



Wailea Fairway Villas Association
(A 118-Unit Hawaii Condominium Association)

Financial Statements
and
Supplementary Information

For the One Month and Six Months Ended
June 30, 2019

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

I have prepared the accompanying Balance Sheet – Tax Basis as of June 30, 2019, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Six 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

Wailea Fairway Villas Association
Balance Sheet - Tax Basis
June 30, 2019 and 2018

Assets

	2019	2018
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 100,618.40	\$ 99,094.83
Cash - MOB- Debit Card #****4202	2,423.50	0.00
MMkt - MOO Savings *****2119	26,480.34	26,384.04
MMkt - HSB Savings *****1937	36,602.82	235,580.10
CD - HSB Savings - Exp 3/1/20	200,000.00	0.00
Petty Cash - MOO Ckg *****4202	<u>3,000.00</u>	<u>0.00</u>
Subtotal - Cash	<u>369,125.06</u>	<u>361,058.97</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,012.49	(85,536.21)
A/R - Act 196 & Collection	29,050.96	28,909.31
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>241.54</u>	<u>0.00</u>
Subtotal - Accounts Receivable	<u>9,581.73</u>	<u>(78,350.16)</u>
OTHER CURRENT ASSETS		
Prepaid Rent	0.00	10.00
Prepaid Federal Income Tax	6,904.00	3,542.00
Prepaid State Income Tax	400.00	130.00
Unexpired Insurance	64,734.87	61,608.01
NJF Clearing Account	<u>70,005.80</u>	<u>55,410.90</u>
Subtotal - Other Current Assets	<u>142,044.67</u>	<u>120,700.91</u>
TOTAL CURRENT ASSETS	<u>520,751.46</u>	<u>403,409.72</u>
CAPITAL RESERVE ACCOUNTS		
MMkt - MOO Reserves *****2640	161,977.55	1,316,672.37
CD - MOO Reserve - Exp 10/11/19 ****3754	103,503.91	102,840.93
CDARS - MOO Reserves - Exp 07/05/19 ****5144	152,464.06	152,008.62
Inv - MOO Wealth Mangement ****13974	1,350,546.66	0.00
MOO Inv Cash Sweep Acct Reserves *****13974	<u>9.25</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>1,768,501.43</u>	<u>1,571,521.92</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(15,190.00)</u>	<u>(11,470.00)</u>
Subtotal - Fixed Assets	<u>59,210.00</u>	<u>62,930.00</u>
TOTAL OTHER ASSETS	<u>1,827,711.43</u>	<u>1,634,451.92</u>
TOTAL ASSETS	<u>\$ 2,348,462.89</u>	<u>\$ 2,037,861.64</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
June 30, 2019 and 2018**

Liabilities and Fund Balances

	2019	2018
CURRENT LIABILITIES		
A/P - Trade	\$ 16,901.73	\$ 22,530.03
A/P Insur. Water Damage Claims	8,861.27	8,861.27
Owner Prepayments	34,522.88	(57,495.44)
A/P - NJF Units	70,005.80	55,410.90
A/P - Insurance	35,779.00	43,011.00
Accrued General Excise Tx	311.28	364.80
Accrued Federal Income Tax	0.00	3,503.00
Accrued State Income Tax	527.00	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	124.00
Accrued Medicare W/H	29.00	29.00
Accrued State Tax W/H	21.98	21.98
Garnishee W/H	487.00	0.00
	<hr/>	<hr/>
Subtotal - Current Liabilities	167,712.14	77,158.74
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	167,712.14	77,158.74
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TOTAL LIABILITIES	167,712.14	77,158.74
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MEMBERS' EQUITY		
Unrestricted Members' Equity	412,249.32	389,180.98
Restricted Members' Equity	1,768,501.43	1,571,521.92
	<hr/>	<hr/>
Subtotal Members' Equity	2,180,750.75	1,960,702.90
	<hr/>	<hr/>
TOTAL MEMBERS' EQUITY	2,180,750.75	1,960,702.90
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,348,462.89	\$ 2,037,861.64
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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 6 Months Ended June 30, 2019

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	71,226.33	75.5	71,208	18	427,357.98	75.5	427,248	110	854,496	427,138
406 - Capital Reserve	20,027.67	21.2	20,028	(0)	120,166.02	21.2	120,166	0	240,332	120,166
415 - Delinquent Owners Late Fee	<u>234.50</u>	<u>0.2</u>	<u>0</u>	<u>235</u>	<u>1,183.89</u>	<u>0.2</u>	<u>0</u>	<u>1,184</u>	<u>0</u>	<u>(1,184)</u>
Total Membership Income	91,488.50	97.0	91,236	253	548,707.89	96.9	547,414	1,294	1,094,828	546,120
Non-Membership Income										
430 - Interest Income	29.10	0.0	292	(263)	461.61	0.1	1,750	(1,288)	3,500	3,038
431 - Reserve Interest Income	212.33	0.2	2,167	(1,955)	2,622.92	0.5	13,000	(10,377)	26,000	23,377
440.80 - NJF Rental Income	2,500.00	2.7	2,500	0	13,489.96	2.4	15,000	(1,510)	30,000	16,510
441 - Kayak Rack Rental	225.00	0.2	0	225	840.00	0.1	0	840	0	(840)
499 - Other Income	<u>(127.35)</u>	<u>(0.1)</u>	<u>100</u>	<u>(227)</u>	<u>(2.35)</u>	<u>0.0</u>	<u>600</u>	<u>(602)</u>	<u>1,200</u>	<u>1,202</u>
Total Non-Membership Income	2,839.08	3.0	5,059	(2,220)	17,412.14	3.1	30,350	(12,938)	60,700	43,288
Total Revenues	<u>94,327.58</u>	<u>100.</u>	<u>96,295</u>	<u>(1,967)</u>	<u>566,120.03</u>	<u>100.</u>	<u>577,764</u>	<u>(11,644)</u>	<u>1,155,528</u>	<u>589,408</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	670.00	0.7	670	0	4,020.00	0.7	4,020	0	8,040	4,020
701.2 - NJF Unit - Rental Agent Fe	250.00	0.3	250	0	1,350.00	0.2	1,500	(150)	3,000	1,650
701.3 - NJF Repairs & Maint *	521.26	0.6	100	421	521.26	0.1	600	(79)	1,200	679
701.4 - NJF GET Expense	<u>100.00</u>	<u>0.1</u>	<u>100</u>	<u>0</u>	<u>520.00</u>	<u>0.1</u>	<u>600</u>	<u>(80)</u>	<u>1,200</u>	<u>680</u>
Total NJF Unit Expenses	1,541.26	1.6	1,120	421	6,411.26	1.1	6,720	(309)	13,440	7,029
Adminstration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	20.00	0.0	60	(40)	120	100
645 - Dues & Subscriptions	0.00	0.0	108	(108)	537.00	0.1	648	(111)	1,296	759
710 - Meetings	0.00	0.0	217	(217)	2,662.07	0.5	1,302	1,360	2,604	(58)
715 - Office/Administration	214.38	0.2	375	(161)	3,051.01	0.5	2,250	801	4,500	1,449
715.1 - Office/Admin - Site Office	109.07	0.1	175	(66)	304.51	0.1	1,050	(745)	2,100	1,795
720 - Operating Supplies	65.10	0.1	100	(35)	991.25	0.2	600	391	1,200	209
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>1,860.00</u>	<u>0.3</u>	<u>1,860</u>	<u>0</u>	<u>3,720</u>	<u>1,860</u>
Total Administration Exp	698.55	0.7	1,295	(596)	9,425.84	1.7	7,770	1,656	15,540	6,114
Employee Costs										
610 - Auto	0.00	0.0	100	(100)	636.99	0.1	600	37	1,200	563
648 - Education & Seminars	0.00	0.0	54	(54)	605.00	0.1	325	280	650	45
651 - Emp/Ben.-Bonuses	0.00	0.0	250	(250)	0.00	0.0	1,500	(1,500)	3,000	3,000
653 - Emp/Ben.-Medical	1,245.51	1.3	1,245	1	7,473.06	1.3	7,470	3	14,940	7,467
780 - Salaries & Wages	10,158.25	10.8	10,144	14	60,303.40	10.7	60,862	(559)	121,724	61,421
801 - P/R Insurance - TDI & WC	362.00	0.4	549	(187)	2,366.58	0.4	3,294	(927)	6,588	4,221
802 - Taxes - Payroll *	1,106.01	1.2	1,074	32	6,653.83	1.2	6,444	210	12,888	6,234

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 2019

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
812 - Uniforms	0.00	0.0	55	(55)	469.86	0.1	330	140	660	190
Total Employee Costs	12,871.77	13.6	13,471	(599)	78,508.72	13.9	80,825	(2,316)	161,650	83,141
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	35	1	213.00	0.0	210	3	420	207
678 - Ins. Business Interruption	97.33	0.1	0	97	575.66	0.1	0	576	0	(576)
679 - Ins. - Dir./Officers	225.08	0.2	173	52	1,120.48	0.2	1,038	82	2,076	956
680 - Ins. - Package	5,321.92	5.6	5,149	173	30,454.84	5.4	30,894	(439)	61,788	31,333
683 - Ins. - CGL	358.00	0.4	365	(7)	2,148.00	0.4	2,190	(42)	4,380	2,232
684 - Ins. - Umbrella	176.25	0.2	181	(5)	1,057.50	0.2	1,086	(29)	2,172	1,115
Total Insurance Expenses	6,214.08	6.6	5,903	311	35,569.48	6.3	35,418	151	70,836	35,267
Professional Services										
705 - Management Fee	4,264.00	4.5	4,264	0	25,584.00	4.5	25,584	0	51,168	25,584
731 - Prof.Svc.- Audit	0.00	0.0	352	(352)	46.87	0.0	2,109	(2,062)	4,219	4,172
732 - Prof.Svc.- Legal *	1,862.38	2.0	333	1,529	7,368.14	1.3	2,000	5,368	4,000	(3,368)
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	494	(494)	988	988
Total Professional Exp	6,126.38	6.5	5,031	1,095	32,999.01	5.8	30,187	2,812	60,375	27,376
Repairs & Maint Expenses										
746 - R/M - Buildings	335.18	0.4	2,000	(1,665)	12,427.40	2.2	12,000	427	24,000	11,573
750 - R/M - Equipment	0.00	0.0	250	(250)	330.24	0.1	1,500	(1,170)	3,000	2,670
752 - R/M - Fire Equip.	0.00	0.0	82	(82)	1,520.83	0.3	492	1,029	984	(537)
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	0.00	0.0	750	(750)	1,500	1,500
754 - R/M - Grounds	0.00	0.0	167	(167)	995.78	0.2	1,000	(4)	2,000	1,004
755 - R/M - Grounds Contractor *	18,400.00	19.5	18,190	210	108,570.00	19.2	109,139	(569)	218,278	109,708
756 - R/M - Irrigation *	1,055.25	1.1	704	351	4,034.36	0.7	4,226	(192)	8,452	4,418
760 - R/M - Pest Control	0.00	0.0	511	(511)	3,195.82	0.6	3,068	128	6,136	2,940
762 - R/M - Pool, Spa, BBQ *	486.98	0.5	350	137	3,258.84	0.6	2,100	1,159	4,200	941
764 - R/M - Refuse Collection	1,318.48	1.4	1,265	53	9,279.14	1.6	7,590	1,689	15,180	5,901
764.1 - R/M - Recycling *	1,467.68	1.6	974	494	2,588.05	0.5	5,844	(3,256)	11,687	9,099
767 - R/M - Security Contract	811.45	0.9	831	(20)	5,660.36	1.0	4,986	674	9,972	4,312
Total Repairs & Maint Exp	23,875.02	25.3	25,449	(1,574)	151,860.82	26.8	152,695	(834)	305,389	153,528
Tax Expenses										
796 - Taxes - Gen. Excise	22.94	0.0	102	(79)	221.25	0.0	612	(391)	1,224	1,003
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	39.00	0.0	6,000	(5,961)	12,000	11,961
945 - State Income Taxes	0.00	0.0	146	(146)	700.00	0.1	875	(175)	1,750	1,050
Total Tax Expenses	22.94	0.0	1,248	(1,225)	960.25	0.2	7,487	(6,527)	14,974	14,014
Utility Expense										
826 - Util. - Cable TV	3,675.11	3.9	3,818	(143)	22,467.06	4.0	22,905	(438)	45,810	23,343
828 - Util. - Electric	1,556.52	1.7	1,750	(193)	12,409.13	2.2	10,501	1,908	21,002	8,593

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 6 Months Ended June 30, 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	600	(600)	1,200	1,200
832 - Util. - Sewer	4,868.68	5.2	4,996	(127)	28,881.22	5.1	29,975	(1,094)	59,949	31,068
834 - Util. - Telephone	204.25	0.2	225	(21)	1,165.69	0.2	1,352	(186)	2,703	1,537
838 - Util. - Water *	<u>11,327.80</u>	<u>12.0</u>	<u>9,600</u>	<u>1,728</u>	<u>55,601.21</u>	<u>9.8</u>	<u>57,602</u>	<u>(2,001)</u>	<u>115,204</u>	<u>59,603</u>
Total Utility Expenses	21,632.36	22.9	20,489	1,143	120,524.31	21.3	122,935	(2,411)	245,868	125,344
Reserves & Other Exp										
915 - Capital Reserves	20,027.67	21.2	20,028	(0)	120,166.02	21.2	120,166	0	240,332	120,166
916 - Reserves Interest	<u>212.33</u>	<u>0.2</u>	<u>2,167</u>	<u>(1,955)</u>	<u>2,622.92</u>	<u>0.5</u>	<u>13,000</u>	<u>(10,377)</u>	<u>26,000</u>	<u>23,377</u>
Total Reserve & Other Exp	<u>20,240.00</u>	<u>21.5</u>	<u>22,195</u>	<u>(1,955)</u>	<u>122,788.94</u>	<u>21.7</u>	<u>133,166</u>	<u>(10,377)</u>	<u>266,332</u>	<u>143,543</u>
Total Operating Expenses and Reserve Allocation	<u>93,222.36</u>	<u>98.8</u>	<u>96,201</u>	<u>(2,979)</u>	<u>559,048.63</u>	<u>98.8</u>	<u>577,203</u>	<u>(18,154)</u>	<u>1,154,404</u>	<u>595,355</u>
Total Revenue Over Exp	<u>1,105.22</u>	<u>1.2</u>	<u>94</u>	<u>1,011</u>	<u>7,071.40</u>	<u>1.2</u>	<u>561</u>	<u>6,510</u>	<u>1,124</u>	<u>(5,947)</u>
Beginning Members' Equity					<u>405,177.92</u>					
Ending Members' Equity					<u>412,249.32</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 6 Months Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 1,105.22	\$ 7,071.40
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	1,860.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(819.19)	2,812.00
Prepays	4,217.34	(52,022.56)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(3,731.78)	(4,339.38)
Accrued Liabilities	<u>(13,467.92)</u>	<u>36,600.23</u>
Total Adjustments	<u>(13,491.55)</u>	<u>(15,089.71)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(12,386.33)</u>	<u>(8,018.31)</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

(12,386.33) (8,018.31)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

381,511.39 377,143.37

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 369,125.06 \$ 369,125.06