



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, 2020

(Subject to 2019 Audit Adjustments)

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I have prepared the accompanying Balance Sheet – Tax Basis as of January 31, 2020, 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

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
January 31, 2020 and 2019**

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 83,624.90	\$ 134,560.32
Cash - MOB- Debit Card #****4202	2,930.97	0.00
MMkt - MOO Savings *****2119	26,542.81	26,436.85
MMkt - HSB Savings *****1937	36,721.35	236,342.98
CD - HSB Savings - Exp 3/1/20	<u>203,455.84</u>	<u>0.00</u>
Subtotal - Cash	<u>353,275.87</u>	<u>397,340.15</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	5,918.28	3,356.06
A/R - Act 196 & Collection	29,160.44	28,963.47
Allowance for Bad Debts	<u>(21,723.26)</u>	<u>(21,723.26)</u>
Subtotal - Accounts Receivable	<u>13,355.46</u>	<u>10,596.27</u>
OTHER CURRENT ASSETS		
Prepaid Rent	0.00	10.00
Prepaid Federal Income Tax	5,762.00	0.00
Prepaid State Income Tax	670.00	0.00
Unexpired Insurance	18,671.06	17,356.02
NJF Clearing Account	<u>79,464.44</u>	<u>64,307.10</u>
Subtotal - Other Current Assets	<u>104,567.50</u>	<u>81,673.12</u>
TOTAL CURRENT ASSETS	<u>471,198.83</u>	<u>489,609.54</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	529,012.31	1,704,697.28
Wealth Management	<u>1,364,663.13</u>	<u>0.00</u>
Subtotal - Capital Reserves	<u>1,893,675.44</u>	<u>1,704,697.28</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(17,050.00)</u>	<u>(13,640.00)</u>
Subtotal - Fixed Assets	<u>57,350.00</u>	<u>60,760.00</u>
TOTAL OTHER ASSETS	<u>1,951,025.44</u>	<u>1,765,457.28</u>
TOTAL ASSETS	<u>\$ 2,422,224.27</u>	<u>\$ 2,255,066.82</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
January 31, 2020 and 2019**

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 34,865.34	\$ 20,315.24
A/P Insur. Water Damage Claims	8,861.27	8,861.27
Owner Prepayments	41,932.22	41,284.41
A/P - NJF Units	79,464.44	64,307.10
A/P - Insurance	0.00	4,779.00
Accrued General Excise Tx	100.00	160.43
Accrued Federal Income Tax	1,001.00	4,504.00
Accrued State Income Tax	570.00	700.00
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	165.06	21.98
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Subtotal - Current Liabilities	167,253.53	145,227.63
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TOTAL CURRENT LIABILITIES	167,253.53	145,227.63
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TOTAL LIABILITIES	167,253.53	145,227.63
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MEMBERS' EQUITY		
Unrestricted Members' Equity	361,295.30	405,141.91
Restricted Members' Equity	1,893,675.44	1,704,697.28
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Subtotal Members' Equity	2,254,970.74	2,109,839.19
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TOTAL MEMBERS' EQUITY	2,254,970.74	2,109,839.19
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,422,224.27	\$ 2,255,066.82
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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 1 Month Ended January 31, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	73,265.82	74.1	73,266	(0)	73,265.82	74.1	73,266	(0)	879,192	805,926
406 - Capital Reserve	21,000.18	21.2	21,000	0	21,000.18	21.2	21,000	0	252,002	231,002
415 - Delinquent Owners Late Fee	267.80	0.3	0	268	267.80	0.3	0	268	0	(268)
425 - House Rule Violations	<u>300.00</u>	<u>0.3</u>	<u>0</u>	<u>300</u>	<u>300.00</u>	<u>0.3</u>	<u>0</u>	<u>300</u>	<u>0</u>	<u>(300)</u>
Total Membership Income	94,833.80	95.9	94,266	568	94,833.80	95.9	94,266	568	1,131,194	1,036,360
Non-Membership Income										
430 - Interest Income	30.27	0.0	333	(303)	30.27	0.0	333	(303)	4,000	3,970
431 - Reserve Interest Income	1,030.91	1.0	1,817	(786)	1,030.91	1.0	1,817	(786)	21,800	20,769
440.80 - NJF Rental Income	2,500.00	2.5	2,500	0	2,500.00	2.5	2,500	0	30,000	27,500
441 - Kayak Rack Rental	465.00	0.5	95	370	465.00	0.5	95	370	1,140	675
499 - Other Income	<u>40.00</u>	<u>0.0</u>	<u>13</u>	<u>27</u>	<u>40.00</u>	<u>0.0</u>	<u>13</u>	<u>27</u>	<u>160</u>	<u>120</u>
Total Non-Membership Income	4,066.18	4.1	4,758	(692)	4,066.18	4.1	4,758	(692)	57,100	53,034
Total Revenues	<u>98,899.98</u>	<u>100.</u>	<u>99,024</u>	<u>(124)</u>	<u>98,899.98</u>	<u>100.</u>	<u>99,024</u>	<u>(124)</u>	<u>1,188,294</u>	<u>1,089,394</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	692.00	0.7	692	0	8,304	7,612
701.2 - NJF Unit - Rental Agent Fe	250.00	0.3	250	0	250.00	0.3	250	0	3,000	2,750
701.3 - NJF Repairs & Maint	15.00	0.0	133	(118)	15.00	0.0	133	(118)	1,600	1,585
701.4 - NJF GET Expense	<u>100.00</u>	<u>0.1</u>	<u>89</u>	<u>11</u>	<u>100.00</u>	<u>0.1</u>	<u>89</u>	<u>11</u>	<u>1,062</u>	<u>962</u>
Total NJF Unit Expenses	1,057.00	1.1	1,164	(107)	1,057.00	1.1	1,164	(107)	13,966	12,909
Adminstration Expenses										
625 - Bank Charges/Merchant	10.00	0.0	10	0	10.00	0.0	10	0	120	110
645 - Dues & Subscriptions *	252.25	0.3	5	247	252.25	0.3	5	247	60	(192)
710 - Meetings	57.55	0.1	401	(343)	57.55	0.1	401	(343)	4,814	4,756
715 - Office & Administration *	673.12	0.7	433	240	673.12	0.7	433	240	5,200	4,527
715.1 - Office/Admin - Site Office *	300.71	0.3	125	176	300.71	0.3	125	176	1,500	1,199
720 - Operating Supplies	0.00	0.0	167	(167)	0.00	0.0	167	(167)	2,000	2,000
910 - Depreciation	<u>0.00</u>	<u>0.0</u>	<u>310</u>	<u>(310)</u>	<u>0.00</u>	<u>0.0</u>	<u>310</u>	<u>(310)</u>	<u>3,720</u>	<u>3,720</u>
Total Administration Exp	1,293.63	1.3	1,451	(157)	1,293.63	1.3	1,451	(157)	17,414	16,120
Employee Costs										
610 - Auto	0.00	0.0	83	(83)	0.00	0.0	83	(83)	1,000	1,000
648 - Education & Seminars	75.00	0.1	86	(11)	75.00	0.1	86	(11)	1,037	962
653 - Emp/Ben.-Medical	563.78	0.6	1,480	(916)	563.78	0.6	1,480	(916)	17,760	17,196
780 - Salaries & Wages	11,087.36	11.2	10,485	602	11,087.36	11.2	10,485	602	125,816	114,729
801 - P/R Ins. - TDI & WC *	555.64	0.6	451	105	555.64	0.6	451	105	5,412	4,856
802 - Taxes - Payroll *	1,270.64	1.3	1,078	193	1,270.64	1.3	1,078	193	12,936	11,665

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, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	17	(17)	200	200
Total Employee Costs	13,552.42	13.7	13,680	(128)	13,552.42	13.7	13,680	(128)	164,161	150,609
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	35.50	0.0	36	(1)	432	397
678 - Ins. Business Interruption	100.25	0.1	97	3	100.25	0.1	97	3	1,164	1,064
679 - Ins. - Dir./Officers	225.08	0.2	233	(8)	225.08	0.2	233	(8)	2,796	2,571
680 - Ins. - Package	5,320.92	5.4	5,427	(106)	5,320.92	5.4	5,427	(106)	65,124	59,803
683 - Ins. - CGL	359.00	0.4	361	(2)	359.00	0.4	361	(2)	4,332	3,973
684 - Ins. - Umbrella	176.25	0.2	176	0	176.25	0.2	176	0	2,112	1,936
Total Insurance Expenses	6,217.00	6.3	6,330	(113)	6,217.00	6.3	6,330	(113)	75,960	69,743
Professional Services										
705 - Management Fee	4,368.00	4.4	4,368	0	4,368.00	4.4	4,368	0	52,416	48,048
731 - Prof.Svc.- Audit	0.00	0.0	366	(366)	0.00	0.0	366	(366)	4,388	4,388
732 - Prof.Svc.- Legal *	2,093.61	2.1	833	1,261	2,093.61	2.1	833	1,261	10,000	7,906
734 - Prof.Svc.- Y/E Acctng.	0.00	0.0	82	(82)	0.00	0.0	82	(82)	988	988
Total Professional Exp	6,461.61	6.5	5,649	813	6,461.61	6.5	5,649	813	67,792	61,330
Repairs & Maint Expenses										
746 - R/M - Buildings	524.56	0.5	2,250	(1,725)	524.56	0.5	2,250	(1,725)	27,000	26,475
750 - R/M - Equipment *	1,377.49	1.4	250	1,127	1,377.49	1.4	250	1,127	3,000	1,623
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	200	(200)	2,400	2,400
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 *	462.05	0.5	167	295	462.05	0.5	167	295	2,000	1,538
755 - R/M - Grounds Contractor	20,500.00	20.7	20,500	0	20,500.00	20.7	20,500	0	246,000	225,500
756 - R/M - Irrigation	298.80	0.3	800	(501)	298.80	0.3	800	(501)	9,600	9,301
760 - R/M - Pest Control *	1,597.91	1.6	555	1,043	1,597.91	1.6	555	1,043	6,658	5,060
762 - R/M - Pool, Spa, BBQ *	4,731.48	4.8	500	4,231	4,731.48	4.8	500	4,231	6,000	1,269
764 - R/M - Refuse Collection	1,397.60	1.4	1,468	(70)	1,397.60	1.4	1,468	(70)	17,616	16,218
764.1 - R/M - Recycling	733.84	0.7	734	(0)	733.84	0.7	734	(0)	8,812	8,078
767 - R/M - Security Contract	892.70	0.9	893	(0)	892.70	0.9	893	(0)	10,716	9,823
Total Repairs & Maint Exp	32,516.43	32.9	28,442	4,074	32,516.43	32.9	28,442	4,074	341,302	308,786
Tax Expenses										
796 - Taxes - Gen. Excise	231.31	0.2	90	141	231.31	0.2	90	141	1,080	849
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	0.00	0.0	146	(146)	0.00	0.0	146	(146)	1,750	1,750
Total Tax Expenses	231.31	0.2	1,236	(1,005)	231.31	0.2	1,236	(1,005)	14,830	14,599
Utility Expense										
826 - Util. - Cable TV *	4,095.27	4.1	3,937	158	4,095.27	4.1	3,937	158	47,238	43,143
828 - Util. - Electric *	2,635.97	2.7	1,750	886	2,635.97	2.7	1,750	886	21,000	18,364

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, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
830 - Util. - Gas	70.97	0.1	100	(29)	70.97	0.1	100	(29)	1,200	1,129
832 - Util. - Sewer *	5,493.50	5.6	4,945	549	5,493.50	5.6	4,945	549	59,340	53,847
834 - Util. - Telephone *	240.84	0.2	203	38	240.84	0.2	203	38	2,436	2,195
838 - Util. - Water	<u>9,895.30</u>	<u>10.0</u>	<u>10,689</u>	<u>(794)</u>	<u>9,895.30</u>	<u>10.0</u>	<u>10,689</u>	<u>(794)</u>	<u>128,270</u>	<u>118,375</u>
Total Utility Expenses	<u>22,431.85</u>	<u>22.7</u>	<u>21,624</u>	<u>808</u>	<u>22,431.85</u>	<u>22.7</u>	<u>21,624</u>	<u>808</u>	<u>259,484</u>	<u>237,052</u>
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	21.2	21,000	0	21,000.18	21.2	21,000	0	252,002	231,002
916 - Reserves Interest	<u>1,030.91</u>	<u>1.0</u>	<u>1,817</u>	<u>(786)</u>	<u>1,030.91</u>	<u>1.0</u>	<u>1,817</u>	<u>(786)</u>	<u>21,800</u>	<u>20,769</u>
Total Reserve & Other Exp	<u>22,031.09</u>	<u>22.3</u>	<u>22,817</u>	<u>(786)</u>	<u>22,031.09</u>	<u>22.3</u>	<u>22,817</u>	<u>(786)</u>	<u>273,802</u>	<u>251,771</u>
Total Operating Expenses and Reserve Allocation										
	<u>105,792.34</u>	<u>107.</u>	<u>102,393</u>	<u>3,399</u>	<u>105,792.34</u>	<u>107.</u>	<u>102,393</u>	<u>3,399</u>	<u>1,228,711</u>	<u>1,122,919</u>
Total Revenue Over Exp	<u>(6,892.36)</u>	<u>(7.0)</u>	<u>(3,369)</u>	<u>(3,523)</u>	<u>(6,892.36)</u>	<u>(7.0)</u>	<u>(3,369)</u>	<u>(3,523)</u>	<u>(40,417)</u>	<u>(33,525)</u>
Beginning Members' Equity					<u>368,187.66</u>					
Ending Members' Equity					<u>361,295.30</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 1 Month Ended January 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (6,892.36)	\$ (6,892.36)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(3,382.80)	(3,382.80)
Prepays	5,388.08	5,388.08
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(23,217.07)	(23,217.07)
Accrued Liabilities	(12,126.40)	(12,126.40)
Total Adjustments	<u>(33,338.19)</u>	<u>(33,338.19)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(40,230.55)</u>	<u>(40,230.55)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash Provided By (Used In) Financing Activities	<u>0.00</u>	<u>0.00</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,230.55)	(40,230.55)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>393,506.42</u>	<u>393,506.42</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 353,275.87</u>	<u>\$ 353,275.87</u>