



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 One Month Ended

January 31, 2019

(Subject to 2018 Audit Adjustments))

Table of Contents

	Page
Financial Statements	
Balance Sheet – Tax Basis	1-2
Income Statement and Changes in Members' Equity – Tax Basis	3-5
Statement of Cash Flows – Tax Basis	6

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
January 31, 2019 and 2018**

Assets

	2019	2018
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 134,560.32	\$ 99,837.43
MMkt - MOO Savings *****2119	26,436.85	26,367.79
MMkt - HSB Savings *****1937	<u>236,342.98</u>	<u>235,049.31</u>
Subtotal - Cash	<u>397,340.15</u>	<u>361,254.53</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	3,356.06	7,135.98
A/R - Act 196 & Collection	28,963.47	29,030.75
Allowance for Bad Debts	<u>(21,723.26)</u>	<u>(21,723.26)</u>
Subtotal - Accounts Receivable	<u>10,596.27</u>	<u>14,443.47</u>
OTHER CURRENT ASSETS		
Prepaid Rent	10.00	10.00
Prepaid Federal Income Tax	3,542.00	0.00
Prepaid State Income Tax	130.00	0.00
Unexpired Insurance	17,356.02	15,345.75
NJF Clearing Account	<u>64,307.10</u>	<u>49,045.90</u>
Subtotal - Other Current Assets	<u>85,345.12</u>	<u>64,401.65</u>
TOTAL CURRENT ASSETS	<u>493,281.54</u>	<u>440,099.65</u>
CAPITAL RESERVE ACCOUNTS		
MMkt - MOO Reserves *****2640	1,449,485.33	375,495.86
CD - MOO Reserve - Exp 10/11/18 ****3754	103,203.33	102,638.28
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>703,323.94</u>
Subtotal - Capital Reserves	<u>1,704,697.28</u>	<u>1,474,588.08</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(13,640.00)</u>	<u>(9,920.00)</u>
Subtotal - Fixed Assets	<u>60,760.00</u>	<u>64,480.00</u>
TOTAL OTHER ASSETS	<u>1,765,457.28</u>	<u>1,539,068.08</u>
TOTAL ASSETS	<u>\$ 2,258,738.82</u>	<u>\$ 1,979,167.73</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
January 31, 2019 and 2018**

Liabilities and Fund Balances

	2019	2018
CURRENT LIABILITIES		
A/P - Trade	\$ 20,315.24	\$ 18,640.70
A/P Insur. Water Damage Claims	8,861.27	9,780.83
Owner Prepayments	41,284.41	35,182.51
A/P - NJF Units	64,307.10	49,045.90
A/P - Insurance	4,779.00	3,089.00
Accrued General Excise Tx	160.43	147.04
Accrued Federal Income Tax	3,503.00	3,503.00
Accrued State Income Tax	657.00	657.00
Accrued Salaries/Wages	100.00	100.00
Accrued Federal Tax W/H	41.20	41.20
Accrued FICA Tax W/H	124.00	0.00
Accrued Medicare W/H	29.00	0.00
Accrued State Tax W/H	<u>21.98</u>	<u>21.98</u>
Subtotal - Current Liabilities	<u>144,183.63</u>	<u>120,209.16</u>
TOTAL CURRENT LIABILITIES	<u>144,183.63</u>	<u>120,209.16</u>
TOTAL LIABILITIES	<u>144,183.63</u>	<u>120,209.16</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	409,857.91	384,370.49
Restricted Members' Equity	<u>1,704,697.28</u>	<u>1,474,588.08</u>
Subtotal Members' Equity	<u>2,114,555.19</u>	<u>1,858,958.57</u>
TOTAL MEMBERS' EQUITY	<u>2,114,555.19</u>	<u>1,858,958.57</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u><u>\$ 2,258,738.82</u></u>	 <u><u>\$ 1,979,167.73</u></u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 1 Month Ended January 31, 2019

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	71,226.33	74.4	71,208	18	71,226.33	74.4	71,208	18	854,496	783,270
406 - Capital Reserve	20,027.67	20.9	20,028	(0)	20,027.67	20.9	20,028	(0)	240,332	220,304
415 - Delinquent Owners Late Fee	<u>326.07</u>	<u>0.3</u>	<u>0</u>	<u>326</u>	<u>326.07</u>	<u>0.3</u>	<u>0</u>	<u>326</u>	<u>0</u>	<u>(326)</u>
Total Membership Income	91,580.07	95.7	91,236	344	91,580.07	95.7	91,236	344	1,094,828	1,003,248
Non-Membership Income										
430 - Interest Income	125.22	0.1	292	(167)	125.22	0.1	292	(167)	3,500	3,375
431 - Reserve Interest Income	779.11	0.8	2,167	(1,388)	779.11	0.8	2,167	(1,388)	26,000	25,221
440.80 - NJF Rental Income	2,725.00	2.8	2,500	225	2,725.00	2.8	2,500	225	30,000	27,275
441 - Kayak Rack Rental	465.00	0.5	0	465	465.00	0.5	0	465	0	(465)
499 - Other Income	<u>0.00</u>	<u>0.0</u>	<u>100</u>	<u>(100)</u>	<u>0.00</u>	<u>0.0</u>	<u>100</u>	<u>(100)</u>	<u>1,200</u>	<u>1,200</u>
Total Non-Membership Income	4,094.33	4.3	5,059	(965)	4,094.33	4.3	5,059	(965)	60,700	56,606
Total Revenues	<u>95,674.40</u>	<u>100.</u>	<u>96,295</u>	<u>(621)</u>	<u>95,674.40</u>	<u>100.</u>	<u>96,295</u>	<u>(621)</u>	<u>1,155,528</u>	<u>1,059,854</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	670.00	0.7	670	0	670.00	0.7	670	0	8,040	7,370
701.2 - NJF Unit - Rental Agent Fe	475.00	0.5	250	225	475.00	0.5	250	225	3,000	2,525
701.3 - NJF Repairs & Maint	0.00	0.0	100	(100)	0.00	0.0	100	(100)	1,200	1,200
701.4 - NJF GET Expense	<u>90.00</u>	<u>0.1</u>	<u>100</u>	<u>(10)</u>	<u>90.00</u>	<u>0.1</u>	<u>100</u>	<u>(10)</u>	<u>1,200</u>	<u>1,110</u>
Total NJF Unit Expenses	1,235.00	1.3	1,120	115	1,235.00	1.3	1,120	115	13,440	12,205
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	0.00	0.0	10	(10)	120	120
645 - Dues & Subscriptions *	537.00	0.6	108	429	537.00	0.6	108	429	1,296	759
710 - Meetings *	590.00	0.6	217	373	590.00	0.6	217	373	2,604	2,014
715 - Office/Administration	447.36	0.5	375	72	447.36	0.5	375	72	4,500	4,053
715.1 - Office/Admin - Site Office	0.00	0.0	175	(175)	0.00	0.0	175	(175)	2,100	2,100
720 - Operating Supplies	66.73	0.1	100	(33)	66.73	0.1	100	(33)	1,200	1,133
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>3,720</u>	<u>3,410</u>
Total Administration Exp	1,951.09	2.0	1,295	656	1,951.09	2.0	1,295	656	15,540	13,589
Employee Costs										
610 - Auto *	205.47	0.2	100	105	205.47	0.2	100	105	1,200	995
648 - Education & Seminars	60.00	0.1	54	6	60.00	0.1	54	6	650	590
651 - Emp/Ben.-Bonuses	0.00	0.0	250	(250)	0.00	0.0	250	(250)	3,000	3,000
653 - Emp/Ben.-Medical	1,024.78	1.1	1,245	(220)	1,024.78	1.1	1,245	(220)	14,940	13,915
780 - Salaries & Wages	9,944.51	10.4	10,144	(199)	9,944.51	10.4	10,144	(199)	121,724	111,779
801 - P/R Insurance - TDI & WC	480.59	0.5	549	(68)	480.59	0.5	549	(68)	6,588	6,107
802 - Taxes - Payroll	1,139.62	1.2	1,074	66	1,139.62	1.2	1,074	66	12,888	11,748

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 1 Month Ended January 31, 2019

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
812 - Uniforms *	<u>469.86</u>	<u>0.5</u>	<u>55</u>	<u>415</u>	<u>469.86</u>	<u>0.5</u>	<u>55</u>	<u>415</u>	<u>660</u>	<u>190</u>
Total Employee Costs	13,324.83	13.9	13,471	(146)	13,324.83	13.9	13,471	(146)	161,650	148,325
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	35	1	35.50	0.0	35	1	420	385
678 - Ins. Business Interruption	95.25	0.1	0	95	95.25	0.1	0	95	0	(95)
679 - Ins. - Dir./Officers	167.58	0.2	173	(5)	167.58	0.2	173	(5)	2,076	1,908
680 - Ins. - Package	4,952.75	5.2	5,149	(196)	4,952.75	5.2	5,149	(196)	61,788	56,835
683 - Ins. - CGL	358.00	0.4	365	(7)	358.00	0.4	365	(7)	4,380	4,022
684 - Ins. - Umbrella	<u>176.25</u>	<u>0.2</u>	<u>181</u>	<u>(5)</u>	<u>176.25</u>	<u>0.2</u>	<u>181</u>	<u>(5)</u>	<u>2,172</u>	<u>1,996</u>
Total Insurance Expenses	5,785.33	6.0	5,903	(118)	5,785.33	6.0	5,903	(118)	70,836	65,051
Professional Services										
705 - Management Fee	4,264.00	4.5	4,264	0	4,264.00	4.5	4,264	0	51,168	46,904
731 - Prof.Svc.- Audit	0.00	0.0	352	(352)	0.00	0.0	352	(352)	4,219	4,219
732 - Prof.Svc.- Legal	0.00	0.0	333	(333)	0.00	0.0	333	(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>82</u>	<u>(82)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	4,264.00	4.5	5,031	(767)	4,264.00	4.5	5,031	(767)	60,375	56,111
Repairs & Maint Expenses										
746 - R/M - Buildings	1,837.40	1.9	2,000	(163)	1,837.40	1.9	2,000	(163)	24,000	22,163
750 - R/M - Equipment	0.00	0.0	250	(250)	0.00	0.0	250	(250)	3,000	3,000
752 - R/M - Fire Equip.	0.00	0.0	82	(82)	0.00	0.0	82	(82)	984	984
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	0.00	0.0	125	(125)	1,500	1,500
754 - R/M - Grounds	0.00	0.0	167	(167)	0.00	0.0	167	(167)	2,000	2,000
755 - R/M - Grounds Contractor	17,660.00	18.5	18,190	(530)	17,660.00	18.5	18,190	(530)	218,278	200,618
756 - R/M - Irrigation	0.00	0.0	704	(704)	0.00	0.0	704	(704)	8,452	8,452
760 - R/M - Pest Control *	1,597.91	1.7	511	1,087	1,597.91	1.7	511	1,087	6,136	4,538
762 - R/M - Pool, Spa, BBQ	115.19	0.1	350	(235)	115.19	0.1	350	(235)	4,200	4,085
764 - R/M - Refuse Collection *	2,846.94	3.0	1,265	1,582	2,846.94	3.0	1,265	1,582	15,180	12,333
764.1 - R/M - Recycling	0.00	0.0	974	(974)	0.00	0.0	974	(974)	11,687	11,687
767 - R/M - Security Contract *	<u>1,603.11</u>	<u>1.7</u>	<u>831</u>	<u>772</u>	<u>1,603.11</u>	<u>1.7</u>	<u>831</u>	<u>772</u>	<u>9,972</u>	<u>8,369</u>
Total Repairs & Maint Exp	25,660.55	26.8	25,449	212	25,660.55	26.8	25,449	212	305,389	279,728
Tax Expenses										
796 - Taxes - Gen. Excise	67.82	0.1	102	(34)	67.82	0.1	102	(34)	1,224	1,156
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	1,000	(1,000)	12,000	12,000
945 - State Income Taxes	<u>0.00</u>	<u>0.0</u>	<u>146</u>	<u>(146)</u>	<u>0.00</u>	<u>0.0</u>	<u>146</u>	<u>(146)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	67.82	0.1	1,248	(1,180)	67.82	0.1	1,248	(1,180)	14,974	14,906
Utility Expense										
826 - Util. - Cable TV	3,758.39	3.9	3,818	(60)	3,758.39	3.9	3,818	(60)	45,810	42,052
828 - Util. - Electric	2,513.06	2.6	1,750	763	2,513.06	2.6	1,750	763	21,002	18,489

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 1 Month Ended January 31, 2019

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
830 - Util. - Gas	0.00	0.0	100	(100)	0.00	0.0	100	(100)	1,200	1,200
832 - Util. - Sewer	4,308.22	4.5	4,996	(688)	4,308.22	4.5	4,996	(688)	59,949	55,641
834 - Util. - Telephone	189.03	0.2	225	(36)	189.03	0.2	225	(36)	2,703	2,514
838 - Util. - Water	<u>7,130.31</u>	<u>7.5</u>	<u>9,600</u>	<u>(2,470)</u>	<u>7,130.31</u>	<u>7.5</u>	<u>9,600</u>	<u>(2,470)</u>	<u>115,204</u>	<u>108,074</u>
Total Utility Expenses	17,899.01	18.7	20,489	(2,590)	17,899.01	18.7	20,489	(2,590)	245,868	227,969
Reserves & Other Exp										
915 - Capital Reserves	20,027.67	20.9	20,028	(0)	20,027.67	20.9	20,028	(0)	240,332	220,304
916 - Reserves Interest	<u>779.11</u>	<u>0.8</u>	<u>2,167</u>	<u>(1,388)</u>	<u>779.11</u>	<u>0.8</u>	<u>2,167</u>	<u>(1,388)</u>	<u>26,000</u>	<u>25,221</u>
Total Reserve & Other Exp	<u>20,806.78</u>	<u>21.7</u>	<u>22,195</u>	<u>(1,388)</u>	<u>20,806.78</u>	<u>21.7</u>	<u>22,195</u>	<u>(1,388)</u>	<u>266,332</u>	<u>245,525</u>
Total Operating Expenses and Reserve Allocation	<u>90,994.41</u>	<u>95.1</u>	<u>96,201</u>	<u>(5,207)</u>	<u>90,994.41</u>	<u>95.1</u>	<u>96,201</u>	<u>(5,207)</u>	<u>1,154,404</u>	<u>1,063,410</u>
Total Revenue Over Exp	<u>4,679.99</u>	<u>4.9</u>	<u>94</u>	<u>4,586</u>	<u>4,679.99</u>	<u>4.9</u>	<u>94</u>	<u>4,586</u>	<u>1,124</u>	<u>(3,556)</u>
Beginning Members' Equity					<u>405,177.92</u>					
Ending Members' Equity					<u>409,857.91</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 1 Month Ended January 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$	4,679.99	\$	4,679.99
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:				
Depreciation		310.00		310.00
Decrease (Increase) in Operating Assets:				
Accounts Receivable		1,797.46		1,797.46
Prepays		4,676.99		4,676.99
Increase (Decrease) in Operating Liabilities:				
Accounts Payable		(925.87)		(925.87)
Accrued Liabilities		9,658.21		9,658.21
Total Adjustments		<u>15,516.79</u>		<u>15,516.79</u>
Net Cash Provided By (Used in) Operating Activities		<u>20,196.78</u>		<u>20,196.78</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

	20,196.78		20,196.78
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CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

	<u>377,143.37</u>		<u>377,143.37</u>
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CASH AND CASH EQUIVALENTS AT END OF PERIOD

	<u>\$ 397,340.15</u>		<u>\$ 397,340.15</u>
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**Wailea Fairway Villas Association
Supplementary Schedule VII
Note to the Financial Statement
January 31, 2019**

1. I have prepared the accompanying Balance Sheet – Tax Basis as of January 31, 2019, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and One Month 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