



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 Nine Months Ended
September 30, 2022

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I have prepared the accompanying Balance Sheet – Tax Basis as of September 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 Nine 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
September 30, 2022 and 2021

Assets

	2022	2021
CURRENT ASSETS		
Ckg - CIT *****1241	\$ 38,612.58	\$ 51,405.08
Ckg - CIT Debit Card ****4202	1,526.17	2,715.26
MMkt - CIT Savings *****2119	231,749.93	26,626.34
CDAR - CIT Savings *****8249 3/17/22	<u>0.00</u>	<u>203,490.35</u>
Subtotal - Cash	<u>271,888.68</u>	<u>284,237.03</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	5,766.01	10,995.36
A/R - Prior & Collection	29,734.22	29,542.93
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>15.83</u>	<u>152.59</u>
Subtotal - Accounts Receivable	<u>13,792.80</u>	<u>18,967.62</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	6,076.00	9,900.00
Prepaid State Income Tax	1,341.00	1,800.00
Unexpired Insurance	44,217.09	41,805.31
NJF Clearing Account	<u>96,122.73</u>	<u>103,441.03</u>
Subtotal - Other Current Assets	<u>147,756.82</u>	<u>156,946.34</u>
TOTAL CURRENT ASSETS	<u>433,438.30</u>	<u>460,150.99</u>
CAPITAL RESERVE ACCOUNTS		
CIT Bank	1,359,119.93	2,252,171.24
Edward Jones	<u>600,968.83</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>1,960,088.76</u>	<u>2,252,171.24</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(27,280.00)</u>	<u>(23,560.00)</u>
Subtotal - Fixed Assets	<u>47,120.00</u>	<u>50,840.00</u>
TOTAL OTHER ASSETS	<u>2,007,208.76</u>	<u>2,303,011.24</u>
TOTAL ASSETS	<u>\$ 2,440,647.06</u>	<u>\$ 2,763,162.23</u>

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

Liabilities and Fund Balances

	2022	2021
CURRENT LIABILITIES		
A/P - Trade	\$ 29,263.24	\$ 43,315.93
A/P Insur. Water Damage Claims	8,865.27	8,865.27
A/P - Other	209.29	209.29
Owner Prepayments	53,898.31	40,330.49
A/P - NJF Units	96,122.73	103,441.03
A/P - Insurance	16,146.00	23,823.00
Accrued General Excise Tx	<u>189.05</u>	<u>495.83</u>
Subtotal - Current Liabilities	<u>204,693.89</u>	<u>220,480.84</u>
TOTAL CURRENT LIABILITIES	<u>204,693.89</u>	<u>220,480.84</u>
TOTAL LIABILITIES	<u>204,693.89</u>	<u>220,480.84</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	275,864.41	290,510.15
Restricted Members' Equity	<u>1,960,088.76</u>	<u>2,252,171.24</u>
Subtotal Members' Equity	<u>2,235,953.17</u>	<u>2,542,681.39</u>
TOTAL MEMBERS' EQUITY	<u>2,235,953.17</u>	<u>2,542,681.39</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 2,440,647.06</u></u>	<u><u>\$ 2,763,162.23</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 9 Months Ended September 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	79.0	81,988	(0)	737,890.38	78.1	737,890	0	983,854	245,964
406 - Capital Reserve	21,000.18	20.2	21,000	0	189,001.62	20.0	189,002	(0)	252,002	63,000
415 - Delinquent Owners Late Fee	103.86	0.1	200	(96)	2,086.83	0.2	1,800	287	2,400	313
416 - Delinquent Owners Interest	56.50	0.1	17	40	187.55	0.0	153	35	204	16
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	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	0.00	0.0	208	(208)	1,930.00	0.2	1,875	55	2,500	570
485 - Admin Fee (Forced Place In	0.00	0.0	0	0	25.50	0.0	0	26	0	(26)
Total Membership Income	<u>103,148.36</u>	<u>99.3</u>	<u>103,413</u>	<u>(265)</u>	<u>931,646.88</u>	<u>98.6</u>	<u>930,720</u>	<u>927</u>	<u>1,240,960</u>	<u>309,313</u>
Non-Membership Income										
430 - Interest Income	70.32	0.1	100	(30)	1,461.10	0.2	900	561	1,200	(261)
431 - Reserve Interest Income	606.55	0.6	937	(330)	9,245.41	1.0	8,430	815	11,240	1,995
441 - Kayak Rack Rental	0.00	0.0	180	(180)	2,085.00	0.2	1,620	465	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>676.87</u>	<u>0.7</u>	<u>1,217</u>	<u>(540)</u>	<u>13,071.51</u>	<u>1.4</u>	<u>10,950</u>	<u>2,122</u>	<u>14,600</u>	<u>1,528</u>
Total Revenues	<u>103,825.23</u>	<u>100.</u>	<u>104,630</u>	<u>(805)</u>	<u>944,718.39</u>	<u>100.</u>	<u>941,670</u>	<u>3,048</u>	<u>1,255,560</u>	<u>310,842</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	0.00	0.0	0	0	5,846.50	0.6	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>0.6</u>	<u>0</u>	<u>5,826</u>	<u>0</u>	<u>(5,826)</u>
Administration Expenses										
625 - Bank Charges/Merchant	30.00	0.0	10	20	40.00	0.0	90	(50)	120	80
645 - Dues & Subscriptions	0.00	0.0	27	(27)	324.00	0.0	239	85	319	(5)
710 - Meetings	0.00	0.0	250	(250)	2,886.64	0.3	2,250	637	3,000	113
715 - Office & Administration	192.67	0.2	500	(307)	3,508.76	0.4	4,500	(991)	6,000	2,491
715.1 - Office/Admin - Site Office	50.00	0.0	150	(100)	1,240.04	0.1	1,350	(110)	1,800	560
715.2 - Office & Admin - Misc	0.00	0.0	50	(50)	0.00	0.0	450	(450)	600	600
715.3 - Office/Rec Area WiFi	110.81	0.1	120	(9)	1,096.29	0.1	1,080	16	1,440	344
720 - Operating Supplies *	534.70	0.5	167	368	1,692.30	0.2	1,500	192	2,000	308
910 - Depreciation	310.00	0.3	310	0	2,790.00	0.3	2,790	0	3,720	930
Total Administration Exp	<u>1,228.18</u>	<u>1.2</u>	<u>1,584</u>	<u>(356)</u>	<u>13,578.03</u>	<u>1.4</u>	<u>14,249</u>	<u>(671)</u>	<u>18,999</u>	<u>5,421</u>
Employee Costs										
610 - Auto *	131.25	0.1	100	31	832.43	0.1	900	(68)	1,200	368
648 - Education & Seminars	0.00	0.0	50	(50)	173.84	0.0	450	(276)	600	426
653 - Emp/Ben.-Medical *	1,307.30	1.3	1,259	48	10,883.93	1.2	11,328	(444)	15,104	4,220
780 - Salaries & Wages	11,637.50	11.2	12,208	(571)	108,695.00	11.5	109,875	(1,180)	146,500	37,805
801 - P/R Ins. - TDI & WC *	540.60	0.5	420	121	4,403.81	0.5	3,780	624	5,040	636
802 - Taxes - Payroll	1,018.58	1.0	1,210	(191)	11,454.81	1.2	10,890	565	14,520	3,065
812 - Uniforms	0.00	0.0	17	(17)	83.34	0.0	150	(67)	200	117
Total Employee Costs	<u>14,635.23</u>	<u>14.1</u>	<u>15,264</u>	<u>(629)</u>	<u>136,527.16</u>	<u>14.5</u>	<u>137,373</u>	<u>(846)</u>	<u>183,164</u>	<u>46,637</u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 9 Months Ended September 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	385.63	0.0	331	55	442	56
678 - Ins. Business Interruption	130.50	0.1	111	20	2,654.50	0.3	995	1,660	1,326	(1,329)
679 - Ins. - Dir./Officers	598.50	0.6	653	(55)	4,950.18	0.5	5,873	(923)	7,831	2,881
680 - Ins. - Package	4,812.92	4.6	4,998	(185)	42,575.92	4.5	44,983	(2,407)	59,977	17,401
683 - Ins. - CGL	339.00	0.3	369	(30)	3,127.00	0.3	3,324	(197)	4,432	1,305
684 - Ins. - Umbrella	<u>200.00</u>	<u>0.2</u>	<u>209</u>	<u>(9)</u>	<u>1,758.32</u>	<u>0.2</u>	<u>1,877</u>	<u>(119)</u>	<u>2,503</u>	<u>745</u>
Total Insurance Expenses	6,125.09	5.9	6,377	(252)	55,451.55	5.9	57,383	(1,931)	76,511	21,059
Professional Services										
705 - Management Fee	3,328.00	3.2	3,328	0	29,952.00	3.2	29,952	0	39,936	9,984
731 - Prof.Svc.- Audit	0.00	0.0	386	(386)	43.25	0.0	3,473	(3,430)	4,631	4,588
732 - Prof.Svc.- Legal	140.62	0.1	417	(276)	3,428.70	0.4	3,750	(321)	5,000	1,571
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>741</u>	<u>(741)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,468.62	3.3	4,213	(744)	33,423.95	3.5	37,916	(4,492)	50,555	17,131
Repairs & Maint Expenses										
746 - R/M - Buildings	209.28	0.2	833	(624)	10,422.94	1.1	7,500	2,923	10,000	(423)
750 - R/M - Equipment *	699.30	0.7	250	449	2,107.27	0.2	2,250	(143)	3,000	893
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,878.57	0.2	1,800	79	2,400	521
753 - R/M - Landscape Upgrades	31.42	0.0	125	(94)	243.29	0.0	1,125	(882)	1,500	1,257
754 - R/M - Grounds	0.00	0.0	83	(83)	2,148.39	0.2	750	1,398	1,000	(1,148)
755 - R/M - Grounds Contractor	21,840.00	21.0	21,840	0	196,560.00	20.8	196,560	0	262,080	65,520
756 - R/M - Irrigation	73.59	0.1	800	(726)	4,701.20	0.5	7,200	(2,499)	9,600	4,899
760 - R/M - Pest Control	0.00	0.0	555	(555)	3,238.81	0.3	4,993	(1,754)	6,658	3,419
762 - R/M - Pool, Spa, BBQ	2,003.42	1.9	2,215	(212)	25,494.58	2.7	19,933	5,562	26,577	1,082
764 - R/M - Refuse Collection	1,540.84	1.5	1,618	(77)	13,427.34	1.4	14,561	(1,134)	19,415	5,988
764.1 - R/M - Recycling	770.53	0.7	794	(23)	6,934.77	0.7	7,143	(208)	9,524	2,589
767 - R/M - Security Contract *	<u>1,979.16</u>	<u>1.9</u>	<u>1,146</u>	<u>833</u>	<u>10,312.52</u>	<u>1.1</u>	<u>10,312</u>	<u>1</u>	<u>13,750</u>	<u>3,437</u>
Total Repairs & Maint Exp	29,147.54	28.1	30,459	(1,311)	277,469.68	29.4	274,127	3,343	365,504	88,034
Tax Expenses										
796 - Taxes - Gen. Excise	33.49	0.0	66	(33)	713.05	0.1	591	122	788	75
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	9,000	(9,000)	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>1,312</u>	<u>(1,312)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	33.49	0.0	1,212	(1,179)	713.05	0.1	10,903	(10,190)	14,538	13,825
Utility Expense										
826 - Util. - Cable TV *	4,941.54	4.8	4,744	198	43,684.51	4.6	42,692	993	56,922	13,237
828 - Util. - Electric *	2,197.84	2.1	1,906	292	16,647.36	1.8	17,157	(510)	22,876	6,229
830 - Util. - Gas	0.00	0.0	75	(75)	128.17	0.0	675	(547)	900	772
832 - Util. - Sewer *	5,479.50	5.3	5,170	310	46,977.81	5.0	46,526	452	62,034	15,056
834 - Util. - Telephone *	254.59	0.2	250	5	2,285.70	0.2	2,250	36	3,000	714
838 - Util. - Water *	<u>12,814.45</u>	<u>12.3</u>	<u>11,443</u>	<u>1,371</u>	<u>98,778.00</u>	<u>10.5</u>	<u>102,988</u>	<u>(4,210)</u>	<u>137,317</u>	<u>38,539</u>
Total Utility Expenses	25,687.92	24.7	23,588	2,100	208,501.55	22.1	212,288	(3,786)	283,049	74,547

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 9 Months Ended September 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	20.2	21,000	0	189,001.62	20.0	189,002	(0)	252,002	63,000
916 - Reserves Interest	<u>606.55</u>	<u>0.6</u>	<u>937</u>	<u>(330)</u>	<u>9,245.41</u>	<u>1.0</u>	<u>8,430</u>	<u>815</u>	<u>11,240</u>	<u>1,995</u>
Total Reserve & Other Exp	<u>21,606.73</u>	<u>20.8</u>	<u>21,937</u>	<u>(330)</u>	<u>198,247.03</u>	<u>21.0</u>	<u>197,432</u>	<u>815</u>	<u>263,242</u>	<u>64,995</u>
Total Operating Expenses and Reserve Allocation	<u>101,932.80</u>	<u>98.2</u>	<u>104,634</u>	<u>(2,701)</u>	<u>929,737.67</u>	<u>98.4</u>	<u>941,671</u>	<u>(11,933)</u>	<u>1,255,562</u>	<u>325,824</u>
Total Revenue Over Exp	<u>1,892.43</u>	<u>1.8</u>	<u>(4)</u>	<u>1,896</u>	<u>14,980.72</u>	<u>1.6</u>	<u>(1)</u>	<u>14,982</u>	<u>(2)</u>	<u>(14,983)</u>
Beginning Members' Equity					<u>260,883.69</u>					
Ending Members' Equity					<u>275,864.41</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 9 Months Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 1,892.43	\$ 14,980.72
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,790.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	290.14	(3,521.13)
Prepays	6,460.42	(14,853.76)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	3,826.78	(18,715.44)
Accrued Liabilities	(7,046.81)	(8,252.69)
Total Adjustments	<u>3,840.53</u>	<u>(42,553.02)</u>
Net Cash Provided By (Used in) Operating Activities	<u>5,732.96</u>	<u>(27,572.30)</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

5,732.96 (27,572.30)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

266,155.72 299,460.98

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 271,888.68 \$ 271,888.68