

**Wailea Fairway Villas Association**  
**Statement of Assets, Liabilities, and Members' Equity**  
**February 29, 2012 and 2011**

**Assets**

|   | <b>2012</b>                 | <b>2011</b>                 |
|---|-----------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                       |                             |                             |
| Ckg - MOO 281501241 @ 0.15% APR             | \$ 206,676.61               | \$ 102,190.53               |
| MMkt - MOO Savings 281802119 @ .41% APR     | 65,994.20                   | 65,636.47                   |
| Petty Cash                                  | <u>1,000.00</u>             | <u>1,000.00</u>             |
| <b>Subtotal - Cash</b>                      | <u>273,670.81</u>           | <u>168,827.00</u>           |
| <b>ACCOUNTS RECEIVABLES</b>                 |                             |                             |
| A/R - Owners Balances (A)                   | 102,803.06                  | 84,320.67                   |
| A/R - Act 48 & Collections (B)              | 28,307.76                   | 60,337.33                   |
| Allowance for Bad Debts (C)                 | (72,269.05)                 | (83,998.51)                 |
| A/R - Other                                 | <u>0.00</u>                 | <u>1,457.28</u>             |
| <b>Subtotal - Accounts Receivable</b>       | <u>58,841.77</u>            | <u>62,116.77</u>            |
| <b>OTHER ASSETS</b>                         |                             |                             |
| Prepaid Int./Expns                          | 3,876.29                    | 7,510.75                    |
| Prepaid Medical                             | 919.88                      | 1,749.80                    |
| Unexpired Insurance                         | <u>14,696.26</u>            | <u>14,306.95</u>            |
| <b>Subtotal - Other Assets</b>              | <u>19,492.43</u>            | <u>23,567.50</u>            |
| <b>REPLACEMENT RESERVES ACCOUNTS</b>        |                             |                             |
| MMkt - MSSB Reserves #5507105319339 @ 0.01% | 5.00                        | 34,004.93                   |
| MMkt - MOO Reserves 281802640 .41% APR      | 72,198.63                   | 134,021.91                  |
| CD - MOO Reserve - Exp 12/25/12 @ .60%      | 0.00                        | 51,343.68                   |
| CD - MOO Reserve - Exp. 03/07/12 .85%       | 50,393.94                   | 0.00                        |
| CD - MOO Reserve - Exp. 5/17/12 .85%        | 80,515.85                   | 0.00                        |
| CD - MOO Reserve - Exp 10/11/12 .70%        | 100,236.16                  | 0.00                        |
| CD - MOO Reserve - Exp 12/29/12 .60%        | <u>100,101.97</u>           | <u>0.00</u>                 |
| <b>Subtotal - Replacement Reserves (F)</b>  | <u>403,451.55</u>           | <u>219,370.52</u>           |
| <b>TOTAL ASSETS</b>                         | <u><u>\$ 755,456.56</u></u> | <u><u>\$ 473,881.79</u></u> |

**Wailea Fairway Villas Association**  
**Statement of Assets, Liabilities, and Members' Equity**  
**February 29, 2012 and 2011**

**Liabilities and Fund Balances**

|  | <b>2012</b>                     | <b>2011</b>                     |
|--|---------------------------------|---------------------------------|
| <b>CURRENT LIABILITIES</b>                           |                                 |                                 |
| A/P - Trade (E)                                      | \$ 42,272.75                    | \$ 34,768.36                    |
| Owner Prepayments (D)                                | 47,851.68                       | 38,587.10                       |
| Accrued General Excise Tx                            | <u>226.54</u>                   | <u>175.85</u>                   |
| <b>Subtotal Current Liabilities</b>                  | <u>90,350.97</u>                | <u>73,531.31</u>                |
| <b>TOTAL LIABILITIES</b>                             | <u>90,350.97</u>                | <u>73,531.31</u>                |
| <br><b>MEMBERS' EQUITY</b>                           |                                 |                                 |
| Unrestricted Members' Equity                         | 261,654.04                      | 180,979.96                      |
| Restricted Members' Equity (F)                       | <u>403,451.55</u>               | <u>219,370.52</u>               |
| <b>Total Members' Equity</b>                         | <u>665,105.59</u>               | <u>400,350.48</u>               |
| <br><b>TOTAL LIABILITIES AND<br/>MEMBERS' EQUITY</b> | <br><u><u>\$ 755,456.56</u></u> | <br><u><u>\$ 473,881.79</u></u> |

**Wailea Fairway Villas Association**  
**Statement of Revenues, Expenses and Changes in Members' Equity**  
**Actual vs. Budget**  
**For the 1 Month and 2 Months Ended February 29, 2012**

|                                    | CURRENT MONTH           |                    |                      |                     | YEAR TO DATE             |                    |                       |                  | BUDGET                  |                       |
|------------------------------------|-------------------------|--------------------|----------------------|---------------------|--------------------------|--------------------|-----------------------|------------------|-------------------------|-----------------------|
|                                    | Actual                  | %                  | Budget               | Variance            | Actual                   | %                  | Budget                | Variance         | Annual                  | Unexpended            |
| <b>Revenues</b>                    |                         |                    |                      |                     |                          |                    |                       |                  |                         |                       |
| <b>Membership Income</b>           |                         |                    |                      |                     |                          |                    |                       |                  |                         |                       |
| 405 - Maintenance Fees             | \$ 68,699.93            | 79.9               | \$ 69,208            | \$ (508)            | \$ 137,399.86            | 79.0               | \$ 138,416            | \$ (1,016)       | \$ 830,498              | \$ 693,098            |
| 406 - Statutory Reserve            | 15,384.07               | 17.9               | 15,498               | (114)               | 30,768.14                | 17.7               | 30,996                | (228)            | 185,974                 | 155,206               |
| 415 - Delinquent Owners Late Fees  | 542.19                  | 0.6                | 100                  | 442                 | 1,244.96                 | 0.7                | 200                   | 1,045            | 1,200                   | (45)                  |
| 416 - Delinquent Owners Interest   | 945.56                  | 1.1                | 75                   | 871                 | 1,852.37                 | 1.1                | 150                   | 1,702            | 900                     | (952)                 |
| 418 - Insurance Evidence Fine      | <u>100.00</u>           | <u>0.1</u>         | <u>0</u>             | <u>100</u>          | <u>200.00</u>            | <u>0.1</u>         | <u>0</u>              | <u>200</u>       | <u>0</u>                | <u>(200)</u>          |
| <b>Total Membership Income</b>     | <b>85,671.75</b>        | <b>99.7</b>        | <b>84,881</b>        | <b>791</b>          | <b>171,465.33</b>        | <b>98.6</b>        | <b>169,762</b>        | <b>1,703</b>     | <b>1,018,572</b>        | <b>847,107</b>        |
| <b>Non-Membership Income</b>       |                         |                    |                      |                     |                          |                    |                       |                  |                         |                       |
| 430 - Interest Income              | 48.31                   | 0.1                | 63                   | (15)                | 102.20                   | 0.1                | 125                   | (23)             | 750                     | 648                   |
| 431 - Reserve Interest Income      | 223.96                  | 0.3                | 162                  | 62                  | 443.24                   | 0.3                | 324                   | 119              | 1,944                   | 1,501                 |
| 450 - Rental Income                | 0.00                    | 0.0                | 1,800                | (1,800)             | 1,800.00                 | 1.0                | 3,600                 | (1,800)          | 21,600                  | 19,800                |
| 499 - Other Income                 | <u>0.00</u>             | <u>0.0</u>         | <u>0</u>             | <u>0</u>            | <u>20.00</u>             | <u>0.0</u>         | <u>0</u>              | <u>20</u>        | <u>0</u>                | <u>(20)</u>           |
| <b>Total Non-Membership Income</b> | <b>272.27</b>           | <b>0.3</b>         | <b>2,025</b>         | <b>(1,753)</b>      | <b>2,365.44</b>          | <b>1.4</b>         | <b>4,049</b>          | <b>(1,684)</b>   | <b>24,294</b>           | <b>21,929</b>         |
| <b>Total Revenues</b>              | <b><u>85,944.02</u></b> | <b><u>100.</u></b> | <b><u>86,906</u></b> | <b><u>(962)</u></b> | <b><u>173,830.77</u></b> | <b><u>100.</u></b> | <b><u>173,811</u></b> | <b><u>20</u></b> | <b><u>1,042,866</u></b> | <b><u>869,035</u></b> |
| <b>Operating Expenses</b>          |                         |                    |                      |                     |                          |                    |                       |                  |                         |                       |
| <b>Administration Expenses</b>     |                         |                    |                      |                     |                          |                    |                       |                  |                         |                       |
| 620 - Bad Debts                    | 0.00                    | 0.0                | 833                  | (833)               | 0.00                     | 0.0                | 1,667                 | (1,667)          | 10,000                  | 10,000                |
| 625 - Bank Charges/Merchant Fees   | 0.00                    | 0.0                | 10                   | (10)                | 0.00                     | 0.0                | 20                    | (20)             | 120                     | 120                   |
| 645 - Dues & Subscriptions         | 0.00                    | 0.0                | 5                    | (5)                 | 0.00                     | 0.0                | 10                    | (10)             | 60                      | 60                    |
| 710 - Meetings *                   | 250.00                  | 0.3                | 217                  | 33                  | 340.00                   | 0.2                | 433                   | (93)             | 2,600                   | 2,260                 |
| 715 - Office/Administration *      | 343.67                  | 0.4                | 333                  | 11                  | 861.04                   | 0.5                | 667                   | 194              | 4,000                   | 3,139                 |
| 720 - Operating Supplies           | <u>0.00</u>             | <u>0.0</u>         | <u>100</u>           | <u>(100)</u>        | <u>70.96</u>             | <u>0.0</u>         | <u>200</u>            | <u>(129)</u>     | <u>1,200</u>            | <u>1,129</u>          |
| <b>Total Administration Exp</b>    | <b>593.67</b>           | <b>0.7</b>         | <b>1,498</b>         | <b>(904)</b>        | <b>1,272.00</b>          | <b>0.7</b>         | <b>2,997</b>          | <b>(1,725)</b>   | <b>17,980</b>           | <b>16,708</b>         |
| <b>Employee Costs</b>              |                         |                    |                      |                     |                          |                    |                       |                  |                         |                       |
| 610 - Auto                         | 92.30                   | 0.1                | 100                  | (8)                 | 184.60                   | 0.1                | 200                   | (15)             | 1,200                   | 1,015                 |
| 648 - Education & Seminars         | 0.00                    | 0.0                | 21                   | (21)                | 0.00                     | 0.0                | 42                    | (42)             | 250                     | 250                   |
| 651 - Emp/Ben.-Bonuses             | 0.00                    | 0.0                | 250                  | (250)               | 0.00                     | 0.0                | 500                   | (500)            | 3,000                   | 3,000                 |
| 653 - Emp/Ben.-Medical             | 919.28                  | 1.1                | 1,012                | (93)                | 1,838.56                 | 1.1                | 2,024                 | (185)            | 12,144                  | 10,305                |
| 775 - Salaries & Wages             | 10,184.97               | 11.9               | 8,488                | 1,697               | 20,194.94                | 11.6               | 16,977                | 3,218            | 101,860                 | 81,665                |
| 801 - P/R Insurance - TDI & WC     | 217.08                  | 0.3                | 400                  | (183)               | 431.50                   | 0.2                | 800                   | (369)            | 4,797                   | 4,366                 |
| 802 - Taxes - Payroll              | 786.23                  | 0.9                | 970                  | (184)               | 1,559.05                 | 0.9                | 1,940                 | (381)            | 11,640                  | 10,081                |
| 812 - Uniforms                     | <u>83.27</u>            | <u>0.1</u>         | <u>55</u>            | <u>28</u>           | <u>83.27</u>             | <u>0.0</u>         | <u>110</u>            | <u>(27)</u>      | <u>660</u>              | <u>577</u>            |
| <b>Total Employee Costs</b>        | <b>12,283.13</b>        | <b>14.3</b>        | <b>11,296</b>        | <b>987</b>          | <b>24,291.92</b>         | <b>14.0</b>        | <b>22,593</b>         | <b>1,699</b>     | <b>135,551</b>          | <b>111,259</b>        |
| <b>Insurance Expense</b>           |                         |                    |                      |                     |                          |                    |                       |                  |                         |                       |
| 677 - Ins. - Bond                  | 38.25                   | 0.0                | 38                   | 0                   | 76.50                    | 0.0                | 77                    | (1)              | 459                     | 383                   |
| 679 - Ins. - Dir./Officers         | 130.17                  | 0.2                | 130                  | 0                   | 260.34                   | 0.1                | 260                   | 0                | 1,562                   | 1,302                 |

**Wailea Fairway Villas Association**  
**Statement of Revenues, Expenses and Changes in Members' Equity**  
**Actual vs. Budget**  
**For the 1 Month and 2 Months Ended February 29, 2012**

|                                      | CURRENT MONTH    |             |               |                | YEAR TO DATE     |             |               |                | BUDGET         |                |
|--------------------------------------|------------------|-------------|---------------|----------------|------------------|-------------|---------------|----------------|----------------|----------------|
|                                      | Actual           | %           | Budget        | Variance       | Actual           | %           | Budget        | Variance       | Annual         | Unexpended     |
| 680 - Ins. - Package                 | 5,145.98         | 6.0         | 5,146         | (0)            | 10,291.96        | 5.9         | 10,292        | (0)            | 61,752         | 51,460         |
| 683 - Ins. - CGL                     | 388.71           | 0.5         | 389           | (0)            | 777.42           | 0.4         | 778           | (1)            | 4,665          | 3,888          |
| 684 - Ins. - Umbrella                | 221.58           | 0.3         | 222           | (0)            | 443.16           | 0.3         | 443           | 0              | 2,659          | 2,216          |
| <b>Total Insurance Expenses</b>      | <b>5,924.69</b>  | <b>6.9</b>  | <b>5,925</b>  | <b>(0)</b>     | <b>11,849.38</b> | <b>6.8</b>  | <b>11,850</b> | <b>(1)</b>     | <b>71,097</b>  | <b>59,248</b>  |
| <b>Professional Services</b>         |                  |             |               |                |                  |             |               |                |                |                |
| 705 - Management Fee                 | 3,640.00         | 4.2         | 3,640         | 0              | 7,280.00         | 4.2         | 7,280         | 0              | 43,680         | 36,400         |
| 725.5 - Rental Agent Fee             | 0.00             | 0.0         | 180           | (180)          | 180.00           | 0.1         | 360           | (180)          | 2,160          | 1,980          |
| 731 - Prof.Svc.- Audit               | 0.00             | 0.0         | 174           | (174)          | 0.00             | 0.0         | 347           | (347)          | 2,083          | 2,083          |
| 732 - Prof.Svc.- Legal               | 0.00             | 0.0         | 667           | (667)          | 0.00             | 0.0         | 1,333         | (1,333)        | 8,000          | 8,000          |
| 734 - Prof.Svc.- Y/E Acctng.         | 0.00             | 0.0         | 83            | (83)           | 0.00             | 0.0         | 167           | (167)          | 1,000          | 1,000          |
| <b>Total Professional Exp</b>        | <b>3,640.00</b>  | <b>4.2</b>  | <b>4,744</b>  | <b>(1,104)</b> | <b>7,460.00</b>  | <b>4.3</b>  | <b>9,487</b>  | <b>(2,027)</b> | <b>56,923</b>  | <b>49,463</b>  |
| <b>Repairs &amp; Maint Expenses</b>  |                  |             |               |                |                  |             |               |                |                |                |
| 702 - AOA Maint Fee Exp              | 0.00             | 0.0         | 605           | (605)          | 0.00             | 0.0         | 1,210         | (1,210)        | 7,260          | 7,260          |
| 746 - R/M - Buildings                | 836.89           | 1.0         | 1,333         | (496)          | 3,085.00         | 1.8         | 2,667         | 418            | 16,000         | 12,915         |
| 750 - R/M - Equipment                | 0.00             | 0.0         | 250           | (250)          | 0.00             | 0.0         | 500           | (500)          | 3,000          | 3,000          |
| 752 - R/M - Fire Equip.              | 0.00             | 0.0         | 104           | (104)          | 0.00             | 0.0         | 207           | (207)          | 1,244          | 1,244          |
| 752.1 - R/M - Fire Equip.- Water     | 0.00             | 0.0         | 833           | (833)          | 0.00             | 0.0         | 1,667         | (1,667)        | 10,000         | 10,000         |
| 753 - R/M - Landscape Upgrades       | 642.57           | 0.7         | 1,000         | (357)          | 3,427.40         | 2.0         | 2,000         | 1,427          | 12,000         | 8,573          |
| 754 - R/M - Grounds                  | 0.00             | 0.0         | 250           | (250)          | 241.67           | 0.1         | 500           | (258)          | 3,000          | 2,758          |
| 755 - R/M - Grounds Contractor       | 16,400.00        | 19.1        | 16,575        | (175)          | 32,800.00        | 18.9        | 33,150        | (350)          | 198,900        | 166,100        |
| 756 - R/M - Irrigation               | 115.45           | 0.1         | 167           | (52)           | 205.18           | 0.1         | 333           | (128)          | 2,000          | 1,795          |
| 760 - R/M - Pest Control             | 269.46           | 0.3         | 270           | (1)            | 538.92           | 0.3         | 540           | (1)            | 3,240          | 2,701          |
| 762 - R/M - Pool, Spa, BBQ           | 159.73           | 0.2         | 167           | (7)            | 1,338.14         | 0.8         | 333           | 1,005          | 2,000          | 662            |
| 764 - R/M - Refuse Collection        | 2,265.46         | 2.6         | 2,296         | (31)           | 4,530.92         | 2.6         | 4,592         | (61)           | 27,554         | 23,023         |
| 765 - R/M - Rental Unit              | 0.00             | 0.0         | 213           | (213)          | 0.00             | 0.0         | 426           | (426)          | 2,558          | 2,558          |
| 767 - R/M - Security Contract        | 677.08           | 0.8         | 1,036         | (359)          | 1,354.16         | 0.8         | 2,072         | (718)          | 12,432         | 11,078         |
| 769 - R/M - Towing                   | 0.00             | 0.0         | 100           | (100)          | 0.00             | 0.0         | 200           | (200)          | 1,200          | 1,200          |
| <b>Total Repairs &amp; Maint Exp</b> | <b>21,366.64</b> | <b>24.9</b> | <b>25,199</b> | <b>(3,832)</b> | <b>47,521.39</b> | <b>27.3</b> | <b>50,397</b> | <b>(2,876)</b> | <b>302,388</b> | <b>254,867</b> |
| <b>Tax Expenses</b>                  |                  |             |               |                |                  |             |               |                |                |                |
| 796 - Taxes - Gen. Excise            | 74.41            | 0.1         | 88            | (14)           | 226.52           | 0.1         | 176           | 51             | 1,056          | 829            |
| 940 - Federal Income Taxes           | 0.00             | 0.0         | 330           | (330)          | 0.00             | 0.0         | 660           | (660)          | 3,960          | 3,960          |
| 945 - State Income Taxes             | 0.00             | 0.0         | 97            | (97)           | 0.00             | 0.0         | 194           | (194)          | 1,164          | 1,164          |
| <b>Total Tax Expenses</b>            | <b>74.41</b>     | <b>0.1</b>  | <b>515</b>    | <b>(441)</b>   | <b>226.52</b>    | <b>0.1</b>  | <b>1,030</b>  | <b>(803)</b>   | <b>6,180</b>   | <b>5,953</b>   |
| <b>Utility Expense</b>               |                  |             |               |                |                  |             |               |                |                |                |
| 826 - Util. - Cable TV               | 3,855.18         | 4.5         | 3,859         | (4)            | 7,710.36         | 4.4         | 7,718         | (8)            | 46,308         | 38,598         |
| 828 - Util. - Electric *             | 4,494.92         | 5.2         | 4,095         | 400            | 8,584.86         | 4.9         | 8,190         | 395            | 49,138         | 40,553         |
| 830 - Util. - Gas                    | 0.00             | 0.0         | 65            | (65)           | 0.00             | 0.0         | 130           | (130)          | 780            | 780            |
| 832 - Util. - Sewer                  | 3,814.15         | 4.4         | 4,652         | (838)          | 8,466.15         | 4.9         | 9,304         | (838)          | 55,824         | 47,358         |
| 834 - Util. - Telephone              | 209.91           | 0.2         | 270           | (60)           | 464.94           | 0.3         | 540           | (75)           | 3,240          | 2,775          |

**Wailea Fairway Villas Association**  
**Statement of Revenues, Expenses and Changes in Members' Equity**  
**Actual vs. Budget**  
**For the 1 Month and 2 Months Ended February 29, 2012**

|  | CURRENT MONTH           |                    |                      |                       | YEAR TO DATE                |                    |                       |                        | BUDGET                  |                          |
|--|-------------------------|--------------------|----------------------|-----------------------|-----------------------------|--------------------|-----------------------|------------------------|-------------------------|--------------------------|
|  | Actual                  | %                  | Budget               | Variance              | Actual                      | %                  | Budget                | Variance               | Annual                  | Unexpended               |
| 838 - Util. - Water *                                  | <u>13,734.60</u>        | <u>16.0</u>        | <u>7,679</u>         | <u>6,056</u>          | <u>21,413.60</u>            | <u>12.3</u>        | <u>15,358</u>         | <u>6,056</u>           | <u>92,148</u>           | <u>70,734</u>            |
| <b>Total Utility Expenses</b>                          | <b>26,108.76</b>        | <b>30.4</b>        | <b>20,620</b>        | <b>5,489</b>          | <b>46,639.91</b>            | <b>26.8</b>        | <b>41,240</b>         | <b>5,400</b>           | <b>247,438</b>          | <b>200,798</b>           |
| <b>Reserves &amp; Other Exp</b>                        |                         |                    |                      |                       |                             |                    |                       |                        |                         |                          |
| 915 - Statutory Reserves                               | 15,497.84               | 18.0               | 15,498               | (0)                   | 30,995.68                   | 17.8               | 30,996                | (0)                    | 185,976                 | 154,980                  |
| 916 - Reserves Interest                                | 223.96                  | 0.3                | 162                  | 62                    | 443.24                      | 0.3                | 324                   | 119                    | 1,944                   | 1,501                    |
| 965 - Operating Contingencies                          | <u>0.00</u>             | <u>0.0</u>         | <u>1,333</u>         | <u>(1,333)</u>        | <u>0.00</u>                 | <u>0.0</u>         | <u>2,667</u>          | <u>(2,667)</u>         | <u>16,000</u>           | <u>16,000</u>            |
| <b>Total Reserve &amp; Other Exp</b>                   | <b><u>15,721.80</u></b> | <b><u>18.3</u></b> | <b><u>16,993</u></b> | <b><u>(1,271)</u></b> | <b><u>31,438.92</u></b>     | <b><u>18.1</u></b> | <b><u>33,987</u></b>  | <b><u>(2,548)</u></b>  | <b><u>203,920</u></b>   | <b><u>172,481</u></b>    |
| <b>Total Operating Expenses and Reserve Allocation</b> | <b><u>85,713.10</u></b> | <b><u>99.7</u></b> | <b><u>86,790</u></b> | <b><u>(1,077)</u></b> | <b><u>170,700.04</u></b>    | <b><u>98.2</u></b> | <b><u>173,581</u></b> | <b><u>(2,881)</u></b>  | <b><u>1,041,477</u></b> | <b><u>870,777</u></b>    |
| <b>Total Revenue Over Exp</b>                          | <b><u>\$ 230.92</u></b> | <b><u>0.3</u></b>  | <b><u>\$ 116</u></b> | <b><u>\$ 115</u></b>  | <b><u>3,130.73</u></b>      | <b><u>1.8</u></b>  | <b><u>\$ 230</u></b>  | <b><u>\$ 2,901</u></b> | <b><u>\$ 1,389</u></b>  | <b><u>\$ (1,742)</u></b> |
| <b>Beginning Members' Equity</b>                       |                         |                    |                      |                       | <u>258,523.31</u>           |                    |                       |                        |                         |                          |
| <b>Ending Members' Equity</b>                          |                         |                    |                      |                       | <u><u>\$ 261,654.04</u></u> |                    |                       |                        |                         |                          |

\* see attached page 15 - Schedule VI for details