



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 Four Months Ended

April 30, 2020

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I have prepared the accompanying Balance Sheet – Tax Basis as of April 30, 2020, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Four 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
April 30, 2020 and 2019

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 143,456.22	\$ 138,078.86
Cash - MOB- Debit Card #****4202	2,922.24	0.00
MMkt - MOO Savings *****2119	26,564.27	26,462.65
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	0.00	36,569.26
CD - HSB Savings - Exp 3/1/20	0.00	200,000.00
Petty Cash - MOO Ckg *****4202	<u>0.00</u>	<u>3,000.00</u>
Subtotal - Cash	<u>372,942.73</u>	<u>404,110.77</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,415.90	2,839.37
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>79.14</u>	<u>0.00</u>
Subtotal - Accounts Receivable	<u>9,961.38</u>	<u>10,079.58</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	0.00	2,162.00
Prepaid State Income Tax	0.00	70.00
Unexpired Insurance	62,479.57	77,827.03
NJF Clearing Account	<u>83,853.44</u>	<u>68,857.10</u>
Subtotal - Other Current Assets	<u>146,333.01</u>	<u>148,916.13</u>
TOTAL CURRENT ASSETS	<u>529,237.12</u>	<u>563,106.48</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	1,110,976.63	378,832.80
Wealth Management	<u>850,000.00</u>	<u>1,350,009.25</u>
Subtotal - Capital Reserves	<u>1,960,976.63</u>	<u>1,728,842.05</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(18,290.00)</u>	<u>(14,570.00)</u>
Subtotal - Fixed Assets	<u>56,110.00</u>	<u>59,830.00</u>
TOTAL OTHER ASSETS	<u>2,017,086.63</u>	<u>1,788,672.05</u>
TOTAL ASSETS	<u>\$ 2,546,323.75</u>	<u>\$ 2,351,778.53</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
April 30, 2020 and 2019**

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 44,977.51	\$ 17,698.15
A/P Insur. Water Damage Claims	8,861.27	8,861.27
Owner Prepayments	49,308.78	43,421.08
A/P - NJF Units	83,853.44	68,857.10
A/P - Insurance	39,654.00	69,897.00
Accrued General Excise Tx	138.10	112.52
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
Unearned Income	30.00	0.00
	<hr/>	<hr/>
Subtotal - Current Liabilities	232,115.36	210,734.30
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	232,115.36	210,734.30
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TOTAL LIABILITIES	232,115.36	210,734.30
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MEMBERS' EQUITY		
Unrestricted Members' Equity	353,231.76	412,202.18
Restricted Members' Equity	1,960,976.63	1,728,842.05
	<hr/>	<hr/>
Subtotal Members' Equity	2,314,208.39	2,141,044.23
	<hr/>	<hr/>
TOTAL MEMBERS' EQUITY	2,314,208.39	2,141,044.23
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,546,323.75	\$ 2,351,778.53
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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 4 Months Ended April 30, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	73,265.82	75.0	73,266	(0)	293,063.28	72.2	293,064	(1)	879,192	586,129
406 - Capital Reserve	21,000.18	21.5	21,000	0	84,000.72	20.7	84,001	(0)	252,002	168,001
415 - Delinquent Owners Late Fee	179.98	0.2	0	180	1,296.64	0.3	0	1,297	0	(1,297)
416 - Delinquent Owners Interest	20.82	0.0	0	21	70.27	0.0	0	70	0	(70)
425 - House Rule Violations	0.00	0.0	0	0	2,300.00	0.6	0	2,300	0	(2,300)
Total Membership Income	94,466.80	96.7	94,266	201	380,730.91	93.8	377,065	3,666	1,131,194	750,463
Non-Membership Income										
430 - Interest Income	13.56	0.0	333	(319)	867.60	0.2	1,333	(465)	4,000	3,132
431 - Reserve Interest Income	648.06	0.7	1,817	(1,169)	13,694.07	3.4	7,267	6,427	21,800	8,106
440.80 - NJF Rental Income	2,500.00	2.6	2,500	0	10,000.00	2.5	10,000	0	30,000	20,000
441 - Kayak Rack Rental	90.00	0.1	95	(5)	585.00	0.1	380	205	1,140	555
499 - Other Income	0.00	0.0	13	(13)	40.00	0.0	53	(13)	160	120
Total Non-Membership Income	3,251.62	3.3	4,758	(1,506)	25,186.67	6.2	19,033	6,154	57,100	31,913
Total Revenues	97,718.42	100.	99,024	(1,306)	405,917.58	100.	396,098	9,820	1,188,294	782,376
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	2,768.00	0.7	2,768	0	8,304	5,536
701.2 - NJF Unit - Rental Agent Fe	250.00	0.3	250	0	1,000.00	0.2	1,000	0	3,000	2,000
701.3 - NJF Repairs & Maint	0.00	0.0	133	(133)	0.00	0.0	533	(533)	1,600	1,600
701.4 - NJF GET Expense	100.00	0.1	89	11	400.00	0.1	354	46	1,062	662
Total NJF Unit Expenses	1,042.00	1.1	1,164	(122)	4,168.00	1.0	4,655	(487)	13,966	9,798
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	20.00	0.0	40	(20)	120	100
645 - Dues & Subscriptions	0.00	0.0	5	(5)	252.25	0.1	20	232	60	(192)
710 - Meetings	0.00	0.0	401	(401)	872.99	0.2	1,605	(732)	4,814	3,941
715 - Office & Administration *	824.98	0.8	433	392	2,599.16	0.6	1,733	866	5,200	2,601
715.1 - Office/Admin - Site Office	0.00	0.0	125	(125)	695.08	0.2	500	195	1,500	805
720 - Operating Supplies	5.81	0.0	167	(161)	5.81	0.0	667	(661)	2,000	1,994
910 - Depreciation	310.00	0.3	310	0	1,240.00	0.3	1,240	0	3,720	2,480
Total Administration Exp	1,140.79	1.2	1,451	(310)	5,685.29	1.4	5,805	(120)	17,414	11,729
Employee Costs										
610 - Auto	0.00	0.0	83	(83)	320.64	0.1	333	(12)	1,000	679
648 - Education & Seminars	0.00	0.0	86	(86)	170.84	0.0	346	(175)	1,037	866
653 - Emp/Ben.-Medical	598.65	0.6	1,480	(881)	2,359.73	0.6	5,920	(3,560)	17,760	15,400
780 - Salaries & Wages	7,500.00	7.7	10,485	(2,985)	33,087.36	8.2	41,939	(8,852)	125,816	92,729
801 - P/R Ins. - TDI & WC *	465.32	0.5	451	14	1,488.81	0.4	1,804	(315)	5,412	3,923

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 4 Months Ended April 30, 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)	3,662.90	0.9	4,312	(649)	12,936	9,273
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>67</u>	<u>(67)</u>	<u>200</u>	<u>200</u>
Total Employee Costs	9,378.49	9.6	13,680	(4,302)	41,090.28	10.1	54,721	(13,631)	164,161	123,071
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	142.00	0.0	144	(2)	432	290
678 - Ins. Business Interruption	120.25	0.1	97	23	421.00	0.1	388	33	1,164	743
679 - Ins. - Dir./Officers	225.08	0.2	233	(8)	900.32	0.2	932	(32)	2,796	1,896
680 - Ins. - Package	5,320.92	5.4	5,427	(106)	21,283.68	5.2	21,708	(424)	65,124	43,840
683 - Ins. - CGL	359.00	0.4	361	(2)	1,436.00	0.4	1,444	(8)	4,332	2,896
684 - Ins. - Umbrella	<u>176.25</u>	<u>0.2</u>	<u>176</u>	<u>0</u>	<u>705.00</u>	<u>0.2</u>	<u>704</u>	<u>1</u>	<u>2,112</u>	<u>1,407</u>
Total Insurance Expenses	6,237.00	6.4	6,330	(93)	24,888.00	6.1	25,320	(432)	75,960	51,072
Professional Services										
705 - Management Fee	3,224.00	3.3	4,368	(1,144)	14,040.00	3.5	17,472	(3,432)	52,416	38,376
731 - Prof.Svc.- Audit	0.00	0.0	366	(366)	48.93	0.0	1,463	(1,414)	4,388	4,339
732 - Prof.Svc.- Legal *	887.71	0.9	833	55	2,838.06	0.7	3,333	(495)	10,000	7,162
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>329</u>	<u>(329)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	4,111.71	4.2	5,649	(1,537)	16,926.99	4.2	22,597	(5,670)	67,792	50,865
Repairs & Maint Expenses										
746 - R/M - Buildings *	2,793.09	2.9	2,250	543	4,222.95	1.0	9,000	(4,777)	27,000	22,777
750 - R/M - Equipment	0.00	0.0	250	(250)	3,439.37	0.8	1,000	2,439	3,000	(439)
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	800	(800)	2,400	2,400
753 - R/M - Landscape Upgrades *	1,109.58	1.1	125	985	1,386.04	0.3	500	886	1,500	114
754 - R/M - Grounds	14.57	0.0	167	(152)	476.62	0.1	667	(190)	2,000	1,523
755 - R/M - Grounds Contractor	20,500.00	21.0	20,500	0	82,000.00	20.2	82,000	0	246,000	164,000
756 - R/M - Irrigation	551.93	0.6	800	(248)	1,389.99	0.3	3,200	(1,810)	9,600	8,210
760 - R/M - Pest Control *	1,577.08	1.6	555	1,022	3,195.82	0.8	2,219	977	6,658	3,462
762 - R/M - Pool, Spa, BBQ *	6,309.23	6.5	500	5,809	20,306.75	5.0	2,000	18,307	6,000	(14,307)
764 - R/M - Refuse Collection	1,397.60	1.4	1,468	(70)	5,590.40	1.4	5,872	(282)	17,616	12,026
764.1 - R/M - Recycling	733.84	0.8	734	(0)	2,935.36	0.7	2,937	(2)	8,812	5,877
767 - R/M - Security Contract	<u>892.70</u>	<u>0.9</u>	<u>893</u>	<u>(0)</u>	<u>3,570.80</u>	<u>0.9</u>	<u>3,572</u>	<u>(1)</u>	<u>10,716</u>	<u>7,145</u>
Total Repairs & Maint Exp	35,879.62	36.7	28,442	7,438	128,514.10	31.7	113,767	14,747	341,302	212,788
Tax Expenses										
796 - Taxes - Gen. Excise	242.15	0.2	90	152	1,110.93	0.3	360	751	1,080	(31)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	4,000	(4,000)	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>583</u>	<u>(583)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	242.15	0.2	1,236	(994)	1,110.93	0.3	4,943	(3,832)	14,830	13,719

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 4 Months Ended April 30, 2020

Utility Expense										
826 - Util. - Cable TV *	4,095.27	4.2	3,937	158	16,381.08	4.0	15,746	635	47,238	30,857
828 - Util. - Electric	1,583.89	1.6	1,750	(166)	8,382.43	2.1	7,000	1,382	21,000	12,618
830 - Util. - Gas	0.00	0.0	100	(100)	342.84	0.1	400	(57)	1,200	857
832 - Util. - Sewer *	5,183.00	5.3	4,945	238	18,447.35	4.5	19,780	(1,333)	59,340	40,893
834 - Util. - Telephone *	272.86	0.3	203	70	1,011.13	0.2	812	199	2,436	1,425
838 - Util. - Water	<u>10,135.15</u>	<u>10.4</u>	<u>10,689</u>	<u>(554)</u>	<u>35,384.00</u>	<u>8.7</u>	<u>42,757</u>	<u>(7,373)</u>	<u>128,270</u>	<u>92,886</u>
Total Utility Expenses	21,270.17	21.8	21,624	(354)	79,948.83	19.7	86,495	(6,546)	259,484	179,535
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	21.5	21,000	0	84,000.72	20.7	84,001	(0)	252,002	168,001
916 - Reserves Interest	<u>648.06</u>	<u>0.7</u>	<u>1,817</u>	<u>(1,169)</u>	<u>13,694.07</u>	<u>3.4</u>	<u>7,267</u>	<u>6,427</u>	<u>21,800</u>	<u>8,106</u>
Total Reserve & Other Exp	<u>21,648.24</u>	<u>22.2</u>	<u>22,817</u>	<u>(1,169)</u>	<u>97,694.79</u>	<u>24.1</u>	<u>91,268</u>	<u>6,427</u>	<u>273,802</u>	<u>176,107</u>
Total Operating Expenses and Reserve Allocation										
	<u>100,950.17</u>	<u>103.</u>	<u>102,393</u>	<u>(1,443)</u>	<u>400,027.21</u>	<u>98.5</u>	<u>409,571</u>	<u>(9,544)</u>	<u>1,228,711</u>	<u>828,684</u>
Total Revenue Over Exp	<u>(3,231.75)</u>	<u>(3.3)</u>	<u>(3,369)</u>	<u>137</u>	<u>5,890.37</u>	<u>1.5</u>	<u>(13,473)</u>	<u>19,363</u>	<u>(40,417)</u>	<u>(46,307)</u>
Beginning Members' Equity					<u>347,341.39</u>					
Ending Members' Equity					<u><u>353,231.76</u></u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 4 Months Ended April 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (3,231.75)	\$ 5,890.37
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	1,240.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	2,433.94	11.28
Prepays	(58,362.17)	(42,809.43)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	19,039.29	(24,257.17)
Accrued Liabilities	33,879.07	39,361.26
Total Adjustments	<u>(2,699.87)</u>	<u>(26,454.06)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(5,931.62)</u>	<u>(20,563.69)</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

(5,931.62) (20,563.69)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

378,874.35 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 372,942.73 \$ 372,942.73