



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 Three Months Ended

March 31, 2020

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I have prepared the accompanying Balance Sheet – Tax Basis as of March 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 Three 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
March 31, 2020 and 2019

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 113,971.27	\$ 139,130.11
Cash - MOB- Debit Card #****4202	1,597.00	0.00
MMkt - MOO Savings *****2119	26,558.96	26,453.95
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	<u>36,747.12</u>	<u>236,552.76</u>
Subtotal - Cash	<u>378,874.35</u>	<u>402,136.82</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	4,928.98	2,612.06
A/R - Act 196 & Collection	29,189.60	28,963.47
Allowance for Bad Debts	<u>(21,723.26)</u>	<u>(21,723.26)</u>
Subtotal - Accounts Receivable	<u>12,395.32</u>	<u>9,852.27</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	0.00	(3,542.00)
Prepaid State Income Tax	0.00	(130.00)
Unexpired Insurance	5,575.40	9,405.36
NJF Clearing Account	<u>82,395.44</u>	<u>67,377.10</u>
Subtotal - Other Current Assets	<u>87,970.84</u>	<u>73,110.46</u>
TOTAL CURRENT ASSETS	<u>479,240.51</u>	<u>485,099.55</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	1,093,107.01	395,729.20
Wealth Management	<u>850,000.00</u>	<u>1,350,009.25</u>
Subtotal - Capital Reserves	<u>1,943,107.01</u>	<u>1,745,738.45</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(17,980.00)</u>	<u>(14,260.00)</u>
Subtotal - Fixed Assets	<u>56,420.00</u>	<u>60,140.00</u>
TOTAL OTHER ASSETS	<u>1,999,527.01</u>	<u>1,805,878.45</u>
TOTAL ASSETS	<u><u>\$ 2,478,767.52</u></u>	<u><u>\$ 2,290,978.00</u></u>

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

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 25,938.22	\$ 14,215.90
A/P Insur. Water Damage Claims	8,861.27	8,861.27
Owner Prepayments	55,772.34	39,978.41
A/P - NJF Units	82,395.44	67,377.10
A/P - Insurance	0.00	1,738.00
Accrued General Excise Tx	937.47	417.68
Accrued Federal Income Tax	4,249.00	1,001.00
Accrued State Income Tax	584.00	570.00
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	179,197.00	134,475.54
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TOTAL CURRENT LIABILITIES	179,197.00	134,475.54
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TOTAL LIABILITIES	179,197.00	134,475.54
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MEMBERS' EQUITY		
Unrestricted Members' Equity	356,463.51	410,764.01
Restricted Members' Equity	1,943,107.01	1,745,738.45
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Subtotal Members' Equity	2,299,570.52	2,156,502.46
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TOTAL MEMBERS' EQUITY	2,299,570.52	2,156,502.46
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,478,767.52	\$ 2,290,978.00
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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 3 Months Ended March 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	74.3	73,266	(0)	219,797.46	71.3	219,798	(1)	879,192	659,395
406 - Capital Reserve	21,000.18	21.3	21,000	0	63,000.54	20.4	63,001	(0)	252,002	189,001
415 - Delinquent Owners Late Fee	463.39	0.5	0	463	1,116.66	0.4	0	1,117	0	(1,117)
416 - Delinquent Owners Interest	33.90	0.0	0	34	49.45	0.0	0	49	0	(49)
425 - House Rule Violations	0.00	0.0	0	0	2,300.00	0.7	0	2,300	0	(2,300)
Total Membership Income	94,763.29	96.1	94,266	497	286,264.11	92.9	282,799	3,465	1,131,194	844,930
Non-Membership Income										
430 - Interest Income	795.62	0.8	333	463	854.04	0.3	1,000	(146)	4,000	3,146
431 - Reserve Interest Income	578.89	0.6	1,817	(1,238)	13,046.01	4.2	5,450	7,596	21,800	8,754
440.80 - NJF Rental Income	2,500.00	2.5	2,500	0	7,500.00	2.4	7,500	0	30,000	22,500
441 - Kayak Rack Rental	15.00	0.0	95	(80)	495.00	0.2	285	210	1,140	645
499 - Other Income	0.00	0.0	13	(13)	40.00	0.0	40	0	160	120
Total Non-Membership Income	3,889.51	3.9	4,758	(868)	21,935.05	7.1	14,275	7,660	57,100	35,165
Total Revenues	98,652.80	100.	99,024	(371)	308,199.16	100.	297,074	11,125	1,188,294	880,095
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	2,076.00	0.7	2,076	0	8,304	6,228
701.2 - NJF Unit - Rental Agent Fe	250.00	0.3	250	0	750.00	0.2	750	0	3,000	2,250
701.3 - NJF Repairs & Maint	0.00	0.0	133	(133)	0.00	0.0	400	(400)	1,600	1,600
701.4 - NJF GET Expense	100.00	0.1	89	11	300.00	0.1	266	34	1,062	762
Total NJF Unit Expenses	1,042.00	1.1	1,164	(122)	3,126.00	1.0	3,492	(366)	13,966	10,840
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	20.00	0.0	30	(10)	120	100
645 - Dues & Subscriptions	0.00	0.0	5	(5)	252.25	0.1	15	237	60	(192)
710 - Meetings	0.00	0.0	401	(401)	872.99	0.3	1,204	(331)	4,814	3,941
715 - Office & Administration	243.11	0.2	433	(190)	1,774.18	0.6	1,300	474	5,200	3,426
715.1 - Office/Admin - Site Office *	290.21	0.3	125	165	695.08	0.2	375	320	1,500	805
720 - Operating Supplies	0.00	0.0	167	(167)	0.00	0.0	500	(500)	2,000	2,000
910 - Depreciation	310.00	0.3	310	0	930.00	0.3	930	0	3,720	2,790
Total Administration Exp	843.32	0.9	1,451	(608)	4,544.50	1.5	4,354	191	17,414	12,870
Employee Costs										
610 - Auto *	320.64	0.3	83	238	320.64	0.1	250	71	1,000	679
648 - Education & Seminars *	95.84	0.1	86	10	170.84	0.1	259	(88)	1,037	866
653 - Emp/Ben.-Medical	598.65	0.6	1,480	(881)	1,761.08	0.6	4,440	(2,679)	17,760	15,999
780 - Salaries & Wages	7,500.00	7.6	10,485	(2,985)	25,587.36	8.3	31,454	(5,867)	125,816	100,229
801 - P/R Ins. - TDI & WC	330.83	0.3	451	(120)	1,023.49	0.3	1,353	(330)	5,412	4,389

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 3 Months Ended March 31, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	814.52	0.8	1,078	(263)	2,848.38	0.9	3,234	(386)	12,936	10,088
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>50</u>	<u>(50)</u>	<u>200</u>	<u>200</u>
Total Employee Costs	9,660.48	9.8	13,680	(4,020)	31,711.79	10.3	41,040	(9,328)	164,161	132,449
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	106.50	0.0	108	(2)	432	326
678 - Ins. Business Interruption	100.25	0.1	97	3	300.75	0.1	291	10	1,164	863
679 - Ins. - Dir./Officers	225.08	0.2	233	(8)	675.24	0.2	699	(24)	2,796	2,121
680 - Ins. - Package	5,320.92	5.4	5,427	(106)	15,962.76	5.2	16,281	(318)	65,124	49,161
683 - Ins. - CGL	359.00	0.4	361	(2)	1,077.00	0.3	1,083	(6)	4,332	3,255
684 - Ins. - Umbrella	<u>176.25</u>	<u>0.2</u>	<u>176</u>	<u>0</u>	<u>528.75</u>	<u>0.2</u>	<u>528</u>	<u>1</u>	<u>2,112</u>	<u>1,583</u>
Total Insurance Expenses	6,217.00	6.3	6,330	(113)	18,651.00	6.1	18,990	(339)	75,960	57,309
Professional Services										
705 - Management Fee	3,224.00	3.3	4,368	(1,144)	10,816.00	3.5	13,104	(2,288)	52,416	41,600
731 - Prof.Svc.- Audit	48.93	0.0	366	(317)	48.93	0.0	1,097	(1,048)	4,388	4,339
732 - Prof.Svc.- Legal *	1,950.35	2.0	833	1,117	1,950.35	0.6	2,500	(550)	10,000	8,050
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>247</u>	<u>(247)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	5,223.28	5.3	5,649	(426)	12,815.28	4.2	16,948	(4,133)	67,792	54,977
Repairs & Maint Expenses										
746 - R/M - Buildings	593.50	0.6	2,250	(1,657)	1,429.86	0.5	6,750	(5,320)	27,000	25,570
750 - R/M - Equipment *	1,983.77	2.0	250	1,734	3,439.37	1.1	750	2,689	3,000	(439)
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	600	(600)	2,400	2,400
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	276.46	0.1	375	(99)	1,500	1,224
754 - R/M - Grounds	0.00	0.0	167	(167)	462.05	0.1	500	(38)	2,000	1,538
755 - R/M - Grounds Contractor	20,500.00	20.8	20,500	0	61,500.00	20.0	61,500	0	246,000	184,500
756 - R/M - Irrigation	400.15	0.4	800	(400)	838.06	0.3	2,400	(1,562)	9,600	8,762
760 - R/M - Pest Control	20.83	0.0	555	(534)	1,618.74	0.5	1,664	(45)	6,658	5,039
762 - R/M - Pool, Spa, BBQ *	4,108.42	4.2	500	3,608	13,997.52	4.5	1,500	12,498	6,000	(7,998)
764 - R/M - Refuse Collection	1,397.60	1.4	1,468	(70)	4,192.80	1.4	4,404	(211)	17,616	13,423
764.1 - R/M - Recycling	733.84	0.7	734	(0)	2,201.52	0.7	2,203	(1)	8,812	6,610
767 - R/M - Security Contract	<u>892.70</u>	<u>0.9</u>	<u>893</u>	<u>(0)</u>	<u>2,678.10</u>	<u>0.9</u>	<u>2,679</u>	<u>(1)</u>	<u>10,716</u>	<u>8,038</u>
Total Repairs & Maint Exp	30,630.81	31.0	28,442	2,189	92,634.48	30.1	85,325	7,309	341,302	248,668
Tax Expenses										
796 - Taxes - Gen. Excise	75.48	0.1	90	(15)	868.78	0.3	270	599	1,080	211
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	3,000	(3,000)	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>437</u>	<u>(437)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	75.48	0.1	1,236	(1,161)	868.78	0.3	3,707	(2,838)	14,830	13,961

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 3 Months Ended March 31, 2020

Utility Expense										
826 - Util. - Cable TV *	4,095.27	4.2	3,937	158	12,285.81	4.0	11,810	476	47,238	34,952
828 - Util. - Electric *	1,958.61	2.0	1,750	209	6,798.54	2.2	5,250	1,549	21,000	14,201
830 - Util. - Gas *	271.87	0.3	100	172	342.84	0.1	300	43	1,200	857
832 - Util. - Sewer *	5,039.00	5.1	4,945	94	13,264.35	4.3	14,835	(1,571)	59,340	46,076
834 - Util. - Telephone *	243.75	0.2	203	41	738.27	0.2	609	129	2,436	1,698
838 - Util. - Water	<u>9,825.10</u>	<u>10.0</u>	<u>10,689</u>	<u>(864)</u>	<u>25,248.85</u>	<u>8.2</u>	<u>32,068</u>	<u>(6,819)</u>	<u>128,270</u>	<u>103,021</u>
Total Utility Expenses	21,433.60	21.7	21,624	(190)	58,678.66	19.0	64,872	(6,193)	259,484	200,805
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	21.3	21,000	0	63,000.54	20.4	63,001	(0)	252,002	189,001
916 - Reserves Interest	<u>578.89</u>	<u>0.6</u>	<u>1,817</u>	<u>(1,238)</u>	<u>13,046.01</u>	<u>4.2</u>	<u>5,450</u>	<u>7,596</u>	<u>21,800</u>	<u>8,754</u>
Total Reserve & Other Exp	<u>21,579.07</u>	<u>21.9</u>	<u>22,817</u>	<u>(1,238)</u>	<u>76,046.55</u>	<u>24.7</u>	<u>68,451</u>	<u>7,596</u>	<u>273,802</u>	<u>197,755</u>
Total Operating Expenses and Reserve Allocation										
	<u>96,705.04</u>	<u>98.0</u>	<u>102,393</u>	<u>(5,688)</u>	<u>299,077.04</u>	<u>97.0</u>	<u>307,179</u>	<u>(8,102)</u>	<u>1,228,711</u>	<u>929,634</u>
Total Revenue Over Exp	<u>1,947.76</u>	<u>2.0</u>	<u>(3,369)</u>	<u>5,317</u>	9,122.12	<u>3.0</u>	<u>(10,105)</u>	<u>19,227</u>	<u>(40,417)</u>	<u>(49,539)</u>
Beginning Members' Equity					<u>347,341.39</u>					
Ending Members' Equity					<u><u>356,463.51</u></u>					

**Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 3 Months Ended March 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 1,947.76	\$ 9,122.12
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	930.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	5,612.76	(2,422.66)
Prepays	5,089.83	15,552.74
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(6,190.32)	(43,296.46)
Accrued Liabilities	6,397.60	5,482.19
Total Adjustments	<u>11,219.87</u>	<u>(23,754.19)</u>
Net Cash Provided By (Used in) Operating Activities	<u>13,167.63</u>	<u>(14,632.07)</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

13,167.63 (14,632.07)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

365,706.72 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 378,874.35 \$ 378,874.35