



Variance Analysis

For Five Months Ending May 31, 2017

Total Revenues: Actual revenues for the first quarter of 2017 were \$11,934,601 versus a budget of \$11,781,840.

Assessments of \$9,796,820 were in line with budget.

Contributions to Reserves for May were \$100,051. The year-to-date CTR total at May 31 was \$557,157 which put actual \$17,843 behind the \$575,000 budgeted.

- The CTR estimate for June is \$165,000.

Commercial Access Fees as of May 31 totaled \$1,085,170 which was \$66,232 ahead of the \$1,018,938 budgeted. Commercial access fee activity is the result, in large part, of construction activity on the island. At May 31, 2017, there were 95 new homes under construction. At May 31, 2016 and 2015, there were 88 and 71 new homes under construction, respectively.

Pool Initiation Fees include the amenity initiation fee charged on properties following the sale of lots previously held in inventory by the developer or assessed when a property is reclassified from Unimproved to Improved. The actual number of lots sold by the developer exceeded KICA estimates for the first five months of the year. As a result, the actual pool initiation revenue of \$31,730 exceeds budget by \$13,917 or 78%.

Total Expenses through May 31 were \$7,361,645 versus a budget of \$7,530,613 for a favorable variance of \$168,968 or 2.24%. Actual expenses for the five months include \$707,275 of unbudgeted costs related to Hurricane Matthew.

Payroll and benefits expenses of \$2,451,327 were in line with the year-to-date budget amount of \$2,491,416.

Repairs and Maintenance – Through May 31, Building Repairs and Maintenance totaled \$137,274 or 46% below the budget of \$254,382. The savings to date are primarily due to the postponement of painting at the Sandcastle and the timing of repairs and maintenance at the main gate and at the maintenance building.

Common Area Repairs and Maintenance expenses of \$587,166 exceeded budget by \$194,172. The overage is attributed to unbudgeted costs related to Hurricane Matthew which totaled \$262,543 for the first five months of 2017.

Variance Analysis
For Five Months Ending May 31, 2017

Operating/Administrative expenses of \$1,047,816 finished May below budget by \$124,847 or 10.65%; primarily due to temporary savings in administrative expenses of \$34,999, in utilities of \$59,026, and delays in IT purchases which finished the period \$51,761 below budget. Lower than budget amounts in these areas helped offset overages for workers compensation insurance, legal fees, and the 2017 annual meeting. The recently publicized increase in water rates will likely reverse the under-budget trend for utilities during the second half of 2017.

Landscape Capital Projects and Major Repairs and Replacements – Landscape Capital Improvements finished May \$62,974 under the budget amount of \$163,983 due to changes to the schedule of projects and major purchase delays.

Major Repairs and Replacements of \$2,779,153 finished May in line with budget despite the \$444,731 of unbudgeted Hurricane Matthew repairs and replacements in the following categories:

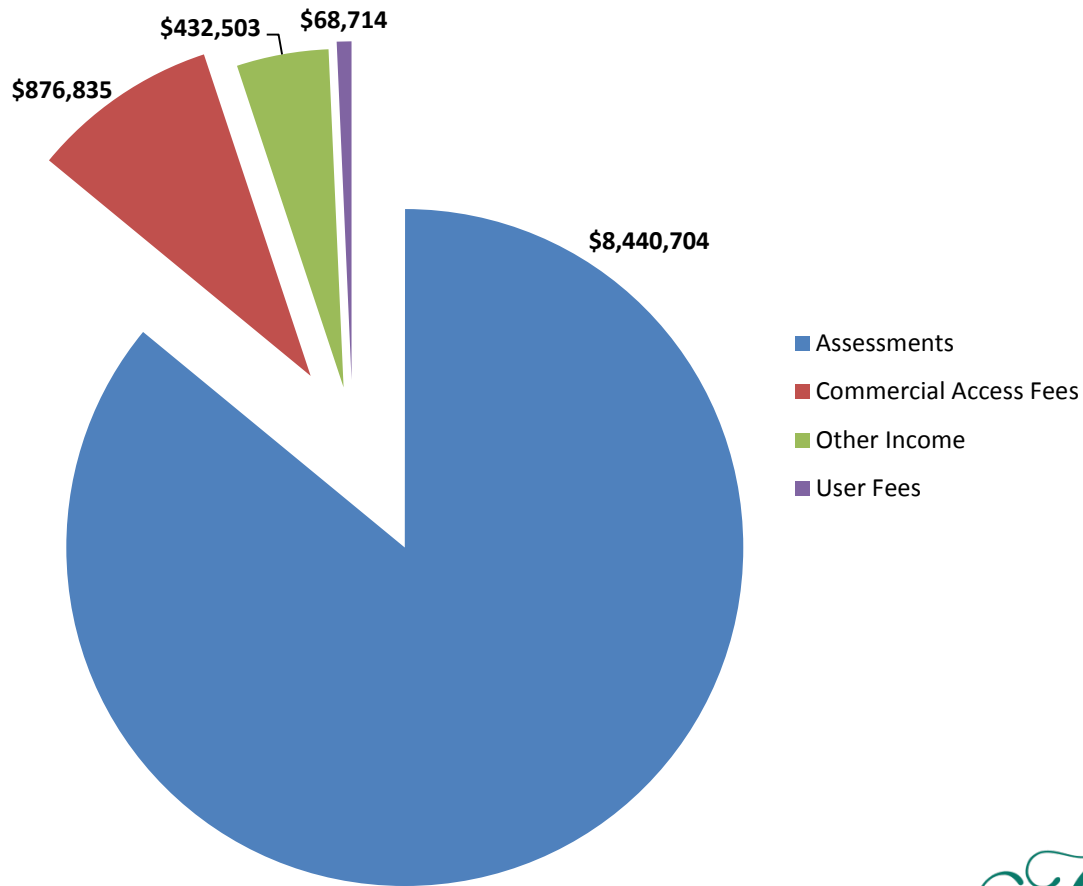
- \$252,004 – Boardwalks
- \$122,727 – Drainage
- \$70,000 – Rhett’s Bluff Dock

Major Repair projects completed in May include:

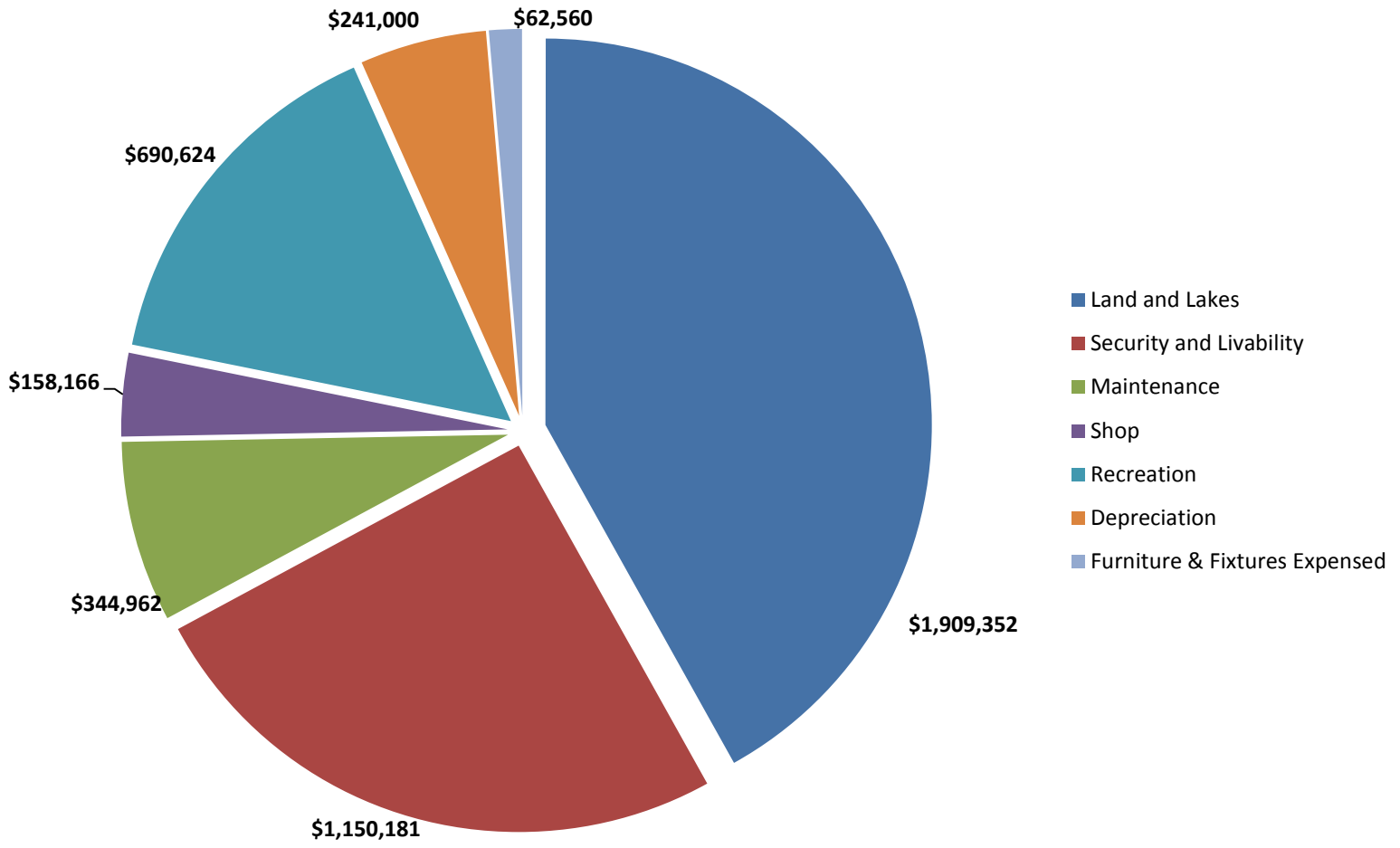
- Summer Islands Bridge Repairs - Total Cost \$389,440
- Leisure Trail Repairs along Surfwatch, Kiawah Island Parkway, and Governor’s Drive – Total Cost \$66,250
- Reconstruction of Boardwalk 27 – Total Cost \$35,000
- Curbing Repairs in multiple locations – Total Cost \$26,584

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

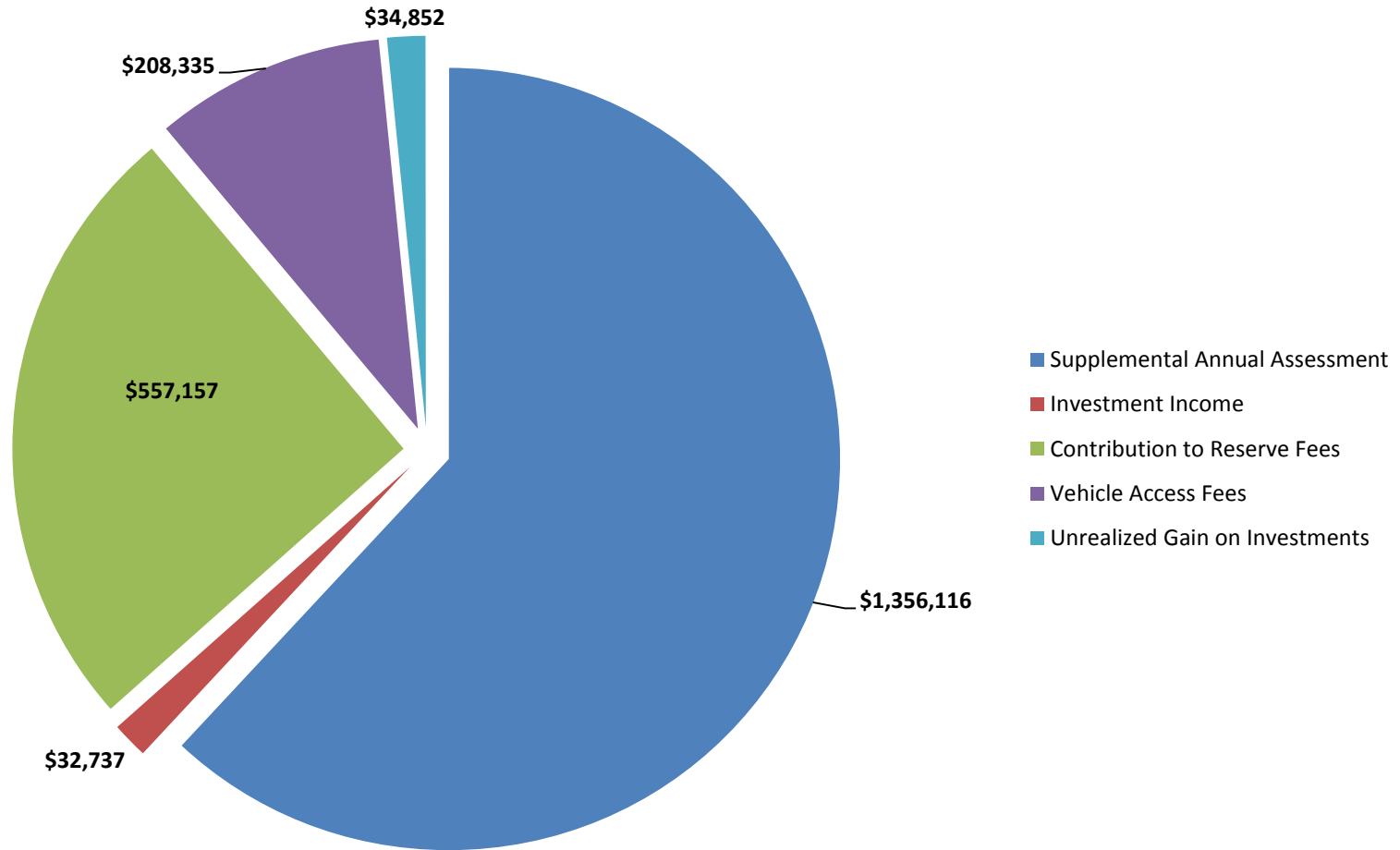
Operating Revenue to May 31, 2017



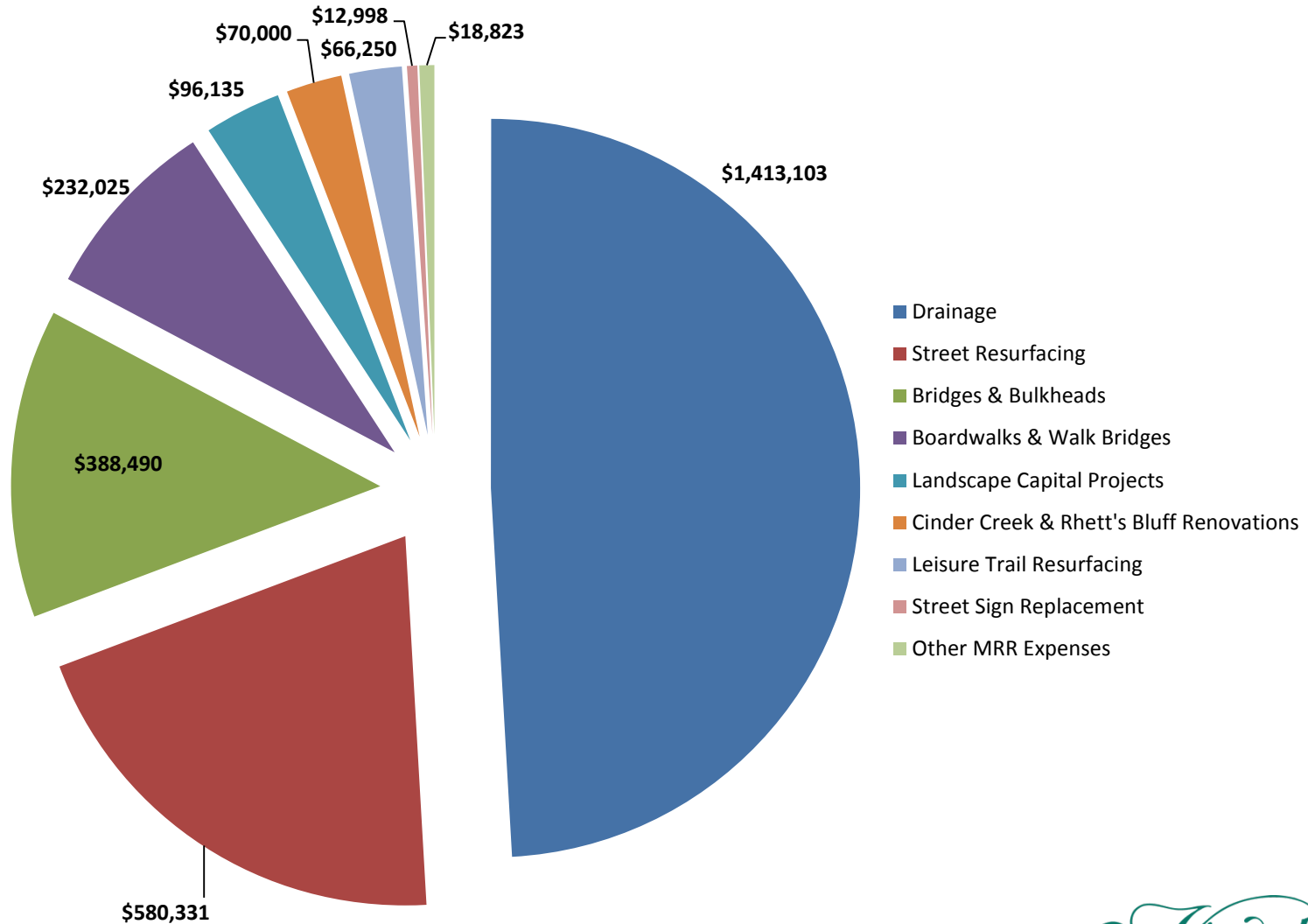
Operating Expenses to May 31, 2017



MRR Revenue to May 31, 2017



MRR Expenses to May 31, 2017



Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

May 31, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
ASSETS							
Current Assets							
Cash and Cash Equivalents	260,549	0	0	0	0	0	260,549
Money Market Funds	10,190,445	462,829	504,086	523,317	6,563	1,507,252	13,194,492
CD's	0	0	0	450,000	0	0	450,000
Interest Receivable	0	0	0	34,208	0	0	34,208
Accounts Receivable	72,633	15,256	804	27,441	180	0	116,315
Accounts Receivable- Other	4,583	(2,795)	0	0	0	0	1,788
Royalty Receivable	37,500	0	0	0	0	0	37,500
Prepaid Expenses	31,092	10,358	0	117,591	0	0	159,041
Total Current Assets	10,596,803	485,648	504,890	1,152,558	6,743	1,507,252	14,253,894
Fixed Assets							
Equipment & Furniture	0	0	0	0	0	1,489,392	1,489,392
Trucks and Trailers	0	0	0	0	0	831,228	831,228
Pool Furniture	0	0	0	0	0	9,381	9,381
Bathhouse and Pool Area	0	0	0	0	0	156,417	156,417
Property Owners' Pool	0	0	0	0	0	817,494	817,494
Buildings	0	0	0	0	0	8,157,532	8,157,532
Land Improvements	0	0	0	0	0	95,697	95,697
Land	0	0	0	0	0	40,253	40,253
Accumulated Depreciation	0	0	0	0	0	(4,932,281)	(4,932,281)
Total Fixed Assets	0	0	0	0	0	6,665,114	6,665,114
Other Assets							
Treasury Investments > 1 Yr	0	0	0	567,578	0	0	567,578
Corporate Bonds	0	0	0	4,200,000	0	0	4,200,000
Corporate Bond Premium	0	0	0	99,772	0	0	99,772
Unrealized Gain/Loss on Investments	0	0	0	22,812	0	0	22,812
Total Other Assets	0	0	0	4,890,162	0	0	4,890,162
TOTAL ASSETS	10,596,803	485,648	504,890	6,042,719	6,743	8,172,366	25,809,170

Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

May 31, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
LIABILITIES AND FUND BALANCE							
Current Liabilities							
Payroll Withholdings	37,951	0	0	0	0	0	37,951
Accrued Payroll	285,306	41,125	0	0	0	0	326,431
Deposits and Prepaid Assessments	2,603	17,905	0	0	0	0	20,508
Accounts Payable	48,929	13,414	0	27,314	0	0	89,657
ARB Coordinator Salary	3,764	0	0	0	0	0	3,764
Current Mortgage Payable	31,393	0	0	0	0	0	31,393
Deferred Revenue- Royalty Income- Cur	29,258	0	0	0	0	0	29,258
Total Current Liabilities	439,203	72,444	0	27,314	0	0	538,961
Non-Current Liabilities							
Deferred Revenue- Royalty Income	451,407	0	0	0	0	0	451,407
LT Mortgage Payable	1,512,590	0	0	0	0	0	1,512,590
Total Non-Current Liabilities	1,963,997	0	0	0	0	0	1,963,997
Fund Balance							
Fund Balance	8,193,603	413,204	504,890	6,015,405	6,743	8,172,366	23,306,212
Total Fund Balance	8,193,603	413,204	504,890	6,015,405	6,743	8,172,366	23,306,212
TOTAL LIABILITIES/FUNDS	10,596,803	485,648	504,890	6,042,719	6,743	8,172,366	25,809,170

Kiawah Island Community Association, Inc.
Consolidated Income Statement with Budget Variances
for the Period Ending May 31, 2017

	YEAR-TO-DATE		Favorable (Unfavorable)		2017 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
Revenues						
Assessments	9,796,820	9,773,158	23,662	0.24%	9,792,395	(4,425)
Investment Income	45,507	41,648	3,859	9.27%	99,955	54,448
Contribution to Reserves	557,157	575,000	(17,843)	(3.10)%	1,500,000	942,843
Commercial Access Fees	1,085,170	1,018,938	66,232	6.50%	1,610,750	525,580
User Fees	68,714	61,898	6,816	11.01%	172,650	103,936
Pool Initiation Fees	31,730	17,813	13,917	78.12%	52,605	20,875
Other Income	349,503	293,384	56,118	19.13%	716,521	367,018
Total Revenues	11,934,601	11,781,840	152,761	1.30%	13,944,876	2,010,275
Expenses						
Payroll Expenses	2,451,327	2,491,416	40,090	1.61%	5,858,481	3,407,154
Building/Equipment R/M	137,274	254,382	117,108	46.04%	432,461	295,187
Common Area R/M	587,166	392,994	(194,172)	(49.41)%	630,327	43,161
Operating Expenses	1,047,816	1,172,663	124,847	10.65%	2,548,106	1,500,289
Capital Equipment Purchases	62,560	0	(62,559)	-	0	(62,559)
Capital Projects - LCI	101,010	163,983	62,974	38.40%	325,400	224,391
Capital Projects - MRR	2,779,153	2,782,804	3,651	0.13%	3,484,528	705,375
Depreciation	241,000	206,250	(34,750)	(16.85)%	495,000	254,000
Interest Expense	24,825	24,620	(205)	(0.83)%	58,510	33,685
(Gain)/Loss on Sale of Assets	(70,485)	41,500	111,985	269.84%	41,500	111,985
Total Expenses	7,361,645	7,530,613	168,968	2.24%	13,874,313	6,512,667
Transfers						
Community Programs Support	95,835	95,833	(2)	0.00%	230,000	134,165
Community Programs Support	(95,835)	(95,833)	2	0.00%	(230,000)	(134,165)
Transfer Fixed Assets	(236,195)	0	236,195	0.00%	0	236,195
Transfer Fixed Assets	217,835	0	(217,835)	0.00%	0	(217,835)
Transfer Fixed Assets	18,360	0	(18,360)	0.00%	0	(18,360)
Total Transfers	0	0	0	0.00%	0	0
BEGINNING FUND BALANCE	18,733,256	18,733,256	0	0.00%	18,733,256	0
NET SURPLUS/(DEFICIT)	4,572,956	4,251,226	321,729	7.57%	70,564	(4,502,392)
ENDING FUND BALANCE	23,306,212	22,984,482	321,729	1.40%	18,803,820	(4,502,392)

Kiawah Island Community Association, Inc.

Income Statement

YTD as of May 31, 2017

	General		Recreation		V-Gate		MRR		Preserve		Property		Total
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
Revenues													
Assessments	\$7,629,956.86	\$7,616,495.66	\$586,861.37	\$587,825.58	\$200,634.68	\$194,637.65	\$1,356,115.83	\$1,350,888.78	\$23,250.95	\$23,310.00	\$0.00	\$0.00	\$9,796,819.69
Investment Income	\$9,838.21	\$20,000.00	\$571.03	\$1,708.35	\$572.71	\$1,145.85	\$32,737.27	\$18,750.00	\$15.56	\$43.75	\$1,772.34	\$0.00	\$45,507.12
Contribution to Reserves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$557,157.29	\$575,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$557,157.29
Commercial Access Fees	\$876,835.00	\$810,605.00	\$0.00	\$0.00	\$0.00	\$0.00	\$208,335.00	\$208,333.35	\$0.00	\$0.00	\$0.00	\$0.00	\$1,085,170.00
User Fees	\$23,555.00	\$15,370.85	\$45,159.00	\$46,527.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$68,714.00
Pool Initiation Fees	\$0.00	\$0.00	\$31,730.00	\$17,813.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,730.00
Other Income	\$334,439.85	\$286,760.35	\$15,062.90	\$6,624.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$349,502.75
Total Revenues	\$8,874,624.92	\$8,749,231.86	\$679,384.30	\$660,498.38	\$201,207.39	\$195,783.50	\$2,154,345.39	\$2,152,972.13	\$23,266.51	\$23,353.75	\$1,772.34	\$0.00	\$11,934,600.85
Expenses													
Payroll Expenses	\$2,172,195.53	\$2,215,305.82	\$215,086.26	\$212,066.50	\$64,045.00	\$64,044.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,451,326.79
Building/Equipment R/M	\$66,601.46	\$110,533.86	\$70,491.17	\$139,824.98	\$181.00	\$4,022.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$137,273.63
Common Area R/M	\$555,318.12	\$370,111.05	\$18,831.22	\$16,833.30	\$0.00	\$1,050.00	\$0.00	\$0.00	\$13,016.53	\$5,000.00	\$0.00	\$0.00	\$587,165.87
Operating Expenses	\$888,841.45	\$1,017,762.19	\$152,355.65	\$149,518.25	\$6,619.39	\$5,383.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,047,816.49
Capital Equipment Purchases	\$0.00	\$0.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$62,559.57	\$0.00	\$62,559.57
Capital Projects - LCI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,134.54	\$155,583.35	\$4,875.00	\$8,400.00	\$0.00	\$0.00	\$101,009.54
Capital Projects - MRR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,779,152.76	\$2,782,804.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,779,152.76
Depreciation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$241,000.23	\$206,250.00	\$241,000.23
Interest Expense	\$24,824.98	\$24,620.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,824.98
(Gain)/Loss on Sale of Assets	(\$38,500.00)	\$41,500.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$31,984.66)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$70,484.66)
Total Expenses	\$3,669,281.54	\$3,779,833.00	\$456,764.30	\$518,243.03	\$70,845.39	\$74,499.97	\$2,843,302.64	\$2,938,387.35	\$17,891.53	\$13,400.00	\$303,559.80	\$206,250.00	\$7,361,645.20
Transfers													
Transfer Fixed Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$236,195.33)	\$0.00	(\$236,195.33)
Community Programs Support	\$95,835.00	\$95,833.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,835.00
Transfer Fixed Assets	\$217,835.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$217,835.06
Community Programs Support	\$0.00	\$0.00	(\$95,835.00)	(\$95,833.35)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$95,835.00)
Transfer Fixed Assets	\$0.00	\$0.00	\$18,360.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,360.27
Total Transfers	\$313,670.06	\$95,833.35	(\$77,474.73)	(\$95,833.35)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$236,195.33)	\$0.00	\$0.00
BEGINNING FUND BALANCE	\$3,301,930.09	\$0.00	\$113,109.20	\$0.00	\$374,527.99	\$0.00	\$6,704,362.61	\$0.00	\$1,368.05	\$0.00	\$8,237,957.98	\$0.00	\$18,733,255.92
NET SURPLUS/(DEFICIT)	\$4,891,673.32	\$0.00	\$300,094.73	\$0.00	\$130,362.00	\$0.00	(\$688,957.25)	\$0.00	\$5,374.98	\$0.00	(\$65,592.13)	\$0.00	\$4,572,955.65
ENDING FUND BALANCE	\$8,193,603.41	\$0.00	\$413,203.93	\$0.00	\$504,889.99	\$0.00	\$6,015,405.36	\$0.00	\$6,743.03	\$0.00	\$8,172,365.85	\$0.00	\$23,306,211.57