



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 Eight Months Ended

August 31, 2022

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

Assets

	2022	2021
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 32,739.62	\$ 56,022.19
Ckg - CIT Debit Card ****4202	1,732.83	2,405.29
MMkt - CIT Savings *****2119	231,683.27	26,623.06
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
Subtotal - Cash	<u>266,155.72</u>	<u>288,540.89</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	5,162.81	10,678.69
A/R - Prior & Collection	29,734.22	29,386.69
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>909.17</u>	<u>597.68</u>
Subtotal - Accounts Receivable	<u>14,082.94</u>	<u>18,939.80</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,076.00	6,600.00
Prepaid State Income Tax	1,341.00	1,200.00
Unexpired Insurance	50,677.51	47,901.47
NJF Clearing Account	<u>96,122.73</u>	<u>101,987.76</u>
Subtotal - Other Current Assets	<u>154,217.24</u>	<u>157,689.23</u>
TOTAL CURRENT ASSETS	<u>434,455.90</u>	<u>465,169.92</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	1,483,600.21	2,247,755.34
Edward Jones	<u>600,501.70</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>2,084,101.91</u>	<u>2,247,755.34</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(26,970.00)</u>	<u>(23,250.00)</u>
Subtotal - Fixed Assets	<u>47,430.00</u>	<u>51,150.00</u>
TOTAL OTHER ASSETS	<u>2,131,531.91</u>	<u>2,298,905.34</u>
TOTAL ASSETS	<u>\$ 2,565,987.81</u>	<u>\$ 2,764,075.26</u>

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

Liabilities and Fund Balances

	2022	2021
CURRENT LIABILITIES		
A/P - Trade	\$ 25,436.46	\$ 25,509.41
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	11,927.97
Owner Prepayments	50,318.61	44,627.17
A/P - NJF Units	96,122.73	101,987.76
A/P - Insurance	26,806.00	23,823.00
Accrued General Excise Tx	<u>155.56</u>	<u>294.43</u>
Subtotal - Current Liabilities	<u>207,913.92</u>	<u>217,035.01</u>
TOTAL CURRENT LIABILITIES	<u>207,913.92</u>	<u>217,035.01</u>
TOTAL LIABILITIES	<u>207,913.92</u>	<u>217,035.01</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	273,971.98	299,284.91
Restricted Members' Equity	<u>2,084,101.91</u>	<u>2,247,755.34</u>
Subtotal Members' Equity	<u>2,358,073.89</u>	<u>2,547,040.25</u>
TOTAL MEMBERS' EQUITY	<u>2,358,073.89</u>	<u>2,547,040.25</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,565,987.81</u></u>	<u><u>\$ 2,764,075.26</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 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	77.8	81,988	(0)	655,902.56	78.0	655,903	(0)	983,854	327,951
406 - Capital Reserve	21,000.18	19.9	21,000	0	168,001.44	20.0	168,001	0	252,002	84,001
415 - Delinquent Owners Late Fee	516.75	0.5	200	317	1,982.97	0.2	1,600	383	2,400	417
416 - Delinquent Owners Interest	37.37	0.0	17	20	131.05	0.0	136	(5)	204	73
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	200.00	0.0	0	200	0	(200)
420 - Tenant Information Form	0.00	0.0	0	0	300.00	0.0	0	300	0	(300)
425 - House Rule Violations	950.00	0.9	208	742	1,930.00	0.2	1,667	263	2,500	570
485 - Admin Fee (Forced Place In	25.50	0.0	0	26	25.50	0.0	0	26	0	(26)
Total Membership Income	<u>104,617.62</u>	<u>99.3</u>	<u>103,413</u>	<u>1,205</u>	<u>828,498.52</u>	<u>98.5</u>	<u>827,307</u>	<u>1,192</u>	<u>1,240,960</u>	<u>412,461</u>
Non-Membership Income										
430 - Interest Income	71.73	0.1	100	(28)	1,390.78	0.2	800	591	1,200	(191)
431 - Reserve Interest Income	629.83	0.6	937	(307)	8,638.86	1.0	7,493	1,146	11,240	2,601
441 - Kayak Rack Rental	0.00	0.0	180	(180)	2,085.00	0.2	1,440	645	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	<u>701.56</u>	<u>0.7</u>	<u>1,217</u>	<u>(515)</u>	<u>12,394.64</u>	<u>1.5</u>	<u>9,733</u>	<u>2,662</u>	<u>14,600</u>	<u>2,205</u>
Total Revenues	<u>105,319.18</u>	<u>100.</u>	<u>104,630</u>	<u>689</u>	<u>840,893.16</u>	<u>100.</u>	<u>837,040</u>	<u>3,853</u>	<u>1,255,560</u>	<u>414,667</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	0.00	0.0	0	0	5,846.50	0.7	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	<u>0.00</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>5,825.67</u>	<u>0.7</u>	<u>0</u>	<u>5,826</u>	<u>0</u>	<u>(5,826)</u>
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	10.00	0.0	80	(70)	120	110
645 - Dues & Subscriptions *	149.00	0.1	27	122	324.00	0.0	213	111	319	(5)
710 - Meetings *	309.89	0.3	250	60	2,886.64	0.3	2,000	887	3,000	113
715 - Office & Administration	376.05	0.4	500	(124)	3,316.09	0.4	4,000	(684)	6,000	2,684
715.1 - Office/Admin - Site Office *	500.92	0.5	150	351	1,190.04	0.1	1,200	(10)	1,800	610
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	400	(400)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	985.48	0.1	960	25	1,440	455
720 - Operating Supplies *	938.05	0.9	167	771	1,157.60	0.1	1,333	(175)	2,000	842
910 - Depreciation	310.00	0.3	310	0	2,480.00	0.3	2,480	0	3,720	1,240
Total Administration Exp	<u>2,694.72</u>	<u>2.6</u>	<u>1,584</u>	<u>1,111</u>	<u>12,349.85</u>	<u>1.5</u>	<u>12,666</u>	<u>(316)</u>	<u>18,999</u>	<u>6,649</u>
Employee Costs										
610 - Auto *	157.50	0.1	100	58	701.18	0.1	800	(99)	1,200	499
648 - Education & Seminars	0.00	0.0	50	(50)	173.84	0.0	400	(226)	600	426
653 - Emp/Ben.-Medical	1,166.00	1.1	1,259	(93)	9,576.63	1.1	10,069	(492)	15,104	5,527
780 - Salaries & Wages	12,379.00	11.8	12,208	171	97,057.50	11.5	97,667	(610)	146,500	49,443
801 - P/R Ins. - TDI & WC	335.33	0.3	420	(85)	3,863.21	0.5	3,360	503	5,040	1,177
802 - Taxes - Payroll	1,100.59	1.0	1,210	(109)	10,436.23	1.2	9,680	756	14,520	4,084
812 - Uniforms	0.00	0.0	17	(17)	83.34	0.0	133	(50)	200	117
Total Employee Costs	<u>15,138.42</u>	<u>14.4</u>	<u>15,264</u>	<u>(126)</u>	<u>121,891.93</u>	<u>14.5</u>	<u>122,109</u>	<u>(217)</u>	<u>183,164</u>	<u>61,272</u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 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	341.46	0.0	295	46	442	101
678 - Ins. Business Interruption	130.50	0.1	111	20	2,524.00	0.3	884	1,640	1,326	(1,198)
679 - Ins. - Dir./Officers	598.50	0.6	653	(55)	4,351.68	0.5	5,221	(869)	7,831	3,479
680 - Ins. - Package	4,812.92	4.6	4,998	(185)	37,763.00	4.5	39,985	(2,222)	59,977	22,214
683 - Ins. - CGL	339.00	0.3	369	(30)	2,788.00	0.3	2,955	(167)	4,432	1,644
684 - Ins. - Umbrella	<u>200.00</u>	<u>0.2</u>	<u>209</u>	<u>(9)</u>	<u>1,558.32</u>	<u>0.2</u>	<u>1,669</u>	<u>(111)</u>	<u>2,503</u>	<u>945</u>
Total Insurance Expenses	6,125.09	5.8	6,377	(252)	49,326.46	5.9	51,009	(1,683)	76,511	27,185
Professional Services										
705 - Management Fee	3,328.00	3.2	3,328	0	26,624.00	3.2	26,624	0	39,936	13,312
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	43.25	0.0	3,087	(3,044)	4,631	4,588
732 - Prof.Svc.- Legal	136.75	0.1	417	(280)	3,288.08	0.4	3,333	(45)	5,000	1,712
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>659</u>	<u>(659)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,464.75	3.3	4,213	(748)	29,955.33	3.6	33,703	(3,748)	50,555	20,600
Repairs & Maint Expenses										
746 - R/M - Buildings *	3,327.15	3.2	833	2,494	10,213.66	1.2	6,667	3,547	10,000	(214)
750 - R/M - Equipment	60.31	0.1	250	(190)	1,407.97	0.2	2,000	(592)	3,000	1,592
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,878.57	0.2	1,600	279	2,400	521
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	211.87	0.0	1,000	(788)	1,500	1,288
754 - R/M - Grounds *	1,406.64	1.3	83	1,324	2,148.39	0.3	667	1,481	1,000	(1,148)
755 - R/M - Grounds Contractor	21,840.00	20.7	21,840	0	174,720.00	20.8	174,720	0	262,080	87,360
756 - R/M - Irrigation	670.29	0.6	800	(130)	4,627.61	0.6	6,400	(1,772)	9,600	4,972
760 - R/M - Pest Control	0.00	0.0	555	(555)	3,238.81	0.4	4,439	(1,200)	6,658	3,419
762 - R/M - Pool, Spa, BBQ	2,014.08	1.9	2,215	(201)	23,491.16	2.8	17,718	5,773	26,577	3,086
764 - R/M - Refuse Collection	1,540.84	1.5	1,618	(77)	11,886.50	1.4	12,943	(1,057)	19,415	7,529
764.1 - R/M - Recycling	770.53	0.7	794	(23)	6,164.24	0.7	6,349	(185)	9,524	3,360
767 - R/M - Security Contract	<u>1,041.67</u>	<u>1.0</u>	<u>1,146</u>	<u>(104)</u>	<u>8,333.36</u>	<u>1.0</u>	<u>9,167</u>	<u>(834)</u>	<u>13,750</u>	<u>5,417</u>
Total Repairs & Maint Exp	32,671.51	31.0	30,459	2,213	248,322.14	29.5	243,670	4,652	365,504	117,182
Tax Expenses										
796 - Taxes - Gen. Excise	93.25	0.1	66	27	679.56	0.1	525	155	788	108
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	8,000	(8,000)	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>1,167</u>	<u>(1,167)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	93.25	0.1	1,212	(1,119)	679.56	0.1	9,692	(9,012)	14,538	13,858
Utility Expense										
826 - Util. - Cable TV *	4,941.54	4.7	4,744	198	38,742.97	4.6	37,948	795	56,922	18,179
828 - Util. - Electric	1,118.80	1.1	1,906	(787)	14,449.52	1.7	15,251	(801)	22,876	8,426
830 - Util. - Gas	0.00	0.0	75	(75)	128.17	0.0	600	(472)	900	772
832 - Util. - Sewer *	5,421.00	5.1	5,170	251	41,498.31	4.9	41,356	142	62,034	20,536
834 - Util. - Telephone *	269.02	0.3	250	19	2,031.11	0.2	2,000	31	3,000	969
838 - Util. - Water *	<u>11,463.10</u>	<u>10.9</u>	<u>11,443</u>	<u>20</u>	<u>85,963.55</u>	<u>10.2</u>	<u>91,545</u>	<u>(5,581)</u>	<u>137,317</u>	<u>51,353</u>
Total Utility Expenses	23,213.46	22.0	23,588	(375)	182,813.63	21.7	188,700	(5,886)	283,049	100,235

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 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	19.9	21,000	0	168,001.44	20.0	168,001	0	252,002	84,001
916 - Reserves Interest	<u>629.83</u>	<u>0.6</u>	<u>937</u>	<u>(307)</u>	<u>8,638.86</u>	<u>1.0</u>	<u>7,493</u>	<u>1,146</u>	<u>11,240</u>	<u>2,601</u>
Total Reserve & Other Exp	<u>21,630.01</u>	<u>20.5</u>	<u>21,937</u>	<u>(307)</u>	<u>176,640.30</u>	<u>21.0</u>	<u>175,494</u>	<u>1,146</u>	<u>263,242</u>	<u>86,602</u>
Total Operating Expenses and Reserve Allocation	<u>105,031.21</u>	<u>99.7</u>	<u>104,634</u>	<u>397</u>	<u>827,804.87</u>	<u>98.4</u>	<u>837,043</u>	<u>(9,238)</u>	<u>1,255,562</u>	<u>427,757</u>
Total Revenue Over Exp	<u>287.97</u>	<u>0.3</u>	<u>(4)</u>	<u>292</u>	<u>13,088.29</u>	<u>1.6</u>	<u>(3)</u>	<u>13,091</u>	<u>(2)</u>	<u>(13,090)</u>
Beginning Members' Equity					<u>260,883.69</u>					
Ending Members' Equity					<u>273,971.98</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 8 Months Ended August 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$	287.97	\$	13,088.29
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:				
Depreciation		310.00		2,480.00
Decrease (Increase) in Operating Assets:				
Accounts Receivable		(3,807.94)		(3,811.27)
Prepays		6,460.42		(21,314.18)
Increase (Decrease) in Operating Liabilities:				
Accounts Payable		334.63		(22,542.22)
Accrued Liabilities		(4,120.20)		(1,205.88)
Total Adjustments		<u>(823.09)</u>		<u>(46,393.55)</u>
Net Cash Provided By (Used in) Operating Activities		<u>(535.12)</u>		<u>(33,305.26)</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

(535.12) (33,305.26)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

266,690.84 299,460.98

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 266,155.72 \$ 266,155.72