



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 Seven Months Ended

July 31, 2020

Table of Contents

	Page
Financial Statements	
Balance Sheet – Tax Basis	1-2
Income Statement and Changes in Members' Equity – Tax Basis	3-5
Statement of Cash Flows – Tax Basis	6

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

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 107,484.58	\$ 102,511.49
Cash - MOB- Debit Card #****4202	1,990.85	2,475.93
MMkt - MOO Savings *****2119	26,577.66	26,489.34
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	0.00	36,602.82
CD - HSB Savings - Exp 3/1/20	<u>0.00</u>	<u>200,000.00</u>
Subtotal - Cash	<u>336,053.09</u>	<u>368,079.58</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	7,231.59	3,024.09
A/R - Act 196 & Collection	29,218.76	30,214.96
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>1,010.84</u>	<u>87.90</u>
Subtotal - Accounts Receivable	<u>15,737.93</u>	<u>11,603.69</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	0.00	3,362.00
Prepaid State Income Tax	0.00	270.00
Unexpired Insurance	51,145.33	58,144.04
NJF Clearing Account	<u>85,772.91</u>	<u>71,021.01</u>
Subtotal - Other Current Assets	<u>136,918.24</u>	<u>132,797.05</u>
TOTAL CURRENT ASSETS	<u>488,709.26</u>	<u>512,480.32</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	1,171,341.12	438,802.01
Wealth Management	<u>850,000.00</u>	<u>1,350,464.85</u>
Subtotal - Capital Reserves	<u>2,021,341.12</u>	<u>1,789,266.86</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(19,220.00)</u>	<u>(15,500.00)</u>
Subtotal - Fixed Assets	<u>55,180.00</u>	<u>58,900.00</u>
TOTAL OTHER ASSETS	<u>2,076,521.12</u>	<u>1,848,166.86</u>
TOTAL ASSETS	<u>\$ 2,565,230.38</u>	<u>\$ 2,360,647.18</u>

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

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 27,217.62	\$ 17,189.62
A/P Insur. Water Damage Claims	8,861.27	8,861.27
Owner Prepayments	42,969.17	36,483.70
A/P - NJF Units	85,772.91	71,021.01
A/P - Insurance	26,436.00	30,666.00
Accrued General Excise Tx	40.93	175.53
Accrued Federal Income Tax	0.00	1,001.00
Accrued State Income Tax	0.00	570.00
Accrued Salaries/Wages	0.00	100.00
Accrued Federal Tax W/H	0.00	41.20
Accrued FICA Tax W/H	0.00	124.00
Accrued Medicare W/H	0.00	29.00
Accrued State Tax W/H	0.00	21.98
Garnishee W/H	0.00	487.00
	<hr/>	<hr/>
Subtotal - Current Liabilities	191,297.90	166,771.31
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	191,297.90	166,771.31
	<hr/>	<hr/>
TOTAL LIABILITIES	191,297.90	166,771.31
	<hr/>	<hr/>
MEMBERS' EQUITY		
Unrestricted Members' Equity	352,591.36	404,609.01
Restricted Members' Equity	2,021,341.12	1,789,266.86
	<hr/>	<hr/>
Subtotal Members' Equity	2,373,932.48	2,193,875.87
	<hr/>	<hr/>
TOTAL MEMBERS' EQUITY	2,373,932.48	2,193,875.87
	<hr/>	<hr/>
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,565,230.38	\$ 2,360,647.18
	<hr/> <hr/>	<hr/> <hr/>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 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	76.4	73,266	(0)	512,860.74	73.1	512,862	(1)	879,192	366,331
406 - Capital Reserve	21,000.18	21.9	21,000	0	147,001.26	21.0	147,001	0	252,002	105,001
415 - Delinquent Owners Late Fee	621.70	0.6	0	622	2,064.55	0.3	0	2,065	0	(2,065)
416 - Delinquent Owners Interest	88.45	0.1	0	88	162.24	0.0	0	162	0	(162)
425 - House Rule Violations	0.00	0.0	0	0	6,550.00	0.9	0	6,550	0	(6,550)
Total Membership Income	94,976.15	99.0	94,266	710	668,638.79	95.3	659,863	8,776	1,131,194	462,555
Non-Membership Income										
430 - Interest Income	11.24	0.0	333	(322)	900.90	0.1	2,333	(1,432)	4,000	3,099
431 - Reserve Interest Income	529.55	0.6	1,817	(1,287)	15,167.52	2.2	12,717	2,451	21,800	6,632
440.80 - NJF Rental Income	30.00	0.0	2,500	(2,470)	15,030.00	2.1	17,500	(2,470)	30,000	14,970
441 - Kayak Rack Rental	375.00	0.4	95	280	1,170.00	0.2	665	505	1,140	(30)
499 - Other Income	0.00	0.0	13	(13)	710.00	0.1	93	617	160	(550)
Total Non-Membership Income	945.79	1.0	4,758	(3,812)	32,978.42	4.7	33,308	(330)	57,100	24,122
Total Revenues	95,921.94	100.	99,024	(3,102)	701,617.21	100.	693,171	8,446	1,188,294	486,677
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	4,844.00	0.7	4,844	0	8,304	3,460
701.2 - NJF Unit - Rental Agent Fe	0.00	0.0	250	(250)	1,500.00	0.2	1,750	(250)	3,000	1,500
701.3 - NJF Repairs & Maint *	390.62	0.4	133	258	411.45	0.1	933	(522)	1,600	1,189
701.4 - NJF GET Expense	1.20	0.0	89	(88)	601.20	0.1	620	(19)	1,062	461
Total NJF Unit Expenses	1,083.82	1.1	1,164	(80)	7,356.65	1.0	8,147	(790)	13,966	6,609
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	20.00	0.0	70	(50)	120	100
645 - Dues & Subscriptions	0.00	0.0	5	(5)	252.25	0.0	35	217	60	(192)
710 - Meetings *	558.59	0.6	401	158	1,463.66	0.2	2,808	(1,344)	4,814	3,350
715 - Office & Administration	251.43	0.3	433	(182)	3,758.36	0.5	3,033	725	5,200	1,442
715.1 - Office/Admin - Site Office	0.00	0.0	125	(125)	1,211.29	0.2	875	336	1,500	289
720 - Operating Supplies	0.00	0.0	167	(167)	23.51	0.0	1,167	(1,143)	2,000	1,976
910 - Depreciation	310.00	0.3	310	0	2,170.00	0.3	2,170	0	3,720	1,550
Total Administration Exp	1,120.02	1.2	1,451	(331)	8,899.07	1.3	10,158	(1,259)	17,414	8,515
Employee Costs										
610 - Auto	0.00	0.0	83	(83)	320.64	0.0	583	(262)	1,000	679
648 - Education & Seminars	0.00	0.0	86	(86)	170.84	0.0	605	(434)	1,037	866
653 - Emp/Ben.-Medical	598.65	0.6	1,480	(881)	4,155.68	0.6	10,360	(6,204)	17,760	13,604
780 - Salaries & Wages	7,040.74	7.3	10,485	(3,444)	54,824.45	7.8	73,393	(18,569)	125,816	70,992
801 - P/R Ins. - TDI & WC	330.83	0.3	451	(120)	2,795.53	0.4	3,157	(361)	5,412	2,616

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	721.43	0.8	1,078	(357)	6,561.23	0.9	7,546	(985)	12,936	6,375
812 - Uniforms	<u>0.00</u>	<u>0.0</u>	<u>17</u>	<u>(17)</u>	<u>53.09</u>	<u>0.0</u>	<u>117</u>	<u>(64)</u>	<u>200</u>	<u>147</u>
Total Employee Costs	8,691.65	9.1	13,680	(4,988)	68,881.46	9.8	95,761	(26,880)	164,161	95,280
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	248.50	0.0	252	(4)	432	184
678 - Ins. Business Interruption	104.50	0.1	97	8	734.50	0.1	679	56	1,164	430
679 - Ins. - Dir./Officers	253.08	0.3	233	20	1,659.56	0.2	1,631	29	2,796	1,136
680 - Ins. - Package	4,538.25	4.7	5,427	(889)	34,898.43	5.0	37,989	(3,091)	65,124	30,226
683 - Ins. - CGL	358.00	0.4	361	(3)	2,510.00	0.4	2,527	(17)	4,332	1,822
684 - Ins. - Umbrella	<u>172.92</u>	<u>0.2</u>	<u>176</u>	<u>(3)</u>	<u>1,223.76</u>	<u>0.2</u>	<u>1,232</u>	<u>(8)</u>	<u>2,112</u>	<u>888</u>
Total Insurance Expenses	5,462.25	5.7	6,330	(868)	41,274.75	5.9	44,310	(3,035)	75,960	34,685
Professional Services										
705 - Management Fee	3,224.00	3.4	4,368	(1,144)	23,712.00	3.4	30,576	(6,864)	52,416	28,704
731 - Prof.Svc.- Audit	0.00	0.0	366	(366)	48.93	0.0	2,560	(2,511)	4,388	4,339
732 - Prof.Svc.- Legal	762.45	0.8	833	(71)	7,137.02	1.0	5,833	1,304	10,000	2,863
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>576</u>	<u>(576)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,986.45	4.2	5,649	(1,663)	30,897.95	4.4	39,545	(8,647)	67,792	36,894
Repairs & Maint Expenses										
746 - R/M - Buildings	70.83	0.1	2,250	(2,179)	7,202.51	1.0	15,750	(8,547)	27,000	19,797
750 - R/M - Equipment	0.00	0.0	250	(250)	4,017.71	0.6	1,750	2,268	3,000	(1,018)
752 - R/M - Fire Equip. *	264.00	0.3	200	64	1,909.83	0.3	1,400	510	2,400	490
753 - R/M - Landscape Upgrades	67.50	0.1	125	(58)	2,747.80	0.4	875	1,873	1,500	(1,248)
754 - R/M - Grounds	0.00	0.0	167	(167)	525.76	0.1	1,167	(641)	2,000	1,474
755 - R/M - Grounds Contractor	20,500.00	21.4	20,500	0	143,500.00	20.5	143,500	0	246,000	102,500
756 - R/M - Irrigation	56.09	0.1	800	(744)	2,617.92	0.4	5,600	(2,982)	9,600	6,982
760 - R/M - Pest Control *	1,597.91	1.7	555	1,043	4,793.73	0.7	3,884	910	6,658	1,864
762 - R/M - Pool, Spa, BBQ *	6,849.80	7.1	500	6,350	37,918.11	5.4	3,500	34,418	6,000	(31,918)
764 - R/M - Refuse Collection	1,397.60	1.5	1,468	(70)	9,783.20	1.4	10,276	(493)	17,616	7,833
764.1 - R/M - Recycling	733.84	0.8	734	(0)	5,136.88	0.7	5,140	(3)	8,812	3,675
767 - R/M - Security Contract	<u>892.70</u>	<u>0.9</u>	<u>893</u>	<u>(0)</u>	<u>6,248.90</u>	<u>0.9</u>	<u>6,251</u>	<u>(2)</u>	<u>10,716</u>	<u>4,467</u>
Total Repairs & Maint Exp	32,430.27	33.8	28,442	3,988	226,402.35	32.3	199,093	27,309	341,302	114,900
Tax Expenses										
796 - Taxes - Gen. Excise	54.52	0.1	90	(35)	1,400.48	0.2	630	770	1,080	(320)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	7,000	(7,000)	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>1,021</u>	<u>(1,021)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	54.52	0.1	1,236	(1,181)	1,400.48	0.2	8,651	(7,251)	14,830	13,430

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 7 Months Ended July 31, 2020

Utility Expense

826 - Util. - Cable TV *	4,095.27	4.3	3,937	158	28,666.89	4.1	27,556	1,111	47,238	18,571
828 - Util. - Electric	300.00	0.3	1,750	(1,450)	10,730.79	1.5	12,250	(1,519)	21,000	10,269
830 - Util. - Gas	0.00	0.0	100	(100)	342.84	0.0	700	(357)	1,200	857
832 - Util. - Sewer *	4,967.00	5.2	4,945	22	33,523.85	4.8	34,615	(1,091)	59,340	25,816
834 - Util. - Telephone	125.29	0.1	203	(78)	1,666.43	0.2	1,421	245	2,436	770
838 - Util. - Water *	<u>13,563.25</u>	<u>14.1</u>	<u>10,689</u>	<u>2,874</u>	<u>74,154.95</u>	<u>10.6</u>	<u>74,824</u>	<u>(669)</u>	<u>128,270</u>	<u>54,115</u>
Total Utility Expenses	23,050.81	24.0	21,624	1,427	149,085.75	21.2	151,366	(2,280)	259,484	110,398

Reserves & Other Exp

915 - Capital Reserves	21,000.18	21.9	21,000	0	147,001.26	21.0	147,001	0	252,002	105,001
916 - Reserves Interest	<u>529.55</u>	<u>0.6</u>	<u>1,817</u>	<u>(1,287)</u>	<u>15,167.52</u>	<u>2.2</u>	<u>12,717</u>	<u>2,451</u>	<u>21,800</u>	<u>6,632</u>
Total Reserve & Other Exp	<u>21,529.73</u>	<u>22.4</u>	<u>22,817</u>	<u>(1,287)</u>	<u>162,168.78</u>	<u>23.1</u>	<u>159,718</u>	<u>2,451</u>	<u>273,802</u>	<u>111,633</u>

Total Operating Expenses and

Reserve Allocation	<u>97,409.52</u>	<u>101.</u>	<u>102,393</u>	<u>(4,983)</u>	<u>696,367.24</u>	<u>99.3</u>	<u>716,749</u>	<u>(20,382)</u>	<u>1,228,711</u>	<u>532,344</u>
Total Revenue Over Exp	<u><u>(1,487.58)</u></u>	<u><u>(1.6)</u></u>	<u><u>(3,369)</u></u>	<u><u>1,881</u></u>	<u><u>5,249.97</u></u>	<u><u>0.7</u></u>	<u><u>(23,578)</u></u>	<u><u>28,828</u></u>	<u><u>(40,417)</u></u>	<u><u>(45,667)</u></u>

Beginning Members' Equity

347,341.39

Ending Members' Equity

352,591.36

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 7 Months Ended July 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (1,487.58)	\$ 5,249.97
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,170.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(1,114.25)	(5,765.27)
Prepays	6,768.78	(33,394.66)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(14,106.62)	(42,017.06)
Accrued Liabilities	<u>(14,235.36)</u>	<u>16,303.69</u>
Total Adjustments	<u>(22,377.45)</u>	<u>(62,703.30)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(23,865.03)</u>	<u>(57,453.33)</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

(23,865.03) (57,453.33)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

359,918.12 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 336,053.09 \$ 336,053.09