. - Cable TV *	4,941.54	4.7	4,744	198	33,801.43	4.6	33,205	596	56,922	23,121
828 - Util. - Electric	1,648.84	1.6	1,906	(257)	13,330.72	1.8	13,344	(13)	22,876	9,545
830 - Util. - Gas	0.00	0.0	75	(75)	128.17	0.0	525	(397)	900	772
832 - Util. - Sewer *	5,617.40	5.4	5,170	447	36,077.31	4.9	36,187	(110)	62,034	25,957
834 - Util. - Telephone *	251.34	0.2	250	1	1,762.09	0.2	1,750	12	3,000	1,238
838 - Util. - Water *	13,902.55	13.3	11,443	2,460	74,500.45	10.1	80,102	(5,602)	137,317	62,817
Total Utility Expenses	26,361.67	25.2	23,588	2,774	159,600.17	21.7	165,113	(5,513)	283,049	123,449

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2022

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.1	21,000	0	147,001.26	20.0	147,001	0	252,002	105,001
916 - Reserves Interest	<u>299.76</u>	<u>0.3</u>	<u>937</u>	<u>(637)</u>	<u>8,009.03</u>	<u>1.1</u>	<u>6,557</u>	<u>1,452</u>	<u>11,240</u>	<u>3,231</u>
Total Reserve & Other Exp	<u>21,299.94</u>	<u>20.4</u>	<u>21,937</u>	<u>(637)</u>	<u>155,010.29</u>	<u>21.1</u>	<u>153,558</u>	<u>1,452</u>	<u>263,242</u>	<u>108,232</u>
Total Operating Expenses and										
Reserve Allocation	<u>109,617.40</u>	<u>104.</u>	<u>104,634</u>	<u>4,983</u>	<u>722,773.66</u>	<u>98.3</u>	<u>732,413</u>	<u>(9,639)</u>	<u>1,255,562</u>	<u>532,788</u>
Total Revenue Over Exp	<u>(5,071.58)</u>	<u>(4.9)</u>	<u>(4)</u>	<u>(5,068)</u>	12,800.32	<u>1.7</u>	<u>(3)</u>	<u>12,803</u>	<u>(2)</u>	<u>(12,802)</u>
Beginning Members' Equity					<u>260,883.69</u>					
Ending Members' Equity					<u>273,684.01</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 7 Months Ended July 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (5,071.58)	\$ 12,800.32
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,170.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	206.09	(3.33)
Prepays	7,216.42	(27,774.60)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(3,658.24)	(22,876.85)
Accrued Liabilities	(6,596.57)	2,914.32
Total Adjustments	<u>(2,522.30)</u>	<u>(45,570.46)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(7,593.88)</u>	<u>(32,770.14)</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

(7,593.88) (32,770.14)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

274,284.72 299,460.98

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 266,690.84 \$ 266,690.84