



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 Ten Months Ended

October 31, 2020

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

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 89,256.11	\$ 90,873.73
Cash - MOB- Debit Card #****4202	2,665.56	2,678.95
MMkt - MOO Savings *****2119	26,589.82	26,516.06
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	0.00	36,670.58
CD - HSB Savings - Exp 3/1/20	<u>0.00</u>	<u>200,000.00</u>
Subtotal - Cash	<u>318,511.49</u>	<u>356,739.32</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	2,767.28	1,340.50
A/R - Act 196 & Collection	29,225.92	29,080.12
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>336.42</u>	<u>321.81</u>
Subtotal - Accounts Receivable	<u>10,606.36</u>	<u>9,019.17</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	0.00	4,562.00
Prepaid State Income Tax	0.00	470.00
Unexpired Insurance	33,766.09	38,407.55
NJF Clearing Account	<u>90,134.49</u>	<u>72,911.44</u>
Subtotal - Other Current Assets	<u>123,900.58</u>	<u>116,350.99</u>
TOTAL CURRENT ASSETS	<u>453,018.43</u>	<u>482,109.48</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	1,672,826.13	499,287.28
Wealth Management	<u>400,000.00</u>	<u>1,355,885.56</u>
Subtotal - Capital Reserves	<u>2,072,826.13</u>	<u>1,855,172.84</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(20,150.00)</u>	<u>(16,430.00)</u>
Subtotal - Fixed Assets	<u>54,250.00</u>	<u>57,970.00</u>
TOTAL OTHER ASSETS	<u>2,127,076.13</u>	<u>1,913,142.84</u>
TOTAL ASSETS	<u>\$ 2,580,094.56</u>	<u>\$ 2,395,252.32</u>

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

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 17,545.21	\$ 20,304.37
A/P Insur. Water Damage Claims	8,865.27	8,861.27
Owner Prepayments	41,047.04	36,084.64
A/P - NJF Units	90,134.49	72,911.44
A/P - Insurance	13,218.00	15,333.00
Accrued General Excise Tx	134.19	436.37
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	165.06
	170,944.20	155,961.35
Subtotal - Current Liabilities		
	170,944.20	155,961.35
TOTAL CURRENT LIABILITIES		
	170,944.20	155,961.35
TOTAL LIABILITIES		
	170,944.20	155,961.35
 MEMBERS' EQUITY		
Unrestricted Members' Equity	336,324.23	384,118.13
Restricted Members' Equity	2,072,826.13	1,855,172.84
Subtotal Members' Equity	2,409,150.36	2,239,290.97
TOTAL MEMBERS' EQUITY	2,409,150.36	2,239,290.97
 TOTAL LIABILITIES AND MEMBERS' EQUITY		
	\$ 2,580,094.56	\$ 2,395,252.32

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 10 Months Ended October 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	75.1	73,266	(0)	732,658.20	72.9	732,660	(2)	879,192	146,534
406 - Capital Reserve	21,000.18	21.5	21,000	0	210,001.80	20.9	210,002	(0)	252,002	42,000
415 - Delinquent Owners Late Fee	204.25	0.2	0	204	2,637.03	0.3	0	2,637	0	(2,637)
416 - Delinquent Owners Interest	13.04	0.0	0	13	182.97	0.0	0	183	0	(183)
425 - House Rule Violations	0.00	0.0	0	0	6,550.00	0.7	0	6,550	0	(6,550)
Total Membership Income	94,483.29	96.8	94,266	217	952,030.00	94.7	942,662	9,368	1,131,194	179,164
Non-Membership Income										
430 - Interest Income	8.06	0.0	333	(325)	928.38	0.1	3,333	(2,405)	4,000	3,072
431 - Reserve Interest Income	679.07	0.7	1,817	(1,138)	27,731.67	2.8	18,167	9,565	21,800	(5,932)
440.80 - NJF Rental Income	2,450.00	2.5	2,500	(50)	22,921.62	2.3	25,000	(2,078)	30,000	7,078
441 - Kayak Rack Rental	0.00	0.0	95	(95)	1,176.92	0.1	950	227	1,140	(37)
499 - Other Income	0.00	0.0	13	(13)	730.00	0.1	133	597	160	(570)
Total Non-Membership Income	3,137.13	3.2	4,758	(1,621)	53,488.59	5.3	47,583	5,906	57,100	3,611
Total Revenues	97,620.42	100.	99,024	(1,404)	1,005,518.59	100.	990,245	15,274	1,188,294	182,775
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	6,920.00	0.7	6,920	0	8,304	1,384
701.2 - NJF Unit - Rental Agent Fe	245.00	0.3	250	(5)	2,292.16	0.2	2,500	(208)	3,000	708
701.3 - NJF Repairs & Maint	217.50	0.2	133	85	705.35	0.1	1,333	(628)	1,600	895
701.4 - NJF GET Expense	98.00	0.1	89	9	895.20	0.1	885	10	1,062	167
Total NJF Unit Expenses	1,252.50	1.3	1,164	89	10,812.71	1.1	11,638	(825)	13,966	3,153
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	20.00	0.0	100	(80)	120	100
645 - Dues & Subscriptions	0.00	0.0	5	(5)	516.25	0.1	50	466	60	(456)
710 - Meetings	0.00	0.0	401	(401)	1,738.62	0.2	4,012	(2,273)	4,814	3,075
715 - Office & Administration	166.39	0.2	433	(267)	4,503.65	0.4	4,333	171	5,200	696
715.1 - Office/Admin - Site Office *	646.20	0.7	125	521	2,426.89	0.2	1,250	1,177	1,500	(927)
720 - Operating Supplies *	704.68	0.7	167	538	764.93	0.1	1,667	(902)	2,000	1,235
910 - Depreciation	310.00	0.3	310	0	3,100.00	0.3	3,100	0	3,720	620
Total Administration Exp	1,827.27	1.9	1,451	376	13,070.34	1.3	14,512	(1,442)	17,414	4,344
Employee Costs										
610 - Auto *	135.13	0.1	83	52	648.40	0.1	833	(185)	1,000	352
648 - Education & Seminars	0.00	0.0	86	(86)	170.84	0.0	864	(693)	1,037	866
653 - Emp/Ben.-Medical	1,461.37	1.5	1,480	(19)	6,814.35	0.7	14,800	(7,986)	17,760	10,946
780 - Salaries & Wages	11,336.25	11.6	10,485	851	86,264.70	8.6	104,847	(18,582)	125,816	39,551
801 - P/R Ins. - TDI & WC	330.83	0.3	451	(120)	3,931.51	0.4	4,510	(578)	5,412	1,480

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 10 Months Ended October 31, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	1,001.76	1.0	1,078	(76)	9,295.45	0.9	10,780	(1,485)	12,936	3,641
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>167</u>	<u>(114)</u>	<u>200</u>	<u>147</u>
Total Employee Costs	14,265.34	14.6	13,680	585	107,178.34	10.7	136,801	(29,623)	164,161	56,983
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	355.00	0.0	360	(5)	432	77
678 - Ins. Business Interruption	104.50	0.1	97	8	1,048.00	0.1	970	78	1,164	116
679 - Ins. - Dir./Officers	253.08	0.3	233	20	2,418.80	0.2	2,330	89	2,796	377
680 - Ins. - Package	4,538.25	4.6	5,427	(889)	48,513.18	4.8	54,270	(5,757)	65,124	16,611
683 - Ins. - CGL	358.00	0.4	361	(3)	3,584.00	0.4	3,610	(26)	4,332	748
684 - Ins. - Umbrella	<u>172.92</u>	<u>0.2</u>	<u>176</u>	<u>(3)</u>	<u>1,742.52</u>	<u>0.2</u>	<u>1,760</u>	<u>(17)</u>	<u>2,112</u>	<u>369</u>
Total Insurance Expenses	5,462.25	5.6	6,330	(868)	57,661.50	5.7	63,300	(5,639)	75,960	18,299
Professional Services										
705 - Management Fee	3,224.00	3.3	4,368	(1,144)	33,384.00	3.3	43,680	(10,296)	52,416	19,032
731 - Prof.Svc.- Audit	0.00	0.0	366	(366)	48.93	0.0	3,657	(3,608)	4,388	4,339
732 - Prof.Svc.- Legal	0.00	0.0	833	(833)	9,870.18	1.0	8,333	1,537	10,000	130
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>823</u>	<u>(823)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,224.00	3.3	5,649	(2,425)	43,303.11	4.3	56,493	(13,190)	67,792	24,489
Repairs & Maint Expenses										
746 - R/M - Buildings *	7,213.69	7.4	2,250	4,964	16,625.99	1.7	22,500	(5,874)	27,000	10,374
750 - R/M - Equipment	184.46	0.2	250	(66)	4,644.19	0.5	2,500	2,144	3,000	(1,644)
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,909.83	0.2	2,000	(90)	2,400	490
753 - R/M - Landscape Upgrades *	281.25	0.3	125	156	7,181.95	0.7	1,250	5,932	1,500	(5,682)
754 - R/M - Grounds *	326.18	0.3	167	159	851.94	0.1	1,667	(815)	2,000	1,148
755 - R/M - Grounds Contractor	20,500.00	21.0	20,500	0	205,000.00	20.4	205,000	0	246,000	41,000
756 - R/M - Irrigation *	1,134.06	1.2	800	334	4,114.16	0.4	8,000	(3,886)	9,600	5,486
760 - R/M - Pest Control *	1,618.74	1.7	555	1,064	6,412.47	0.6	5,548	864	6,658	246
762 - R/M - Pool, Spa, BBQ *	2,077.40	2.1	500	1,577	46,016.21	4.6	5,000	41,016	6,000	(40,016)
764 - R/M - Refuse Collection	1,397.60	1.4	1,468	(70)	13,976.00	1.4	14,680	(704)	17,616	3,640
764.1 - R/M - Recycling	733.84	0.8	734	(0)	7,338.40	0.7	7,343	(5)	8,812	1,474
767 - R/M - Security Contract	<u>892.75</u>	<u>0.9</u>	<u>893</u>	<u>(0)</u>	<u>8,927.10</u>	<u>0.9</u>	<u>8,930</u>	<u>(3)</u>	<u>10,716</u>	<u>1,789</u>
Total Repairs & Maint Exp	36,359.97	37.2	28,442	7,918	322,998.24	32.1	284,418	38,580	341,302	18,304
Tax Expenses										
796 - Taxes - Gen. Excise	83.16	0.1	90	(7)	1,975.94	0.2	900	1,076	1,080	(896)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	10,000	(10,000)	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>1,458</u>	<u>(1,458)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	83.16	0.1	1,236	(1,153)	1,975.94	0.2	12,358	(10,382)	14,830	12,854

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 10 Months Ended October 31, 2020

Utility Expense

826 - Util. - Cable TV *	4,115.72	4.2	3,937	179	41,009.23	4.1	39,365	1,644	47,238	6,229
828 - Util. - Electric	1,589.15	1.6	1,750	(161)	15,340.24	1.5	17,500	(2,160)	21,000	5,660
830 - Util. - Gas *	333.06	0.3	100	233	675.90	0.1	1,000	(324)	1,200	524
832 - Util. - Sewer *	4,976.00	5.1	4,945	31	48,564.35	4.8	49,450	(886)	59,340	10,776
834 - Util. - Telephone *	211.11	0.2	203	8	2,455.78	0.2	2,030	426	2,436	(20)
838 - Util. - Water *	<u>11,375.35</u>	<u>11.7</u>	<u>10,689</u>	<u>686</u>	<u>113,756.60</u>	<u>11.3</u>	<u>106,892</u>	<u>6,865</u>	<u>128,270</u>	<u>14,513</u>
Total Utility Expenses	22,600.39	23.2	21,624	976	221,802.10	22.1	216,237	5,565	259,484	37,682

Reserves & Other Exp

915 - Capital Reserves	21,000.18	21.5	21,000	0	210,001.80	20.9	210,002	(0)	252,002	42,000
916 - Reserves Interest	<u>679.51</u>	<u>0.7</u>	<u>1,817</u>	<u>(1,137)</u>	<u>27,732.11</u>	<u>2.8</u>	<u>18,167</u>	<u>9,565</u>	<u>21,800</u>	<u>(5,932)</u>
Total Reserve & Other Exp	<u>21,679.69</u>	<u>22.2</u>	<u>22,817</u>	<u>(1,137)</u>	<u>237,733.91</u>	<u>23.6</u>	<u>228,169</u>	<u>9,565</u>	<u>273,802</u>	<u>36,068</u>

Total Operating Expenses and

Reserve Allocation	<u>106,754.57</u>	<u>109.</u>	<u>102,393</u>	<u>4,362</u>	<u>1,016,536.19</u>	<u>101.</u>	<u>1,023,926</u>	<u>(7,390)</u>	<u>1,228,711</u>	<u>212,175</u>
Total Revenue Over Exp	<u><u>(9,134.15)</u></u>	<u><u>(9.4)</u></u>	<u><u>(3,369)</u></u>	<u><u>(5,765)</u></u>	<u><u>(11,017.60)</u></u>	<u><u>(1.1)</u></u>	<u><u>(33,681)</u></u>	<u><u>22,663</u></u>	<u><u>(40,417)</u></u>	<u><u>(29,399)</u></u>

Beginning Members' Equity

347,341.39

Ending Members' Equity

336,323.79

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 10 Months Ended October 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (9,133.71)	\$ (11,017.16)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	3,100.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	328.79	(633.70)
Prepays	4,568.58	(20,377.00)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(9,628.95)	(51,689.47)
Accrued Liabilities	(4,073.04)	5,622.40
Total Adjustments	<u>(8,494.62)</u>	<u>(63,977.77)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(17,628.33)</u>	<u>(74,994.93)</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

(17,628.33) (74,994.93)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

336,139.82 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 318,511.49 \$ 318,511.49