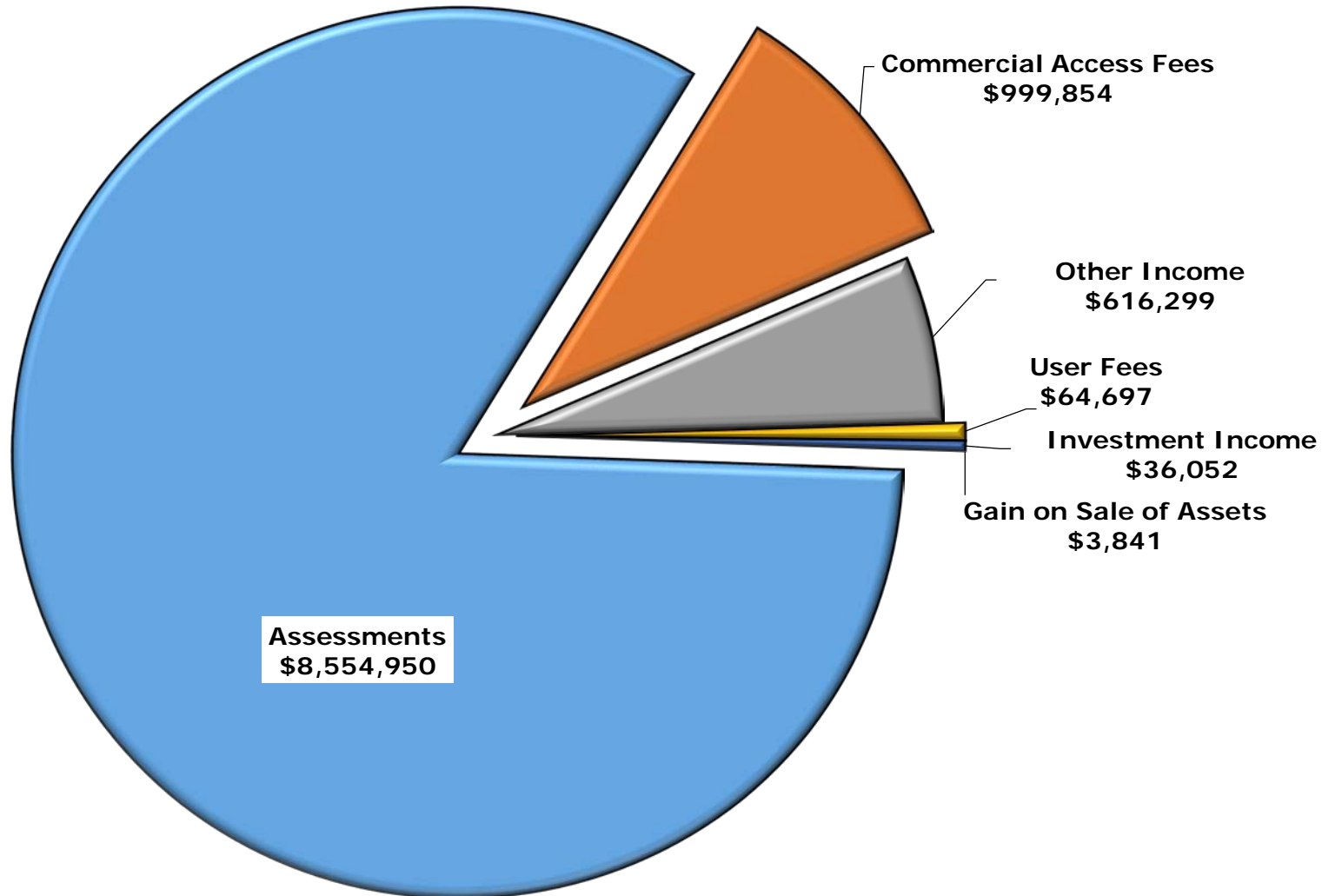




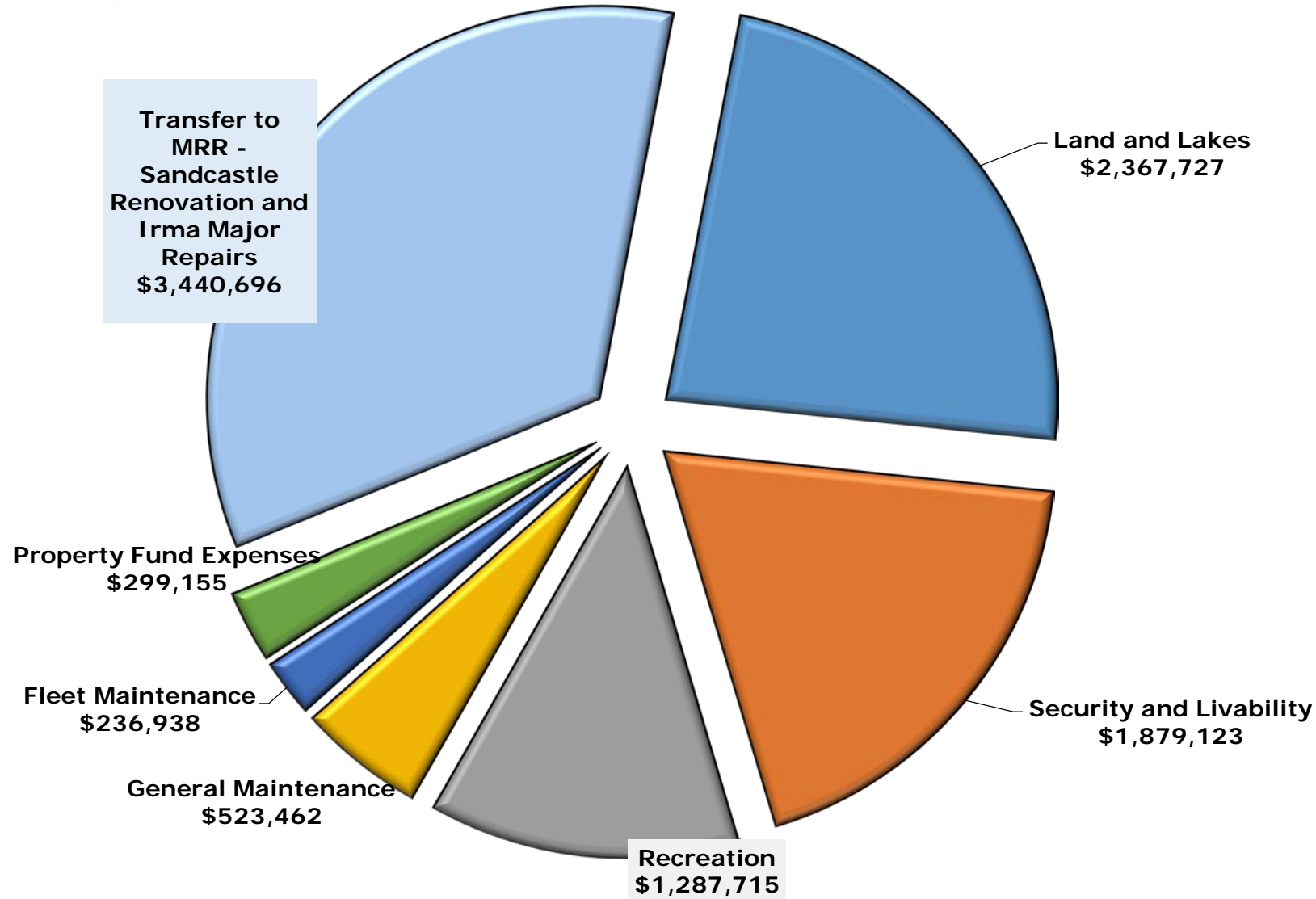
Monthly Financial Results

As of August 31, 2018

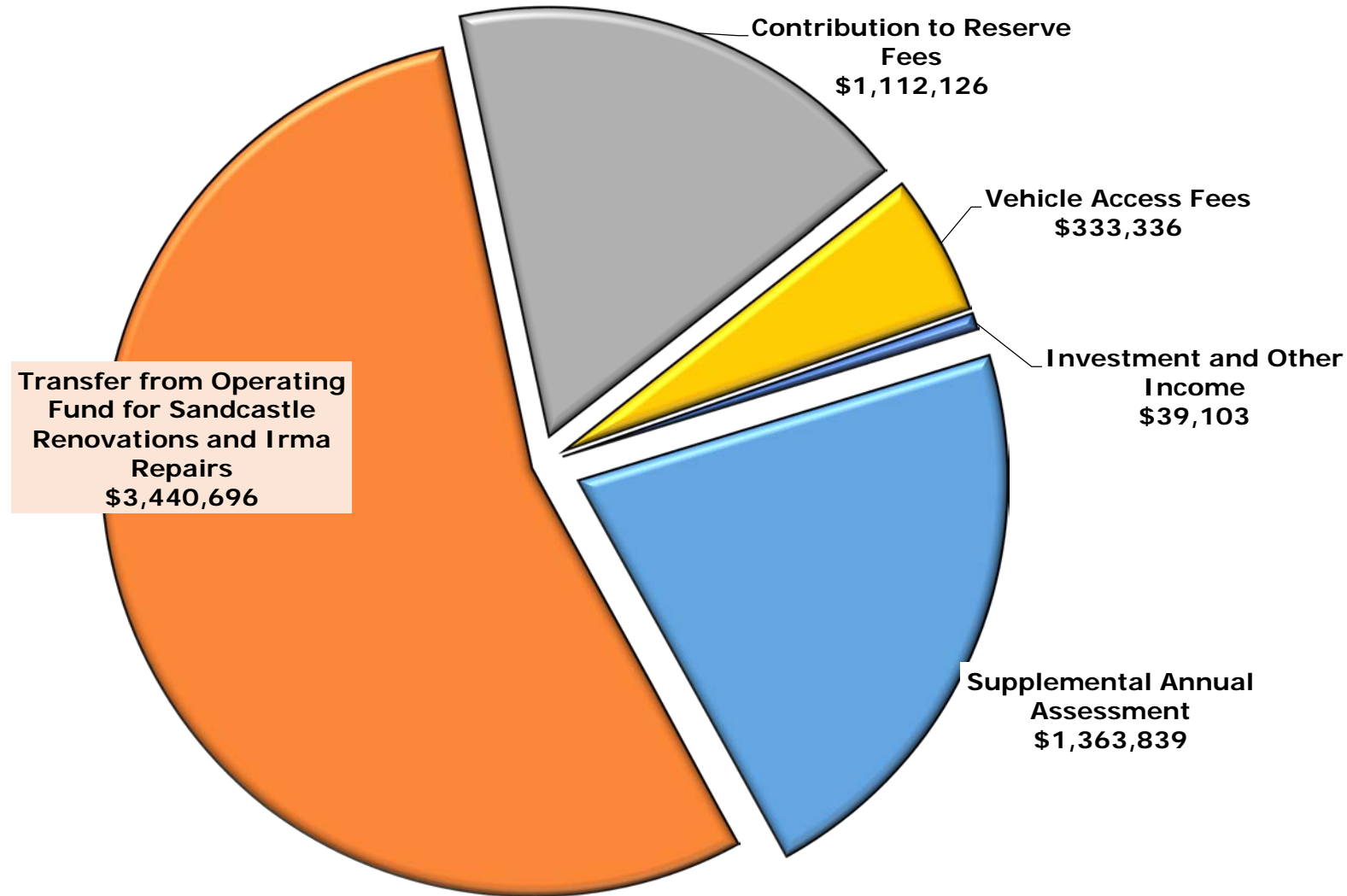
Operating Revenue to August 31, 2018



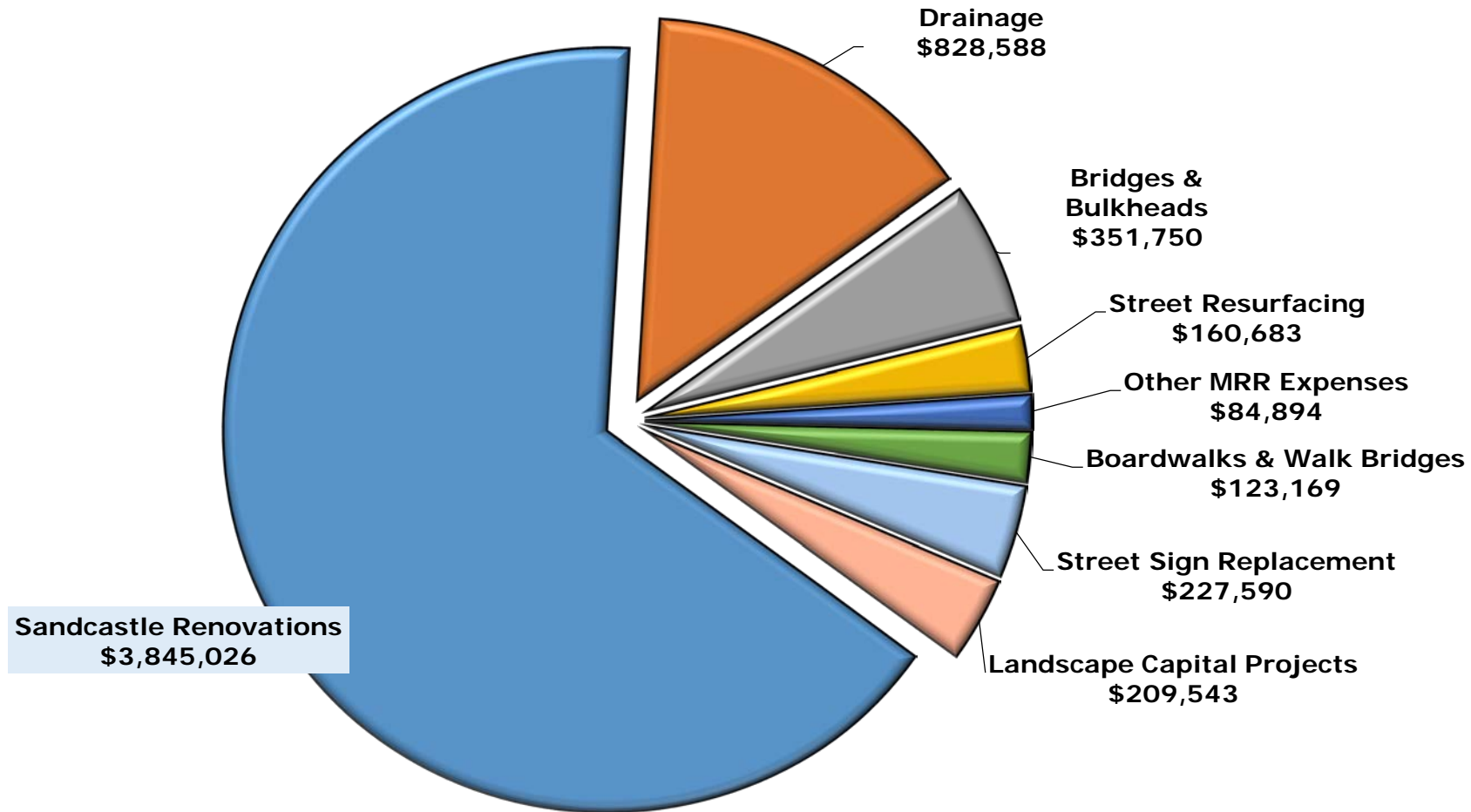
Operating Expenses to August 31, 2018



MRR Revenue to August 31, 2018



MRR Expenses to August 31, 2018





Variance Analysis – August 31, 2018

Total Revenues: Actual revenues of \$13,120,256 are in line with the \$12,887,164 budgeted for the eight months ending August 31, 2018.

2018 Assessments of \$9,918,879 are in line with budget.

Contributions to Reserve for August of \$147,115 were below the \$175,000 budgeted for the month. Contributions to Reserve for the first eight months of 2018 total \$1,112,126 and are \$12,126 ahead of the \$1,100,000 budgeted.

- The Contribution to Reserve estimate for September of 2018 is \$65,000.
- For the prior year, at August 31, 2017, Contributions to Reserve totaled \$982,529.

Commercial Access Fees through August 31, 2018 total \$1,333,190 and are 2.23% ahead of the \$1,304,083 budgeted.

- Access fees for the first eight months of 2017 totaled \$1,304,671.

Total Expenses through August 31 are \$12,421,522 versus a budget of \$10,132,048. The unfavorable variance results from spending related to the Sandcastle renovation which is not part of the 2018 budget amounts. Expenses for the project are reported as 2018 expenses, but are largely funded by prior year operating surpluses or debt and were not included in the budget for 2018 operations. Sandcastle spending which fell outside of the 2018 budget totaled \$3,393,026 at August 31, 2018.

Payroll and benefits expenses of \$4,009,451 finished 2.76% below the \$4,123,446 budgeted.

Repairs and Maintenance

- Building Repairs and Maintenance expenses through August 31 are \$354,854 or 12% above the budgeted amount of \$316,286. The variance resulted from the \$39,761 family pool bathhouse remodel which was done apart from the larger Sandcastle renovation project.
- Common Area Repairs and Maintenance through August 31 totaled \$456,028 which is in line with the \$449,932 budgeted despite spending in excess of \$60,000 on clean-up and new plant material following the ice and cold experienced in January of 2018.



Variance Analysis
For period ended August 31, 2018

Operating/Administrative expenses of \$1,621,052 through August 31 are \$174,190 below the budget of \$1,795,242. The positive variance results from the following:

- The timing of community events expenses – several events were postponed due to the Sandcastle renovation, but will occur later in 2018
- Lower than budgeted water and electricity costs related to irrigation
- Lower than budgeted legal fees
- Permanent savings in KICA's annual meeting costs
- Lower than budgeted IT expenses
- Savings in worker's compensation and liability insurance.

Landscape Capital Projects and Major Repairs and Replacements – Landscape Capital Improvement expenses for the first eight months of the year are \$209,543 which is 5.83% higher than the \$197,993 budgeted. The excess costs relate to acceleration of projects rather than cost overruns. We anticipate finishing 2018 within the total LCI budget of \$273,092.

Major Repairs and Replacements (MRR) finished August totaling \$5,600,763 or \$2,844,601 over the budget of \$2,756,162.

Total MRR expenses include \$3,393,026 of unbudgeted expenses related to the Sandcastle renovation. If the expenses for the Sandcastle were removed from the MRR comparison, actual repairs and replacements are \$548,425 below the amounts budgeted for the first eight months of the year. The favorable variance results from:

- Timing of the Terrapin Island Bridge repair project. Bridge repairs of \$488,500 were budgeted for the first half of 2018, but a delay in receiving materials impacted project timing. Work is underway, but only \$351,750 of the cost is reflected in actual MRR expenses at the end of August. Currently, the project is 50% complete and our expectation is that the contractor will complete the work in November of 2018.
- Street resurfacing on Kestral Court budgeted for \$76,000 in January and February of this year has been reevaluated and will now take place in the fall in conjunction with leisure trail resurfacing.



Variance Analysis
For period ended August 31, 2018

- Leisure trail resurfacing budgeted at \$90,000 for spring of 2018 and started in May has been delayed until fall due to weather conditions and humidity.
- The rebuild of Boardwalk 8A near the Sandcastle was budgeted for \$70,000, but the project was completed for \$29,632 for a permanent savings of \$40,368.
- The absence of actual emergency expenses which were budgeted at \$66,667 through August 31.
- Road rejuvenation which was planned for late summer and fall of 2018. The project cost of \$417,000 was budgeted for August, September, and October. KICA's MRR team has chosen to delay the project to allow further evaluation of the clear surface product.

At August, 31 the **Sandcastle renovation** is near completion. Construction of the new bathhouse adjacent to the adult pool was delayed further due to the threat from Hurricane Florence. To date, \$4,445,741 has been disbursed - which covers design, construction and construction oversight, HVAC replacements and furniture and fixtures. The total to date includes \$322,107 of expenses recorded in 2017.

When completed, renovation costs are expected to total \$5,252,038 which represents a 5% overage as compared to the \$4,986,635 estimated when the contract was awarded in October of 2017. Disbursements through August 31 have been funded from prior year surpluses as well as by the 2017 and 2018 budgets; no draws on the \$1,500,000 loan have been required.

Please note that more information is available upon request. KICA's Director of Finance and Administration, Jane Ovenden, may be reached by email at jane.ovenden@kica.us or by telephone at 843-768-9194 ext. 216.



Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

August 31, 2018

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
ASSETS							
Current Assets							
Cash and Cash Equivalents	295,527	0	0	0	0	0	295,527
Money Market Funds	4,944,964	181,194	144,178	306,059	18,235	480,365	6,074,994
CD's	0	0	62,500	1,062,500	0	125,000	1,250,000
Interest Receivable	0	0	2,057	30,561	0	4,115	36,733
Accounts Receivable	826	94,922	264	34,847	0	0	130,860
Accounts Receivable- Other	(6,227)	(662)	0	0	0	0	(6,889)
Prepaid Expenses	203,068	32,942	0	19,991	0	0	256,001
Total Current Assets	5,438,158	308,395	208,999	1,453,958	18,235	609,480	8,037,225
Fixed Assets							
Equipment & Furniture	0	0	0	0	0	1,615,711	1,615,711
Trucks and Trailers	0	0	0	0	0	822,108	822,108
Pool Furniture	0	0	0	0	0	79,490	79,490
Bathhouse and Pool Area	0	0	0	0	0	151,175	151,175
Buildings	0	0	0	0	0	2,530,343	2,530,343
Land	0	0	0	0	0	440,253	440,253
Accumulated Depreciation	0	0	0	0	0	(2,330,301)	(2,330,301)
Total Fixed Assets	0	0	0	0	0	3,308,778	3,308,778
Other Assets							
Treasury Investments > 1 Yr	0	0	28,212	479,610	0	56,425	564,247
Mutual Fund Investments	0	0	34,520	1,697,264	0	527,958	2,259,741
Corporate Bonds	0	0	160,000	2,720,000	0	320,000	3,200,000
Corporate Bond Premium	0	0	2,612	44,398	0	5,223	52,233
Unrealized Gain/Loss on Investments	0	0	(4,780)	(51,788)	0	2,620	(53,948)
Total Other Assets	0	0	220,564	4,889,483	0	912,226	6,022,273
TOTAL ASSETS	5,438,158	308,395	429,563	6,343,441	18,235	4,830,484	17,368,277



**Kiawah Island Community Association, Inc.
Consolidated Balance Sheet**

August 31, 2018

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
LIABILITIES AND FUND BALANCE							
Current Liabilities							
Payroll Withholdings	44,208	0	0	0	0	0	44,208
Accrued Payroll	437,848	59,170	0	0	0	0	497,018
Deposits and Prepaid Assessments	3,587	16,193	0	0	0	0	19,780
Accounts Payable	65,316	72,720	0	80,502	0	0	218,537
Accrued Liabilities	21,834	0	0	59,625	0	0	81,459
ARB Coordinator Salary	7,446	0	0	0	0	0	7,446
Current Mortgage Payable	19,301	0	0	0	0	0	19,301
Deferred Revenue- Royalty Income- Cur	16,719	0	0	0	0	0	16,719
Total Current Liabilities	616,259	148,082	0	140,127	0	0	904,468
Non-Current Liabilities							
Deferred Revenue- Royalty Income	401,251	0	0	0	0	0	401,251
LT Mortgage Payable	1,456,122	0	0	0	0	0	1,456,122
Total Non-Current Liabilities	1,857,373	0	0	0	0	0	1,857,373
Fund Balance							
Fund Balance	2,964,527	160,313	429,563	6,203,315	18,235	4,830,484	14,606,436
Total Fund Balance	2,964,527	160,313	429,563	6,203,315	18,235	4,830,484	14,606,436
TOTAL LIABILITIES/FUNDS	5,438,158	308,395	429,563	6,343,441	18,235	4,830,484	17,368,277



Kiawah Island Community Association, Inc.
Consolidated Income Statement with Budget Variances

for the Period Ending August 31, 2018

	YEAR-TO-DATE		Favorable (Unfavorable)		2018 Total Budget	Remaining Budget
	Actual	Budget	\$ Variance	% Variance		
Revenues						
Assessments	9,918,789	9,894,218	24,571	0.25%	9,899,642	(19,146)
Investment Income	75,154	78,733	(3,579)	(4.55)%	118,100	42,945
Contribution to Reserves	1,112,126	1,100,000	12,126	1.10%	1,500,000	387,874
Commercial Access Fees	1,333,190	1,304,083	29,107	2.23%	1,610,750	277,560
User Fees	64,697	59,883	4,814	8.04%	106,050	41,353
Other Income	616,299	450,247	166,052	36.88%	615,302	(997)
Total Revenues	13,120,256	12,887,164	233,092	1.81%	13,849,845	729,589
Expenses						
Payroll Expenses	4,009,451	4,123,446	113,995	2.76%	6,069,060	2,059,609
Building/Equipment R/M	354,854	316,568	(38,286)	(12.09)%	411,818	56,965
Common Area R/M	456,028	449,932	(6,096)	(1.35)%	590,601	134,573
Operating Expenses	1,621,052	1,795,242	174,190	9.70%	2,644,433	1,023,381
Capital Equipment Purchases	36,818	73,795	36,977	50.11%	97,128	60,310
Capital Projects - LCI	209,543	197,993	(11,550)	(5.83)%	273,092	63,549
Capital Projects - MRR	5,600,763	2,756,162	(2,844,601)	(103.21)%	3,812,195	(1,788,568)
Depreciation	272,007	370,529	98,521	26.59%	555,793	283,786
Interest Expense	37,214	48,382	11,168	23.08%	87,294	50,080
Other (Gains)/Losses	(176,208)	0	176,208	0.00%	0	176,208
Total Expenses	12,421,522	10,132,048	(2,289,473)	(22.60)%	14,541,414	2,119,893
Transfers						
Community Program Support	0	0	0	(100.00)%	0	0
Interfund Transfers	0	0	0	0.00%	0	0
Total Transfers	0	0	0	(100.00)%	0	0
BEGINNING FUND BALANCE	13,907,702	13,907,702	0	0.00%	13,907,702	0
NET SURPLUS/(DEFICIT)	698,734	2,755,116	(2,056,382)	(74.64)%	(691,570)	(1,390,304)
ENDING FUND BALANCE	14,606,436	16,662,818	(2,056,382)	(12.34)%	13,216,133	(1,390,304)



Kiawah Island Community Association, Inc.

Income Statement

For Period Ending August 31, 2018

	General		Recreation		V-Gate		MRR		Preserve		Property		Total
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
Revenues													
Assessments	\$7,704,389	\$7,690,992	\$623,229	\$620,340	\$198,114	\$196,705	\$1,363,839	\$1,357,361	\$29,218	\$28,820	\$0	\$0	\$9,918,789
Investment Income	\$21,524	\$18,000	\$1,077	\$667	\$2,132	\$1,000	\$39,103	\$56,667	\$83	\$0	\$11,236	\$2,400	\$75,154
Contribution to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$1,112,126	\$1,100,000	\$0	\$0	\$0	\$0	\$1,112,126
Commercial Access Fees	\$999,854	\$970,750	\$0	\$0	\$0	\$0	\$333,336	\$333,333	\$0	\$0	\$0	\$0	\$1,333,190
User Fees	\$0	\$0	\$64,697	\$59,883	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,697
Other Income	\$376,702	\$362,025	\$239,597	\$88,222	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$616,299
Total Revenues	\$9,102,470	\$9,041,767	\$928,600	\$769,112	\$200,246	\$197,705	\$2,848,404	\$2,847,361	\$29,300	\$28,820	\$11,236	\$2,400	\$13,120,256
Expenses													
Payroll Expenses	\$3,566,027	\$3,637,013	\$337,282	\$380,291	\$106,142	\$106,142	\$0	\$0	\$0	\$0	\$0	\$0	\$4,009,451
Building/Equipment R/M	\$121,939	\$134,116	\$230,883	\$178,791	\$2,032	\$3,662	\$0	\$0	\$0	\$0	\$0	\$0	\$354,854
Common Area R/M	\$402,227	\$406,852	\$39,825	\$27,400	\$0	\$1,680	\$0	\$0	\$13,976	\$14,000	\$0	\$0	\$456,028
Operating Expenses	\$1,253,300	\$1,501,403	\$344,995	\$273,649	\$22,758	\$20,191	\$0	\$0	\$0	\$0	\$0	\$0	\$1,621,052
Capital Equipment Purchases	\$0	\$15,561	\$0	\$11,567	\$0	\$0	\$0	\$0	\$0	\$0	\$36,818	\$46,667	\$36,818
Capital Projects - LCI	\$0	\$0	\$0	\$0	\$0	\$0	\$198,230	\$187,277	\$11,313	\$10,716	\$0	\$0	\$209,543
Capital Projects - MRR	\$0	\$0	\$0	\$0	\$0	\$0	\$5,600,763	\$2,756,162	\$0	\$0	\$0	\$0	\$5,600,763
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$272,007	\$370,529	\$272,007
Interest Expense	\$37,214	\$48,382	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,214
Other (Gains)/Losses	(\$191,969)	\$0	\$3,240	\$0	\$1,255	\$0	\$20,937	\$0	\$0	\$0	(\$9,670)	\$0	(\$176,208)
Total Expenses	\$5,188,738	\$5,743,326	\$956,224	\$871,698	\$132,187	\$131,674	\$5,819,930	\$2,943,439	\$25,289	\$24,716	\$299,155	\$417,195	\$12,421,522
Transfers													
Community Program Support	\$233,333	\$233,333	(\$233,333)	(\$233,333)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers	\$3,650,725	\$0	\$112,098	\$0	\$0	\$0	(\$3,440,696)	\$0	\$0	\$0	(\$322,127)	\$0	\$0
Total Transfers	\$3,884,058	\$233,333	(\$121,235)	(\$233,333)	\$0	\$0	(\$3,440,696)	\$0	\$0	\$0	(\$322,127)	\$0	\$0
BEGINNING FUND BALANCE	\$2,934,852	\$0	\$66,703	\$0	\$361,504	\$0	\$5,734,144	\$0	\$14,223	\$0	\$4,796,276	\$0	\$13,907,702
NET SURPLUS/(DEFICIT)	\$29,674	\$0	\$93,610	\$0	\$68,059	\$0	\$469,170	\$0	\$4,012	\$0	\$34,209	\$0	\$698,734
ENDING FUND BALANCE	\$2,964,527	\$0	\$160,313	\$0	\$429,563	\$0	\$6,203,315	\$0	\$18,235	\$0	\$4,830,484	\$0	\$14,606,436