



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 Eight Months Ended

August 31, 2020

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I have prepared the accompanying Balance Sheet – Tax Basis as of August 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 Eight 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
August 31, 2020 and 2019**

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 115,261.08	\$ 86,840.86
Cash - MOB- Debit Card #****4202	523.30	3,000.52
MMkt - MOO Savings *****2119	26,582.17	26,498.34
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	0.00	36,636.96
CD - HSB Savings - Exp 3/1/20	<u>0.00</u>	<u>200,000.00</u>
Subtotal - Cash	<u>342,366.55</u>	<u>352,976.68</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,214.40	6,033.80
A/R - Act 196 & Collection	29,247.92	29,080.12
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>1,046.04</u>	<u>0.00</u>
Subtotal - Accounts Receivable	<u>10,785.10</u>	<u>13,390.66</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	0.00	3,362.00
Prepaid State Income Tax	0.00	270.00
Unexpired Insurance	45,352.25	51,565.21
NJF Clearing Account	<u>87,559.99</u>	<u>72,101.44</u>
Subtotal - Other Current Assets	<u>132,912.24</u>	<u>127,298.65</u>
TOTAL CURRENT ASSETS	<u>486,063.89</u>	<u>493,665.99</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	1,186,867.11	458,957.51
Wealth Management	<u>850,000.00</u>	<u>1,350,465.50</u>
Subtotal - Capital Reserves	<u>2,036,867.11</u>	<u>1,809,423.01</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(19,530.00)</u>	<u>(15,810.00)</u>
Subtotal - Fixed Assets	<u>54,870.00</u>	<u>58,590.00</u>
TOTAL OTHER ASSETS	<u>2,091,737.11</u>	<u>1,868,013.01</u>
TOTAL ASSETS	<u>\$ 2,577,801.00</u>	<u>\$ 2,361,679.00</u>

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

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 29,351.08	\$ 18,589.06
A/P Insur. Water Damage Claims	8,865.27	8,861.27
Owner Prepayments	44,340.46	37,227.00
A/P - NJF Units	87,559.99	72,101.44
A/P - Insurance	22,030.00	25,555.00
Accrued General Excise Tx	275.65	285.18
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	469.66
Accrued FICA Tax W/H	0.00	383.34
Accrued Medicare W/H	0.00	89.65
Accrued State Tax W/H	0.00	296.74
Garnishee W/H	0.00	737.00
	<u>192,422.45</u>	<u>166,266.34</u>
Subtotal - Current Liabilities		
	<u>192,422.45</u>	<u>166,266.34</u>
TOTAL CURRENT LIABILITIES		
	<u>192,422.45</u>	<u>166,266.34</u>
TOTAL LIABILITIES		
	<u>192,422.45</u>	<u>166,266.34</u>
 MEMBERS' EQUITY		
Unrestricted Members' Equity	348,511.44	385,989.65
Restricted Members' Equity	2,036,867.11	1,809,423.01
	<u>2,385,378.55</u>	<u>2,195,412.66</u>
Subtotal Members' Equity		
	<u>2,385,378.55</u>	<u>2,195,412.66</u>
TOTAL MEMBERS' EQUITY		
	<u>2,385,378.55</u>	<u>2,195,412.66</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY		
	<u>\$ 2,577,801.00</u>	<u>\$ 2,361,679.00</u>

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 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	72.8	73,266	(0)	586,126.56	73.1	586,128	(1)	879,192	293,065
406 - Capital Reserve	21,000.18	20.9	21,000	0	168,001.44	20.9	168,001	0	252,002	84,001
415 - Delinquent Owners Late Fee	112.13	0.1	0	112	2,176.68	0.3	0	2,177	0	(2,177)
416 - Delinquent Owners Interest	3.00	0.0	0	3	165.24	0.0	0	165	0	(165)
425 - House Rule Violations	0.00	0.0	0	0	6,550.00	0.8	0	6,550	0	(6,550)
Total Membership Income	94,381.13	93.7	94,266	115	763,019.92	95.1	754,129	8,891	1,131,194	368,174
Non-Membership Income										
430 - Interest Income	10.05	0.0	333	(323)	910.95	0.1	2,667	(1,756)	4,000	3,089
431 - Reserve Interest Income	3,525.82	3.5	1,817	1,709	18,693.34	2.3	14,533	4,160	21,800	3,107
440.80 - NJF Rental Income	2,991.62	3.0	2,500	492	18,021.62	2.2	20,000	(1,978)	30,000	11,978
441 - Kayak Rack Rental	(233.08)	(0.2)	95	(328)	936.92	0.1	760	177	1,140	203
499 - Other Income	0.00	0.0	13	(13)	710.00	0.1	107	603	160	(550)
Total Non-Membership Income	6,294.41	6.3	4,758	1,536	39,272.83	4.9	38,067	1,206	57,100	17,827
Total Revenues	100,675.54	100.	99,024	1,652	802,292.75	100.	792,196	10,097	1,188,294	386,001
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	5,536.00	0.7	5,536	0	8,304	2,768
701.2 - NJF Unit - Rental Agent Fe	302.16	0.3	250	52	1,802.16	0.2	2,000	(198)	3,000	1,198
701.3 - NJF Repairs & Maint	11.40	0.0	133	(122)	422.85	0.1	1,067	(644)	1,600	1,177
701.4 - NJF GET Expense	98.00	0.1	89	9	699.20	0.1	708	(9)	1,062	363
Total NJF Unit Expenses	1,103.56	1.1	1,164	(60)	8,460.21	1.1	9,311	(851)	13,966	5,506
Adminstration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	20.00	0.0	80	(60)	120	100
645 - Dues & Subscriptions *	264.00	0.3	5	259	516.25	0.1	40	476	60	(456)
710 - Meetings	0.00	0.0	401	(401)	1,463.66	0.2	3,209	(1,745)	4,814	3,350
715 - Office & Administration	381.47	0.4	433	(52)	4,139.83	0.5	3,467	673	5,200	1,060
715.1 - Office/Admin - Site Office *	230.10	0.2	125	105	1,441.39	0.2	1,000	441	1,500	59
720 - Operating Supplies	0.00	0.0	167	(167)	23.51	0.0	1,333	(1,309)	2,000	1,976
910 - Depreciation	310.00	0.3	310	0	2,480.00	0.3	2,480	0	3,720	1,240
Total Administration Exp	1,185.57	1.2	1,451	(265)	10,084.64	1.3	11,609	(1,524)	17,414	7,329
Employee Costs										
610 - Auto *	192.63	0.2	83	110	513.27	0.1	667	(154)	1,000	487
648 - Education & Seminars	0.00	0.0	86	(86)	170.84	0.0	691	(520)	1,037	866
653 - Emp/Ben.-Medical	598.65	0.6	1,480	(881)	4,754.33	0.6	11,840	(7,086)	17,760	13,006
780 - Salaries & Wages	8,908.00	8.8	10,485	(1,577)	63,732.45	7.9	83,877	(20,145)	125,816	62,084
801 - P/R Ins. - TDI & WC	330.83	0.3	451	(120)	3,126.36	0.4	3,608	(482)	5,412	2,286

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 31, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	735.13	0.7	1,078	(343)	7,296.36	0.9	8,624	(1,328)	12,936	5,640
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>133</u>	<u>(80)</u>	<u>200</u>	<u>147</u>
Total Employee Costs	10,765.24	10.7	13,680	(2,915)	79,646.70	9.9	109,440	(29,793)	164,161	84,514
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	284.00	0.0	288	(4)	432	148
678 - Ins. Business Interruption	104.50	0.1	97	8	839.00	0.1	776	63	1,164	325
679 - Ins. - Dir./Officers	253.08	0.3	233	20	1,912.64	0.2	1,864	49	2,796	883
680 - Ins. - Package	4,538.25	4.5	5,427	(889)	39,436.68	4.9	43,416	(3,979)	65,124	25,687
683 - Ins. - CGL	358.00	0.4	361	(3)	2,868.00	0.4	2,888	(20)	4,332	1,464
684 - Ins. - Umbrella	<u>172.92</u>	<u>0.2</u>	<u>176</u>	<u>(3)</u>	<u>1,396.68</u>	<u>0.2</u>	<u>1,408</u>	<u>(11)</u>	<u>2,112</u>	<u>715</u>
Total Insurance Expenses	5,462.25	5.4	6,330	(868)	46,737.00	5.8	50,640	(3,903)	75,960	29,223
Professional Services										
705 - Management Fee	3,224.00	3.2	4,368	(1,144)	26,936.00	3.4	34,944	(8,008)	52,416	25,480
731 - Prof.Svc.- Audit	0.00	0.0	366	(366)	48.93	0.0	2,925	(2,876)	4,388	4,339
732 - Prof.Svc.- Legal	677.04	0.7	833	(156)	7,814.06	1.0	6,667	1,147	10,000	2,186
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>659</u>	<u>(659)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,901.04	3.9	5,649	(1,748)	34,798.99	4.3	45,195	(10,396)	67,792	32,993
Repairs & Maint Expenses										
746 - R/M - Buildings	1,844.45	1.8	2,250	(406)	9,046.96	1.1	18,000	(8,953)	27,000	17,953
750 - R/M - Equipment	122.08	0.1	250	(128)	4,139.79	0.5	2,000	2,140	3,000	(1,140)
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,909.83	0.2	1,600	310	2,400	490
753 - R/M - Landscape Upgrades *	2,040.61	2.0	125	1,916	4,788.41	0.6	1,000	3,788	1,500	(3,288)
754 - R/M - Grounds	0.00	0.0	167	(167)	525.76	0.1	1,333	(807)	2,000	1,474
755 - R/M - Grounds Contractor	20,500.00	20.4	20,500	0	164,000.00	20.4	164,000	0	246,000	82,000
756 - R/M - Irrigation	218.38	0.2	800	(582)	2,836.30	0.4	6,400	(3,564)	9,600	6,764
760 - R/M - Pest Control	20.83	0.0	555	(534)	4,814.56	0.6	4,439	376	6,658	1,843
762 - R/M - Pool, Spa, BBQ *	5,054.83	5.0	500	4,555	42,972.94	5.4	4,000	38,973	6,000	(36,973)
764 - R/M - Refuse Collection	1,397.60	1.4	1,468	(70)	11,180.80	1.4	11,744	(563)	17,616	6,435
764.1 - R/M - Recycling	733.84	0.7	734	(0)	5,870.72	0.7	5,875	(4)	8,812	2,941
767 - R/M - Security Contract	<u>892.70</u>	<u>0.9</u>	<u>893</u>	<u>(0)</u>	<u>7,141.60</u>	<u>0.9</u>	<u>7,144</u>	<u>(2)</u>	<u>10,716</u>	<u>3,574</u>
Total Repairs & Maint Exp	32,825.32	32.6	28,442	4,383	259,227.67	32.3	227,535	31,693	341,302	82,074
Tax Expenses										
796 - Taxes - Gen. Excise	136.72	0.1	90	47	1,537.20	0.2	720	817	1,080	(457)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	8,000	(8,000)	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>1,167</u>	<u>(1,167)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	136.72	0.1	1,236	(1,099)	1,537.20	0.2	9,887	(8,350)	14,830	13,293

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 8 Months Ended August 31, 2020

Utility Expense										
826 - Util. - Cable TV *	4,095.27	4.1	3,937	158	32,762.16	4.1	31,492	1,270	47,238	14,476
828 - Util. - Electric	1,518.64	1.5	1,750	(231)	12,249.43	1.5	14,000	(1,751)	21,000	8,751
830 - Util. - Gas	0.00	0.0	100	(100)	342.84	0.0	800	(457)	1,200	857
832 - Util. - Sewer *	5,084.00	5.0	4,945	139	38,607.85	4.8	39,560	(952)	59,340	20,732
834 - Util. - Telephone	138.15	0.1	203	(65)	1,804.58	0.2	1,624	181	2,436	631
838 - Util. - Water *	<u>14,013.70</u>	<u>13.9</u>	<u>10,689</u>	<u>3,325</u>	<u>88,168.65</u>	<u>11.0</u>	<u>85,513</u>	<u>2,656</u>	<u>128,270</u>	<u>40,101</u>
Total Utility Expenses	24,849.76	24.7	21,624	3,226	173,935.51	21.7	172,989	947	259,484	85,548
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	20.9	21,000	0	168,001.44	20.9	168,001	0	252,002	84,001
916 - Reserves Interest	<u>3,525.82</u>	<u>3.5</u>	<u>1,817</u>	<u>1,709</u>	<u>18,693.34</u>	<u>2.3</u>	<u>14,533</u>	<u>4,160</u>	<u>21,800</u>	<u>3,107</u>
Total Reserve & Other Exp	<u>24,526.00</u>	<u>24.4</u>	<u>22,817</u>	<u>1,709</u>	<u>186,694.78</u>	<u>23.3</u>	<u>182,534</u>	<u>4,161</u>	<u>273,802</u>	<u>87,107</u>
Total Operating Expenses and Reserve Allocation										
	<u>104,755.46</u>	<u>104.</u>	<u>102,393</u>	<u>2,362</u>	<u>801,122.70</u>	<u>99.9</u>	<u>819,140</u>	<u>(18,017)</u>	<u>1,228,711</u>	<u>427,588</u>
Total Revenue Over Exp	<u>(4,079.92)</u>	<u>(4.1)</u>	<u>(3,369)</u>	<u>(711)</u>	<u>1,170.05</u>	<u>0.1</u>	<u>(26,944)</u>	<u>28,114</u>	<u>(40,417)</u>	<u>(41,587)</u>
Beginning Members' Equity					<u>347,341.39</u>					
Ending Members' Equity					<u><u>348,511.44</u></u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 8 Months Ended August 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (4,079.92)	\$ 1,170.05
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	2,480.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	4,952.83	(812.44)
Prepays	4,006.00	(29,388.66)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	2,133.46	(39,883.60)
Accrued Liabilities	(1,008.91)	15,294.78
Total Adjustments	<u>10,393.38</u>	<u>(52,309.92)</u>
Net Cash Provided By (Used in) Operating Activities	<u>6,313.46</u>	<u>(51,139.87)</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

6,313.46 (51,139.87)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

336,053.09 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 342,366.55 \$ 342,366.55