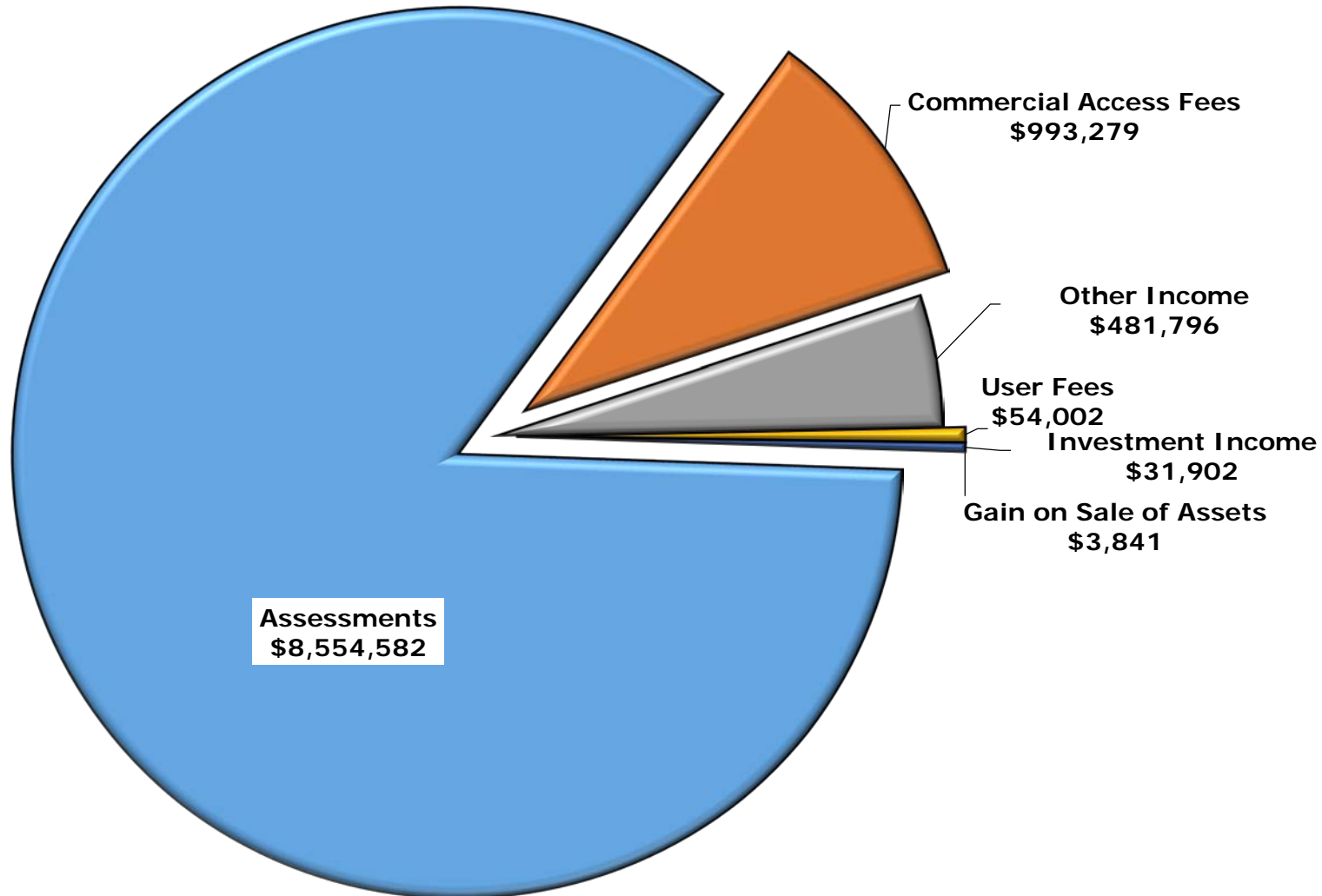




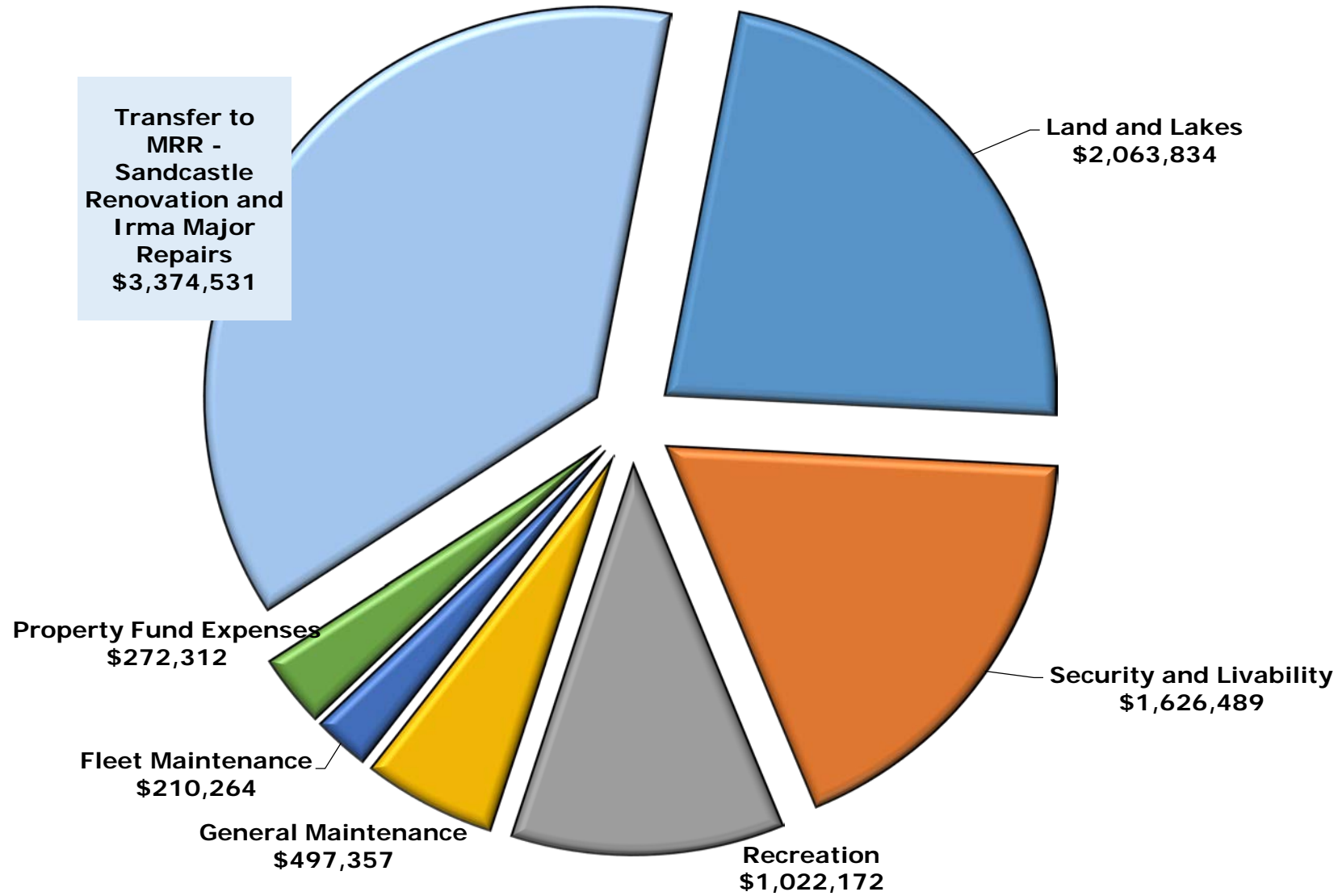
# **Monthly Financial Results**

As of July 31, 2018

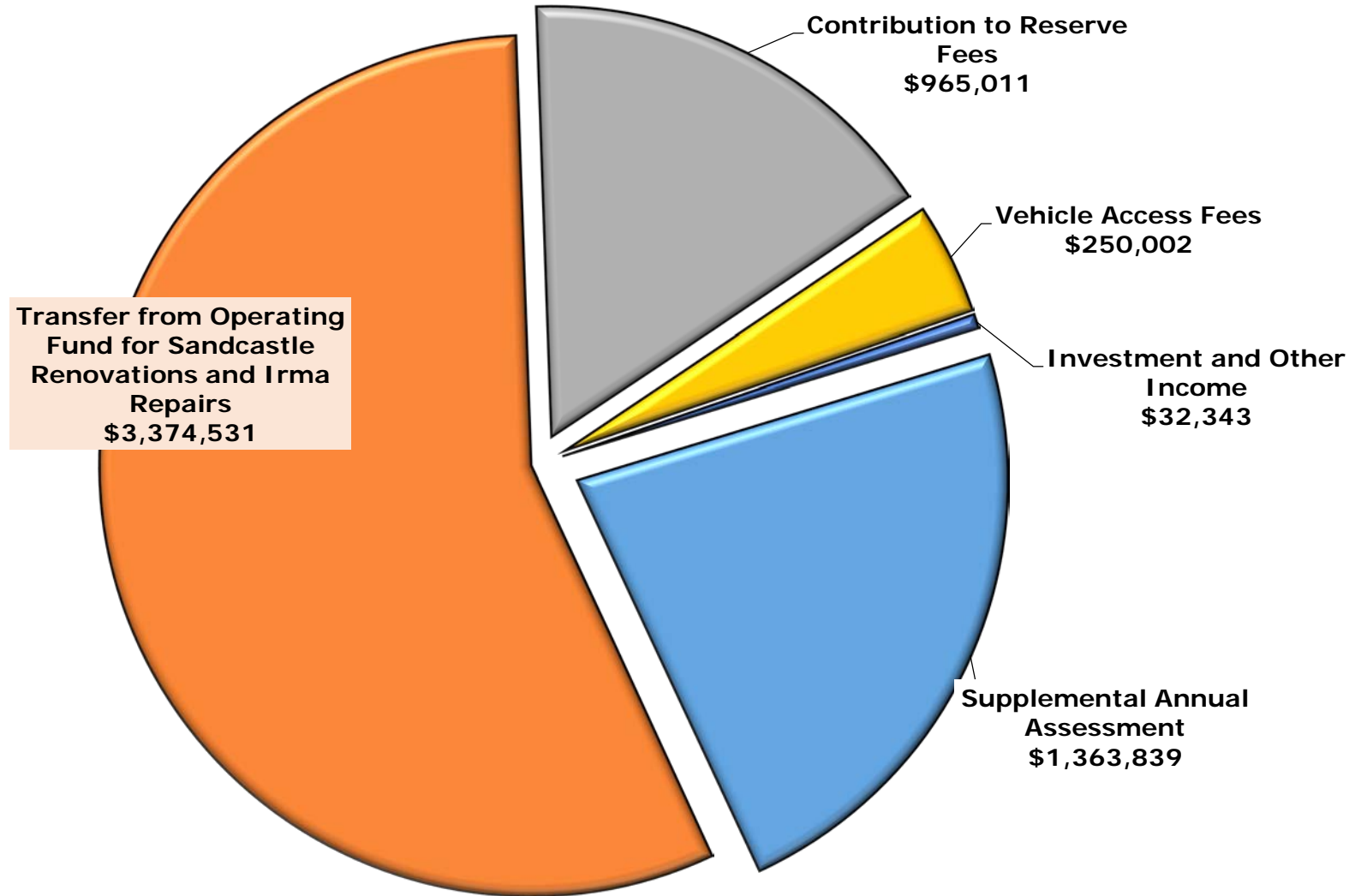
# Operating Revenue to July 31, 2018



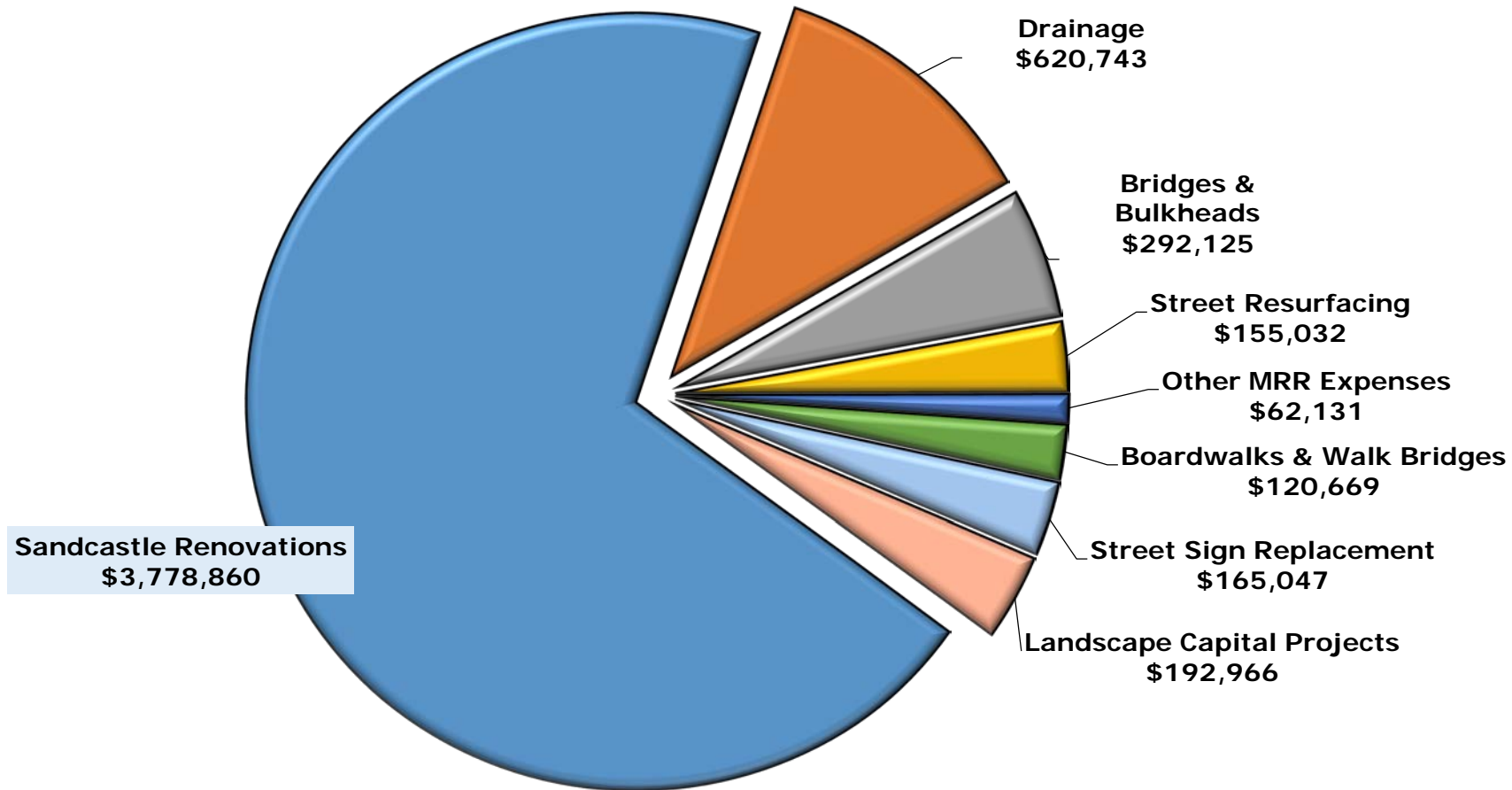
# Operating Expenses to July 31, 2018



# MRR Revenue to July 31, 2018



# MRR Expenses to July 31, 2018





## Variance Analysis – July 31, 2018

**Total Revenues:** Actual revenues of \$12,726,756 are in line with the \$12,544,279 budgeted for the first seven months of 2018.

**2018 Assessments** of \$9,918,420 are in line with budget.

**Contributions to Reserve** for July of \$79,752 were below the \$175,000 budgeted for the month. Contributions to Reserve for the first seven months of 2018 total \$965,011 and are \$40,011 ahead of the \$925,000 budgeted.

- The Contribution to Reserve estimate for August of 2018 is \$108,000. If the August estimate proves accurate, 2018 total contributions will lag budget by \$27,000 at August 31, 2018.
- For the prior year, at July 31, 2017, Contributions to Reserve totaled \$902,976.

**Commercial Access Fees** through July 31, 2018 total \$1,243,281 and are 2% ahead of the \$1,218,417 budgeted.

- Access fees for the first seven months of 2017 totaled \$1,234,238.

**Total Expenses** through July 31 are \$11,076,160 versus a budget of \$9,150,746. 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 funded by prior year operating surpluses or debt and were not included in the budget for 2018 operations.

**Payroll and benefits** expenses of \$3,479,306 finished 3.56% below the \$3,607,896 budgeted.

### Repairs and Maintenance

- Building Repairs and Maintenance expenses through July 31 are \$283,565 or 4% below the budgeted amount of \$295,391. The variance continues to be attributable to lower than expected expenses related to pool maintenance at the Sandcastle and general maintenance at the Beachwalker Center, but the gap has narrowed as maintenance and small equipment needs are encountered as part of the Sandcastle re-opening.
- Common Area Repairs and Maintenance through July 31 totaled \$450,376 or 7.3% higher than the \$419,723 budgeted. The overage can be attributed to \$60,000 in clean-up costs and replacement plant



Variance Analysis  
For period ended July 31, 2018

materials required following cold damage suffered during the January 2018 ice storm.

**Operating/Administrative** expenses of \$1,356,980 through July 31 are \$216,569 below the budget of \$1,573,549. 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. Despite an increase in property coverage rates, we do anticipate finishing 2018 at or below budget for insurance expense.

**Landscape Capital Projects and Major Repairs and Replacements** – Landscape Capital Improvement expenses for the first seven months of the year are \$192,965 which is in line with the \$192,071 budgeted.

**Major Repairs and Replacements (MRR)** ended July totaling \$5,144,591 or \$2,513,187 over the budget of \$2,631,403.

Total MRR expenses include \$3,326,860 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 \$813,672 below the amounts budgeted for the first seven 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 \$292,125 of the cost is reflected in actual MRR expenses at the end of July. Currently, the project is 25% - 30% complete and our expectation is that the contractor will complete the work in September of 2018.



Variance Analysis  
For period ended July 31, 2018

- Street resurfacing on Kestral Court which was planned and budgeted at \$76,000 is being reconsidered due to the poor condition of the road and may be a permanent 2018 variance.
- 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 \$58,333 through July 31.
- Favorable variances in five accounts which together total nearly \$305,000 are the result of expense timing and are likely to occur later in 2018 than originally budgeted.

At July, 31 the **Sandcastle renovation** is near completion. Construction of the new bathhouse adjacent to the adult pool is expected to be complete by August 31. To date, \$4,379,576 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 \$5,236,159 which represents a 5% overage as compared to the \$4,986,635 estimated when the contract was awarded in October of 2017. Disbursements through July 31 have been funded from prior year surpluses as well as by the 2017 and 2018 budgets; no draws on the \$1.5M 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](mailto:jane.ovenden@kica.us) or by telephone at 843-768-9194 ext. 216.





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

July 31, 2018

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	292,639	0	0	0	0	0	292,639
Money Market Funds	5,517,935	260,695	160,662	745,639	23,674	461,912	7,170,518
CD's	0	0	62,500	1,062,500	0	125,000	1,250,000
Interest Receivable	0	0	1,774	25,750	0	3,549	31,073
Accounts Receivable	6,666	76,451	300	20,635	0	0	104,052
Accounts Receivable- Other	(5,160)	0	0	0	0	0	(5,160)
Royalty Receivable	37,500	0	0	0	0	0	37,500
Prepaid Expenses	229,085	32,942	0	27,579	0	0	289,606
<b>Total Current Assets</b>	<b>6,078,666</b>	<b>370,088</b>	<b>225,236</b>	<b>1,882,104</b>	<b>23,674</b>	<b>590,461</b>	<b>9,170,229</b>
<b>Fixed Assets</b>							
Equipment & Furniture	0	0	0	0	0	1,615,043	1,615,043
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	(2,304,711)	(2,304,711)
<b>Total Fixed Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,333,700</b>	<b>3,333,700</b>
<b>Other Assets</b>							
Treasury Investments > 1 Yr	0	0	28,166	478,815	0	56,331	563,312
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	2,620	44,542	0	5,240	52,402
Unrealized Gain/Loss on Investments	0	0	(5,739)	(80,869)	0	(4,580)	(91,188)
<b>Total Other Assets</b>	<b>0</b>	<b>0</b>	<b>219,567</b>	<b>4,859,752</b>	<b>0</b>	<b>904,949</b>	<b>5,984,268</b>
<b>TOTAL ASSETS</b>	<b>6,078,666</b>	<b>370,088</b>	<b>444,803</b>	<b>6,741,855</b>	<b>23,674</b>	<b>4,829,110</b>	<b>18,488,197</b>



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

July 31, 2018

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Current Liabilities</b>							
Payroll Withholdings	41,682	0	0	0	0	0	41,682
Accrued Payroll	362,953	53,497	0	0	0	0	416,451
Deposits and Prepaid Assessments	2,390	8,600	0	0	0	0	10,990
Accounts Payable	71,500	65,993	0	403,696	0	0	541,188
Accrued Liabilities	12,584	0	0	0	0	0	12,584
ARB Coordinator Salary	4,785	0	0	0	0	0	4,785
Current Mortgage Payable	23,948	0	0	0	0	0	23,948
Deferred Revenue- Royalty Income- Cur	20,898	0	0	0	0	0	20,898
<b>Total Current Liabilities</b>	<b>540,741</b>	<b>128,090</b>	<b>0</b>	<b>403,696</b>	<b>0</b>	<b>0</b>	<b>1,072,526</b>
<b>Non-Current Liabilities</b>							
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
<b>Total Non-Current Liabilities</b>	<b>1,857,373</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,857,373</b>
<b>Fund Balance</b>							
Fund Balance	3,680,553	241,998	444,803	6,338,160	23,674	4,829,110	15,558,298
<b>Total Fund Balance</b>	<b>3,680,553</b>	<b>241,998</b>	<b>444,803</b>	<b>6,338,160</b>	<b>23,674</b>	<b>4,829,110</b>	<b>15,558,298</b>
<b>TOTAL LIABILITIES/FUNDS</b>	<b>6,078,666</b>	<b>370,088</b>	<b>444,803</b>	<b>6,741,855</b>	<b>23,674</b>	<b>4,829,110</b>	<b>18,488,197</b>



**Kiawah Island Community Association, Inc.**  
**Consolidated Income Statement with Budget Variances**  
for the Period Ending July 31, 2018

	YEAR-TO-DATE		Favorable (Unfavorable)		2018 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
<b>Revenues</b>						
Assessments	9,918,420	9,893,379	25,041	0.25%	9,899,642	(18,778)
Investment Income	64,246	68,892	(4,646)	(6.74)%	118,100	53,854
Contribution to Reserves	965,011	925,000	40,011	4.33%	1,500,000	534,989
Commercial Access Fees	1,243,281	1,218,417	24,865	2.04%	1,610,750	367,469
User Fees	54,002	47,542	6,460	13.59%	106,050	52,048
Other Income	481,796	391,050	90,746	23.21%	615,302	133,507
<b>Total Revenues</b>	<b>12,726,756</b>	<b>12,544,279</b>	<b>182,477</b>	<b>1.45%</b>	<b>13,849,845</b>	<b>1,123,088</b>
<b>Expenses</b>						
Payroll Expenses	3,479,306	3,607,896	128,590	3.56%	6,069,060	2,589,754
Building/Equipment R/M	283,565	295,391	11,826	4.00%	411,818	128,253
Common Area R/M	450,376	419,723	(30,653)	(7.30)%	590,601	140,225
Operating Expenses	1,356,980	1,573,549	216,569	13.76%	2,644,433	1,287,453
Capital Equipment Purchases	36,818	67,961	31,144	45.83%	97,128	60,310
Capital Projects - LCI	192,965	192,071	(894)	(0.47)%	273,092	80,127
Capital Projects - MRR	5,144,591	2,631,403	(2,513,187)	(95.51)%	3,812,195	(1,332,396)
Depreciation	237,965	324,213	86,248	26.60%	555,793	317,828
Interest Expense	32,563	38,539	5,976	15.51%	87,294	54,731
Other (Gains)/Losses	(138,969)	0	138,969	0.00%	0	138,969
<b>Total Expenses</b>	<b>11,076,160</b>	<b>9,150,746</b>	<b>(1,925,414)</b>	<b>(21.04)%</b>	<b>14,541,414</b>	<b>3,465,254</b>
Transfers						
Community Program Support	0	0	0	0	0	0
Interfund Transfers	0	0	0	0	0	0
Total Transfers	0	0	0	0	0	0
<b>BEGINNING FUND BALANCE</b>	<b>13,907,702</b>	<b>13,907,702</b>	<b>0</b>	<b>0.00%</b>	<b>13,907,702</b>	<b>0</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>1,650,596</b>	<b>3,393,533</b>	<b>(1,742,937)</b>	<b>(51.36)%</b>	<b>(691,570)</b>	<b>(2,342,166)</b>
<b>ENDING FUND BALANCE</b>	<b>15,558,298</b>	<b>17,301,235</b>	<b>(1,742,937)</b>	<b>(10.07)%</b>	<b>13,216,133</b>	<b>(2,342,166)</b>



# Kiawah Island Community Association, Inc.

## Income Statement

For Period Ending July 31, 2018

	General		Recreation		V-Gate		MRR		Preserve		Property		Total
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
<b>Revenues</b>													
Assessments	\$7,704,021	\$7,690,233	\$623,229	\$620,290	\$198,114	\$196,676	\$1,363,839	\$1,357,361	\$29,218	\$28,820	\$0	\$0	\$9,918,420
Investment Income	\$19,971	\$15,750	\$957	\$583	\$1,691	\$875	\$32,343	\$49,583	\$72	\$0	\$9,213	\$2,100	\$64,246
Contribution to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$965,011	\$925,000	\$0	\$0	\$0	\$0	\$965,011
Commercial Access Fees	\$993,279	\$926,750	\$0	\$0	\$0	\$0	\$250,002	\$291,667	\$0	\$0	\$0	\$0	\$1,243,281
User Fees	\$0	\$0	\$54,002	\$47,542	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,002
Other Income	\$327,566	\$332,437	\$154,229	\$58,613	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$481,796
<b>Total Revenues</b>	<b>\$9,044,838</b>	<b>\$8,965,170</b>	<b>\$832,417</b>	<b>\$727,028</b>	<b>\$199,805</b>	<b>\$197,551</b>	<b>\$2,611,195</b>	<b>\$2,623,611</b>	<b>\$29,289</b>	<b>\$28,820</b>	<b>\$9,213</b>	<b>\$2,100</b>	<b>\$12,726,756</b>
<b>Expenses</b>													
Payroll Expenses	\$3,094,504	\$3,199,098	\$291,927	\$315,924	\$92,874	\$92,874	\$0	\$0	\$0	\$0	\$0	\$0	\$3,479,306
Building/Equipment R/M	\$107,988	\$121,706	\$173,576	\$170,470	\$2,001	\$3,215	\$0	\$0	\$0	\$0	\$0	\$0	\$283,565
Common Area R/M	\$402,066	\$380,278	\$34,334	\$23,975	\$0	\$1,470	\$0	\$0	\$13,976	\$14,000	\$0	\$0	\$450,376
Operating Expenses	\$1,087,804	\$1,325,149	\$249,760	\$231,125	\$19,417	\$17,275	\$0	\$0	\$0	\$0	\$0	\$0	\$1,356,980
Capital Equipment Purchases	\$0	\$15,561	\$0	\$11,567	\$0	\$0	\$0	\$0	\$0	\$0	\$36,818	\$40,833	\$36,818
Capital Projects - LCI	\$0	\$0	\$0	\$0	\$0	\$0	\$187,103	\$182,951	\$5,863	\$9,120	\$0	\$0	\$192,965
Capital Projects - MRR	\$0	\$0	\$0	\$0	\$0	\$0	\$5,144,591	\$2,631,403	\$0	\$0	\$0	\$0	\$5,144,591
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$237,965	\$324,213	\$237,965
Interest Expense	\$32,563	\$38,539	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,563
Other (Gains)/Losses	(\$191,969)	\$0	\$3,240	\$0	\$2,214	\$0	\$50,017	\$0	\$0	\$0	(\$2,470)	\$0	(\$138,969)
<b>Total Expenses</b>	<b>\$4,532,957</b>	<b>\$5,080,330</b>	<b>\$752,837</b>	<b>\$753,061</b>	<b>\$116,505</b>	<b>\$114,834</b>	<b>\$5,381,711</b>	<b>\$2,814,354</b>	<b>\$19,839</b>	<b>\$23,120</b>	<b>\$272,312</b>	<b>\$365,046</b>	<b>\$11,076,160</b>
<b>Transfers</b>													
Community Program Support	\$204,167	\$204,167	(\$204,167)	(\$204,167)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers	\$3,562,014	\$0	\$108,451	\$0	\$0	\$0	(\$3,374,531)	\$0	\$0	\$0	(\$295,934)	\$0	\$0
<b>Total Transfers</b>	<b>\$3,766,180</b>	<b>\$204,167</b>	<b>(\$95,716)</b>	<b>(\$204,167)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,374,531)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$295,934)</b>	<b>\$0</b>	<b>\$0</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$2,934,852</b>	<b>\$0</b>	<b>\$66,703</b>	<b>\$0</b>	<b>\$361,504</b>	<b>\$0</b>	<b>\$5,734,144</b>	<b>\$0</b>	<b>\$14,223</b>	<b>\$0</b>	<b>\$4,796,276</b>	<b>\$0</b>	<b>\$13,907,702</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$745,700</b>	<b>\$0</b>	<b>\$175,296</b>	<b>\$0</b>	<b>\$83,300</b>	<b>\$0</b>	<b>\$604,015</b>	<b>\$0</b>	<b>\$9,451</b>	<b>\$0</b>	<b>\$32,834</b>	<b>\$0</b>	<b>\$1,650,596</b>
<b>ENDING FUND BALANCE</b>	<b>\$3,680,553</b>	<b>\$0</b>	<b>\$241,998</b>	<b>\$0</b>	<b>\$444,803</b>	<b>\$0</b>	<b>\$6,338,160</b>	<b>\$0</b>	<b>\$23,674</b>	<b>\$0</b>	<b>\$4,829,110</b>	<b>\$0</b>	<b>\$15,558,298</b>