



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 Two Months Ended

February 29, 2020

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I have prepared the accompanying Balance Sheet – Tax Basis as of February 29, 2020, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Two 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
February 29, 2020 and 2019**

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 96,555.82	\$ 127,310.71
Cash - MOB- Debit Card #****4202	2,406.44	0.00
MMkt - MOO Savings *****2119	26,551.25	26,444.96
MMkt - HSB Savings *****1937	36,737.37	236,442.52
CD - HSB Savings - Exp 3/1/20	<u>203,455.84</u>	<u>0.00</u>
Subtotal - Cash	<u>365,706.72</u>	<u>390,198.19</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	9,947.00	2,827.76
A/R - Act 196 & Collection	29,189.60	28,963.47
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>594.74</u>	<u>0.00</u>
Subtotal - Accounts Receivable	<u>18,008.08</u>	<u>10,067.97</u>
OTHER CURRENT ASSETS		
Unexpired Insurance	12,123.23	15,552.69
NJF Clearing Account	<u>80,937.44</u>	<u>65,787.10</u>
Subtotal - Other Current Assets	<u>93,060.67</u>	<u>81,339.79</u>
TOTAL CURRENT ASSETS	<u>476,775.47</u>	<u>481,605.95</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	546,678.82	375,171.43
Wealth Management	<u>1,376,036.62</u>	<u>1,350,009.25</u>
Subtotal - Capital Reserves	<u>1,922,715.44</u>	<u>1,725,180.68</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(17,670.00)</u>	<u>(13,950.00)</u>
Subtotal - Fixed Assets	<u>56,730.00</u>	<u>60,450.00</u>
TOTAL OTHER ASSETS	<u>1,979,445.44</u>	<u>1,785,630.68</u>
TOTAL ASSETS	<u>\$ 2,456,220.91</u>	<u>\$ 2,267,236.63</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
February 29, 2020 and 2019**

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 32,128.54	\$ 17,027.66
A/P Insur. Water Damage Claims	8,861.27	8,861.27
Owner Prepayments	51,008.22	38,464.41
A/P - NJF Units	80,937.44	65,787.10
A/P - Insurance	0.00	1,738.00
Accrued General Excise Tx	761.99	309.15
Accrued Federal Income Tax	4,249.00	4,504.00
Accrued State Income Tax	584.00	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	178,989.72	137,707.77
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TOTAL CURRENT LIABILITIES	178,989.72	137,707.77
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TOTAL LIABILITIES	178,989.72	137,707.77
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MEMBERS' EQUITY		
Unrestricted Members' Equity	354,515.75	404,348.18
Restricted Members' Equity	1,922,715.44	1,725,180.68
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Subtotal Members' Equity	2,277,231.19	2,129,528.86
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TOTAL MEMBERS' EQUITY	2,277,231.19	2,129,528.86
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,456,220.91	\$ 2,267,236.63
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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 2 Months Ended February 29, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	73,265.82	66.1	73,266	(0)	146,531.64	69.9	146,532	(0)	879,192	732,660
406 - Capital Reserve	21,000.18	19.0	21,000	0	42,000.36	20.0	42,000	0	252,002	210,002
415 - Delinquent Owners Late Fee	385.47	0.3	0	385	653.27	0.3	0	653	0	(653)
416 - Delinquent Owners Interest	15.55	0.0	0	16	15.55	0.0	0	16	0	(16)
425 - House Rule Violations	<u>2,000.00</u>	<u>1.8</u>	<u>0</u>	<u>2,000</u>	<u>2,300.00</u>	<u>1.1</u>	<u>0</u>	<u>2,300</u>	<u>0</u>	<u>(2,300)</u>
Total Membership Income	96,667.02	87.2	94,266	2,401	191,500.82	91.4	188,532	2,969	1,131,194	939,693
Non-Membership Income										
430 - Interest Income	28.15	0.0	333	(305)	58.42	0.0	667	(609)	4,000	3,942
431 - Reserve Interest Income	11,605.43	10.5	1,817	9,788	12,467.12	5.9	3,633	8,834	21,800	9,333
440.80 - NJF Rental Income	2,500.00	2.3	2,500	0	5,000.00	2.4	5,000	0	30,000	25,000
441 - Kayak Rack Rental	15.00	0.0	95	(80)	480.00	0.2	190	290	1,140	660
499 - Other Income	<u>0.00</u>	<u>0.0</u>	<u>13</u>	<u>(13)</u>	<u>40.00</u>	<u>0.0</u>	<u>27</u>	<u>13</u>	<u>160</u>	<u>120</u>
Total Non-Membership Income	14,148.58	12.8	4,758	9,391	18,045.54	8.6	9,517	8,529	57,100	39,054
Total Revenues	<u>110,815.60</u>	<u>100.</u>	<u>99,024</u>	<u>11,792</u>	<u>209,546.36</u>	<u>100.</u>	<u>198,049</u>	<u>11,497</u>	<u>1,188,294</u>	<u>978,748</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.6	692	0	1,384.00	0.7	1,384	0	8,304	6,920
701.2 - NJF Unit - Rental Agent Fe	250.00	0.2	250	0	500.00	0.2	500	0	3,000	2,500
701.3 - NJF Repairs & Maint	(15.00)	0.0	133	(148)	0.00	0.0	267	(267)	1,600	1,600
701.4 - NJF GET Expense	<u>100.00</u>	<u>0.1</u>	<u>89</u>	<u>11</u>	<u>200.00</u>	<u>0.1</u>	<u>177</u>	<u>23</u>	<u>1,062</u>	<u>862</u>
Total NJF Unit Expenses	1,027.00	0.9	1,164	(137)	2,084.00	1.0	2,328	(244)	13,966	11,882
Adminstration Expenses										
625 - Bank Charges/Merchant	10.00	0.0	10	0	20.00	0.0	20	0	120	100
645 - Dues & Subscriptions	0.00	0.0	5	(5)	252.25	0.1	10	242	60	(192)
710 - Meetings *	815.44	0.7	401	414	872.99	0.4	802	71	4,814	3,941
715 - Office & Administration *	857.95	0.8	433	425	1,531.07	0.7	867	664	5,200	3,669
715.1 - Office/Admin - Site Office	104.16	0.1	125	(21)	404.87	0.2	250	155	1,500	1,095
720 - Operating Supplies	0.00	0.0	167	(167)	0.00	0.0	333	(333)	2,000	2,000
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>620.00</u>	<u>0.3</u>	<u>620</u>	<u>0</u>	<u>3,720</u>	<u>3,100</u>
Total Administration Exp	2,097.55	1.9	1,451	647	3,701.18	1.8	2,902	799	17,414	13,713
Employee Costs										
610 - Auto	0.00	0.0	83	(83)	0.00	0.0	167	(167)	1,000	1,000
648 - Education & Seminars	0.00	0.0	86	(86)	75.00	0.0	173	(98)	1,037	962
653 - Emp/Ben.-Medical	598.65	0.5	1,480	(881)	1,162.43	0.6	2,960	(1,798)	17,760	16,598
780 - Salaries & Wages	7,000.00	6.3	10,485	(3,485)	18,087.36	8.6	20,969	(2,882)	125,816	107,729
801 - P/R Ins. - TDI & WC	137.02	0.1	451	(314)	692.66	0.3	902	(209)	5,412	4,719

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 2 Months Ended February 29, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	763.22	0.7	1,078	(315)	2,033.86	1.0	2,156	(122)	12,936	10,902
812 - Uniforms	<u>0.00</u>	<u>0.0</u>	<u>17</u>	<u>(17)</u>	<u>0.00</u>	<u>0.0</u>	<u>33</u>	<u>(33)</u>	<u>200</u>	<u>200</u>
Total Employee Costs	8,498.89	7.7	13,680	(5,181)	22,051.31	10.5	27,360	(5,309)	164,161	142,110
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	71.00	0.0	72	(1)	432	361
678 - Ins. Business Interruption	100.25	0.1	97	3	200.50	0.1	194	7	1,164	964
679 - Ins. - Dir./Officers	225.08	0.2	233	(8)	450.16	0.2	466	(16)	2,796	2,346
680 - Ins. - Package	5,320.92	4.8	5,427	(106)	10,641.84	5.1	10,854	(212)	65,124	54,482
683 - Ins. - CGL	359.00	0.3	361	(2)	718.00	0.3	722	(4)	4,332	3,614
684 - Ins. - Umbrella	<u>176.25</u>	<u>0.2</u>	<u>176</u>	<u>0</u>	<u>352.50</u>	<u>0.2</u>	<u>352</u>	<u>1</u>	<u>2,112</u>	<u>1,760</u>
Total Insurance Expenses	6,217.00	5.6	6,330	(113)	12,434.00	5.9	12,660	(226)	75,960	63,526
Professional Services										
705 - Management Fee	3,224.00	2.9	4,368	(1,144)	7,592.00	3.6	8,736	(1,144)	52,416	44,824
731 - Prof.Svc.- Audit	0.00	0.0	366	(366)	0.00	0.0	731	(731)	4,388	4,388
732 - Prof.Svc.- Legal	0.00	0.0	833	(833)	0.00	0.0	1,667	(1,667)	10,000	10,000
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>165</u>	<u>(165)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,224.00	2.9	5,649	(2,425)	7,592.00	3.6	11,299	(3,707)	67,792	60,200
Repairs & Maint Expenses										
746 - R/M - Buildings	311.80	0.3	2,250	(1,938)	836.36	0.4	4,500	(3,664)	27,000	26,164
750 - R/M - Equipment	78.11	0.1	250	(172)	1,455.60	0.7	500	956	3,000	1,544
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	400	(400)	2,400	2,400
753 - R/M - Landscape Upgrades *	276.46	0.2	125	151	276.46	0.1	250	26	1,500	1,224
754 - R/M - Grounds	0.00	0.0	167	(167)	462.05	0.2	333	129	2,000	1,538
755 - R/M - Grounds Contractor	20,500.00	18.5	20,500	0	41,000.00	19.6	41,000	0	246,000	205,000
756 - R/M - Irrigation	139.11	0.1	800	(661)	437.91	0.2	1,600	(1,162)	9,600	9,162
760 - R/M - Pest Control	0.00	0.0	555	(555)	1,597.91	0.8	1,110	488	6,658	5,060
762 - R/M - Pool, Spa, BBQ *	5,157.62	4.7	500	4,658	9,889.10	4.7	1,000	8,889	6,000	(3,889)
764 - R/M - Refuse Collection	1,397.60	1.3	1,468	(70)	2,795.20	1.3	2,936	(141)	17,616	14,821
764.1 - R/M - Recycling	733.84	0.7	734	(0)	1,467.68	0.7	1,469	(1)	8,812	7,344
767 - R/M - Security Contract	<u>892.70</u>	<u>0.8</u>	<u>893</u>	<u>(0)</u>	<u>1,785.40</u>	<u>0.9</u>	<u>1,786</u>	<u>(1)</u>	<u>10,716</u>	<u>8,931</u>
Total Repairs & Maint Exp	29,487.24	26.6	28,442	1,045	62,003.67	29.6	56,884	5,120	341,302	279,298
Tax Expenses										
796 - Taxes - Gen. Excise	561.99	0.5	90	472	793.30	0.4	180	613	1,080	287
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	2,000	(2,000)	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>292</u>	<u>(292)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	561.99	0.5	1,236	(674)	793.30	0.4	2,472	(1,679)	14,830	14,037

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 2 Months Ended February 29, 2020

Utility Expense										
826 - Util. - Cable TV *	4,095.27	3.7	3,937	158	8,190.54	3.9	7,873	318	47,238	39,047
828 - Util. - Electric *	2,203.96	2.0	1,750	454	4,839.93	2.3	3,500	1,340	21,000	16,160
830 - Util. - Gas	0.00	0.0	100	(100)	70.97	0.0	200	(129)	1,200	1,129
832 - Util. - Sewer *	5,390.00	4.9	4,945	445	8,225.35	3.9	9,890	(1,665)	59,340	51,115
834 - Util. - Telephone *	253.68	0.2	203	51	494.52	0.2	406	89	2,436	1,941
838 - Util. - Water	<u>10,316.50</u>	<u>9.3</u>	<u>10,689</u>	<u>(373)</u>	<u>15,423.75</u>	<u>7.4</u>	<u>21,378</u>	<u>(5,954)</u>	<u>128,270</u>	<u>112,846</u>
Total Utility Expenses	22,259.41	20.1	21,624	635	37,245.06	17.8	43,247	(6,002)	259,484	222,239
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	19.0	21,000	0	42,000.36	20.0	42,000	0	252,002	210,002
916 - Reserves Interest	<u>11,605.43</u>	<u>10.5</u>	<u>1,817</u>	<u>9,788</u>	<u>12,467.12</u>	<u>5.9</u>	<u>3,633</u>	<u>8,834</u>	<u>21,800</u>	<u>9,333</u>
Total Reserve & Other Exp	<u>32,605.61</u>	<u>29.4</u>	<u>22,817</u>	<u>9,789</u>	<u>54,467.48</u>	<u>26.0</u>	<u>45,633</u>	<u>8,834</u>	<u>273,802</u>	<u>219,335</u>
Total Operating Expenses and Reserve Allocation										
	<u>105,978.69</u>	<u>95.6</u>	<u>102,393</u>	<u>3,586</u>	<u>202,372.00</u>	<u>96.6</u>	<u>204,785</u>	<u>(2,413)</u>	<u>1,228,711</u>	<u>1,026,339</u>
Total Revenue Over Exp	<u>4,836.91</u>	<u>4.4</u>	<u>(3,369)</u>	<u>8,206</u>	7,174.36	<u>3.4</u>	<u>(6,736)</u>	<u>13,910</u>	<u>(40,417)</u>	<u>(47,591)</u>
Beginning Members' Equity					<u>347,341.39</u>					
Ending Members' Equity					<u><u>354,515.75</u></u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 2 Months Ended February 29, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 4,836.91	\$ 7,174.36
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	620.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(4,652.62)	(8,035.42)
Prepays	5,074.83	10,462.91
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(4,349.26)	(37,106.14)
Accrued Liabilities	11,210.99	(915.41)
Total Adjustments	<u>7,593.94</u>	<u>(34,974.06)</u>
Net Cash Provided By (Used in) Operating Activities	<u>12,430.85</u>	<u>(27,799.70)</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

12,430.85 (27,799.70)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

353,275.87 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 365,706.72 \$ 365,706.72