



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 Two Months Ended

February 28, 2021

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I have prepared the accompanying Balance Sheet – Tax Basis as of February 28, 2021, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Two 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
February 28, 2021 and 2020

Assets

	2021	2020
CURRENT ASSETS		
Ckg - MOO *****1241	\$ 86,701.03	\$ 96,555.82
Cash - MOB- Debit Card #****4202	2,466.63	2,406.44
MMkt - MOO Savings *****2119	26,602.94	26,551.25
MOO Savings CDAR	200,000.00	0.00
MMkt - HSB Savings *****1937	0.00	36,737.37
CD - HSB Savings - Exp 3/1/20	<u>0.00</u>	<u>203,455.84</u>
Subtotal - Cash	<u>315,770.60</u>	<u>365,706.72</u>
ACCOUNTS RECEIVABLES		
A/R - Owners Balances	8,037.54	9,947.00
A/R - Act 196 & Collection	29,284.24	29,189.60
Allowance for Bad Debts	(21,723.26)	(21,723.26)
A/R - Missing Credit Card Receipts	<u>535.73</u>	<u>594.74</u>
Subtotal - Accounts Receivable	<u>16,134.25</u>	<u>18,008.08</u>
OTHER CURRENT ASSETS		
Unexpired Insurance	14,107.27	12,123.23
NJF Clearing Account	<u>94,898.45</u>	<u>80,937.44</u>
Subtotal - Other Current Assets	<u>109,005.72</u>	<u>93,060.67</u>
TOTAL CURRENT ASSETS	<u>440,910.57</u>	<u>476,775.47</u>
CAPITAL RESERVE ACCOUNTS		
Mutual of Omaha	2,153,444.69	546,678.82
Wealth Management	<u>0.00</u>	<u>1,376,036.62</u>
Subtotal - Capital Reserves	<u>2,153,444.69</u>	<u>1,922,715.44</u>
FIXED ASSETS		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(21,390.00)</u>	<u>(17,670.00)</u>
Subtotal - Fixed Assets	<u>53,010.00</u>	<u>56,730.00</u>
TOTAL OTHER ASSETS	<u>2,206,454.69</u>	<u>1,979,445.44</u>
TOTAL ASSETS	<u>\$ 2,647,365.26</u>	<u>\$ 2,456,220.91</u>

**Wailea Fairway Villas Association
Balance Sheet - Tax Basis
February 28, 2021 and 2020**

Liabilities and Fund Balances

	2021	2020
CURRENT LIABILITIES		
A/P - Trade	\$ 28,694.19	\$ 32,128.54
A/P Insur. Water Damage Claims	8,865.27	8,861.27
Owner Prepayments	43,702.48	51,008.22
A/P - NJF Units	94,898.45	80,937.44
A/P - Insurance	1,388.00	0.00
Accrued General Excise Tx	231.48	761.99
Accrued Federal Income Tax	12,892.00	4,249.00
Accrued State Income Tax	2,150.00	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	192,821.87	178,989.72
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TOTAL CURRENT LIABILITIES	192,821.87	178,989.72
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TOTAL LIABILITIES	192,821.87	178,989.72
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MEMBERS' EQUITY		
Unrestricted Members' Equity	301,098.70	354,515.75
Restricted Members' Equity	2,153,444.69	1,922,715.44
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Subtotal Members' Equity	2,454,543.39	2,277,231.19
	<hr/>	<hr/>
TOTAL MEMBERS' EQUITY	2,454,543.39	2,277,231.19
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,647,365.26	\$ 2,456,220.91
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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 2 Months Ended February 28, 2021

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Membership Income										
405 - Maintenance Fees	78,081.57	78.2	75,990	2,092	154,071.39	77.0	151,980	2,091	911,880	757,809
406 - Capital Reserve	21,000.18	21.0	21,000	0	42,000.36	21.0	42,000	0	252,002	210,002
415 - Delinquent Owners Late Fee	586.90	0.6	0	587	686.90	0.3	0	687	0	(687)
416 - Delinquent Owners Interest	77.13	0.1	0	77	104.63	0.1	0	105	0	(105)
425 - House Rule Violations	100.00	0.1	0	100	300.00	0.1	0	300	0	(300)
Total Membership Income	99,845.78	99.9	96,990	2,856	197,163.28	98.5	193,980	3,183	1,163,882	966,719
Non-Membership Income										
430 - Interest Income	7.70	0.0	100	(92)	16.45	0.0	200	(184)	1,200	1,184
431 - Reserve Interest Income	48.94	0.0	800	(751)	87.84	0.0	1,600	(1,512)	9,600	9,512
440.80 - NJF Rental Income	0.00	0.0	2,500	(2,500)	2,450.00	1.2	5,000	(2,550)	30,000	27,550
441 - Kayak Rack Rental	0.00	0.0	108	(108)	435.00	0.2	217	218	1,300	865
Total Non-Membership Income	56.64	0.1	3,508	(3,451)	2,989.29	1.5	7,017	(4,028)	42,100	39,111
Total Revenues	99,902.42	100.	100,498	(596)	200,152.57	100.	200,997	(844)	1,205,982	1,005,829
Operating Expenses										
NJF Unit Expenses										
701.1 - NJF Unit Maint Fees	712.00	0.7	712	0	1,424.00	0.7	1,424	0	8,544	7,120
701.2 - NJF Unit - Rental Agent Fe	209.18	0.2	250	(41)	454.18	0.2	500	(46)	3,000	2,546
701.3 - NJF Repairs & Maint *	550.94	0.6	133	418	550.94	0.3	267	284	1,600	1,049
701.4 - NJF GET Expense	83.67	0.1	89	(5)	181.67	0.1	177	5	1,062	880
Total NJF Unit Expenses	1,555.79	1.6	1,184	372	2,610.79	1.3	2,368	243	14,206	11,595
Administration Expenses										
625 - Bank Charges/Merchant	20.00	0.0	10	10	40.00	0.0	20	20	120	80
645 - Dues & Subscriptions	0.00	0.0	167	(167)	0.00	0.0	334	(334)	2,004	2,004
710 - Meetings	264.18	0.3	275	(11)	264.18	0.1	550	(286)	3,300	3,036
715 - Office & Administration	461.08	0.5	500	(39)	722.52	0.4	1,000	(277)	6,000	5,277
715.1 - Office/Admin - Site Office	84.92	0.1	200	(115)	191.40	0.1	400	(209)	2,400	2,209
720 - Operating Supplies	0.00	0.0	167	(167)	20.94	0.0	333	(312)	2,000	1,979
910 - Depreciation	310.00	0.3	310	0	620.00	0.3	620	0	3,720	3,100
Total Administration Exp	1,140.18	1.1	1,629	(489)	1,859.04	0.9	3,257	(1,398)	19,544	17,685
Employee Costs										
610 - Auto	81.20	0.1	83	(2)	81.20	0.0	167	(86)	1,000	919
648 - Education & Seminars	0.00	0.0	100	(100)	0.00	0.0	200	(200)	1,200	1,200
653 - Emp/Ben.-Medical	1,123.74	1.1	1,178	(54)	2,247.48	1.1	2,357	(110)	14,139	11,892
780 - Salaries & Wages	11,556.63	11.6	11,573	(16)	23,033.13	11.5	23,147	(114)	138,880	115,847
801 - P/R Ins. - TDI & WC	289.33	0.3	429	(140)	620.16	0.3	859	(239)	5,152	4,532
802 - Taxes - Payroll *	1,273.21	1.3	1,161	112	2,585.45	1.3	2,322	263	13,932	11,347
812 - Uniforms	0.00	0.0	17	(17)	0.00	0.0	33	(33)	200	200
Total Employee Costs	14,324.11	14.3	14,541	(217)	28,567.42	14.3	29,085	(518)	174,503	145,936

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 2 Months Ended February 28, 2021

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Insurance Expense										
677 - Ins. - Bond	35.50	0.0	42	(7)	71.00	0.0	83	(12)	500	429
678 - Ins. Business Interruption	104.50	0.1	113	(9)	209.00	0.1	226	(17)	1,356	1,147
679 - Ins. - Dir./Officers	253.08	0.3	317	(64)	506.16	0.3	634	(128)	3,804	3,298
680 - Ins. - Package	4,538.25	4.5	4,902	(364)	9,076.50	4.5	9,804	(728)	58,824	49,748
683 - Ins. - CGL	358.00	0.4	363	(5)	716.00	0.4	726	(10)	4,356	3,640
684 - Ins. - Umbrella	<u>172.92</u>	<u>0.2</u>	<u>179</u>	<u>(6)</u>	<u>345.84</u>	<u>0.2</u>	<u>358</u>	<u>(12)</u>	<u>2,148</u>	<u>1,802</u>
Total Insurance Expenses	5,462.25	5.5	5,916	(454)	10,924.50	5.5	11,831	(907)	70,988	60,064
Professional Services										
705 - Management Fee	3,276.00	3.3	3,276	0	6,552.00	3.3	6,552	0	39,312	32,760
731 - Prof.Svc.- Audit	0.00	0.0	374	(374)	0.00	0.0	748	(748)	4,488	4,488
732 - Prof.Svc.- Legal	333.31	0.3	417	(84)	333.31	0.2	833	(500)	5,000	4,667
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>165</u>	<u>(165)</u>	<u>988</u>	<u>988</u>
Total Professional Exp	3,609.31	3.6	4,149	(540)	6,885.31	3.4	8,298	(1,413)	49,788	42,903
Repairs & Maint Expenses										
746 - R/M - Buildings *	2,145.45	2.1	833	1,312	3,189.57	1.6	1,667	1,523	10,000	6,810
750 - R/M - Equipment	0.00	0.0	250	(250)	0.00	0.0	500	(500)	3,000	3,000
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	400	(400)	2,400	2,400
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	67.71	0.0	250	(182)	1,500	1,432
754 - R/M - Grounds	0.00	0.0	167	(167)	0.00	0.0	333	(333)	2,000	2,000
755 - R/M - Grounds Contractor	21,160.00	21.2	21,160	0	42,320.00	21.1	42,320	0	253,920	211,600
756 - R/M - Irrigation	81.51	0.1	800	(718)	81.51	0.0	1,600	(1,518)	9,600	9,518
760 - R/M - Pest Control	0.00	0.0	555	(555)	0.00	0.0	1,110	(1,110)	6,658	6,658
762 - R/M - Pool, Spa, BBQ	1,064.28	1.1	2,144	(1,080)	2,745.11	1.4	4,288	(1,543)	25,725	22,980
764 - R/M - Refuse Collection	1,397.60	1.4	1,551	(153)	2,795.20	1.4	3,102	(307)	18,610	15,815
764.1 - R/M - Recycling	733.84	0.7	808	(74)	1,467.68	0.7	1,616	(148)	9,694	8,226
767 - R/M - Security Contract *	<u>1,190.63</u>	<u>1.2</u>	<u>1,000</u>	<u>191</u>	<u>2,083.34</u>	<u>1.0</u>	<u>2,000</u>	<u>83</u>	<u>12,000</u>	<u>9,917</u>
Total Repairs & Maint Exp	27,773.31	27.8	29,593	(1,820)	54,750.12	27.4	59,186	(4,436)	355,107	300,357
Tax Expenses										
796 - Taxes - Gen. Excise	18.50	0.0	40	(22)	49.81	0.0	80	(30)	480	430
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	2,000	(2,000)	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>292</u>	<u>(292)</u>	<u>1,750</u>	<u>1,750</u>
Total Tax Expenses	18.50	0.0	1,186	(1,168)	49.81	0.0	2,372	(2,322)	14,230	14,180
Utility Expense										
826 - Util. - Cable TV *	4,362.49	4.4	4,054	308	8,724.98	4.4	8,109	616	48,652	39,927
828 - Util. - Electric *	2,390.00	2.4	1,583	807	4,940.82	2.5	3,167	1,774	19,000	14,059
830 - Util. - Gas	0.00	0.0	75	(75)	0.00	0.0	150	(150)	900	900
832 - Util. - Sewer *	5,210.00	5.2	4,945	265	8,540.82	4.3	9,890	(1,349)	59,340	50,799
834 - Util. - Telephone	215.88	0.2	250	(34)	517.58	0.3	500	18	3,000	2,482
838 - Util. - Water	<u>8,198.80</u>	<u>8.2</u>	<u>11,200</u>	<u>(3,001)</u>	<u>13,903.79</u>	<u>6.9</u>	<u>22,400</u>	<u>(8,496)</u>	<u>134,400</u>	<u>120,496</u>
Total Utility Expenses	20,377.17	20.4	22,107	(1,730)	36,627.99	18.3	44,216	(7,588)	265,292	228,664

Wailea Fairway Villas Association
Income Statement and Changes in Members' Equity - Tax Basis
Actual vs. Budget
For the 1 Month and 2 Months Ended February 28, 2021

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Reserves & Other Exp										
915 - Capital Reserves	21,000.18	21.0	21,000	0	42,000.36	21.0	42,000	0	252,002	210,002
916 - Reserves Interest	<u>48.94</u>	<u>0.0</u>	<u>800</u>	<u>(751)</u>	<u>87.84</u>	<u>0.0</u>	<u>1,600</u>	<u>(1,512)</u>	<u>9,600</u>	<u>9,512</u>
Total Reserve & Other Exp	<u>21,049.12</u>	<u>21.1</u>	<u>21,800</u>	<u>(751)</u>	<u>42,088.20</u>	<u>21.0</u>	<u>43,600</u>	<u>(1,512)</u>	<u>261,602</u>	<u>219,514</u>
Total Operating Expenses and Reserve Allocation	<u>95,309.74</u>	<u>95.4</u>	<u>102,105</u>	<u>(6,795)</u>	<u>184,363.18</u>	<u>92.1</u>	<u>204,213</u>	<u>(19,850)</u>	<u>1,225,260</u>	<u>1,040,897</u>
Total Revenue Over Exp	<u>4,592.68</u>	<u>4.6</u>	<u>(1,607)</u>	<u>6,200</u>	<u>15,789.39</u>	<u>7.9</u>	<u>(3,216)</u>	<u>19,005</u>	<u>(19,278)</u>	<u>(35,067)</u>
Beginning Members' Equity					<u>285,309.31</u>					
Ending Members' Equity					<u>301,098.70</u>					

Wailea Fairway Villas Association
Statement of Cash Flows - Tax Basis
For the 1 Month and 2 Months Ended February 28, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 4,592.68	\$ 15,789.39
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	620.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(2,099.83)	(7,997.14)
Prepays	1,743.62	6,141.70
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(7,941.22)	(12,564.00)
Accrued Liabilities	4,356.13	(7,041.39)
Total Adjustments	<u>(3,631.30)</u>	<u>(20,840.83)</u>
Net Cash Provided By (Used in) Operating Activities	<u>961.38</u>	<u>(5,051.44)</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

961.38 (5,051.44)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

314,809.22 320,822.04

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 315,770.60 \$ 315,770.60