



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 Six Months Ended

June 30, 2020

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I have prepared the accompanying Balance Sheet – Tax Basis as of June 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 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, 2020 and 2019**

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 130,594.12	\$ 100,618.40
Cash - MOB- Debit Card #****4202	2,750.85	2,423.50
MMkt - MOO Savings *****2119	26,573.15	26,480.34
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	0.00	36,602.82
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>359,918.12</u>	<u>369,125.06</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	6,877.44	2,012.49
A/R - Act 196 & Collection	29,218.76	29,050.96
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>250.74</u>	<u>241.54</u>
Subtotal - Accounts Receivable	<u>14,623.68</u>	<u>9,581.73</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	0.00	3,362.00
Prepaid State Income Tax	0.00	270.00
Unexpired Insurance	56,938.41	64,734.87
NJF Clearing Account	<u>86,748.61</u>	<u>70,005.80</u>
Subtotal - Other Current Assets	<u>143,687.02</u>	<u>138,372.67</u>
TOTAL CURRENT ASSETS	<u>518,228.82</u>	<u>517,079.46</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	1,150,777.53	417,945.52
Wealth Management	<u>850,000.00</u>	<u>1,350,555.91</u>
Subtotal - Capital Reserves	<u>2,000,777.53</u>	<u>1,768,501.43</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(18,910.00)</u>	<u>(15,190.00)</u>
Subtotal - Fixed Assets	<u>55,490.00</u>	<u>59,210.00</u>
TOTAL OTHER ASSETS	<u>2,056,267.53</u>	<u>1,827,711.43</u>
TOTAL ASSETS	<u>\$ 2,574,496.35</u>	<u>\$ 2,344,790.89</u>

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

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 41,324.24	\$ 16,901.73
A/P Insur. Water Damage Claims	8,861.27	8,861.27
Owner Prepayments	45,998.37	34,522.88
A/P - NJF Units	86,748.61	70,005.80
A/P - Insurance	30,842.00	35,779.00
Accrued General Excise Tx	573.13	311.28
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
Garnishee W/H	0.00	487.00
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Subtotal - Current Liabilities	219,639.88	168,756.14
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TOTAL CURRENT LIABILITIES	219,639.88	168,756.14
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TOTAL LIABILITIES	219,639.88	168,756.14
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MEMBERS' EQUITY		
Unrestricted Members' Equity	354,078.94	407,533.32
Restricted Members' Equity	2,000,777.53	1,768,501.43
	<hr/>	<hr/>
Subtotal Members' Equity	2,354,856.47	2,176,034.75
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TOTAL MEMBERS' EQUITY	2,354,856.47	2,176,034.75
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,574,496.35	\$ 2,344,790.89
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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, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	73,265.82	71.5	73,266	(0)	439,594.92	72.6	439,596	(1)	879,192	439,597
406 - Capital Reserve	21,000.18	20.5	21,000	0	126,001.08	20.8	126,001	0	252,002	126,001
415 - Delinquent Owners Late Fee	63.01	0.1	0	63	1,442.85	0.2	0	1,443	0	(1,443)
416 - Delinquent Owners Interest	(24.88)	0.0	0	(25)	73.79	0.0	0	74	0	(74)
425 - House Rule Violations	<u>4,250.00</u>	<u>4.2</u>	<u>0</u>	<u>4,250</u>	<u>6,550.00</u>	<u>1.1</u>	<u>0</u>	<u>6,550</u>	<u>0</u>	<u>(6,550)</u>
Total Membership Income	98,554.13	96.2	94,266	4,288	573,662.64	94.7	565,597	8,066	1,131,194	557,531
Non-Membership Income										
430 - Interest Income	10.46	0.0	333	(323)	889.66	0.1	2,000	(1,110)	4,000	3,110
431 - Reserve Interest Income	472.17	0.5	1,817	(1,345)	14,637.97	2.4	10,900	3,738	21,800	7,162
440.80 - NJF Rental Income	2,500.00	2.4	2,500	0	15,000.00	2.5	15,000	0	30,000	15,000
441 - Kayak Rack Rental	195.00	0.2	95	100	795.00	0.1	570	225	1,140	345
499 - Other Income	<u>670.00</u>	<u>0.7</u>	<u>13</u>	<u>657</u>	<u>710.00</u>	<u>0.1</u>	<u>80</u>	<u>630</u>	<u>160</u>	<u>(550)</u>
Total Non-Membership Income	3,847.63	3.8	4,758	(910)	32,032.63	5.3	28,550	3,483	57,100	25,067
Total Revenues	<u>102,401.76</u>	<u>100.</u>	<u>99,024</u>	<u>3,378</u>	<u>605,695.27</u>	<u>100.</u>	<u>594,147</u>	<u>11,548</u>	<u>1,188,294</u>	<u>582,599</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	4,152.00	0.7	4,152	0	8,304	4,152
701.2 - NJF Unit - Rental Agent Fe	250.00	0.2	250	0	1,500.00	0.2	1,500	0	3,000	1,500
701.3 - NJF Repairs & Maint	20.83	0.0	133	(112)	20.83	0.0	800	(779)	1,600	1,579
701.4 - NJF GET Expense	<u>100.00</u>	<u>0.1</u>	<u>89</u>	<u>11</u>	<u>600.00</u>	<u>0.1</u>	<u>531</u>	<u>69</u>	<u>1,062</u>	<u>462</u>
Total NJF Unit Expenses	1,062.83	1.0	1,164	(101)	6,272.83	1.0	6,983	(710)	13,966	7,693
Administration 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	5	(5)	252.25	0.0	30	222	60	(192)
710 - Meetings	32.08	0.0	401	(369)	905.07	0.1	2,407	(1,502)	4,814	3,909
715 - Office & Administration *	709.98	0.7	433	277	3,506.93	0.6	2,600	907	5,200	1,693
715.1 - Office/Admin - Site Office *	516.21	0.5	125	391	1,211.29	0.2	750	461	1,500	289
720 - Operating Supplies	17.70	0.0	167	(149)	23.51	0.0	1,000	(976)	2,000	1,976
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	1,585.97	1.5	1,451	135	7,779.05	1.3	8,707	(928)	17,414	9,635
Employee Costs										
610 - Auto	0.00	0.0	83	(83)	320.64	0.1	500	(179)	1,000	679
648 - Education & Seminars	0.00	0.0	86	(86)	170.84	0.0	519	(348)	1,037	866
653 - Emp/Ben.-Medical	598.65	0.6	1,480	(881)	3,557.03	0.6	8,880	(5,323)	17,760	14,203
780 - Salaries & Wages	7,196.35	7.0	10,485	(3,289)	47,783.71	7.9	62,908	(15,124)	125,816	78,032
801 - P/R Ins. - TDI & WC *	645.06	0.6	451	194	2,464.70	0.4	2,706	(241)	5,412	2,947

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, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	835.35	0.8	1,078	(243)	5,839.80	1.0	6,468	(628)	12,936	7,096
812 - Uniforms *	<u>53.09</u>	<u>0.1</u>	<u>17</u>	<u>36</u>	<u>53.09</u>	<u>0.0</u>	<u>100</u>	<u>(47)</u>	<u>200</u>	<u>147</u>
Total Employee Costs	9,328.50	9.1	13,680	(4,352)	60,189.81	9.9	82,081	(21,891)	164,161	103,971
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	213.00	0.0	216	(3)	432	219
678 - Ins. Business Interruption	104.50	0.1	97	8	630.00	0.1	582	48	1,164	534
679 - Ins. - Dir./Officers	253.08	0.2	233	20	1,406.48	0.2	1,398	8	2,796	1,390
680 - Ins. - Package	4,538.25	4.4	5,427	(889)	30,360.18	5.0	32,562	(2,202)	65,124	34,764
683 - Ins. - CGL	358.00	0.3	361	(3)	2,152.00	0.4	2,166	(14)	4,332	2,180
684 - Ins. - Umbrella	<u>172.92</u>	<u>0.2</u>	<u>176</u>	<u>(3)</u>	<u>1,050.84</u>	<u>0.2</u>	<u>1,056</u>	<u>(5)</u>	<u>2,112</u>	<u>1,061</u>
Total Insurance Expenses	5,462.25	5.3	6,330	(868)	35,812.50	5.9	37,980	(2,168)	75,960	40,148
Professional Services										
705 - Management Fee	3,224.00	3.1	4,368	(1,144)	20,488.00	3.4	26,208	(5,720)	52,416	31,928
731 - Prof.Svc.- Audit	0.00	0.0	366	(366)	48.93	0.0	2,194	(2,145)	4,388	4,339
732 - Prof.Svc.- Legal	788.13	0.8	833	(45)	6,374.57	1.1	5,000	1,375	10,000	3,625
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>494</u>	<u>(494)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	4,012.13	3.9	5,649	(1,637)	26,911.50	4.4	33,896	(6,985)	67,792	40,881
Repairs & Maint Expenses										
746 - R/M - Buildings *	1,158.74	1.1	2,250	(1,091)	7,131.68	1.2	13,500	(6,368)	27,000	19,868
750 - R/M - Equipment	0.00	0.0	250	(250)	4,017.71	0.7	1,500	2,518	3,000	(1,018)
752 - R/M - Fire Equip. *	1,645.83	1.6	200	1,446	1,645.83	0.3	1,200	446	2,400	754
753 - R/M - Landscape Upgrades *	1,294.26	1.3	125	1,169	2,680.30	0.4	750	1,930	1,500	(1,180)
754 - R/M - Grounds	0.00	0.0	167	(167)	525.76	0.1	1,000	(474)	2,000	1,474
755 - R/M - Grounds Contractor	20,500.00	20.0	20,500	0	123,000.00	20.3	123,000	0	246,000	123,000
756 - R/M - Irrigation *	1,171.84	1.1	800	372	2,561.83	0.4	4,800	(2,238)	9,600	7,038
760 - R/M - Pest Control	0.00	0.0	555	(555)	3,195.82	0.5	3,329	(133)	6,658	3,462
762 - R/M - Pool, Spa, BBQ *	4,322.02	4.2	500	3,822	31,068.31	5.1	3,000	28,068	6,000	(25,068)
764 - R/M - Refuse Collection	1,397.60	1.4	1,468	(70)	8,385.60	1.4	8,808	(422)	17,616	9,230
764.1 - R/M - Recycling	733.84	0.7	734	(0)	4,403.04	0.7	4,406	(3)	8,812	4,409
767 - R/M - Security Contract	<u>892.70</u>	<u>0.9</u>	<u>893</u>	<u>(0)</u>	<u>5,356.20</u>	<u>0.9</u>	<u>5,358</u>	<u>(2)</u>	<u>10,716</u>	<u>5,360</u>
Total Repairs & Maint Exp	33,116.83	32.3	28,442	4,675	193,972.08	32.0	170,651	23,321	341,302	147,330
Tax Expenses										
796 - Taxes - Gen. Excise	198.63	0.2	90	109	1,345.96	0.2	540	806	1,080	(266)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	6,000	(6,000)	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>875</u>	<u>(875)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	198.63	0.2	1,236	(1,037)	1,345.96	0.2	7,415	(6,069)	14,830	13,484

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, 2020

Utility Expense										
826 - Util. - Cable TV	4,095.27	4.0	3,937	158	24,571.62	4.1	23,619	953	47,238	22,666
828 - Util. - Electric	588.58	0.6	1,750	(1,161)	10,430.79	1.7	10,500	(69)	21,000	10,569
830 - Util. - Gas	0.00	0.0	100	(100)	342.84	0.1	600	(257)	1,200	857
832 - Util. - Sewer	5,066.00	4.9	4,945	121	28,556.85	4.7	29,670	(1,113)	59,340	30,783
834 - Util. - Telephone	268.31	0.3	203	65	1,541.14	0.3	1,218	323	2,436	895
838 - Util. - Water	<u>13,703.65</u>	<u>13.4</u>	<u>10,689</u>	<u>3,015</u>	<u>60,591.70</u>	<u>10.0</u>	<u>64,135</u>	<u>(3,543)</u>	<u>128,270</u>	<u>67,678</u>
Total Utility Expenses	23,721.81	23.2	21,624	2,098	126,034.94	20.8	129,742	(3,707)	259,484	133,449
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.5	21,000	0	126,001.08	20.8	126,001	0	252,002	126,001
916 - Reserves Interest	<u>472.17</u>	<u>0.5</u>	<u>1,817</u>	<u>(1,345)</u>	<u>14,637.97</u>	<u>2.4</u>	<u>10,900</u>	<u>3,738</u>	<u>21,800</u>	<u>7,162</u>
Total Reserve & Other Exp	<u>21,472.35</u>	<u>21.0</u>	<u>22,817</u>	<u>(1,345)</u>	<u>140,639.05</u>	<u>23.2</u>	<u>136,901</u>	<u>3,738</u>	<u>273,802</u>	<u>133,163</u>
Total Operating Expenses and Reserve Allocation										
	<u>99,961.30</u>	<u>97.6</u>	<u>102,393</u>	<u>(2,432)</u>	<u>598,957.72</u>	<u>98.9</u>	<u>614,356</u>	<u>(15,398)</u>	<u>1,228,711</u>	<u>629,753</u>
Total Revenue Over Exp	<u>2,440.46</u>	<u>2.4</u>	<u>(3,369)</u>	<u>5,809</u>	<u>6,737.55</u>	<u>1.1</u>	<u>(20,209)</u>	<u>26,947</u>	<u>(40,417)</u>	<u>(47,155)</u>
Beginning Members' Equity					<u>347,341.39</u>					
Ending Members' Equity					<u>354,078.94</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 6 Months Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 2,440.46	\$ 6,737.55
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	(3,351.23)	(4,651.02)
Prepays	1,639.91	(40,163.44)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	16,280.91	(27,910.44)
Accrued Liabilities	(1,902.81)	30,539.05
Total Adjustments	<u>12,976.78</u>	<u>(40,325.85)</u>
Net Cash Provided By (Used in) Operating Activities	<u>15,417.24</u>	<u>(33,588.30)</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

15,417.24 (33,588.30)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

344,500.88 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 359,918.12 \$ 359,918.12