



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 Eleven Months Ended
November 30, 2018

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

Assets

	2018	2017
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 130,581.24	\$ 99,531.12
MMkt - MOO Savings *****2119	26,418.89	26,361.07
MMkt - HSB Savings *****1937	<u>236,122.73</u>	<u>234,830.27</u>
Subtotal - Cash	<u>393,122.86</u>	<u>360,722.46</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,921.56	6,527.52
A/R - Act 196 & Collection	28,936.39	29,030.75
Allowance for Bad Debts	<u>(21,723.26)</u>	<u>(21,723.26)</u>
Subtotal - Accounts Receivable	<u>10,134.69</u>	<u>13,835.01</u>
OTHER CURRENT ASSETS		
Prepaid Rent	10.00	10.00
Prepaid Federal Income Tax	3,542.00	792.00
Prepaid State Income Tax	130.00	39.49
Prepaid Medical	0.00	925.04
Unexpired Insurance	29,670.01	26,393.59
NJF Clearing Account	<u>59,840.90</u>	<u>44,626.90</u>
Subtotal - Other Current Assets	<u>93,192.91</u>	<u>72,787.02</u>
TOTAL CURRENT ASSETS	<u>496,450.46</u>	<u>447,344.49</u>
CAPITAL RESERVE ACCOUNTS		
MMkt - MOO Reserves *****2640	1,408,751.17	335,133.75
CD - MOO Reserve - Exp 10/11/18 ****3754	103,152.45	102,535.41
CDARS - MOO Reserves - Exp 03/09/18 ****7219	0.00	141,121.38
CDARS - MOO Reserves - Exp 07/05/18 ****5144	152,008.62	152,008.62
ICS - MOO Reserves *****2640	<u>0.00</u>	<u>703,168.70</u>
Subtotal - Capital Reserves	<u>1,663,912.24</u>	<u>1,433,967.86</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(13,020.00)</u>	<u>(9,300.00)</u>
Subtotal - Fixed Assets	<u>61,380.00</u>	<u>65,100.00</u>
TOTAL OTHER ASSETS	<u>1,725,292.24</u>	<u>1,499,067.86</u>
TOTAL ASSETS	<u><u>\$ 2,221,742.70</u></u>	<u><u>\$ 1,946,412.35</u></u>

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

Liabilities and Fund Balances

	2018	2017
CURRENT LIABILITIES		
A/P - Trade	\$ 17,255.62	\$ 26,292.58
A/P Insur. Water Damage Claims	8,861.27	9,780.83
Owner Prepayments	29,112.47	24,039.66
A/P - NJF Units	59,840.90	44,626.90
A/P - Insurance	14,337.00	15,641.00
Accrued General Excise Tx	272.68	230.73
Accrued Federal Income Tax	3,503.00	0.00
Accrued State Income Tax	657.00	0.00
Accrued Salaries/Wages	100.00	100.00
Accrued Federal Tax W/H	41.20	0.00
Accrued FICA Tax W/H	124.00	0.00
Accrued Medicare W/H	29.00	0.00
Accrued State Tax W/H	21.98	0.00
	<hr/>	<hr/>
Subtotal - Current Liabilities	134,156.12	120,711.70
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	134,156.12	120,711.70
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TOTAL LIABILITIES	134,156.12	120,711.70
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MEMBERS' EQUITY		
Unrestricted Members' Equity	423,674.34	391,732.79
Restricted Members' Equity	1,663,912.24	1,433,967.86
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Subtotal Members' Equity	2,087,586.58	1,825,700.65
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TOTAL MEMBERS' EQUITY	2,087,586.58	1,825,700.65
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,221,742.70	\$ 1,946,412.35
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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 11 Months Ended November 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	77.5	70,922	0	780,144.86	76.0	780,142	3	851,064	70,919
406 - Capital Reserve	19,257.74	21.0	19,258	(0)	211,835.14	20.7	211,835	0	231,093	19,258
415 - Delinquent Owners Late Fee	112.60	0.1	0	113	2,948.31	0.3	0	2,948	0	(2,948)
416 - Delinquent Owners Interest	16.15	0.0	0	16	316.55	0.0	0	317	0	(317)
425 - House Rule Violations	0.00	0.0	0	0	150.00	0.0	0	150	0	(150)
Total Membership Income	90,308.75	98.7	90,180	129	995,394.86	97.0	991,977	3,418	1,082,157	86,762
Non-Membership Income										
430 - Interest Income	120.39	0.1	100	20	1,294.13	0.1	1,100	194	1,200	(94)
431 - Reserve Interest Income	742.62	0.8	130	613	4,937.73	0.5	1,430	3,508	1,560	(3,378)
440.80 - NJF Rental Income	225.00	0.2	2,250	(2,025)	22,755.00	2.2	24,750	(1,995)	27,000	4,245
441 - Kayak Rack Rental	15.00	0.0	0	15	1,245.00	0.1	0	1,245	0	(1,245)
499 - Other Income	127.35	0.1	50	77	207.35	0.0	550	(343)	600	393
Total Non-Membership Income	1,230.36	1.3	2,530	(1,300)	30,439.21	3.0	27,830	2,609	30,360	(79)
Total Revenues	91,539.11	100.	92,710	(1,171)	1,025,834.07	100.	1,019,807	6,027	1,112,517	86,683
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	662.00	0.7	662	0	7,282.00	0.7	7,282	0	7,944	662
701.2 - NJF Unit - Rental Agent Fe	225.00	0.2	225	0	2,475.00	0.2	2,475	0	2,700	225
701.3 - NJF Repairs & Maint	0.00	0.0	100	(100)	3,305.06	0.3	1,100	2,205	1,200	(2,105)
701.4 - NJF GET Expense	90.00	0.1	90	0	990.00	0.1	990	0	1,080	90
Total NJF Unit Expenses	977.00	1.1	1,077	(100)	14,052.06	1.4	11,847	2,205	12,924	(1,128)
Adminstration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	50.00	0.0	110	(60)	120	70
645 - Dues & Subscriptions	0.00	0.0	5	(5)	0.00	0.0	55	(55)	60	60
710 - Meetings	44.00	0.0	217	(173)	1,412.07	0.1	2,387	(975)	2,604	1,192
715 - Office/Administration	265.80	0.3	375	(109)	4,639.31	0.5	4,125	514	4,500	(139)
715.1 - Office/Admin - Site Office	0.00	0.0	175	(175)	436.10	0.0	1,925	(1,489)	2,100	1,664
720 - Operating Supplies	0.00	0.0	100	(100)	707.10	0.1	1,100	(393)	1,200	493
910 - Depreciation	310.00	0.3	0	310	3,410.00	0.3	0	3,410	0	(3,410)
Total Administration Exp	619.80	0.7	882	(262)	10,654.58	1.0	9,702	953	10,584	(71)
Employee Costs										
610 - Auto	0.00	0.0	100	(100)	246.34	0.0	1,100	(854)	1,200	954
648 - Education & Seminars	55.00	0.1	54	1	55.00	0.0	596	(541)	650	595
651 - Emp/Ben.-Bonuses	0.00	0.0	1,000	(1,000)	10,506.20	1.0	11,000	(494)	12,000	1,494
653 - Emp/Ben.-Medical	1,024.78	1.1	996	29	10,674.14	1.0	10,956	(282)	11,952	1,278
780 - Salaries & Wages	4,691.51	5.1	9,137	(4,445)	86,046.59	8.4	100,511	(14,464)	109,648	23,601

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 11 Months Ended November 30, 2018

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
801 - P/R Insurance - TDI & WC	371.67	0.4	495	(123)	4,705.03	0.5	5,445	(740)	5,940	1,235
802 - Taxes - Payroll	515.19	0.6	997	(482)	10,293.43	1.0	10,967	(674)	11,964	1,671
812 - Uniforms	0.00	0.0	55	(55)	61.12	0.0	605	(544)	660	599
Total Employee Costs	6,658.15	7.3	12,834	(6,176)	122,587.85	12.0	141,180	(18,592)	154,014	31,426
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	35	1	386.82	0.0	385	2	420	33
678 - Ins. Business Interruption	95.25	0.1	0	95	676.75	0.1	0	677	0	(677)
679 - Ins. - Dir./Officers	167.58	0.2	160	8	1,812.38	0.2	1,760	52	1,920	108
680 - Ins. - Package	4,952.75	5.4	4,471	482	49,129.57	4.8	49,181	(51)	53,652	4,522
683 - Ins. - CGL	358.00	0.4	361	(3)	3,951.00	0.4	3,971	(20)	4,332	381
684 - Ins. - Umbrella	176.25	0.2	181	(5)	1,938.75	0.2	1,991	(52)	2,172	233
Total Insurance Expenses	5,785.33	6.3	5,208	577	57,895.27	5.6	57,288	607	62,496	4,601
Professional Services										
705 - Management Fee	4,170.00	4.6	4,170	0	45,870.00	4.5	45,870	0	50,040	4,170
725 - Outside Service	0.00	0.0	0	0	215.00	0.0	0	215	0	(215)
731 - Prof.Svc.- Audit	0.00	0.0	339	(339)	156.25	0.0	3,729	(3,573)	4,068	3,912
732 - Prof.Svc.- Legal	0.00	0.0	333	(333)	3,551.54	0.3	3,667	(115)	4,000	448
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	906	(906)	988	988
Total Professional Exp	4,170.00	4.6	4,924	(754)	49,792.79	4.9	54,172	(4,379)	59,096	9,303
Repairs & Maint Expenses 746 -										
R/M - Buildings	0.00	0.0	2,000	(2,000)	26,795.92	2.6	22,000	4,796	24,000	(2,796)
750 - R/M - Equipment	0.00	0.0	250	(250)	1,641.93	0.2	2,750	(1,108)	3,000	1,358
752 - R/M - Fire Equip.	0.00	0.0	82	(82)	426.00	0.0	902	(476)	984	558
753 - R/M - Landscape Upgrades	0.00	0.0	167	(167)	991.08	0.1	1,837	(846)	2,004	1,013
754 - R/M - Grounds	0.00	0.0	417	(417)	518.36	0.1	4,583	(4,065)	5,000	4,482
755 - R/M - Grounds Contractor	17,660.00	19.3	17,660	0	192,180.00	18.7	194,260	(2,080)	211,920	19,740
756 - R/M - Irrigation	0.00	0.0	704	(704)	4,051.66	0.4	7,748	(3,696)	8,452	4,400
760 - R/M - Pest Control	0.00	0.0	570	(570)	3,288.89	0.3	6,266	(2,977)	6,836	3,547
762 - R/M - Pool, Spa, BBQ	0.00	0.0	300	(300)	4,034.55	0.4	3,300	735	3,600	(435)
764 - R/M - Refuse Collection *	2,846.94	3.1	1,734	1,113	29,573.13	2.9	19,074	10,499	20,808	(8,765)
764.1 - R/M - Recycling	0.00	0.0	1,148	(1,148)	0.00	0.0	12,632	(12,632)	13,780	13,780
767 - R/M - Security Contract	0.00	0.0	788	(788)	6,333.28	0.6	8,668	(2,335)	9,456	3,123
Total Repairs & Maint Exp	20,506.94	22.4	25,820	(5,313)	269,834.80	26.3	284,020	(14,185)	309,840	40,005
Tax Expenses										
796 - Taxes - Gen. Excise	45.37	0.0	11	34	443.96	0.0	121	323	132	(312)
940 - Federal Income Taxes	0.00	0.0	300	(300)	0.00	0.0	3,300	(3,300)	3,600	3,600
945 - State Income Taxes	0.00	0.0	45	(45)	0.00	0.0	495	(495)	540	540
Total Tax Expenses	45.37	0.0	356	(311)	443.96	0.0	3,916	(3,472)	4,272	3,828

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 11 Months Ended November 30, 2018

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Utility Expense										
826 - Util. - Cable TV	3,758.39	4.1	4,868	(1,110)	51,957.82	5.1	53,548	(1,590)	58,416	6,458
828 - Util. - Electric	1,962.29	2.1	2,347	(385)	19,640.92	1.9	25,817	(6,176)	28,164	8,523
830 - Util. - Gas	0.00	0.0	75	(75)	684.68	0.1	825	(140)	900	215
832 - Util. - Sewer	5,147.48	5.6	4,850	297	53,063.17	5.2	53,353	(290)	58,203	5,140
834 - Util. - Telephone	203.95	0.2	221	(17)	2,951.40	0.3	2,432	519	2,653	(298)
838 - Util. - Water	<u>9,184.60</u>	<u>10.0</u>	<u>10,593</u>	<u>(1,408)</u>	<u>93,695.90</u>	<u>9.1</u>	<u>116,524</u>	<u>(22,828)</u>	<u>127,117</u>	<u>33,421</u>
Total Utility Expenses	20,256.71	22.1	22,954	(2,697)	221,993.89	21.6	252,499	(30,505)	275,453	53,459
Reserves & Other Exp										
915 - Capital Reserves	19,257.74	21.0	19,258	(0)	211,835.14	20.7	211,835	0	231,093	19,258
916 - Reserves Interest	742.62	0.8	130	613	4,937.73	0.5	1,430	3,508	1,560	(3,378)
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>7,333</u>	<u>(7,333)</u>	<u>8,000</u>	<u>8,000</u>
Total Reserve & Other Exp	<u>20,000.36</u>	<u>21.8</u>	<u>20,055</u>	<u>(55)</u>	<u>216,772.87</u>	<u>21.1</u>	<u>220,598</u>	<u>(3,825)</u>	<u>240,653</u>	<u>23,880</u>
Total Operating Expenses and Reserve Allocation	<u>79,019.66</u>	<u>86.3</u>	<u>94,110</u>	<u>(15,090)</u>	<u>964,028.07</u>	<u>94.0</u>	<u>1,035,222</u>	<u>(71,194)</u>	<u>1,129,332</u>	<u>165,304</u>
Total Revenue Over Exp	<u>12,519.45</u>	<u>13.7</u>	<u>(1,400)</u>	<u>13,919</u>	<u>61,806.00</u>	<u>6.0</u>	<u>(15,415)</u>	<u>77,221</u>	<u>(16,815)</u>	<u>(78,621)</u>
Beginning Members' Equity					<u>361,868.34</u>					
Ending Members' Equity					<u>423,674.34</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 11 Months Ended November 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 12,519.45	\$ 61,806.00
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	3,410.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	691.21	2,124.28
Prepays	6,819.00	(23,615.30)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	5,246.89	(30,849.87)
Accrued Liabilities	(4,786.63)	9,999.43
Total Adjustments	<u>8,280.47</u>	<u>(38,931.46)</u>
Net Cash Provided By (Used in) Operating Activities	<u>20,799.92</u>	<u>22,874.54</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

20,799.92	22,874.54
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CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

<u>372,322.94</u>	<u>370,248.32</u>
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CASH AND CASH EQUIVALENTS AT END OF PERIOD

<u>\$ 393,122.86</u>	<u>\$ 393,122.86</u>
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**Wailea Fairway Villas Association
Supplementary Schedule VII
Note to the Financial Statement
November 30, 2018**

1. I have prepared the accompanying Balance Sheet – Tax Basis as of November 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 Eleven 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