



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 Twelve Months Ended

December 31, 2020

(Subject to Audit Adjustments)

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

Assets

	2020	2019
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 91,410.77	\$ 124,344.35
Cash - MOB- Debit Card #****4202	2,814.78	2,468.20
MMkt - MOO Savings *****2119	26,596.49	26,533.79
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	0.00	36,704.24
CD - HSB Savings - Exp 3/1/20	<u>0.00</u>	<u>203,455.84</u>
Subtotal - Cash	<u>320,822.04</u>	<u>393,506.42</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	605.29	2,557.48
A/R - Act 196 & Collection	29,255.08	29,138.44
Allowance for Bad Debts	<u>(21,723.26)</u>	<u>(21,723.26)</u>
Subtotal - Accounts Receivable	<u>8,137.11</u>	<u>9,972.66</u>
OTHER CURRENT ASSETS		
Ppd Expenses	0.00	252.25
Unexpired Insurance	22,179.93	25,249.89
NJF Clearing Account	<u>92,967.49</u>	<u>78,021.44</u>
Subtotal - Other Current Assets	<u>115,147.42</u>	<u>103,523.58</u>
TOTAL CURRENT ASSETS	<u>444,106.57</u>	<u>507,002.66</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	2,118,756.26	514,322.95
Wealth Management	<u>0.00</u>	<u>1,364,031.10</u>
Subtotal - Capital Reserves	<u>2,118,756.26</u>	<u>1,878,354.05</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(20,770.00)</u>	<u>(17,050.00)</u>
Subtotal - Fixed Assets	<u>53,630.00</u>	<u>57,350.00</u>
TOTAL OTHER ASSETS	<u>2,172,386.26</u>	<u>1,935,704.05</u>
TOTAL ASSETS	<u>\$ 2,616,492.83</u>	<u>\$ 2,442,706.71</u>

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

Liabilities and Fund Balances

	2020	2019
CURRENT LIABILITIES		
A/P - Trade	\$ 33,649.08	\$ 69,234.68
A/P Insur. Water Damage Claims	8,865.27	8,861.27
Owner Prepayments	49,289.51	48,742.22
A/P - NJF Units	92,967.49	78,021.44
A/P - Insurance	4,406.00	5,111.00
Accrued General Excise Tx	598.80	1,748.40
Accrued Federal Income Tax	0.00	4,249.00
Accrued State Income Tax	0.00	584.00
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	189,776.15	217,011.27
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TOTAL CURRENT LIABILITIES	189,776.15	217,011.27
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TOTAL LIABILITIES	189,776.15	217,011.27
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MEMBERS' EQUITY		
Unrestricted Members' Equity	307,960.42	347,341.39
Restricted Members' Equity	2,118,756.26	1,878,354.05
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Subtotal Members' Equity	2,426,716.68	2,225,695.44
	<hr/>	<hr/>
TOTAL MEMBERS' EQUITY	2,426,716.68	2,225,695.44
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,616,492.83	\$ 2,442,706.71
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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 12 Months Ended December 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	72.9	73,266	(0)	879,189.84	72.9	879,192	(2)	879,192	2
406 - Capital Reserve	21,000.18	20.9	21,000	0	252,002.16	20.9	252,002	0	252,002	(0)
415 - Delinquent Owners Late Fee	(77.60)	(0.1)	0	(78)	2,636.73	0.2	0	2,637	0	(2,637)
416 - Delinquent Owners Interest	3.29	0.0	0	3	204.50	0.0	0	205	0	(205)
425 - House Rule Violations	<u>100.00</u>	<u>0.1</u>	<u>0</u>	<u>100</u>	<u>6,650.00</u>	<u>0.6</u>	<u>0</u>	<u>6,650</u>	<u>0</u>	<u>(6,650)</u>
Total Membership Income	94,291.69	93.8	94,266	26	1,140,683.23	94.6	1,131,194	9,489	1,131,194	(9,489)
Non-Membership Income										
430 - Interest Income	8.04	0.0	333	(325)	943.56	0.1	4,000	(3,056)	4,000	3,056
431 - Reserve Interest Income	3,797.22	3.8	1,817	1,980	34,270.46	2.8	21,800	12,470	21,800	(12,470)
432 - Reserve Dividend	0.00	0.0	0	0	0.44	0.0	0	0	0	(0)
440.80 - NJF Rental Income	2,450.00	2.4	2,500	(50)	27,821.62	2.3	30,000	(2,178)	30,000	2,178
441 - Kayak Rack Rental	0.00	0.0	95	(95)	1,176.92	0.1	1,140	37	1,140	(37)
499 - Other Income	<u>0.00</u>	<u>0.0</u>	<u>13</u>	<u>(13)</u>	<u>770.00</u>	<u>0.1</u>	<u>160</u>	<u>610</u>	<u>160</u>	<u>(610)</u>
Total Non-Membership Income	6,255.26	6.2	4,758	1,497	64,983.00	5.4	57,100	7,883	57,100	(7,883)
Total Revenues	<u>100,546.95</u>	<u>100.</u>	<u>99,024</u>	<u>1,523</u>	<u>1,205,666.23</u>	<u>100.</u>	<u>1,188,294</u>	<u>17,372</u>	<u>1,188,294</u>	<u>(17,372)</u>
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	692.00	0.7	692	0	8,304.00	0.7	8,304	0	8,304	0
701.2 - NJF Unit - Rental Agent Fe	245.00	0.2	250	(5)	2,782.16	0.2	3,000	(218)	3,000	218
701.3 - NJF Repairs & Maint	0.00	0.0	133	(133)	705.35	0.1	1,600	(895)	1,600	895
701.4 - NJF GET Expense	<u>98.00</u>	<u>0.1</u>	<u>89</u>	<u>9</u>	<u>1,091.20</u>	<u>0.1</u>	<u>1,062</u>	<u>29</u>	<u>1,062</u>	<u>(29)</u>
Total NJF Unit Expenses	1,035.00	1.0	1,164	(129)	12,882.71	1.1	13,966	(1,083)	13,966	1,083
Adminstration Expenses										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	20.00	0.0	120	(100)	120	100
645 - Dues & Subscriptions	0.00	0.0	5	(5)	516.25	0.0	60	456	60	(456)
710 - Meetings *	1,002.79	1.0	401	602	2,983.72	0.2	4,814	(1,830)	4,814	1,830
715 - Office & Administration *	1,623.19	1.6	433	1,190	7,388.76	0.6	5,200	2,189	5,200	(2,189)
715.1 - Office/Admin - Site Office *	261.00	0.3	125	136	2,809.39	0.2	1,500	1,309	1,500	(1,309)
720 - Operating Supplies	75.95	0.1	167	(91)	1,086.88	0.1	2,000	(913)	2,000	913
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>3,720.00</u>	<u>0.3</u>	<u>3,720</u>	<u>0</u>	<u>3,720</u>	<u>0</u>
Total Administration Exp	3,272.93	3.3	1,451	1,822	18,525.00	1.5	17,414	1,111	17,414	(1,111)
Employee Costs										
610 - Auto *	224.25	0.2	83	141	954.30	0.1	1,000	(46)	1,000	46
648 - Education & Seminars *	479.00	0.5	86	393	649.84	0.1	1,037	(387)	1,037	387
653 - Emp/Ben.-Medical	1,123.74	1.1	1,480	(356)	9,250.23	0.8	17,760	(8,510)	17,760	8,510
780 - Salaries & Wages	11,253.75	11.2	10,485	769	109,115.95	9.1	125,816	(16,700)	125,816	16,700

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 12 Months Ended December 31, 2020

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
801 - P/R Ins. - TDI & WC *	522.38	0.5	451	71	4,784.72	0.4	5,412	(627)	5,412	627
802 - Taxes - Payroll	981.43	1.0	1,078	(97)	11,295.62	0.9	12,936	(1,640)	12,936	1,640
812 - Uniforms	0.00	0.0	17	(17)	115.55	0.0	200	(84)	200	84
Total Employee Costs	14,584.55	14.5	13,680	905	136,166.21	11.3	164,161	(27,995)	164,161	27,995
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	36	(1)	426.00	0.0	432	(6)	432	6
678 - Ins. Business Interruption	104.50	0.1	97	8	1,257.00	0.1	1,164	93	1,164	(93)
679 - Ins. - Dir./Officers	253.08	0.3	233	20	2,924.96	0.2	2,796	129	2,796	(129)
680 - Ins. - Package	4,538.25	4.5	5,427	(889)	57,589.68	4.8	65,124	(7,534)	65,124	7,534
683 - Ins. - CGL	358.00	0.4	361	(3)	4,300.00	0.4	4,332	(32)	4,332	32
684 - Ins. - Umbrella	172.92	0.2	176	(3)	2,088.36	0.2	2,112	(24)	2,112	24
Total Insurance Expenses	5,462.25	5.4	6,330	(868)	68,586.00	5.7	75,960	(7,374)	75,960	7,374
Professional Services										
705 - Management Fee	3,224.00	3.2	4,368	(1,144)	39,832.00	3.3	52,416	(12,584)	52,416	12,584
731 - Prof.Svc.- Audit *	4,400.00	4.4	366	4,034	4,448.93	0.4	4,388	61	4,388	(61)
732 - Prof.Svc.- Legal *	2,187.36	2.2	833	1,354	12,057.54	1.0	10,000	2,058	10,000	(2,058)
734 - Prof.Svc.- Y/E Acctng. *	988.00	1.0	82	906	988.00	0.1	988	0	988	0
Total Professional Exp	10,799.36	10.7	5,649	5,150	57,326.47	4.8	67,792	(10,466)	67,792	10,466
Repairs & Maint Expenses										
746 - R/M - Buildings	1,159.66	1.2	2,250	(1,090)	18,672.44	1.5	27,000	(8,328)	27,000	8,328
750 - R/M - Equipment	100.33	0.1	250	(150)	4,927.79	0.4	3,000	1,928	3,000	(1,928)
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	1,909.83	0.2	2,400	(490)	2,400	490
753 - R/M - Landscape Upgrades *	11,430.02	11.4	125	11,305	19,894.46	1.7	1,500	18,394	1,500	(18,394)
754 - R/M - Grounds	0.00	0.0	167	(167)	910.25	0.1	2,000	(1,090)	2,000	1,090
755 - R/M - Grounds Contractor	20,500.00	20.4	20,500	0	246,000.00	20.4	246,000	0	246,000	0
756 - R/M - Irrigation *	1,834.72	1.8	800	1,035	6,167.68	0.5	9,600	(3,432)	9,600	3,432
760 - R/M - Pest Control *	1,577.08	1.6	555	1,022	7,989.55	0.7	6,658	1,332	6,658	(1,332)
762 - R/M - Pool, Spa, BBQ *	2,692.05	2.7	500	2,192	51,758.99	4.3	6,000	45,759	6,000	(45,759)
764 - R/M - Refuse Collection	1,397.60	1.4	1,468	(70)	16,771.20	1.4	17,616	(845)	17,616	845
764.1 - R/M - Recycling	733.84	0.7	734	(0)	8,806.08	0.7	8,812	(6)	8,812	6
767 - R/M - Security Contract	892.71	0.9	893	(0)	10,712.48	0.9	10,716	(4)	10,716	4
Total Repairs & Maint Exp	42,318.01	42.1	28,442	13,876	394,520.75	32.7	341,302	53,219	341,302	(53,219)
Tax Expenses										
796 - Taxes - Gen. Excise	153.24	0.2	90	63	2,244.55	0.2	1,080	1,165	1,080	(1,165)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	12,000	(12,000)	12,000	12,000
945 - State Income Taxes	0.00	0.0	146	(146)	0.00	0.0	1,750	(1,750)	1,750	1,750
Total Tax Expenses	153.24	0.2	1,236	(1,083)	2,244.55	0.2	14,830	(12,585)	14,830	12,585

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 12 Months Ended December 31, 2020

Utility Expense

826 - Util. - Cable TV *	4,115.72	4.1	3,937	179	49,240.67	4.1	47,238	2,003	47,238	(2,003)
828 - Util. - Electric *	4,349.93	4.3	1,750	2,600	21,582.78	1.8	21,000	583	21,000	(583)
830 - Util. - Gas	74.42	0.1	100	(26)	824.15	0.1	1,200	(376)	1,200	376
832 - Util. - Sewer *	5,007.50	5.0	4,945	63	58,880.85	4.9	59,340	(459)	59,340	459
834 - Util. - Telephone *	210.53	0.2	203	8	2,949.20	0.2	2,436	513	2,436	(513)
838 - Util. - Water	<u>9,281.05</u>	<u>9.2</u>	<u>10,689</u>	<u>(1,408)</u>	<u>135,044.80</u>	<u>11.2</u>	<u>128,270</u>	<u>6,775</u>	<u>128,270</u>	<u>(6,775)</u>
Total Utility Expenses	23,039.15	22.9	21,624	1,415	268,522.45	22.3	259,484	9,038	259,484	(9,038)

Reserves & Other Exp

915 - Capital Reserves	21,000.18	20.9	21,000	0	252,002.16	20.9	252,002	0	252,002	(0)
916 - Reserves Interest	<u>3,797.22</u>	<u>3.8</u>	<u>1,817</u>	<u>1,980</u>	<u>34,270.90</u>	<u>2.8</u>	<u>21,800</u>	<u>12,471</u>	<u>21,800</u>	<u>(12,471)</u>
Total Reserve & Other Exp	<u>24,797.40</u>	<u>24.7</u>	<u>22,817</u>	<u>1,980</u>	<u>286,273.06</u>	<u>23.7</u>	<u>273,802</u>	<u>12,471</u>	<u>273,802</u>	<u>(12,471)</u>

Total Operating Expenses and

Reserve Allocation	<u>125,461.89</u>	<u>124.</u>	<u>102,393</u>	<u>23,069</u>	<u>1,245,047.20</u>	<u>103.</u>	<u>1,228,711</u>	<u>16,336</u>	<u>1,228,711</u>	<u>(16,336)</u>
Total Revenue Over Exp	<u>(24,914.94)</u>	<u>(24.8)</u>	<u>(3,369)</u>	<u>(21,546)</u>	<u>(39,380.97)</u>	<u>(3.3)</u>	<u>(40,417)</u>	<u>1,036</u>	<u>(40,417)</u>	<u>(1,036)</u>

Beginning Members' Equity

347,341.39

Ending Members' Equity

307,960.42

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 12 Months Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (24,914.94)	\$ (39,380.97)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	3,720.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	2,346.20	1,835.55
Prepays	4,378.08	(11,623.84)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	13,920.98	(35,585.60)
Accrued Liabilities	9,646.71	8,350.48
Total Adjustments	<u>30,601.97</u>	<u>(33,303.41)</u>
Net Cash Provided By (Used in) Operating Activities	<u>5,687.03</u>	<u>(72,684.38)</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

5,687.03 (72,684.38)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

315,135.01 393,506.42

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 320,822.04 \$ 320,822.04