



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 Eleven Months Ended

November 30, 2020

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I have prepared the accompanying Balance Sheet – Tax Basis as of November 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 Eleven 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
November 30, 2020 and 2019

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 87,545.90	\$ 81,925.81
Cash - MOB- Debit Card #****4202	996.01	2,384.39
MMkt - MOO Savings *****2119	26,593.10	26,524.78
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	0.00	36,687.13
CD - HSB Savings - Exp 3/1/20	<u>0.00</u>	<u>200,000.00</u>
Subtotal - Cash	<u>315,135.01</u>	<u>347,522.11</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	1,859.19	3,331.40
A/R - Act 196 & Collection	29,255.08	29,779.28
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>1,092.30</u>	<u>0.00</u>
Subtotal - Accounts Receivable	<u>10,483.31</u>	<u>11,387.42</u>
OTHER CURRENT ASSETS		
Prepaid Federal Income Tax	0.00	4,562.00
Prepaid State Income Tax	0.00	470.00
Unexpired Insurance	27,973.01	31,828.72
NJF Clearing Account	<u>91,552.49</u>	<u>76,541.44</u>
Subtotal - Other Current Assets	<u>119,525.50</u>	<u>113,402.16</u>
TOTAL CURRENT ASSETS	<u>445,143.82</u>	<u>472,311.69</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	1,690,383.35	519,586.54
Wealth Management	<u>400,000.00</u>	<u>1,363,971.60</u>
Subtotal - Capital Reserves	<u>2,090,383.35</u>	<u>1,883,558.14</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(20,460.00)</u>	<u>(16,740.00)</u>
Subtotal - Fixed Assets	<u>53,940.00</u>	<u>57,660.00</u>
TOTAL OTHER ASSETS	<u>2,144,323.35</u>	<u>1,941,218.14</u>
TOTAL ASSETS	<u>\$ 2,589,467.17</u>	<u>\$ 2,413,529.83</u>

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

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 19,728.10	\$ 19,822.71
A/P Insur. Water Damage Claims	8,865.27	8,861.27
Owner Prepayments	36,903.04	30,666.64
A/P - NJF Units	91,552.49	76,541.44
A/P - Insurance	8,812.00	10,222.00
Accrued General Excise Tx	347.56	979.69
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
	<hr/>	<hr/>
Subtotal - Current Liabilities	166,208.46	149,124.01
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	166,208.46	149,124.01
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TOTAL LIABILITIES	166,208.46	149,124.01
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MEMBERS' EQUITY		
Unrestricted Members' Equity	332,875.36	380,847.68
Restricted Members' Equity	2,090,383.35	1,883,558.14
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Subtotal Members' Equity	2,423,258.71	2,264,405.82
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TOTAL MEMBERS' EQUITY	2,423,258.71	2,264,405.82
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,589,467.17	\$ 2,413,529.83
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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 11 Months Ended November 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	73.6	73,266	(0)	805,924.02	72.9	805,926	(2)	879,192	73,268
406 - Capital Reserve	21,000.18	21.1	21,000	0	231,001.98	20.9	231,002	(0)	252,002	21,000
415 - Delinquent Owners Late Fee	77.30	0.1	0	77	2,714.33	0.2	0	2,714	0	(2,714)
416 - Delinquent Owners Interest	18.24	0.0	0	18	201.21	0.0	0	201	0	(201)
425 - House Rule Violations	0.00	0.0	0	0	6,550.00	0.6	0	6,550	0	(6,550)
Total Membership Income	<u>94,361.54</u>	<u>94.7</u>	<u>94,266</u>	<u>96</u>	<u>1,046,391.54</u>	<u>94.7</u>	<u>1,036,928</u>	<u>9,464</u>	<u>1,131,194</u>	<u>84,802</u>
Non-Membership Income										
430 - Interest Income	7.14	0.0	333	(326)	935.52	0.1	3,667	(2,731)	4,000	3,064
431 - Reserve Interest Income	2,741.57	2.8	1,817	925	30,473.24	2.8	19,983	10,490	21,800	(8,673)
440.80 - NJF Rental Income	2,450.00	2.5	2,500	(50)	25,371.62	2.3	27,500	(2,128)	30,000	4,628
441 - Kayak Rack Rental	0.00	0.0	95	(95)	1,176.92	0.1	1,045	132	1,140	(37)
499 - Other Income	40.00	0.0	13	27	770.00	0.1	147	623	160	(610)
Total Non-Membership Income	<u>5,238.71</u>	<u>5.3</u>	<u>4,758</u>	<u>481</u>	<u>58,727.30</u>	<u>5.3</u>	<u>52,342</u>	<u>6,385</u>	<u>57,100</u>	<u>(1,627)</u>
Total Revenues	<u>99,600.25</u>	<u>100.</u>	<u>99,024</u>	<u>576</u>	<u>1,105,118.84</u>	<u>100.</u>	<u>1,089,270</u>	<u>15,849</u>	<u>1,188,294</u>	<u>83,175</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	7,612.00	0.7	7,612	0	8,304	692
701.2 - NJF Unit - Rental Agent Fe	245.00	0.2	250	(5)	2,537.16	0.2	2,750	(213)	3,000	463
701.3 - NJF Repairs & Maint	0.00	0.0	133	(133)	705.35	0.1	1,467	(762)	1,600	895
701.4 - NJF GET Expense	98.00	0.1	89	9	993.20	0.1	974	19	1,062	69
Total NJF Unit Expenses	<u>1,035.00</u>	<u>1.0</u>	<u>1,164</u>	<u>(129)</u>	<u>11,847.71</u>	<u>1.1</u>	<u>12,803</u>	<u>(955)</u>	<u>13,966</u>	<u>2,118</u>
Administration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	20.00	0.0	110	(90)	120	100
645 - Dues & Subscriptions	0.00	0.0	5	(5)	516.25	0.0	55	461	60	(456)
710 - Meetings	242.31	0.2	401	(159)	1,980.93	0.2	4,413	(2,432)	4,814	2,833
715 - Office & Administration *	1,261.92	1.3	433	829	5,765.57	0.5	4,767	999	5,200	(566)
715.1 - Office/Admin - Site Office	121.50	0.1	125	(4)	2,548.39	0.2	1,375	1,173	1,500	(1,048)
720 - Operating Supplies *	246.00	0.2	167	79	1,010.93	0.1	1,833	(822)	2,000	989
910 - Depreciation	310.00	0.3	310	0	3,410.00	0.3	3,410	0	3,720	310
Total Administration Exp	<u>2,181.73</u>	<u>2.2</u>	<u>1,451</u>	<u>731</u>	<u>15,252.07</u>	<u>1.4</u>	<u>15,963</u>	<u>(711)</u>	<u>17,414</u>	<u>2,162</u>
Employee Costs										
610 - Auto	81.65	0.1	83	(1)	730.05	0.1	917	(187)	1,000	270
648 - Education & Seminars	0.00	0.0	86	(86)	170.84	0.0	951	(780)	1,037	866
653 - Emp/Ben.-Medical	1,312.14	1.3	1,480	(168)	8,126.49	0.7	16,280	(8,154)	17,760	9,634
780 - Salaries & Wages	11,597.50	11.6	10,485	1,113	97,862.20	8.9	115,331	(17,469)	125,816	27,954
801 - P/R Ins. - TDI & WC	330.83	0.3	451	(120)	4,262.34	0.4	4,961	(699)	5,412	1,150

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 11 Months Ended November 30, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
802 - Taxes - Payroll	1,018.74	1.0	1,078	(59)	10,314.19	0.9	11,858	(1,544)	12,936	2,622
812 - Uniforms *	<u>62.46</u>	<u>0.1</u>	<u>17</u>	<u>45</u>	<u>115.55</u>	<u>0.0</u>	<u>183</u>	<u>(67)</u>	<u>200</u>	<u>84</u>
Total Employee Costs	14,403.32	14.5	13,680	723	121,581.66	11.0	150,481	(28,899)	164,161	42,579
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	390.50	0.0	396	(6)	432	42
678 - Ins. Business Interruption	104.50	0.1	97	8	1,152.50	0.1	1,067	86	1,164	12
679 - Ins. - Dir./Officers	253.08	0.3	233	20	2,671.88	0.2	2,563	109	2,796	124
680 - Ins. - Package	4,538.25	4.6	5,427	(889)	53,051.43	4.8	59,697	(6,646)	65,124	12,073
683 - Ins. - CGL	358.00	0.4	361	(3)	3,942.00	0.4	3,971	(29)	4,332	390
684 - Ins. - Umbrella	<u>172.92</u>	<u>0.2</u>	<u>176</u>	<u>(3)</u>	<u>1,915.44</u>	<u>0.2</u>	<u>1,936</u>	<u>(21)</u>	<u>2,112</u>	<u>197</u>
Total Insurance Expenses	5,462.25	5.5	6,330	(868)	63,123.75	5.7	69,630	(6,506)	75,960	12,836
Professional Services										
705 - Management Fee	3,224.00	3.2	4,368	(1,144)	36,608.00	3.3	48,048	(11,440)	52,416	15,808
731 - Prof.Svc.- Audit	0.00	0.0	366	(366)	48.93	0.0	4,022	(3,973)	4,388	4,339
732 - Prof.Svc.- Legal	0.00	0.0	833	(833)	9,870.18	0.9	9,167	703	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>906</u>	<u>(906)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,224.00	3.2	5,649	(2,425)	46,527.11	4.2	62,143	(15,616)	67,792	21,265
Repairs & Maint Expenses										
746 - R/M - Buildings	886.79	0.9	2,250	(1,363)	17,512.78	1.6	24,750	(7,237)	27,000	9,487
750 - R/M - Equipment	183.27	0.2	250	(67)	4,827.46	0.4	2,750	2,077	3,000	(1,827)
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,909.83	0.2	2,200	(290)	2,400	490
753 - R/M - Landscape Upgrades *	1,282.49	1.3	125	1,157	8,464.44	0.8	1,375	7,089	1,500	(6,964)
754 - R/M - Grounds	58.31	0.1	167	(109)	910.25	0.1	1,833	(923)	2,000	1,090
755 - R/M - Grounds Contractor	20,500.00	20.6	20,500	0	225,500.00	20.4	225,500	0	246,000	20,500
756 - R/M - Irrigation	218.80	0.2	800	(581)	4,332.96	0.4	8,800	(4,467)	9,600	5,267
760 - R/M - Pest Control	0.00	0.0	555	(555)	6,412.47	0.6	6,103	309	6,658	246
762 - R/M - Pool, Spa, BBQ *	3,050.73	3.1	500	2,551	49,066.94	4.4	5,500	43,567	6,000	(43,067)
764 - R/M - Refuse Collection	1,397.60	1.4	1,468	(70)	15,373.60	1.4	16,148	(774)	17,616	2,242
764.1 - R/M - Recycling	733.84	0.7	734	(0)	8,072.24	0.7	8,078	(6)	8,812	740
767 - R/M - Security Contract	<u>892.67</u>	<u>0.9</u>	<u>893</u>	<u>(0)</u>	<u>9,819.77</u>	<u>0.9</u>	<u>9,823</u>	<u>(3)</u>	<u>10,716</u>	<u>896</u>
Total Repairs & Maint Exp	29,204.50	29.3	28,442	763	352,202.74	31.9	312,860	39,343	341,302	(10,901)
Tax Expenses										
796 - Taxes - Gen. Excise	115.37	0.1	90	25	2,091.31	0.2	990	1,101	1,080	(1,011)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	11,000	(11,000)	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>1,604</u>	<u>(1,604)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	115.37	0.1	1,236	(1,121)	2,091.31	0.2	13,594	(11,503)	14,830	12,739

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 11 Months Ended November 30, 2020

Utility Expense

826 - Util. - Cable TV *	4,115.72	4.1	3,937	179	45,124.95	4.1	43,302	1,823	47,238	2,113
828 - Util. - Electric *	1,892.61	1.9	1,750	143	17,232.85	1.6	19,250	(2,017)	21,000	3,767
830 - Util. - Gas	73.83	0.1	100	(26)	749.73	0.1	1,100	(350)	1,200	450
832 - Util. - Sewer *	5,309.00	5.3	4,945	364	53,873.35	4.9	54,395	(522)	59,340	5,467
834 - Util. - Telephone *	282.89	0.3	203	80	2,738.67	0.2	2,233	506	2,436	(303)
838 - Util. - Water *	<u>12,007.15</u>	<u>12.1</u>	<u>10,689</u>	<u>1,318</u>	<u>125,763.75</u>	<u>11.4</u>	<u>117,581</u>	<u>8,183</u>	<u>128,270</u>	<u>2,506</u>
Total Utility Expenses	23,681.20	23.8	21,624	2,057	245,483.30	22.2	237,861	7,622	259,484	14,001

Reserves & Other Exp

915 - Capital Reserves	21,000.18	21.1	21,000	0	231,001.98	20.9	231,002	(0)	252,002	21,000
916 - Reserves Interest	<u>2,741.57</u>	<u>2.8</u>	<u>1,817</u>	<u>925</u>	<u>30,473.68</u>	<u>2.8</u>	<u>19,983</u>	<u>10,491</u>	<u>21,800</u>	<u>(8,674)</u>
Total Reserve & Other Exp	<u>23,741.75</u>	<u>23.8</u>	<u>22,817</u>	<u>925</u>	<u>261,475.66</u>	<u>23.7</u>	<u>250,985</u>	<u>10,491</u>	<u>273,802</u>	<u>12,326</u>

Total Operating Expenses and

Reserve Allocation	<u>103,049.12</u>	<u>103.</u>	<u>102,393</u>	<u>656</u>	<u>1,119,585.31</u>	<u>101.</u>	<u>1,126,320</u>	<u>(6,735)</u>	<u>1,228,711</u>	<u>109,126</u>
Total Revenue Over Exp	<u><u>(3,448.87)</u></u>	<u><u>(3.5)</u></u>	<u><u>(3,369)</u></u>	<u><u>(80)</u></u>	<u><u>(14,466.47)</u></u>	<u><u>(1.3)</u></u>	<u><u>(37,050)</u></u>	<u><u>22,584</u></u>	<u><u>(40,417)</u></u>	<u><u>(25,951)</u></u>

Beginning Members' Equity

347,341.39

Ending Members' Equity

332,874.92

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 11 Months Ended November 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (3,448.87)	\$ (14,466.03)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	3,410.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	123.05	(510.65)
Prepays	4,375.08	(16,001.92)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	2,182.89	(49,506.58)
Accrued Liabilities	(6,918.63)	(1,296.23)
Total Adjustments	<u>72.39</u>	<u>(63,905.38)</u>
Net Cash Provided By (Used in) Operating Activities	<u>(3,376.48)</u>	<u>(78,371.41)</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

(3,376.48) (78,371.41)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

318,511.49 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 315,135.01 \$ 315,135.01