



DESTINATION MAUI INC
HOMEOWNER ASSOCIATION MANAGEMENT

Wailea Fairway Villas Association

(A 118-Unit Hawaii Condominium Association)

Financial Statements and Supplementary Information

For the One Month and Three Months Ended
March 31, 2018

Table of Contents

	Page
Financial Statements	
Balance Sheet - Tax Basis	1-2
Income Statement and Changes in Members' Equity - Tax Basis	3-5

I have prepared the accompanying Balance Sheet - Tax Basis as of March 31, 2018, and the Income Statement and Changes in Members' Equity - Tax Basis and Statement of Cash Flows - Tax Basis for the One Month and Three Months then ended, along with the accompanying supplementary 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
March 31, 2018 and 2017

Assets

	2018	2017
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 127,452.00	\$ 100,413.35
MMkt - MOO Savings *****2119	26,374.18	26,334.63
MMkt - HSB Savings *****1937	<u>235,257.94</u>	<u>234,126.60</u>
Subtotal - Cash	<u>389,084.12</u>	<u>360,874.58</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	4,977.99	808.79
A/R - Act 196 & Collection	28,909.31	30,134.75
Allowance for Bad Debts	<u>(21,723.26)</u>	<u>(21,723.26)</u>
Subtotal - Accounts Receivable	<u>12,164.04</u>	<u>9,220.28</u>
OTHER CURRENT ASSETS		
Prepaid Int./Expns	925.04	0.00
Prepaid Rent	10.00	10.00
Prepaid Federal Income Tax	0.00	792.00
Prepaid State Income Tax	0.00	39.49
Unexpired Insurance	8,831.92	9,281.74
NJF Clearing Account	<u>51,591.90</u>	<u>36,425.78</u>
Subtotal - Other Current Assets	<u>61,358.86</u>	<u>46,549.01</u>
TOTAL CURRENT ASSETS	<u>462,607.02</u>	<u>416,643.87</u>
CAPITAL RESERVE ACCOUNTS		
MMkt - MOO Reserves *****2640	555,406.93	242,917.28
CD - MOO Reserve - Exp 10/11/18	102,737.86	102,273.09
CDARS - MOO Reserves - Exp 03/09/18	0.00	141,121.38
CDARS - MOO Reserves - Exp 07/05/18	152,008.62	151,630.13
ICS - MOO Reserves *****2640	<u>703,394.07</u>	<u>702,558.07</u>
Subtotal - Capital Reserves	<u>1,513,547.48</u>	<u>1,340,499.95</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(10,540.00)</u>	<u>(6,820.00)</u>
Subtotal - Fixed Assets	<u>63,860.00</u>	<u>67,580.00</u>
TOTAL OTHER ASSETS	<u>1,577,407.48</u>	<u>1,408,079.95</u>
TOTAL ASSETS	<u><u>\$ 2,040,014.50</u></u>	<u><u>\$ 1,824,723.82</u></u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
March 31, 2018 and 2017**

Liabilities and Fund Balances

	2018	2017
CURRENT LIABILITIES		
A/P - Trade	\$ 16,156.40	\$ 15,205.50
A/P Insur. Water Damage Claims	32,170.44	9,780.83
Owner Prepayments	33,669.49	34,837.07
A/P - NJF Units	51,591.90	36,425.78
A/P - Insurance	4,184.00	4,161.00
Accrued General Excise Tx	389.90	338.36
Accrued Federal Income Tax	3,503.00	0.00
Accrued State Income Tax	657.00	0.00
Accrued Salaries/Wages	100.00	0.00
Accrued Federal Tax W/H	41.20	0.00
Accrued State Tax W/H	21.98	0.00
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Subtotal - Current Liabilities	142,485.31	100,748.54
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TOTAL CURRENT LIABILITIES	142,485.31	100,748.54
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TOTAL LIABILITIES	142,485.31	100,748.54
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MEMBERS' EQUITY		
Unrestricted Members' Equity	383,981.71	383,475.33
Restricted Members' Equity	(1,513,547.48	1,340,499.95
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Subtotal Members' Equity	1,897,529.19	1,723,975.28
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TOTAL MEMBERS' EQUITY	1,897,529.19	1,723,975.28
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,040,014.50	\$ 1,824,723.82
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Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 3 Months Ended March 31, 2018

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	70,922.26	75.9	70,922	0	212,766.78	76.0	212,766	1	851,064	638,297
406 - Capital Reserve	19,257.74	20.6	19,258	(0)	57,773.22	20.6	57,773	0	231,093	173,320
415 - Delinquent Owners Late Fee	236.40	0.3	0	236	934.00	0.3	0	934	0	(934)
416 - Delinquent Owners Interest	33.83	0.0	0	34	127.02	0.0	0	127	0	(127)
Total Membership Income	<u>90,450.23</u>	<u>96.9</u>	<u>90,180</u>	<u>270</u>	<u>271,601.02</u>	<u>97.0</u>	<u>270,539</u>	<u>1,062</u>	<u>1,082,157</u>	<u>810,556</u>
Non-Membership Income										
430 - Interest Income	118.72	0.1	100	19	342.03	0.1	300	42	1,200	858
431 - Reserve Interest Income	548.36	0.6	130	418	844.36	0.3	390	454	1,560	716
440.80 - NJF Rental Income	2,250.00	2.4	2,250	0	6,750.00	2.4	6,750	0	27,000	20,250
441 - Kayak Rack Rental	15.00	0.0	0	15	390.00	0.1	0	390	0	(390)
499 - Other Income	0.00	0.0	50	(50)	40.00	0.0	150	(110)	600	560
Total Non-Membership Income	<u>2,932.08</u>	<u>3.1</u>	<u>2,530</u>	<u>402</u>	<u>8,366.39</u>	<u>3.0</u>	<u>7,590</u>	<u>776</u>	<u>30,360</u>	<u>21,994</u>
Total Revenues	<u>93,382.31</u>	<u>100.</u>	<u>92,710</u>	<u>672</u>	<u>279,967.41</u>	<u>100.</u>	<u>278,129</u>	<u>1,838</u>	<u>1,112,517</u>	<u>832,550</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	662.00	0.7	662	0	1,986.00	0.7	1,986	0	7,944	5,958
701.2 - NJF Unit - Rental Agent Fe	225.00	0.2	225	0	675.00	0.2	675	0	2,700	2,025
701.3 - NJF Repairs & Maint	0.00	0.0	100	(100)	874.51	0.3	300	575	1,200	325
701.4 - NJF GET Expense	90.00	0.1	90	0	270.00	0.1	270	0	1,080	810
Total NJF Unit Expenses	<u>977.00</u>	<u>1.0</u>	<u>1,077</u>	<u>(100)</u>	<u>3,805.51</u>	<u>1.4</u>	<u>3,231</u>	<u>575</u>	<u>12,924</u>	<u>9,118</u>
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	10.00	0.0	30	(20)	120	110
645 - Dues & Subscriptions	0.00	0.0	5	(5)	0.00	0.0	15	(15)	60	60
710 - Meetings	171.87	0.2	217	(45)	471.87	0.2	651	(179)	2,604	2,132
715 - Office/Administration	344.44	0.4	375	(31)	868.57	0.3	1,125	(256)	4,500	3,631
715.1 - Office/Admin - Site Office	0.00	0.0	175	(175)	345.75	0.1	525	(179)	2,100	1,754
720 - Operating Supplies	0.00	0.0	100	(100)	172.72	0.1	300	(127)	1,200	1,027
910 - Depreciation	310.00	0.3	0	310	930.00	0.3	0	930	0	(930)
Total Administration Exp	<u>826.31</u>	<u>0.9</u>	<u>882</u>	<u>(56)</u>	<u>2,798.91</u>	<u>1.0</u>	<u>2,646</u>	<u>153</u>	<u>10,584</u>	<u>7,785</u>
Employee Costs										
610 - Auto	0.00	0.0	100	(100)	57.77	0.0	300	(242)	1,200	1,142
648 - Education & Seminars	0.00	0.0	54	(54)	0.00	0.0	163	(163)	650	650
651 - Emp/Ben.-Bonuses	0.00	0.0	1,000	(1,000)	8,000.00	2.9	3,000	5,000	12,000	4,000
653 - Emp/Ben.-Medical	925.04	1.0	996	(71)	2,775.12	1.0	2,988	(213)	11,952	9,177
780 - Salaries & Wages	8,818.91	9.4	9,137	(318)	22,180.73	7.9	27,412	(5,231)	109,648	87,467
801 - P/R Insurance - TDI & WC	474.07	0.5	495	(21)	1,436.94	0.5	1,485	(48)	5,940	4,503

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 3 Months Ended March 31, 2018

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	1,001.80	1.1	997	5	3,465.54	1.2	2,991	475	11,964	8,498
812 - Uniforms	<u>0.00</u>	<u>0.0</u>	<u>55</u>	<u>(55)</u>	<u>(29.16)</u>	<u>0.0</u>	<u>165</u>	<u>(194)</u>	<u>660</u>	<u>689</u>
Total Employee Costs	11,219.82	12.0	12,834	(1,614)	37,886.94	13.5	38,504	(617)	154,014	116,127
Insurance Expense										
677 - Ins. - Bond	34.58	0.0	35	(0)	103.74	0.0	105	(1)	420	316
678 - Ins. Business Interruption	1,121.00	1.2	0	1,121	1,121.00	0.4	0	1,121	0	(1,121)
679 - Ins. - Dir./Officers	159.83	0.2	160	(0)	479.49	0.2	480	(1)	1,920	1,441
680 - Ins. - Package	4,383.33	4.7	4,471	(88)	13,149.99	4.7	13,413	(263)	53,652	40,502
683 - Ins. - CGL	361.25	0.4	361	0	1,083.75	0.4	1,083	1	4,332	3,248
684 - Ins. - Umbrella	<u>176.25</u>	<u>0.2</u>	<u>181</u>	<u>(5)</u>	<u>528.75</u>	<u>0.2</u>	<u>543</u>	<u>(14)</u>	<u>2,172</u>	<u>1,643</u>
Total Insurance Expenses	6,236.24	6.7	5,208	1,028	16,466.72	5.9	15,624	843	62,496	46,029
Professional Services										
705 - Management Fee	4,170.00	4.5	4,170	0	12,510.00	4.5	12,510	0	50,040	37,530
731 - Prof.Svc.- Audit	156.25	0.2	339	(183)	156.25	0.1	1,017	(861)	4,068	3,912
732 - Prof.Svc.- Legal	0.00	0.0	333	(333)	0.00	0.0	1,000	(1,000)	4,000	4,000
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>247</u>	<u>(247)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	4,326.25	4.6	4,924	(598)	12,666.25	4.5	14,774	(2,108)	59,096	46,430
Repairs & Maint Expenses										
746 - R/M - Buildings ***	5,222.17	5.6	2,000	3,222	6,510.00	2.3	6,000	510	24,000	17,490
750 - R/M - Equipment	51.69	0.1	250	(198)	519.24	0.2	750	(231)	3,000	2,481
752 - R/M - Fire Equip.	0.00	0.0	82	(82)	162.00	0.1	246	(84)	984	822
753 - R/M - Landscape Upgrades	0.00	0.0	167	(167)	71.61	0.0	501	(429)	2,004	1,932
754 - R/M - Grounds	0.00	0.0	417	(417)	518.36	0.2	1,250	(732)	5,000	4,482
755 - R/M - Grounds Contractor	17,400.00	18.6	17,660	(260)	52,200.00	18.6	52,980	(780)	211,920	159,720
756 - R/M - Irrigation	0.00	0.0	704	(704)	779.47	0.3	2,113	(1,334)	8,452	7,673
760 - R/M - Pest Control	0.00	0.0	570	(570)	93.07	0.0	1,709	(1,616)	6,836	6,743
762 - R/M - Pool, Spa, BBQ	0.00	0.0	300	(300)	807.44	0.3	900	(93)	3,600	2,793
764 - R/M - Refuse Collection ***	2,772.18	3.0	1,734	1,038	8,265.19	3.0	5,202	3,063	20,808	12,543
764.1 - R/M - Recycling	0.00	0.0	1,148	(1,148)	0.00	0.0	3,445	(3,445)	13,780	13,780
767 - R/M - Security Contract	<u>791.66</u>	<u>0.8</u>	<u>788</u>	<u>4</u>	<u>2,374.98</u>	<u>0.8</u>	<u>2,364</u>	<u>11</u>	<u>9,456</u>	<u>7,081</u>
Total Repairs & Maint Exp	26,237.70	28.1	25,820	418	72,301.36	25.8	77,460	(5,159)	309,840	237,539
Tax Expenses										
796 - Taxes - Gen. Excise	38.09	0.0	11	27	107.10	0.0	33	74	132	25
940 - Federal Income Taxes	0.00	0.0	300	(300)	0.00	0.0	900	(900)	3,600	3,600
945 - State Income Taxes	<u>0.00</u>	<u>0.0</u>	<u>45</u>	<u>(45)</u>	<u>0.00</u>	<u>0.0</u>	<u>135</u>	<u>(135)</u>	<u>540</u>	<u>540</u>
Total Tax Expenses	38.09	0.0	356	(318)	107.10	0.0	1,068	(961)	4,272	4,165
Utility Expense										
826 - Util. - Cable TV ***	5,152.58	5.5	4,868	285	15,457.74	5.5	14,604	854	58,416	42,958

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 3 Months Ended March 31, 2018

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
828 - Util. - Electric	2,256.30	2.4	2,347	(91)	5,743.06	2.1	7,041	(1,298)	28,164	22,421
830 - Util. - Gas	0.00	0.0	75	(75)	207.79	0.1	225	(17)	900	692
832 - Util. - Sewer	5,121.40	5.5	4,850	271	13,060.05	4.7	14,551	(1,491)	58,203	45,143
834 - Util. - Telephone	320.11	0.3	221	99	961.23	0.3	663	298	2,653	1,692
838 - Util. - Water	<u>6,887.50</u>	<u>7.4</u>	<u>10,593</u>	<u>(3,706)</u>	<u>17,773.80</u>	<u>6.3</u>	<u>31,779</u>	<u>(14,005)</u>	<u>127,117</u>	<u>109,343</u>
Total Utility Expenses	19,737.89	21.1	22,954	(3,216)	53,203.67	19.0	68,863	(15,659)	275,453	222,249
Reserves & Other Exp										
915 - Capital Reserves	19,257.74	20.6	19,258	(0)	57,773.22	20.6	57,773	0	231,093	173,320
916 - Reserves Interest	548.36	0.6	130	418	844.36	0.3	390	454	1,560	716
965 - Operating Contingencies	<u>0.00</u>	<u>0.0</u>	<u>667</u>	<u>(667)</u>	<u>0.00</u>	<u>0.0</u>	<u>2,000</u>	<u>(2,000)</u>	<u>8,000</u>	<u>8,000</u>
Total Reserve & Other Exp	<u>19,806.10</u>	<u>21.2</u>	<u>20,055</u>	<u>(249)</u>	<u>58,617.58</u>	<u>20.9</u>	<u>60,163</u>	<u>(1,545)</u>	<u>240,653</u>	<u>182,035</u>
Total Operating Expenses and Reserve Allocation	<u>89,405.40</u>	<u>95.7</u>	<u>94,110</u>	<u>(4,705)</u>	<u>257,854.04</u>	<u>92.1</u>	<u>282,333</u>	<u>(24,479)</u>	<u>1,129,332</u>	<u>871,478</u>
Total Revenue Over Exp	<u><u>3,976.91</u></u>	<u><u>4.3</u></u>	<u><u>(1,400)</u></u>	<u><u>5,377</u></u>	<u><u>22,113.37</u></u>	<u><u>7.9</u></u>	<u><u>(4,204)</u></u>	<u><u>26,317</u></u>	<u><u>(16,815)</u></u>	<u><u>(38,928)</u></u>
Beginning Members' Equity					<u>361,868.34</u>					
Ending Members' Equity					<u><u>383,981.71</u></u>					