



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 Four Months Ended
April 30, 2018

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I have prepared the accompanying Balance Sheet - Tax Basis as of April 30, 2018, and the Income Statement and Changes in Members' Equity - Tax Basis and Statement of Cash Flows - Tax Basis for the One Month and Four 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
April 30, 2018 and 2017

Assets

	2018	2017
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 131,101.64	\$ 111,264.89
MMkt - MOO Savings *****2119	26,377.43	26,337.88
MMkt - HSB Savings *****1937	<u>235,364.10</u>	<u>234,213.01</u>
Subtotal - Cash	<u>392,843.17</u>	<u>371,815.78</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	6,328.43	2,715.58
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>13,514.48</u>	<u>11,127.07</u>
OTHER CURRENT ASSETS		
Prepaid Int./Expns	925.04	0.00
Prepaid Rent	10.00	10.00
Prepaid Federal Income Tax	3,542.00	792.00
Prepaid State Income Tax	130.00	39.49
Unexpired Insurance	3,345.01	6,706.99
NJF Clearing Account	<u>52,864.90</u>	<u>37,711.78</u>
Subtotal - Other Current Assets	<u>60,816.95</u>	<u>45,260.26</u>
TOTAL CURRENT ASSETS	<u>467,174.60</u>	<u>428,203.11</u>
CAPITAL RESERVE ACCOUNTS		
MMkt - MOO Reserves *****2640	1,277,660.76	257,362.57
CD - MOO Reserve - Exp 10/11/18 ****3754	102,790.23	102,303.50
CDARS - MOO Reserves - Exp 03/09/18 ****7219	0.00	141,121.38
CDARS - MOO Reserves - Exp 07/05/18 ****5144	152,008.62	151,630.13
ICS - MOO Reserves *****2640	<u>0.00</u>	<u>702,633.12</u>
Subtotal - Capital Reserves	(E) <u>1,532,459.61</u>	<u>1,355,050.70</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(10,850.00)</u>	<u>(7,130.00)</u>
Subtotal - Fixed Assets	<u>63,550.00</u>	<u>67,270.00</u>
TOTAL OTHER ASSETS	<u>1,596,009.61</u>	<u>1,422,320.70</u>
TOTAL ASSETS	<u>\$ 2,063,184.21</u>	<u>\$ 1,850,523.81</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
April 30, 2018 and 2017**

Liabilities and Fund Balances

	2018	2017
CURRENT LIABILITIES		
A/P - Trade	\$ 19,994.15	\$ 30,466.22
A/P Insur. Water Damage Claims	33,685.30	9,780.83
Owner Prepayments	32,509.03	27,243.07
A/P - NJF Units	52,864.90	37,711.78
A/P - Insurance	4,184.00	4,161.00
Accrued General Excise Tx	115.96	123.08
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	147,676.52	109,485.98
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TOTAL CURRENT LIABILITIES	147,676.52	109,485.98
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TOTAL LIABILITIES	147,676.52	109,485.98
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MEMBERS' EQUITY		
Unrestricted Members' Equity	383,048.08	385,987.13
Restricted Members' Equity	1,532,459.61	1,355,050.70
	<hr/>	<hr/>
Subtotal Members' Equity	1,915,507.69	1,741,037.83
	<hr/>	<hr/>
TOTAL MEMBERS' EQUITY	1,915,507.69	1,741,037.83
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,063,184.21	\$ 1,850,523.81
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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 4 Months Ended April 30, 2018

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	70,922.26	76.1	70,922	0	283,689.04	76.0	283,688	1	851,064	567,375
406 - Capital Reserve	19,257.74	20.7	19,258	(0)	77,030.96	20.6	77,031	(0)	231,093	154,062
415 - Delinquent Owners Late Fee	154.78	0.2	0	155	1,088.78	0.3	0	1,089	0	(1,089)
416 - Delinquent Owners Interest	41.48	0.0	0	41	168.50	0.0	0	169	0	(169)
Total Membership Income	<u>90,376.26</u>	<u>97.0</u>	<u>90,180</u>	<u>196</u>	<u>361,977.28</u>	<u>97.0</u>	<u>360,719</u>	<u>1,258</u>	<u>1,082,157</u>	<u>720,180</u>
Non-Membership Income										
430 - Interest Income	116.05	0.1	100	16	458.08	0.1	400	58	1,200	742
431 - Reserve Interest Income	451.21	0.5	130	321	1,295.57	0.3	520	776	1,560	264
440.80 - NJF Rental Income	2,250.00	2.4	2,250	0	9,000.00	2.4	9,000	0	27,000	18,000
441 - Kayak Rack Rental	15.00	0.0	0	15	405.00	0.1	0	405	0	(405)
499 - Other Income	0.00	0.0	50	(50)	40.00	0.0	200	(160)	600	560
Total Non-Membership Income	<u>2,832.26</u>	<u>3.0</u>	<u>2,530</u>	<u>302</u>	<u>11,198.65</u>	<u>3.0</u>	<u>10,120</u>	<u>1,079</u>	<u>30,360</u>	<u>19,161</u>
Total Revenues	<u>93,208.52</u>	<u>100.</u>	<u>92,710</u>	<u>499</u>	<u>373,175.93</u>	<u>100.</u>	<u>370,839</u>	<u>2,337</u>	<u>1,112,517</u>	<u>739,341</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	662.00	0.7	662	0	2,648.00	0.7	2,648	0	7,944	5,296
701.2 - NJF Unit - Rental Agent Fe	225.00	0.2	225	0	900.00	0.2	900	0	2,700	1,800
701.3 - NJF Repairs & Maint ***	1,941.82	2.1	100	1,842	2,816.33	0.8	400	2,416	1,200	(1,616)
701.4 - NJF GET Expense	90.00	0.1	90	0	360.00	0.1	360	0	1,080	720
Total NJF Unit Expenses	<u>2,918.82</u>	<u>3.1</u>	<u>1,077</u>	<u>1,842</u>	<u>6,724.33</u>	<u>1.8</u>	<u>4,308</u>	<u>2,416</u>	<u>12,924</u>	<u>6,200</u>
Administration Expenses										
625 - Bank Charges/Merchant	10.00	0.0	10	0	20.00	0.0	40	(20)	120	100
645 - Dues & Subscriptions	0.00	0.0	5	(5)	0.00	0.0	20	(20)	60	60
710 - Meetings ***	571.20	0.6	217	354	1,043.07	0.3	868	175	2,604	1,561
715 - Office/Administration ***	1,416.47	1.5	375	1,041	2,285.04	0.6	1,500	785	4,500	2,215
715.1 - Office/Admin - Site Office	90.35	0.1	175	(85)	436.10	0.1	700	(264)	2,100	1,664
720 - Operating Supplies	95.67	0.1	100	(4)	268.39	0.1	400	(132)	1,200	932
910 - Depreciation	310.00	0.3	0	310	1,240.00	0.3	0	1,240	0	(1,240)
Total Administration Exp	<u>2,493.69</u>	<u>2.7</u>	<u>882</u>	<u>1,612</u>	<u>5,292.60</u>	<u>1.4</u>	<u>3,528</u>	<u>1,765</u>	<u>10,584</u>	<u>5,291</u>
Employee Costs										
610 - Auto	0.00	0.0	100	(100)	57.77	0.0	400	(342)	1,200	1,142
648 - Education & Seminars	0.00	0.0	54	(54)	0.00	0.0	217	(217)	650	650
651 - Emp/Ben.-Bonuses	0.00	0.0	1,000	(1,000)	8,000.00	2.1	4,000	4,000	12,000	4,000
653 - Emp/Ben.-Medical	925.04	1.0	996	(71)	3,700.16	1.0	3,984	(284)	11,952	8,252
780 - Salaries & Wages	8,793.91	9.4	9,137	(343)	30,974.64	8.3	36,549	(5,574)	109,648	78,673
801 - P/R Insurance - TDI & WC	371.67	0.4	495	(123)	1,808.61	0.5	1,980	(171)	5,940	4,131

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 4 Months Ended April 30, 2018

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	835.16	0.9	997	(162)	4,300.70	1.2	3,988	313	11,964	7,663
812 - Uniforms	<u>90.28</u>	<u>0.1</u>	<u>55</u>	<u>35</u>	<u>61.12</u>	<u>0.0</u>	<u>220</u>	<u>(159)</u>	<u>660</u>	<u>599</u>
Total Employee Costs	11,016.06	11.8	12,834	(1,818)	48,903.00	13.1	51,338	(2,435)	154,014	105,111
Insurance Expense										
677 - Ins. - Bond	34.58	0.0	35	(0)	138.32	0.0	140	(2)	420	282
678 - Ins. Business Interruption	0.00	0.0	0	0	1,121.00	0.3	0	1,121	0	(1,121)
679 - Ins. - Dir./Officers	159.83	0.2	160	(0)	639.32	0.2	640	(1)	1,920	1,281
680 - Ins. - Package	4,383.33	4.7	4,471	(88)	17,533.32	4.7	17,884	(351)	53,652	36,119
683 - Ins. - CGL	361.25	0.4	361	0	1,445.00	0.4	1,444	1	4,332	2,887
684 - Ins. - Umbrella	<u>176.25</u>	<u>0.2</u>	<u>181</u>	<u>(5)</u>	<u>705.00</u>	<u>0.2</u>	<u>724</u>	<u>(19)</u>	<u>2,172</u>	<u>1,467</u>
Total Insurance Expenses	5,115.24	5.5	5,208	(93)	21,581.96	5.8	20,832	750	62,496	40,914
Professional Services										
705 - Management Fee	4,170.00	4.5	4,170	0	16,680.00	4.5	16,680	0	50,040	33,360
725 - Outside Service ***	215.00	0.2	0	215	215.00	0.1	0	215	0	(215)
731 - Prof.Svc.- Audit	0.00	0.0	339	(339)	156.25	0.0	1,356	(1,200)	4,068	3,912
732 - Prof.Svc.- Legal	0.00	0.0	333	(333)	0.00	0.0	1,333	(1,333)	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>329</u>	<u>(329)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	4,385.00	4.7	4,924	(539)	17,051.25	4.6	19,698	(2,647)	59,096	42,045
Repairs & Maint Expenses										
746 - R/M - Buildings ***	2,172.54	2.3	2,000	173	8,682.54	2.3	8,000	683	24,000	15,317
750 - R/M - Equipment	0.00	0.0	250	(250)	519.24	0.1	1,000	(481)	3,000	2,481
752 - R/M - Fire Equip.	0.00	0.0	82	(82)	162.00	0.0	328	(166)	984	822
753 - R/M - Landscape Upgrades	156.25	0.2	167	(11)	227.86	0.1	668	(440)	2,004	1,776
754 - R/M - Grounds	0.00	0.0	417	(417)	518.36	0.1	1,667	(1,149)	5,000	4,482
755 - R/M - Grounds Contractor	17,400.00	18.7	17,660	(260)	69,600.00	18.7	70,640	(1,040)	211,920	142,320
756 - R/M - Irrigation	528.22	0.6	704	(176)	1,307.69	0.4	2,817	(1,509)	8,452	7,144
760 - R/M - Pest Control ***	1,597.91	1.7	570	1,028	1,690.98	0.5	2,279	(588)	6,836	5,145
762 - R/M - Pool, Spa, BBQ ***	1,189.69	1.3	300	890	1,997.13	0.5	1,200	797	3,600	1,603
764 - R/M - Refuse Collection ***	2,764.89	3.0	1,734	1,031	11,030.08	3.0	6,936	4,094	20,808	9,778
764.1 - R/M - Recycling	0.00	0.0	1,148	(1,148)	0.00	0.0	4,593	(4,593)	13,780	13,780
767 - R/M - Security Contract	<u>791.66</u>	<u>0.8</u>	<u>788</u>	<u>4</u>	<u>3,166.64</u>	<u>0.8</u>	<u>3,152</u>	<u>15</u>	<u>9,456</u>	<u>6,289</u>
Total Repairs & Maint Exp	26,601.16	28.5	25,820	781	98,902.52	26.5	103,280	(4,377)	309,840	210,937
Tax Expenses										
796 - Taxes - Gen. Excise	31.14	0.0	11	20	138.24	0.0	44	94	132	(6)
940 - Federal Income Taxes	0.00	0.0	300	(300)	0.00	0.0	1,200	(1,200)	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>180</u>	<u>(180)</u>	<u>540</u>	<u>540</u>
Total Tax Expenses	31.14	0.0	356	(325)	138.24	0.0	1,424	(1,286)	4,272	4,134
Utility Expense										

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 4 Months Ended April 30, 2018

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
826 - Util. - Cable TV ***	5,152.58	5.5	4,868	285	20,610.32	5.5	19,472	1,138	58,416	37,806
828 - Util. - Electric	1,957.88	2.1	2,347	(389)	7,700.94	2.1	9,388	(1,687)	28,164	20,463
830 - Util. - Gas	60.75	0.1	75	(14)	268.54	0.1	300	(31)	900	631
832 - Util. - Sewer	5,354.56	5.7	4,850	505	18,414.61	4.9	19,401	(986)	58,203	39,788
834 - Util. - Telephone ***	327.02	0.4	221	106	1,288.25	0.3	884	404	2,653	1,365
838 - Util. - Water	<u>9,019.30</u>	<u>9.7</u>	<u>10,593</u>	<u>(1,574)</u>	<u>26,793.10</u>	<u>7.2</u>	<u>42,372</u>	<u>(15,579)</u>	<u>127,117</u>	<u>100,324</u>
Total Utility Expenses	21,872.09	23.5	22,954	(1,082)	75,075.76	20.1	91,817	(16,741)	275,453	200,377
Reserves & Other Exp										
915 - Capital Reserves	19,257.74	20.7	19,258	(0)	77,030.96	20.6	77,031	(0)	231,093	154,062
916 - Reserves Interest	451.21	0.5	130	321	1,295.57	0.3	520	776	1,560	264
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>2,667</u>	<u>(2,667)</u>	<u>8,000</u>	<u>8,000</u>
Total Reserve & Other Exp	<u>19,708.95</u>	<u>21.1</u>	<u>20,055</u>	<u>(346)</u>	<u>78,326.53</u>	<u>21.0</u>	<u>80,218</u>	<u>(1,891)</u>	<u>240,653</u>	<u>162,326</u>
Total Operating Expenses and Reserve Allocation										
	<u>94,142.15</u>	<u>101.</u>	<u>94,110</u>	<u>32</u>	<u>351,996.19</u>	<u>94.3</u>	<u>376,443</u>	<u>(24,447)</u>	<u>1,129,332</u>	<u>777,336</u>
Total Revenue Over Exp	<u>(933.63)</u>	<u>(1.0)</u>	<u>(1,400)</u>	<u>466</u>	<u>21,179.74</u>	<u>5.7</u>	<u>(5,604)</u>	<u>26,784</u>	<u>(16,815)</u>	<u>(37,995)</u>
Beginning Members' Equity					<u>361,868.34</u>					
Ending Members' Equity					<u><u>383,048.08</u></u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 4 Months Ended April 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (933.63)	\$ 21,179.74
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	1,240.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(1,350.44)	(1,255.51)
Prepays	541.91	8,760.66
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	3,837.75	(28,111.34)
Accrued Liabilities	1,353.46	20,781.30
Total Adjustments	<u>4,692.68</u>	<u>1,415.11</u>
Net Cash Provided By (Used in) Operating Activities	<u>3,759.05</u>	<u>22,594.85</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

3,759.05 22,594.85

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

389,084.12 370,248.32

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 392,843.17 \$ 392,843.17