



**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 Three Months Ended

March 31, 2021

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I have prepared the accompanying Balance Sheet – Tax Basis as of March 31, 2021, and the Income Statement and Changes in Members' Equity – Tax Basis and Statement of Cash Flows – Tax Basis for the One Month and Three 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**  
**March 31, 2021 and 2020**

**Assets**

	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS</b>		
Ckg - CIT *****1241	\$ 106,116.29	\$ 113,971.27
Ckg - CIT Debit Card ****4202	3,002.36	1,597.00
MMkt - CIT Savings *****2119	26,606.33	26,558.96
CDAR - CIT Savings *****8249 3/17/22	203,490.35	200,000.00
MMkt - HSB Savings *****1937	<u>0.00</u>	<u>36,747.12</u>
<b>Subtotal - Cash</b>	<u>339,215.33</u>	<u>378,874.35</u>
<b>ACCOUNTS RECEIVABLES</b>		
A/R - Owners Balances (A-pg 11)	10,007.87	4,928.98
A/R - Act 196 & Collection (B-pg 11)	33,196.98	29,189.60
Allowance for Bad Debts (C-pg 11)	<u>(21,723.26)</u>	<u>(21,723.26)</u>
<b>Subtotal - Accounts Receivable</b>	<u>21,481.59</u>	<u>12,395.32</u>
<b>OTHER CURRENT ASSETS</b>		
Unexpired Insurance	8,355.69	5,575.40
NJF Clearing Account (D-pg 12)	<u>94,142.61</u>	<u>82,395.44</u>
<b>Subtotal - Other Current Assets</b>	<u>102,498.30</u>	<u>87,970.84</u>
<b>TOTAL CURRENT ASSETS</b>	<u>463,195.22</u>	<u>479,240.51</u>
<b>CAPITAL RESERVE ACCOUNTS</b>		
CIT Bank (E-pg 15)	2,183,960.72	1,093,107.01
MOO - Wealth Management (F-pg 15)	<u>0.00</u>	<u>850,000.00</u>
<b>Subtotal - Capital Reserves (G-pg 14,15)</b>	<u>2,183,960.72</u>	<u>1,943,107.01</u>
<b>FIXED ASSETS</b>		
Equipment - PV System	74,400.00	74,400.00
Less: Accumulated Depreciation	<u>(21,700.00)</u>	<u>(17,980.00)</u>
<b>Subtotal - Fixed Assets</b>	<u>52,700.00</u>	<u>56,420.00</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,236,660.72</u>	<u>1,999,527.01</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,699,855.94</u></u>	<u><u>\$ 2,478,767.52</u></u>

**Wailea Fairway Villas Association  
Balance Sheet - Tax Basis  
March 31, 2021 and 2020**

**Liabilities and Fund Balances**

	<b>2021</b>	<b>2020</b>
<b>CURRENT LIABILITIES</b>		
A/P - Trade (H-pg 13)	\$ 20,808.90	\$ 25,938.22
A/P Insur. Water Damage Claims	8,865.27	8,861.27
Owner Prepayments (I-pg 11-12)	64,207.77	55,772.34
A/P - NJF Units (D-pg 12)	94,142.61	82,395.44
A/P - Insurance	1,388.00	0.00
Accrued General Excise Tx	888.64	937.47
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
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<b>Subtotal - Current Liabilities</b>	<b>205,343.19</b>	<b>179,197.00</b>
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<b>TOTAL CURRENT LIABILITIES</b>	<b>205,343.19</b>	<b>179,197.00</b>
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<b>TOTAL LIABILITIES</b>	<b>205,343.19</b>	<b>179,197.00</b>
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<b>MEMBERS' EQUITY</b>		
Unrestricted Members' Equity	310,552.03	356,463.51
Restricted Members' Equity (E)	2,183,960.72	1,943,107.01
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<b>Subtotal Members' Equity</b>	<b>2,494,512.75</b>	<b>2,299,570.52</b>
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<b>TOTAL MEMBERS' EQUITY</b>	<b>2,494,512.75</b>	<b>2,299,570.52</b>
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<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 2,699,855.94</b>	<b>\$ 2,478,767.52</b>
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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 3 Months Ended March 31, 2021**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Revenues</b>										
<b>Membership Income</b>										
405 - Maintenance Fees	75,989.82	67.0	75,990	(0)	230,061.21	73.4	227,970	2,091	911,880	681,819
406 - Capital Reserve	21,000.18	18.5	21,000	0	63,000.54	20.1	63,001	(0)	252,002	189,001
415 - Delinquent Owners Late Fee	459.70	0.4	0	460	1,146.60	0.4	0	1,147	0	(1,147)
416 - Delinquent Owners Interest	97.21	0.1	0	97	201.84	0.1	0	202	0	(202)
425 - House Rule Violations	<u>2,500.00</u>	<u>2.2</u>	<u>0</u>	<u>2,500</u>	<u>2,800.00</u>	<u>0.9</u>	<u>0</u>	<u>2,800</u>	<u>0</u>	<u>(2,800)</u>
<b>Total Membership Income</b>	<b>100,046.91</b>	<b>88.2</b>	<b>96,990</b>	<b>3,057</b>	<b>297,210.19</b>	<b>94.8</b>	<b>290,971</b>	<b>6,239</b>	<b>1,163,882</b>	<b>866,672</b>
<b>Non-Membership Income</b>										
430 - Interest Income	3,493.74	3.1	100	3,394	3,510.19	1.1	300	3,210	1,200	(2,310)
431 - Reserve Interest Income	9,748.35	8.6	800	8,948	9,836.19	3.1	2,400	7,436	9,600	(236)
440.80 - NJF Rental Income	0.00	0.0	2,500	(2,500)	2,450.00	0.8	7,500	(5,050)	30,000	27,550
441 - Kayak Rack Rental	90.00	0.1	108	(18)	525.00	0.2	325	200	1,300	775
499 - Other Income	<u>40.00</u>	<u>0.0</u>	<u>0</u>	<u>40</u>	<u>40.00</u>	<u>0.0</u>	<u>0</u>	<u>40</u>	<u>0</u>	<u>(40)</u>
<b>Total Non-Membership Income</b>	<b>13,372.09</b>	<b>11.8</b>	<b>3,508</b>	<b>9,864</b>	<b>16,361.38</b>	<b>5.2</b>	<b>10,525</b>	<b>5,836</b>	<b>42,100</b>	<b>25,739</b>
<b>Total Revenues</b>	<b><u>113,419.00</u></b>	<b><u>100.</u></b>	<b><u>100,498</u></b>	<b><u>12,921</u></b>	<b><u>313,571.57</u></b>	<b><u>100.</u></b>	<b><u>301,496</u></b>	<b><u>12,076</u></b>	<b><u>1,205,982</u></b>	<b><u>892,410</u></b>
<b>Operating Expenses</b>										
<b>NJF Unit Expenses</b>										
701.1 - NJF Unit Maint Fees	712.00	0.6	712	0	2,136.00	0.7	2,136	0	8,544	6,408
701.2 - NJF Unit - Rental Agent Fe	0.00	0.0	250	(250)	454.18	0.1	750	(296)	3,000	2,546
701.3 - NJF Repairs & Maint	0.00	0.0	133	(133)	550.94	0.2	400	151	1,600	1,049
701.4 - NJF GET Expense	<u>0.00</u>	<u>0.0</u>	<u>89</u>	<u>(89)</u>	<u>181.67</u>	<u>0.1</u>	<u>266</u>	<u>(84)</u>	<u>1,062</u>	<u>880</u>
<b>Total NJF Unit Expenses</b>	<b>712.00</b>	<b>0.6</b>	<b>1,184</b>	<b>(472)</b>	<b>3,322.79</b>	<b>1.1</b>	<b>3,552</b>	<b>(229)</b>	<b>14,206</b>	<b>10,883</b>
<b>Administration Expenses</b>										
625 - Bank Charges/Merchant	0.00	0.0	10	(10)	40.00	0.0	30	10	120	80
645 - Dues & Subscriptions	0.00	0.0	167	(167)	0.00	0.0	501	(501)	2,004	2,004
710 - Meetings *	462.46	0.4	275	187	726.64	0.2	825	(98)	3,300	2,573
715 - Office & Administration	319.99	0.3	500	(180)	1,042.51	0.3	1,500	(457)	6,000	4,957
715.1 - Office/Admin - Site Office	92.14	0.1	200	(108)	283.54	0.1	600	(316)	2,400	2,116
720 - Operating Supplies	84.75	0.1	167	(82)	105.69	0.0	500	(394)	2,000	1,894
910 - Depreciation	<u>310.00</u>	<u>0.3</u>	<u>310</u>	<u>0</u>	<u>930.00</u>	<u>0.3</u>	<u>930</u>	<u>0</u>	<u>3,720</u>	<u>2,790</u>
<b>Total Administration Exp</b>	<b>1,269.34</b>	<b>1.1</b>	<b>1,629</b>	<b>(360)</b>	<b>3,128.38</b>	<b>1.0</b>	<b>4,886</b>	<b>(1,758)</b>	<b>19,544</b>	<b>16,416</b>
<b>Employee Costs</b>										
610 - Auto	33.60	0.0	83	(49)	114.80	0.0	250	(135)	1,000	885
648 - Education & Seminars	0.00	0.0	100	(100)	0.00	0.0	300	(300)	1,200	1,200
653 - Emp/Ben.-Medical	1,123.74	1.0	1,178	(54)	3,371.22	1.1	3,535	(164)	14,139	10,768
780 - Salaries & Wages	11,223.13	9.9	11,573	(350)	34,256.26	10.9	34,720	(464)	138,880	104,624
801 - P/R Ins. - TDI & WC	289.33	0.3	429	(140)	909.49	0.3	1,288	(379)	5,152	4,243
802 - Taxes - Payroll *	1,218.86	1.1	1,161	58	3,804.31	1.2	3,483	321	13,932	10,128
812 - Uniforms	<u>0.00</u>	<u>0.0</u>	<u>17</u>	<u>(17)</u>	<u>0.00</u>	<u>0.0</u>	<u>50</u>	<u>(50)</u>	<u>200</u>	<u>200</u>
<b>Total Employee Costs</b>	<b>13,888.66</b>	<b>12.2</b>	<b>14,541</b>	<b>(652)</b>	<b>42,456.08</b>	<b>13.5</b>	<b>43,626</b>	<b>(1,170)</b>	<b>174,503</b>	<b>132,047</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 3 Months Ended March 31, 2021**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Insurance Expense</b>										
677 - Ins. - Bond	35.50	0.0	42	(7)	106.50	0.0	125	(19)	500	394
678 - Ins. Business Interruption	104.50	0.1	113	(9)	313.50	0.1	339	(26)	1,356	1,043
679 - Ins. - Dir./Officers	253.08	0.2	317	(64)	759.24	0.2	951	(192)	3,804	3,045
680 - Ins. - Package	4,538.25	4.0	4,902	(364)	13,614.75	4.3	14,706	(1,091)	58,824	45,209
683 - Ins. - CGL	358.00	0.3	363	(5)	1,074.00	0.3	1,089	(15)	4,356	3,282
684 - Ins. - Umbrella	<u>172.92</u>	<u>0.2</u>	<u>179</u>	<u>(6)</u>	<u>518.76</u>	<u>0.2</u>	<u>537</u>	<u>(18)</u>	<u>2,148</u>	<u>1,629</u>
<b>Total Insurance Expenses</b>	<b>5,462.25</b>	<b>4.8</b>	<b>5,916</b>	<b>(454)</b>	<b>16,386.75</b>	<b>5.2</b>	<b>17,747</b>	<b>(1,360)</b>	<b>70,988</b>	<b>54,601</b>
<b>Professional Services</b>										
705 - Management Fee	3,276.00	2.9	3,276	0	9,828.00	3.1	9,828	0	39,312	29,484
731 - Prof.Svc.- Audit	53.10	0.0	374	(321)	53.10	0.0	1,122	(1,069)	4,488	4,435
732 - Prof.Svc.- Legal *	987.75	0.9	417	571	1,321.06	0.4	1,250	71	5,000	3,679
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>247</u>	<u>(247)</u>	<u>988</u>	<u>988</u>
<b>Total Professional Exp</b>	<b>4,316.85</b>	<b>3.8</b>	<b>4,149</b>	<b>168</b>	<b>11,202.16</b>	<b>3.6</b>	<b>12,447</b>	<b>(1,245)</b>	<b>49,788</b>	<b>38,586</b>
<b>Repairs &amp; Maint Expenses</b>										
746 - R/M - Buildings *	1,601.02	1.4	833	768	4,790.59	1.5	2,500	2,291	10,000	5,209
750 - R/M - Equipment	0.00	0.0	250	(250)	0.00	0.0	750	(750)	3,000	3,000
752 - R/M - Fire Equip.	0.00	0.0	200	(200)	0.00	0.0	600	(600)	2,400	2,400
753 - R/M - Landscape Upgrades	0.00	0.0	125	(125)	67.71	0.0	375	(307)	1,500	1,432
754 - R/M - Grounds *	(300.00)	(0.3)	167	(467)	(300.00)	(0.1)	500	(800)	2,000	2,300
755 - R/M - Grounds Contractor	21,160.00	18.7	21,160	0	63,480.00	20.2	63,480	0	253,920	190,440
756 - R/M - Irrigation	49.74	0.0	800	(750)	131.25	0.0	2,400	(2,269)	9,600	9,469
760 - R/M - Pest Control	0.00	0.0	555	(555)	0.00	0.0	1,664	(1,664)	6,658	6,658
762 - R/M - Pool, Spa, BBQ	1,292.41	1.1	2,144	(852)	4,037.52	1.3	6,431	(2,393)	25,725	21,687
764 - R/M - Refuse Collection	1,397.60	1.2	1,551	(153)	4,192.80	1.3	4,652	(459)	18,610	14,417
764.1 - R/M - Recycling	733.84	0.6	808	(74)	2,201.52	0.7	2,423	(221)	9,694	7,492
767 - R/M - Security Contract *	<u>1,041.67</u>	<u>0.9</u>	<u>1,000</u>	<u>42</u>	<u>3,125.01</u>	<u>1.0</u>	<u>3,000</u>	<u>125</u>	<u>12,000</u>	<u>8,875</u>
<b>Total Repairs &amp; Maint Exp</b>	<b>26,976.28</b>	<b>23.8</b>	<b>29,593</b>	<b>(2,617)</b>	<b>81,726.40</b>	<b>26.1</b>	<b>88,775</b>	<b>(7,049)</b>	<b>355,107</b>	<b>273,381</b>
<b>Tax Expenses</b>										
796 - Taxes - Gen. Excise	657.16	0.6	40	617	706.97	0.2	120	587	480	(227)
940 - Federal Income Taxes	0.00	0.0	1,000	(1,000)	0.00	0.0	3,000	(3,000)	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>437</u>	<u>(437)</u>	<u>1,750</u>	<u>1,750</u>
<b>Total Tax Expenses</b>	<b>657.16</b>	<b>0.6</b>	<b>1,186</b>	<b>(529)</b>	<b>706.97</b>	<b>0.2</b>	<b>3,557</b>	<b>(2,850)</b>	<b>14,230</b>	<b>13,523</b>
<b>Utility Expense</b>										
826 - Util. - Cable TV *	4,362.20	3.8	4,054	308	13,087.18	4.2	12,163	924	48,652	35,565
828 - Util. - Electric *	2,698.08	2.4	1,583	1,115	7,638.90	2.4	4,750	2,889	19,000	11,361
830 - Util. - Gas	0.00	0.0	75	(75)	0.00	0.0	225	(225)	900	900
832 - Util. - Sewer	5,021.00	4.4	4,945	76	13,561.82	4.3	14,835	(1,273)	59,340	45,778
834 - Util. - Telephone	245.37	0.2	250	(5)	762.95	0.2	750	13	3,000	2,237
838 - Util. - Water	<u>7,607.95</u>	<u>6.7</u>	<u>11,200</u>	<u>(3,592)</u>	<u>21,511.74</u>	<u>6.9</u>	<u>33,600</u>	<u>(12,088)</u>	<u>134,400</u>	<u>112,888</u>
<b>Total Utility Expenses</b>	<b>19,934.60</b>	<b>17.6</b>	<b>22,107</b>	<b>(2,172)</b>	<b>56,562.59</b>	<b>18.0</b>	<b>66,323</b>	<b>(9,760)</b>	<b>265,292</b>	<b>208,729</b>

**Wailea Fairway Villas Association**  
**Income Statement and Changes in Members' Equity - Tax Basis**  
**Actual vs. Budget**  
**For the 1 Month and 3 Months Ended March 31, 2021**

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
<b>Reserves &amp; Other Exp</b>										
915 - Capital Reserves	21,000.18	18.5	21,000	0	63,000.54	20.1	63,001	(0)	252,002	189,001
916 - Reserves Interest	<u>9,748.35</u>	<u>8.6</u>	<u>800</u>	<u>8,948</u>	<u>9,836.19</u>	<u>3.1</u>	<u>2,400</u>	<u>7,436</u>	<u>9,600</u>	<u>(236)</u>
<b>Total Reserve &amp; Other Exp</b>	<u>30,748.53</u>	<u>27.1</u>	<u>21,800</u>	<u>8,949</u>	<u>72,836.73</u>	<u>23.2</u>	<u>65,401</u>	<u>7,436</u>	<u>261,602</u>	<u>188,765</u>
<b>Total Operating Expenses and Reserve Allocation</b>	<u>103,965.67</u>	<u>91.7</u>	<u>102,105</u>	<u>1,861</u>	<u>288,328.85</u>	<u>91.9</u>	<u>306,314</u>	<u>(17,985)</u>	<u>1,225,260</u>	<u>936,931</u>
<b>Total Revenue Over Exp</b>	<u>9,453.33</u>	<u>8.3</u>	<u>(1,607)</u>	<u>11,060</u>	<u>25,242.72</u>	<u>8.1</u>	<u>(4,818)</u>	<u>30,061</u>	<u>(19,278)</u>	<u>(44,521)</u>
<b>Beginning Members' Equity</b>					<u>285,309.31</u>					
<b>Ending Members' Equity</b>					<u>310,552.03</u>					

**Wailea Fairway Villas Association**  
**Statement of Cash Flows - Tax Basis**  
**For the 1 Month and 3 Months Ended March 31, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (Loss)	\$ 9,453.33	\$ 25,242.72
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation	310.00	930.00
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(5,347.34)	(13,344.48)
Prepays	6,507.42	12,649.12
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(7,885.29)	(20,449.29)
Accrued Liabilities	20,406.61	13,365.22
Total Adjustments	<u>13,991.40</u>	<u>(6,849.43)</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>23,444.73</u>	<u>18,393.29</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**

23,444.73                      18,393.29

**CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD**

315,770.60                      320,822.04

**CASH AND CASH EQUIVALENTS AT END OF PERIOD**

\$ 339,215.33                      \$ 339,215.33