

Wailea Fairway Villas Association
Statement of Assets, Liabilities, and Members' Equity
July 31, 2012 and 2011

Assets

| | 2012 | 2011 |
|---|------------------------------|----------------------|
| CURRENT ASSETS | | |
| Ckg - MOO 281501241 @ 0.10% APR | \$ 171,215.67 | \$ 160,576.32 |
| MMkt - MOO Savings 281802119 @ .20% APR | 66,078.41 | 65,794.82 |
| Petty Cash | <u>1,000.00</u> | <u>1,000.00</u> |
| Subtotal - Cash | <u>238,294.08</u> | <u>227,371.14</u> |
| ACCOUNTS RECEIVABLES | | |
| A/R - Owners Balances (A) | 70,419.83 | 85,257.87 |
| A/R - Act 48 & Collections (B) | 28,340.57 | 28,245.26 |
| Allowance for Bad Debts (C) | <u>(65,451.07)</u> | <u>(72,269.05)</u> |
| Subtotal - Accounts Receivable | <u>33,309.33</u> | <u>41,234.08</u> |
| OTHER ASSETS | | |
| Prepaid Int./Expns | 5,130.29 | 4,249.75 |
| Prepaid Medical | 0.00 | 919.88 |
| Unexpired Insurance | <u>52,720.76</u> | <u>53,324.81</u> |
| Subtotal - Other Assets | <u>57,851.05</u> | <u>58,494.44</u> |
| REPLACEMENT RESERVES ACCOUNTS | | |
| MMkt - MSSB Reserves #5507105319339 @ 0.01% | 5.00 | 5.00 |
| MMkt - MOO Reserves 281802640 .18% APR | 37,544.92 | 63,582.40 |
| MMkt - MOO Reserves 281802119 .25% APR | 103,474.57 | 0.00 |
| CD - MOO Reserve - Exp 12/25/12 @ .60% | 0.00 | 51,595.39 |
| CD - MOO Reserve - Exp. 10/07/11 .75% | 0.00 | 50,125.50 |
| CD - MOO Reserve - Exp. 03/07/12 .85% | 0.00 | 50,142.26 |
| CD - MOO Reserve - Exp. 5/17/13 .55% | 100,091.96 | 80,113.72 |
| CD - MOO Reserve - Exp 10/11/12 .70% | 100,526.85 | 0.00 |
| CD - MOO Reserve - Exp 12/29/12 .60% | <u>100,350.74</u> | <u>0.00</u> |
| Subtotal - Replacement Reserves | (F) <u>441,994.04</u> | <u>295,564.27</u> |
| TOTAL ASSETS | <u>\$ 771,448.50</u> | <u>\$ 622,663.93</u> |

Wailea Fairway Villas Association
Statement of Assets, Liabilities, and Members' Equity
July 31, 2012 and 2011

Liabilities and Fund Balances

| | 2012 | 2011 |
|--|----------------------|----------------------|
| CURRENT LIABILITIES | | |
| A/P - Trade (E) | \$ 29,904.87 | \$ 22,754.46 |
| A/P Insur.Water Damage Claims | 0.00 | 654.07 |
| Owner Prepayments (D) | 45,247.02 | 38,868.05 |
| Accrued General Excise Tx | 141.15 | 348.04 |
| Accrued Federal Income Tax | 300.00 | 0.00 |
| Accrued State Income Tax | <u>1,200.00</u> | <u>0.00</u> |
| Subtotal Current Liabilities | <u>76,793.04</u> | <u>62,624.62</u> |
| TOTAL LIABILITIES | <u>76,793.04</u> | <u>62,624.62</u> |
| MEMBERS' EQUITY | | |
| Unrestricted Members' Equity | 252,661.42 | 264,475.04 |
| Restricted Members' Equity (F) | <u>441,994.04</u> | <u>295,564.27</u> |
| Total Members' Equity | <u>694,655.46</u> | <u>560,039.31</u> |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | <u>\$ 771,448.50</u> | <u>\$ 622,663.93</u> |

Wailea Fairway Villas Association
Statement of Revenues, Expenses and Changes in Members' Equity
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2012

| | CURRENT MONTH | | | | YEAR TO DATE | | | | BUDGET | |
|------------------------------------|------------------|-------------|---------------|--------------|-------------------|-------------|----------------|----------------|------------------|----------------|
| | Actual | % | Budget | Variance | Actual | % | Budget | Variance | Annual | Unexpended |
| Revenues | | | | | | | | | | |
| Membership Income | | | | | | | | | | |
| 405 - Maintenance Fees | \$ 68,699.93 | 78.6 | \$ 69,208 | \$ (508) | \$ 480,899.51 | 79.1 | \$ 484,457 | \$ (3,557) | \$ 830,498 | \$ 349,598 |
| 406 - Statutory Reserve | 15,384.07 | 17.6 | 15,498 | (114) | 107,688.49 | 17.7 | 108,485 | (797) | 185,974 | 78,286 |
| 415 - Delinquent Owners Late Fees | 526.03 | 0.6 | 100 | 426 | 1,112.02 | 0.2 | 700 | 412 | 1,200 | 88 |
| 416 - Delinquent Owners Interest | 688.67 | 0.8 | 75 | 614 | 7,039.18 | 1.2 | 525 | 6,514 | 900 | (6,139) |
| 418 - Insurance Evidence Fine | 100.00 | 0.1 | 0 | 100 | 700.00 | 0.1 | 0 | 700 | 0 | (700) |
| 425 - House Rule Violations | 100.00 | 0.1 | 0 | 100 | 200.00 | 0.0 | 0 | 200 | 0 | (200) |
| Total Membership Income | <u>85,498.70</u> | <u>97.8</u> | <u>84,881</u> | <u>618</u> | <u>597,639.20</u> | <u>98.3</u> | <u>594,167</u> | <u>3,472</u> | <u>1,018,572</u> | <u>420,933</u> |
| Non-Membership Income | | | | | | | | | | |
| 430 - Interest Income | 26.16 | 0.0 | 63 | (37) | 271.56 | 0.0 | 438 | (166) | 750 | 478 |
| 431 - Reserve Interest Income | 181.42 | 0.2 | 162 | 19 | 1,470.91 | 0.2 | 1,134 | 337 | 1,944 | 473 |
| 441 - Kayak Rack Rental | 0.00 | 0.0 | 0 | 0 | 180.00 | 0.0 | 0 | 180 | 0 | (180) |
| 450 - Rental Income | 1,700.00 | 1.9 | 1,800 | (100) | 8,373.42 | 1.4 | 12,600 | (4,227) | 21,600 | 13,227 |
| 499 - Other Income | 25.00 | 0.0 | 0 | 25 | 130.00 | 0.0 | 0 | 130 | 0 | (130) |
| Total Non-Membership Income | <u>1,932.58</u> | <u>2.2</u> | <u>2,025</u> | <u>(92)</u> | <u>10,425.89</u> | <u>1.7</u> | <u>14,172</u> | <u>(3,746)</u> | <u>24,294</u> | <u>13,868</u> |
| Total Revenues | <u>87,431.28</u> | <u>100.</u> | <u>86,906</u> | <u>525</u> | <u>608,065.09</u> | <u>100.</u> | <u>608,339</u> | <u>(274)</u> | <u>1,042,866</u> | <u>434,801</u> |
| Operating Expenses | | | | | | | | | | |
| Administration Expenses | | | | | | | | | | |
| 620 - Bad Debts | 0.00 | 0.0 | 833 | (833) | 0.00 | 0.0 | 5,833 | (5,833) | 10,000 | 10,000 |
| 625 - Bank Charges/Merchant Fees | 0.00 | 0.0 | 10 | (10) | 0.00 | 0.0 | 70 | (70) | 120 | 120 |
| 645 - Dues & Subscriptions | 0.00 | 0.0 | 5 | (5) | 0.00 | 0.0 | 35 | (35) | 60 | 60 |
| 710 - Meetings * | 350.00 | 0.4 | 217 | 133 | 1,751.26 | 0.3 | 1,517 | 234 | 2,600 | 849 |
| 715 - Office/Administration * | 356.08 | 0.4 | 333 | 23 | 2,816.38 | 0.5 | 2,333 | 483 | 4,000 | 1,184 |
| 720 - Operating Supplies | 0.00 | 0.0 | 100 | (100) | 788.97 | 0.1 | 700 | 89 | 1,200 | 411 |
| Total Administration Exp | <u>706.08</u> | <u>0.8</u> | <u>1,498</u> | <u>(792)</u> | <u>5,356.61</u> | <u>0.9</u> | <u>10,488</u> | <u>(5,131)</u> | <u>17,980</u> | <u>12,623</u> |
| Employee Costs | | | | | | | | | | |
| 610 - Auto | 92.30 | 0.1 | 100 | (8) | 646.10 | 0.1 | 700 | (54) | 1,200 | 554 |
| 648 - Education & Seminars | 0.00 | 0.0 | 21 | (21) | 0.00 | 0.0 | 146 | (146) | 250 | 250 |
| 651 - Emp/Ben.-Bonuses | 1,247.03 | 1.4 | 250 | 997 | 1,247.03 | 0.2 | 1,750 | (503) | 3,000 | 1,753 |
| 653 - Emp/Ben.-Medical | 908.30 | 1.0 | 1,012 | (104) | 6,424.58 | 1.1 | 7,084 | (659) | 12,144 | 5,719 |
| 775 - Salaries & Wages | 8,758.22 | 10.0 | 8,488 | 270 | 67,117.92 | 11.0 | 59,418 | 7,700 | 101,860 | 34,742 |
| 801 - P/R Insurance - TDI & WC | 217.08 | 0.2 | 400 | (183) | 5,341.25 | 0.9 | 2,798 | 2,543 | 4,797 | (544) |
| 802 - Taxes - Payroll | 772.46 | 0.9 | 970 | (198) | 5,279.37 | 0.9 | 6,790 | (1,511) | 11,640 | 6,361 |
| 812 - Uniforms | 0.00 | 0.0 | 55 | (55) | 83.27 | 0.0 | 385 | (302) | 660 | 577 |
| Total Employee Costs | <u>11,995.39</u> | <u>13.7</u> | <u>11,296</u> | <u>699</u> | <u>86,139.52</u> | <u>14.2</u> | <u>79,071</u> | <u>7,069</u> | <u>135,551</u> | <u>49,411</u> |
| Insurance Expense | | | | | | | | | | |

Wailea Fairway Villas Association
Statement of Revenues, Expenses and Changes in Members' Equity
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2012

| | CURRENT MONTH | | | | YEAR TO DATE | | | | BUDGET | |
|--------------------------------------|------------------|-------------|---------------|----------------|-------------------|-------------|----------------|-----------------|----------------|----------------|
| | Actual | % | Budget | Variance | Actual | % | Budget | Variance | Annual | Unexpended |
| 677 - Ins. - Bond | 38.25 | 0.0 | 38 | 0 | 267.75 | 0.0 | 268 | (0) | 459 | 191 |
| 679 - Ins. - Dir./Officers | 164.92 | 0.2 | 130 | 35 | 945.94 | 0.2 | 911 | 35 | 1,562 | 616 |
| 680 - Ins. - Package | 4,913.24 | 5.6 | 5,146 | (233) | 35,323.64 | 5.8 | 36,022 | (698) | 61,752 | 26,428 |
| 683 - Ins. - CGL | 367.43 | 0.4 | 389 | (22) | 2,657.13 | 0.4 | 2,721 | (64) | 4,665 | 2,008 |
| 684 - Ins. - Umbrella | <u>221.58</u> | <u>0.3</u> | <u>222</u> | <u>(0)</u> | <u>1,551.06</u> | <u>0.3</u> | <u>1,551</u> | <u>0</u> | <u>2,659</u> | <u>1,108</u> |
| Total Insurance Expenses | 5,705.42 | 6.5 | 5,925 | (220) | 40,745.52 | 6.7 | 41,473 | (727) | 71,097 | 30,351 |
| Professional Services | | | | | | | | | | |
| 705 - Management Fee | 3,640.00 | 4.2 | 3,640 | 0 | 25,480.00 | 4.2 | 25,480 | 0 | 43,680 | 18,200 |
| 725.5 - Rental Agent Fee | 170.00 | 0.2 | 180 | (10) | 837.34 | 0.1 | 1,260 | (423) | 2,160 | 1,323 |
| 731 - Prof.Svc.- Audit | 0.00 | 0.0 | 174 | (174) | 2,083.00 | 0.3 | 1,215 | 868 | 2,083 | 0 |
| 732 - Prof.Svc.- Legal | 182.29 | 0.2 | 667 | (485) | 833.33 | 0.1 | 4,667 | (3,834) | 8,000 | 7,167 |
| 734 - Prof.Svc.- Y/E Acctng. | <u>0.00</u> | <u>0.0</u> | <u>83</u> | <u>(83)</u> | <u>1,000.00</u> | <u>0.2</u> | <u>583</u> | <u>417</u> | <u>1,000</u> | <u>0</u> |
| Total Professional Exp | 3,992.29 | 4.6 | 4,744 | (752) | 30,233.67 | 5.0 | 33,205 | (2,971) | 56,923 | 26,689 |
| Repairs & Maint Expenses | | | | | | | | | | |
| 702 - AOA Maint Fee Exp | 0.00 | 0.0 | 605 | (605) | 0.00 | 0.0 | 4,235 | (4,235) | 7,260 | 7,260 |
| 746 - R/M - Buildings | 287.08 | 0.3 | 1,333 | (1,046) | 6,264.13 | 1.0 | 9,333 | (3,069) | 16,000 | 9,736 |
| 750 - R/M - Equipment | 0.00 | 0.0 | 250 | (250) | 990.85 | 0.2 | 1,750 | (759) | 3,000 | 2,009 |
| 752 - R/M - Fire Equip. * | 264.00 | 0.3 | 104 | 160 | 368.50 | 0.1 | 726 | (358) | 1,244 | 876 |
| 752.1 - R/M - Fire Equip.- Water | 0.00 | 0.0 | 833 | (833) | 0.00 | 0.0 | 5,833 | (5,833) | 10,000 | 10,000 |
| 753 - R/M - Landscape Upgrades | 0.00 | 0.0 | 1,000 | (1,000) | 6,469.63 | 1.1 | 7,000 | (530) | 12,000 | 5,530 |
| 754 - R/M - Grounds | 0.00 | 0.0 | 250 | (250) | 241.67 | 0.0 | 1,750 | (1,508) | 3,000 | 2,758 |
| 755 - R/M - Grounds Contractor | 16,400.00 | 18.8 | 16,575 | (175) | 114,800.00 | 18.9 | 116,025 | (1,225) | 198,900 | 84,100 |
| 756 - R/M - Irrigation | 0.00 | 0.0 | 167 | (167) | 305.84 | 0.1 | 1,167 | (861) | 2,000 | 1,694 |
| 760 - R/M - Pest Control * | 295.50 | 0.3 | 270 | 26 | 1,912.26 | 0.3 | 1,890 | 22 | 3,240 | 1,328 |
| 762 - R/M - Pool, Spa, BBQ * | 367.17 | 0.4 | 167 | 200 | 2,922.34 | 0.5 | 1,167 | 1,755 | 2,000 | (922) |
| 764 - R/M - Refuse Collection | 2,281.09 | 2.6 | 2,296 | (15) | 15,941.57 | 2.6 | 16,073 | (131) | 27,554 | 11,612 |
| 765 - R/M - Rental Unit | 0.00 | 0.0 | 213 | (213) | 153.17 | 0.0 | 1,492 | (1,339) | 2,558 | 2,405 |
| 767 - R/M - Security Contract | 677.08 | 0.8 | 1,036 | (359) | 4,739.56 | 0.8 | 7,252 | (2,512) | 12,432 | 7,692 |
| 769 - R/M - Towing | <u>0.00</u> | <u>0.0</u> | <u>100</u> | <u>(100)</u> | <u>0.00</u> | <u>0.0</u> | <u>700</u> | <u>(700)</u> | <u>1,200</u> | <u>1,200</u> |
| Total Repairs & Maint Exp | 20,571.92 | 23.5 | 25,199 | (4,627) | 155,109.52 | 25.5 | 176,393 | (21,283) | 302,388 | 147,278 |
| Tax Expenses | | | | | | | | | | |
| 796 - Taxes - Gen. Excise | 133.90 | 0.2 | 88 | 46 | 779.11 | 0.1 | 616 | 163 | 1,056 | 277 |
| 940 - Federal Income Taxes | 0.00 | 0.0 | 330 | (330) | 85.00 | 0.0 | 2,310 | (2,225) | 3,960 | 3,875 |
| 945 - State Income Taxes | <u>0.00</u> | <u>0.0</u> | <u>97</u> | <u>(97)</u> | <u>1,267.00</u> | <u>0.2</u> | <u>679</u> | <u>588</u> | <u>1,164</u> | <u>(103)</u> |
| Total Tax Expenses | 133.90 | 0.2 | 515 | (381) | 2,131.11 | 0.4 | 3,605 | (1,474) | 6,180 | 4,049 |
| Utility Expense | | | | | | | | | | |
| 826 - Util. - Cable TV | 3,855.18 | 4.4 | 3,859 | (4) | 26,986.26 | 4.4 | 27,013 | (27) | 46,308 | 19,322 |
| 828 - Util. - Electric | 3,969.70 | 4.5 | 4,095 | (125) | 28,174.87 | 4.6 | 28,664 | (489) | 49,138 | 20,963 |
| 830 - Util. - Gas | 0.00 | 0.0 | 65 | (65) | 299.43 | 0.0 | 455 | (156) | 780 | 481 |

Wailea Fairway Villas Association
Statement of Revenues, Expenses and Changes in Members' Equity
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2012

| | CURRENT MONTH | | | | YEAR TO DATE | | | | BUDGET | |
|--|---------------------------|--------------------|----------------------|------------------------|--------------------------|--------------------|-----------------------|-------------------------|------------------------|---------------------------|
| | Actual | % | Budget | Variance | Actual | % | Budget | Variance | Annual | Unexpended |
| 832 - Util. - Sewer | 4,164.45 | 4.8 | 4,652 | (488) | 29,151.10 | 4.8 | 32,564 | (3,413) | 55,824 | 26,673 |
| 834 - Util. - Telephone | 254.25 | 0.3 | 270 | (16) | 1,788.48 | 0.3 | 1,890 | (102) | 3,240 | 1,452 |
| 838 - Util. - Water * | <u>10,932.20</u> | <u>12.5</u> | <u>7,679</u> | <u>3,253</u> | <u>76,525.40</u> | <u>12.6</u> | <u>53,753</u> | <u>22,772</u> | <u>92,148</u> | <u>15,623</u> |
| Total Utility Expenses | 23,175.78 | 26.5 | 20,620 | 2,556 | 162,925.54 | 26.8 | 144,339 | 18,587 | 247,438 | 84,512 |
| Reserves & Other Exp | | | | | | | | | | |
| 915 - Statutory Reserves | 15,497.84 | 17.7 | 15,498 | (0) | 108,484.88 | 17.8 | 108,486 | (1) | 185,976 | 77,491 |
| 916 - Reserves Interest | 181.42 | 0.2 | 162 | 19 | 1,470.91 | 0.2 | 1,134 | 337 | 1,944 | 473 |
| 930 - Taxes - Penalties & Interest | 0.00 | 0.0 | 0 | 0 | 134.00 | 0.0 | 0 | 134 | 0 | (134) |
| 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>9,333</u> | <u>(9,333)</u> | <u>16,000</u> | <u>16,000</u> |
| Total Reserve & Other Exp | <u>15,679.26</u> | <u>17.9</u> | <u>16,993</u> | <u>(1,314)</u> | <u>110,089.79</u> | <u>18.1</u> | <u>118,953</u> | <u>(8,863)</u> | <u>203,920</u> | <u>93,830</u> |
| Total Operating Expenses and Reserve Allocation | | | | | | | | | | |
| | <u>81,960.04</u> | <u>93.7</u> | <u>86,790</u> | <u>(4,830)</u> | <u>592,731.28</u> | <u>97.5</u> | <u>607,527</u> | <u>(14,796)</u> | <u>1,041,477</u> | <u>448,746</u> |
| Total Revenue Over Exp | <u>\$ 5,471.24</u> | <u>6.3</u> | <u>\$ 116</u> | <u>\$ 5,355</u> | <u>15,333.81</u> | <u>2.5</u> | <u>\$ 812</u> | <u>\$ 14,522</u> | <u>\$ 1,389</u> | <u>\$ (13,945)</u> |
| Beginning Members' Equity | | | | | <u>237,327.61</u> | | | | | |
| Ending Members' Equity | | | | | <u>\$ 252,661.42</u> | | | | | |

* see attached page 15 - Schedule VI for details