



# **Monthly Financial Results**

As of October 31, 2018



## Variance Analysis – October 31, 2018

**Total Revenues:** Actual revenues of \$13,618,882 are in line with the \$13,447,287 budgeted for the ten months ending October 31, 2018.

**2018 Assessments** of \$9,921,382 are in line with budget.

**Contributions to Reserve** for October of \$116,426 were above the \$75,000 budgeted for the month. Year-to-date Contributions to Reserve of \$1,267,875 are below the \$1,350,000 budgeted.

- The Contribution to Reserve estimate for November of 2018 is \$200,000.
- For the prior year, at October 31, 2017, Contributions to Reserve totaled \$1,224,922.

**Commercial Access Fees** through October 31, 2018 total \$1,515,255 and are 3.33% ahead of the \$1,466,417 budgeted.

- Access fees for the first ten months of 2017 totaled \$1,455,303.

**Total Expenses** through October 31 are \$14,824,025 versus a budget of \$12,551,377. The unfavorable variance largely results from \$3,669,233 of expenses related to the Sandcastle renovation which are not part of the budget for 2018 operations. See the end of this narrative for more information on the Sandcastle project.

**Payroll and benefits** expenses of \$4,998,200 finished October in line with the \$5,040,317 budgeted.

**Building Repairs and Maintenance** expenses through October 31 are \$426,914 or 14.92% above the budgeted amount of \$371,502. The variance is largely attributed to \$51,682 in costs related to the temporary fitness facility.

**Common Area Repairs and Maintenance** through October 31 totaled \$560,040 or 5.91% over the \$528,794 budgeted. The overage is the result of

- \$57,615 in unbudgeted arborist and clean-up costs related to the January snow and ice storm
- \$31,363 in unbudgeted drainage, arborist and debris removal costs related to Hurricanes Florence and Michael.
- An overage of \$18,765 in fitness class expenses. Historically, expenses related to fitness instruction have been split between payroll and contracted services. For 2018, the majority of these



services have been transitioned to contracted services. The \$18,765 overage is offset by a \$19,657 lower-than-budget fitness payroll amount.

These overages are offset by timing differences in Land and Lakes chemicals and Lakes contracted services which are currently below budget, but are expected to finish the year on budget.

**Operating/Administrative** expenses of \$2,101,085 through October 31 are \$93,947 below the budget of \$2,195,032. The positive variance results from the following:

- Lower than anticipated water and electricity usage
- Lower than budgeted legal fees
- Permanent savings in KICA's annual meeting costs
- Lower than budgeted IT expenses – a significant percentage of these costs will occur in the last two months of 2018
- Permanent savings in worker's compensation and liability insurance.

**Landscape Capital Projects and Major Repairs and Replacements** – Landscape Capital Improvement expenses for the first ten months of the year are \$234,227 which is \$18,901 less than the \$253,128 budgeted.

Remaining 2018 Landscape Capital Projects include \$17,500 in overpass replanting. The current expectation is that LCI will end the year \$20,000 below budget.

**Major Repairs and Replacements (MRR)** finished October totaling \$6,126,175 or \$2,635,997 over the budget of \$3,490,178. Year to date, transfers of operating surpluses to the Reserve Fund equal \$3,691,650. Those transfers make the Reserve Fund whole for unbudgeted Sandcastle expenses and some remaining expenses related to Tropical Storm Irma.

Total MRR expenses include \$3,669,233 of unbudgeted expenses related to the Sandcastle renovation. If Sandcastle expenses were removed from the MRR comparison, actual repairs and replacements are \$1,033,236 below the amounts budgeted at October 31. 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 and now delays with the contractor have impacted the project timing. Bridges and Bulkhead Repairs finished October \$136,750 below budget, but expectations are that the account will end the year at or over budget as a result of pending project design changes.



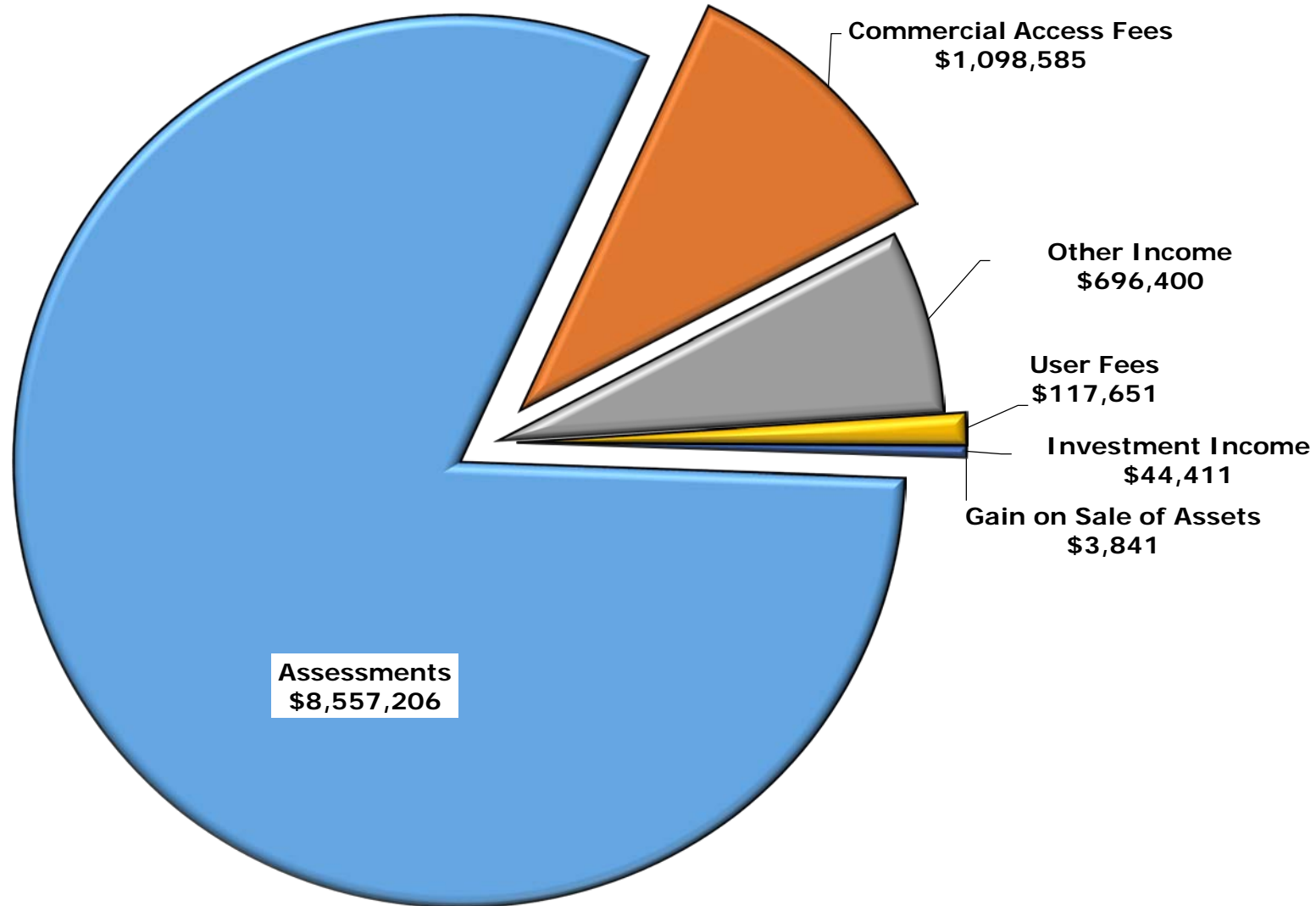
- The rebuild of Boardwalk 8A near the Sandcastle was budgeted for \$70,000, but the project was completed at a cost of \$29,632 for a permanent savings of \$40,368.
- The absence of actual emergency expenses which were budgeted at \$83,333 through October 31.
- At October 31, the Street Resurfacing account was \$485,389 below budget and is expected to end the year with a \$400,000 positive variance following a delay in the street rejuvenation project. That project has been rescheduled for 2019 in order to allow more time for evaluation of the product.
- Drainage, Miscellaneous Drainage and Infrastructure Inspections combined to end October \$192,033 under budget and are expected to finish 2018 \$28,000 below budget.
- Leisure Trail Resurfacing and upgrades to the Maintenance sites combined to finish October \$48,241 below budget as a result of changes to project timing, but are expected to end the year on budget.

At October 31, the **Sandcastle renovation** is near completion. To date, \$4,696,695 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.

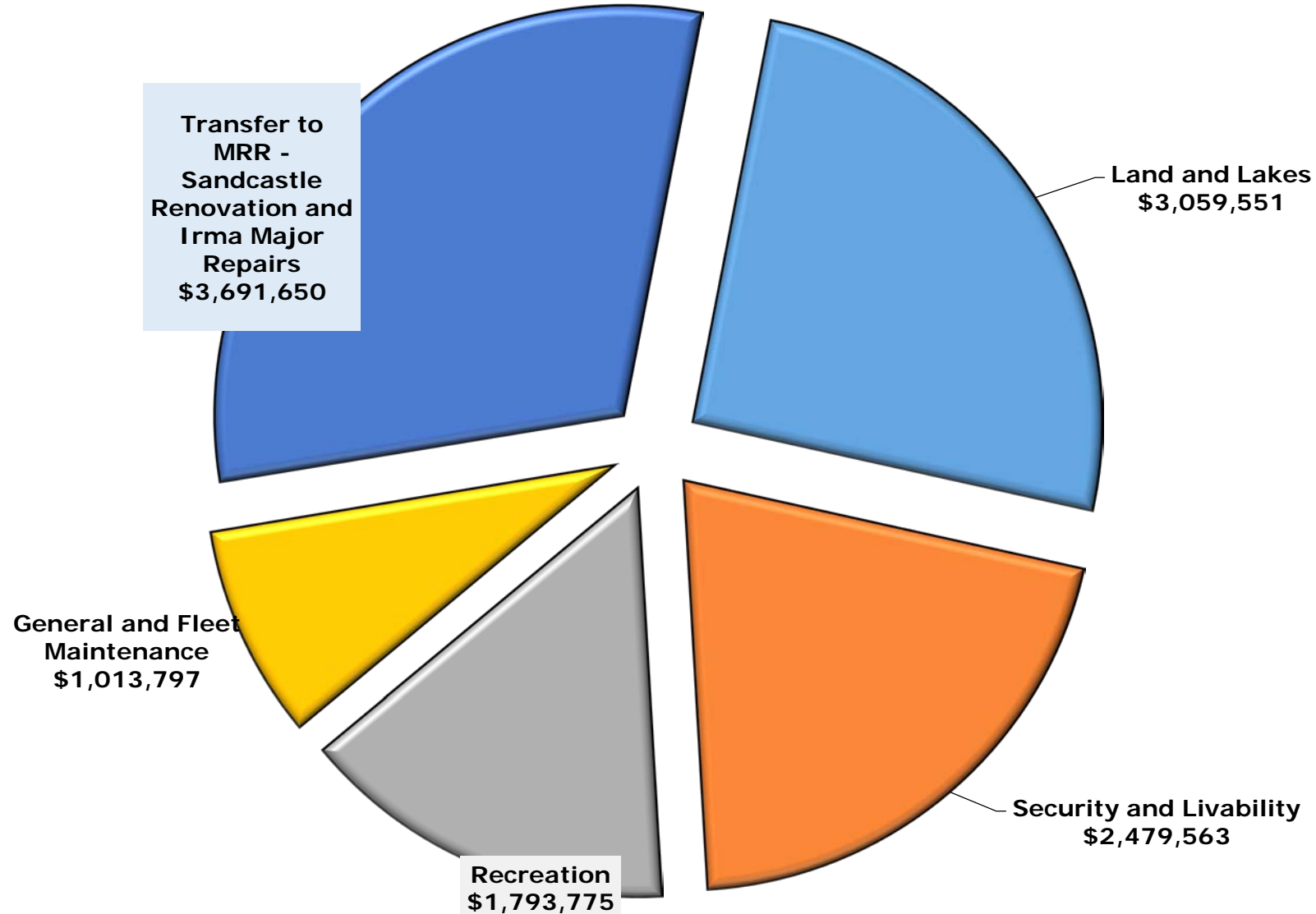
When completed, renovation costs are expected to total \$5,252,245 which represents a 5.3% overage as compared to the \$4,986,635 estimated when the contract was awarded in October of 2017. Disbursements through October 31 have been funded from prior year surpluses as well as by the 2017 and 2018 budgets.

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.

# Operating Revenue to October 31, 2018

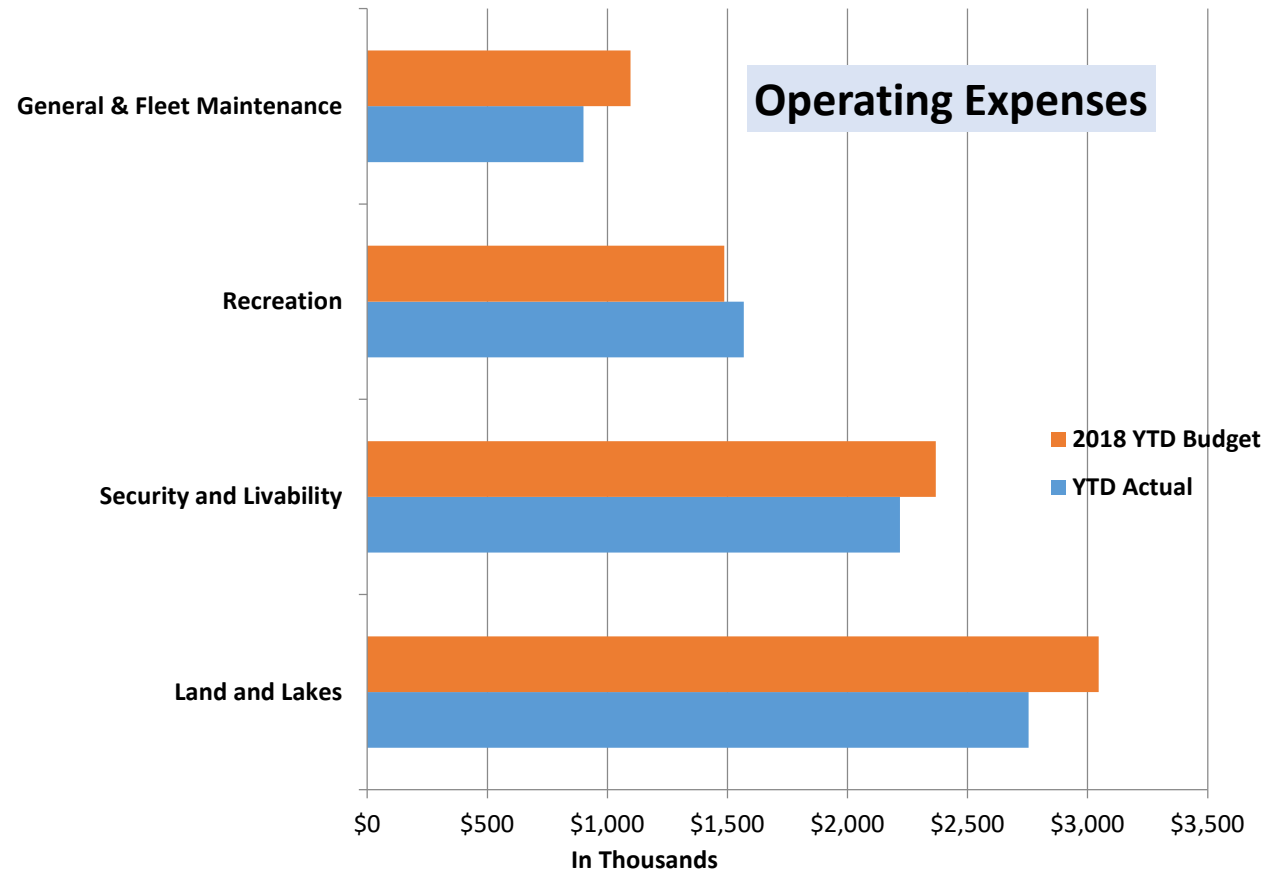
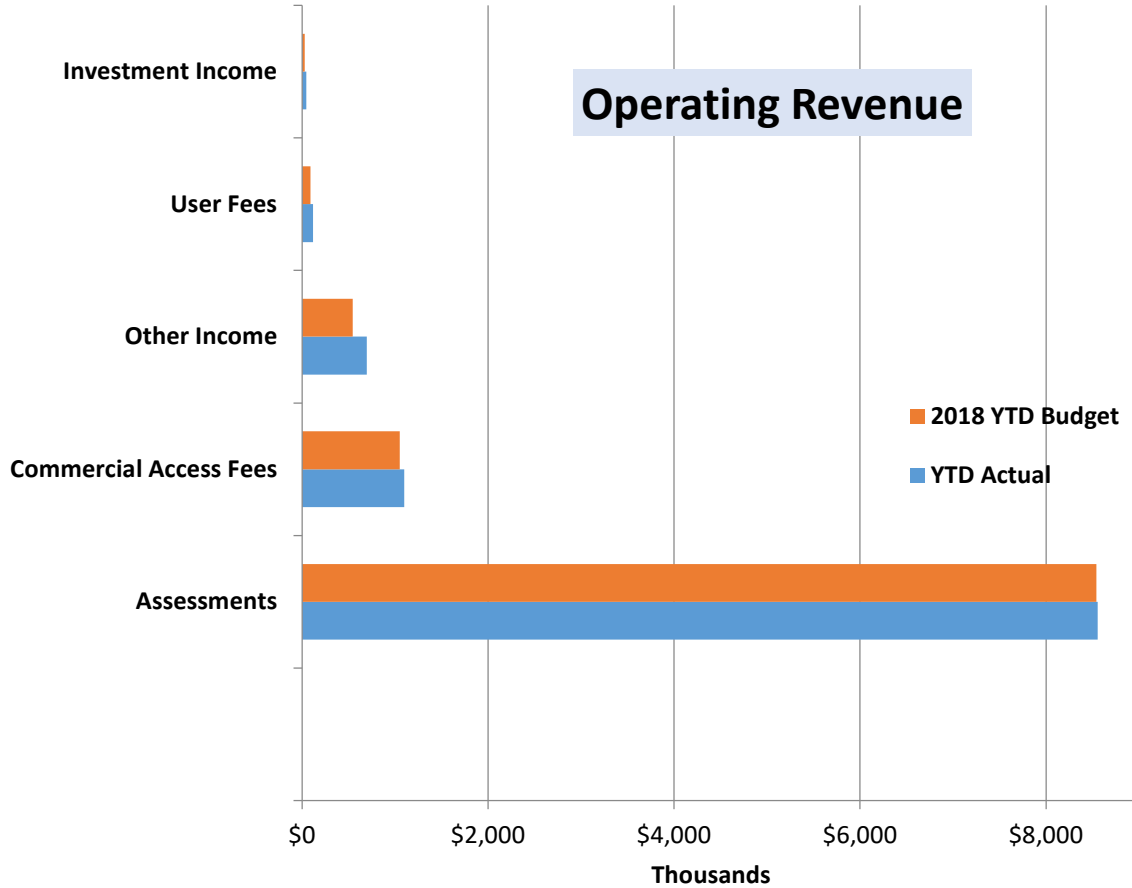


# Operating Expenses to October 31, 2018



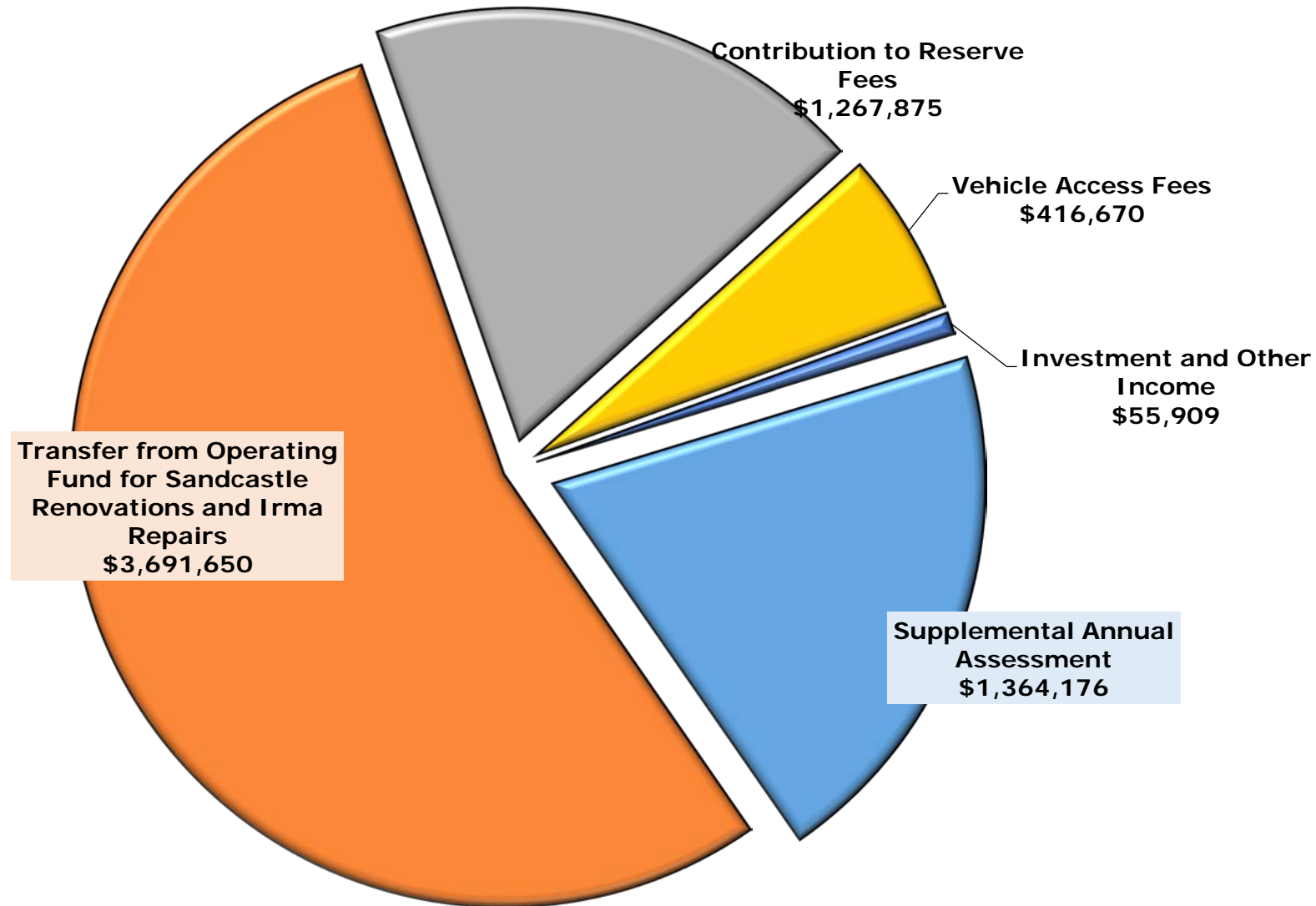


# Operating Budget to Actual Comparison as of October 31, 2018



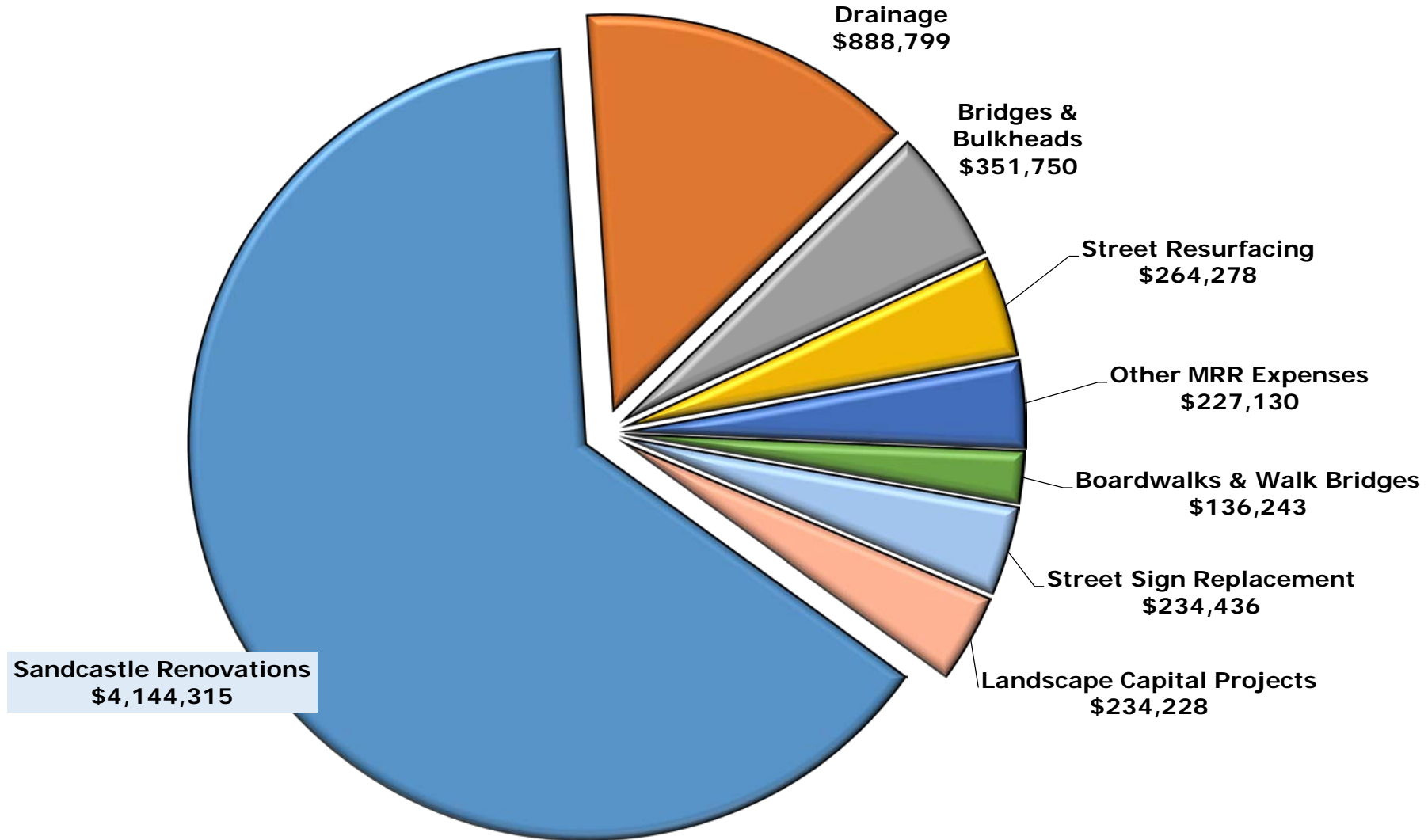
Note – excludes transfers to or from MRR Reserve Fund.

# MRR Revenue to October 31, 2018



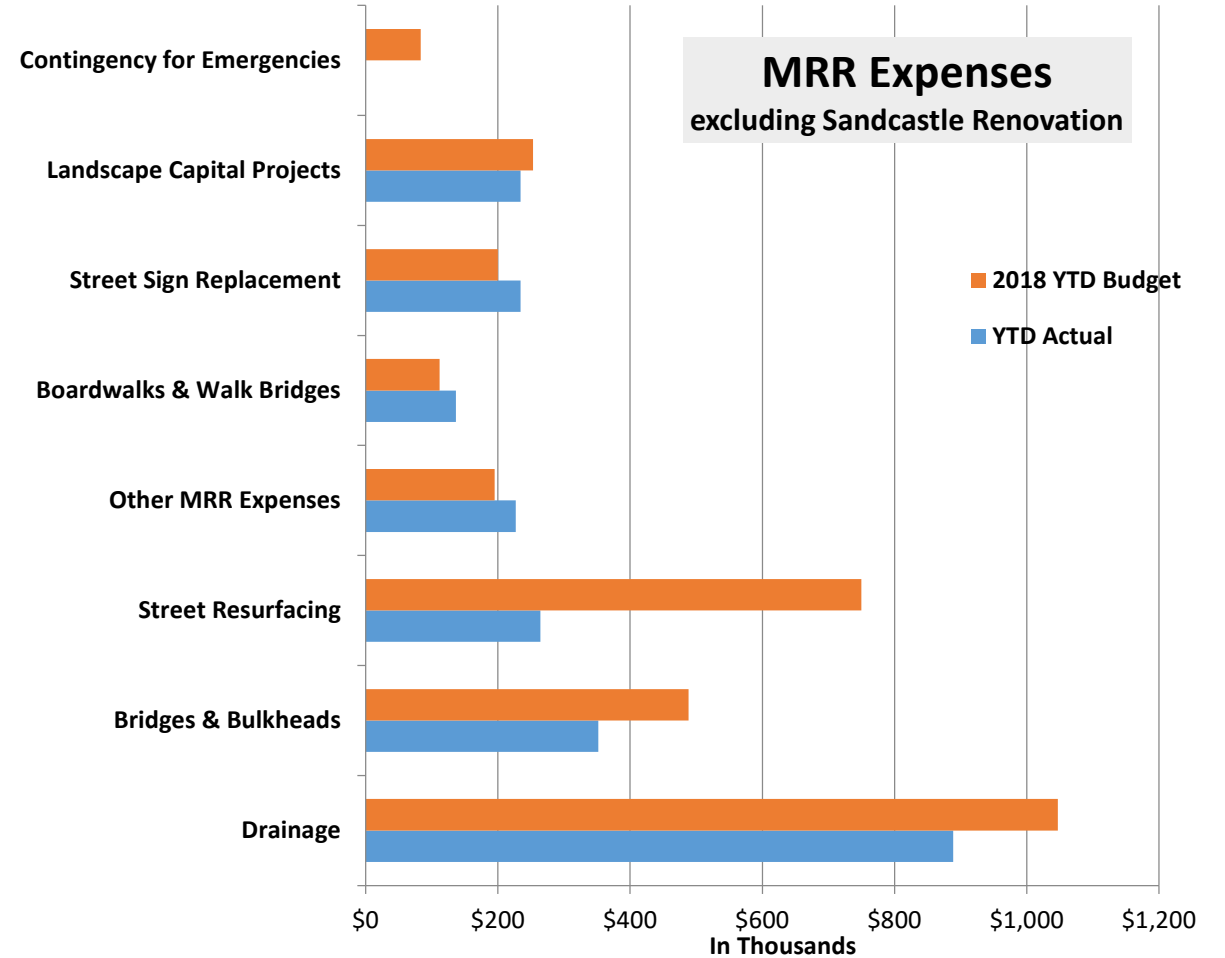
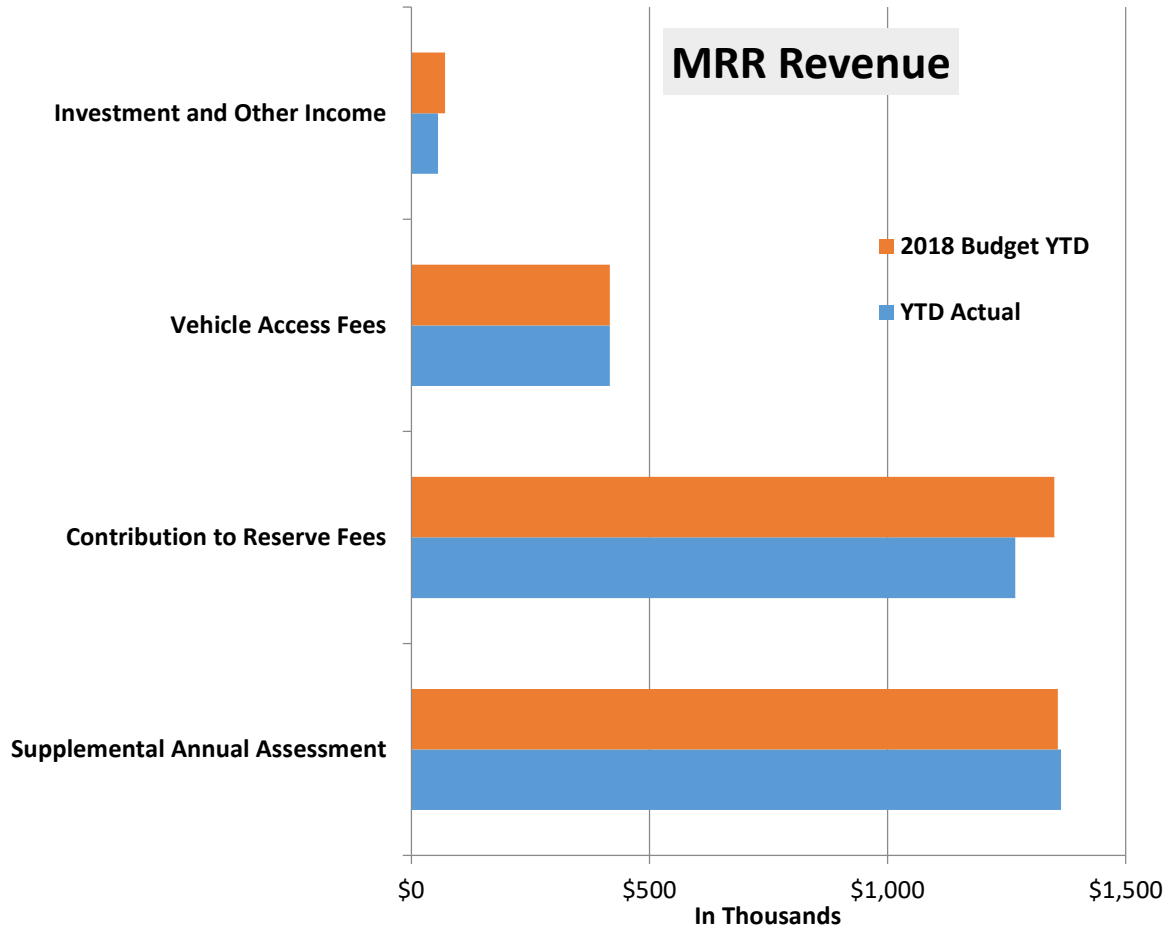


# MRR Expenses to October 31, 2018





# MRR Budget to Actual Comparison as of October 31, 2018



Note – excludes transfers to or from the Operating Fund.



**Kiawah Island Community Association, Inc.**

**Consolidated Balance Sheet**

October 31, 2018

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	523,988	0	0	0	0	0	523,988
Money Market Funds	3,083,652	34,930	110,985	269,815	10,528	545,520	4,055,430
CD's	0	0	62,500	1,062,500	0	125,000	1,250,000
Interest Receivable	0	0	1,906	27,996	0	3,813	33,715
Accounts Receivable	(4,850)	46,534	240	34,615	0	0	76,538
Accounts Receivable- Other	188	0	0	0	0	0	188
Royalty Receivable	37,500	0	0	0	0	0	37,500
Prepaid Expenses	154,987	9,506	0	28,194	0	0	192,687
<b>Total Current Assets</b>	<b>3,795,465</b>	<b>90,970</b>	<b>175,631</b>	<b>1,423,119</b>	<b>10,528</b>	<b>674,333</b>	<b>6,170,046</b>
<b>Fixed Assets</b>							
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	68,403	68,403
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	(2,396,152)	(2,396,152)
<b>Total Fixed Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,231,840</b>	<b>3,231,840</b>
<b>Other Assets</b>							
Treasury Investments > 1 Yr	0	0	28,231	479,920	0	56,461	564,612
Mutual Fund Investments	0	0	34,522	1,697,389	0	527,997	2,259,908
Corporate Bonds	0	0	160,000	2,720,000	0	320,000	3,200,000
Corporate Bond Premium	0	0	2,287	38,871	0	4,573	45,730
Unrealized Gain/Loss on Investments	0	0	(7,287)	(151,628)	0	(26,044)	(184,958)
<b>Total Other Assets</b>	<b>0</b>	<b>0</b>	<b>217,753</b>	<b>4,784,552</b>	<b>0</b>	<b>882,987</b>	<b>5,885,292</b>
<b>TOTAL ASSETS</b>	<b>3,795,465</b>	<b>90,970</b>	<b>393,384</b>	<b>6,207,671</b>	<b>10,528</b>	<b>4,789,160</b>	<b>15,287,178</b>



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

October 31, 2018

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Current Liabilities</b>							
Payroll Withholdings	77,194	0	0	0	0	0	77,194
Accrued Payroll	320,097	43,225	0	0	0	0	363,322
Deposits and Prepaid Assessments	5,268	33,758	0	0	0	0	39,025
Accounts Payable	32,240	37,140	0	127,850	0	0	197,230
Accrued Liabilities	15,647	0	0	11,541	0	0	27,188
ARB Coordinator Salary	5,113	0	0	0	0	0	5,113
Current Mortgage Payable	9,815	0	0	0	0	0	9,815
Deferred Revenue- Royalty Income- Cur	8,359	0	0	0	0	0	8,359
<b>Total Current Liabilities</b>	<b>473,732</b>	<b>114,122</b>	<b>0</b>	<b>139,391</b>	<b>0</b>	<b>0</b>	<b>727,245</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	1,464,360	(23,152)	393,384	6,068,279	10,528	4,789,160	12,702,560
<b>Total Fund Balance</b>	<b>1,464,360</b>	<b>(23,152)</b>	<b>393,384</b>	<b>6,068,279</b>	<b>10,528</b>	<b>4,789,160</b>	<b>12,702,560</b>
<b>TOTAL LIABILITIES/FUNDS</b>	<b>3,795,465</b>	<b>90,970</b>	<b>393,384</b>	<b>6,207,671</b>	<b>10,528</b>	<b>4,789,160</b>	<b>15,287,178</b>



**Kiawah Island Community Association, Inc.**  
**Consolidated Income Statement with Budget Variances**  
 for the Period Ending 10/31/2018

	YEAR-TO-DATE		Favorable (Unfavorable)		2018 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
<b>Revenues</b>						
Assessments	9,921,382	9,898,419	22,963	0.23%	9,899,642	(21,740)
Investment Income	100,320	98,417	1,903	1.93%	118,100	17,780
Contribution to Reserves	1,267,875	1,350,000	(82,125)	(6.08)%	1,500,000	232,125
Commercial Access Fees	1,515,255	1,466,417	48,839	3.33%	1,610,750	95,495
User Fees	117,651	90,067	27,584	30.63%	106,050	(11,601)
Other Income	696,400	543,968	152,432	28.02%	615,302	(81,097)
<b>Total Revenues</b>	<b>13,618,882</b>	<b>13,447,287</b>	<b>171,596</b>	<b>1.28%</b>	<b>13,849,845</b>	<b>230,962</b>
<b>Expenses</b>						
Payroll Expenses	4,998,200	5,040,317	42,117	0.84%	6,069,060	1,070,860
Building/Equipment R/M	426,914	371,502	(55,412)	(14.92)%	411,818	(15,096)
Common Area R/M	560,040	528,794	(31,246)	(5.91)%	590,601	30,560
Operating Expenses	2,101,085	2,195,032	93,947	4.28%	2,644,433	543,348
Capital Equipment Purchases	38,399	85,461	47,062	55.07%	97,128	58,729
Capital Projects - LCI	234,227	253,128	18,901	7.47%	273,092	38,865
Capital Projects - MRR	6,126,175	3,490,178	(2,635,997)	(75.53)%	3,812,195	(2,313,980)
Depreciation	337,858	463,161	125,303	27.05%	555,793	217,935
Interest Expense	46,324	67,868	21,544	31.74%	87,294	40,970
Other (Gains)/Losses	(45,198)	0	45,198	0.00%	0	45,198
<b>Total Expenses</b>	<b>14,824,025</b>	<b>12,495,442</b>	<b>(2,328,583)</b>	<b>(18.64)%</b>	<b>14,541,414</b>	<b>(282,611)</b>
Transfers						
Community Program Support	0	0	0	0.00%	0	0
Interfund Transfers	0	0	0	0.00%	0	0
<b>Total Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>
<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>(1,205,142)</b>	<b>951,845</b>	<b>(2,156,988)</b>	<b>(226.61)%</b>	<b>(691,570)</b>	<b>513,573</b>
<b>ENDING FUND BALANCE</b>	<b>12,702,560</b>	<b>14,859,547</b>	<b>(2,156,988)</b>	<b>(14.52)%</b>	<b>13,216,133</b>	<b>513,573</b>



# Kiawah Island Community Association, Inc.

## Income Statement

For Period Ending October 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	\$7,706,381	\$7,695,142	\$623,385	\$620,340	\$198,222	\$196,756	\$1,364,176	\$1,357,361	\$29,218	\$28,820	\$0	\$0	\$9,921,382
Investment Income	\$25,201	\$22,500	\$1,208	\$833	\$3,220	\$1,250	\$55,909	\$70,833	\$97	\$0	\$14,685	\$3,000	\$100,320
Contribution to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$1,267,875	\$1,350,000	\$0	\$0	\$0	\$0	\$1,267,875
Commercial Access Fees	\$1,098,585	\$1,049,750	\$0	\$0	\$0	\$0	\$416,670	\$416,667	\$0	\$0	\$0	\$0	\$1,515,255
User Fees	\$0	\$0	\$117,651	\$90,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$117,651
Other Income	\$427,920	\$421,020	\$268,480	\$122,948	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$696,400
<b>Total Revenues</b>	<b>\$9,258,087</b>	<b>\$9,188,412</b>	<b>\$1,010,724</b>	<b>\$834,188</b>	<b>\$201,442</b>	<b>\$198,006</b>	<b>\$3,104,630</b>	<b>\$3,194,861</b>	<b>\$29,315</b>	<b>\$28,820</b>	<b>\$14,685</b>	<b>\$3,000</b>	<b>\$13,618,882</b>
<b>Expenses</b>													
Payroll Expenses	\$4,436,540	\$4,435,268	\$428,983	\$472,372	\$132,678	\$132,678	\$0	\$0	\$0	\$0	\$0	\$0	\$4,998,200
Building/Equipment R/M	\$158,270	\$170,963	\$266,549	\$195,983	\$2,095	\$4,556	\$0	\$0	\$0	\$0	\$0	\$0	\$426,914
Common Area R/M	\$491,031	\$478,444	\$52,933	\$34,250	\$2,100	\$2,100	\$0	\$0	\$13,976	\$14,000	\$0	\$0	\$560,040
Operating Expenses	\$1,550,481	\$1,832,317	\$521,676	\$337,052	\$28,928	\$25,663	\$0	\$0	\$0	\$0	\$0	\$0	\$2,101,085
Capital Equipment Purchases	\$0	\$15,561	\$0	\$11,567	\$0	\$0	\$0	\$0	\$0	\$0	\$38,399	\$58,333	\$38,399
Capital Projects - LCI	\$0	\$0	\$0	\$0	\$0	\$0	\$215,194	\$240,360	\$19,034	\$12,768	\$0	\$0	\$234,227
Capital Projects - MRR	\$0	\$0	\$0	\$0	\$0	\$0	\$6,126,175	\$3,490,178	\$0	\$0	\$0	\$0	\$6,126,175
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$337,858	\$463,161	\$337,858
Interest Expense	\$46,324	\$67,868	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,324
Other (Gains)/Losses	(\$191,969)	\$0	\$3,240	\$0	\$3,762	\$0	\$120,776	\$0	\$0	\$0	\$18,994	\$0	(\$45,198)
<b>Total Expenses</b>	<b>\$6,490,677</b>	<b>\$7,000,421</b>	<b>\$1,273,380</b>	<b>\$1,051,223</b>	<b>\$169,562</b>	<b>\$164,997</b>	<b>\$6,462,145</b>	<b>\$3,730,538</b>	<b>\$33,010</b>	<b>\$26,768</b>	<b>\$395,251</b>	<b>\$521,494</b>	<b>\$14,824,025</b>
<b>Transfers</b>													
Community Program Support	\$291,667	\$291,667	(\$291,667)	(\$291,667)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers	\$3,946,235	\$0	\$118,865	\$0	\$0	\$0	(\$3,691,650)	\$0	\$0	\$0	(\$373,450)	\$0	\$0
<b>Total Transfers</b>	<b>\$4,237,902</b>	<b>\$291,667</b>	<b>(\$172,802)</b>	<b>(\$291,667)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,691,650)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$373,450)</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>(\$1,470,492)</b>	<b>\$0</b>	<b>(\$89,855)</b>	<b>\$0</b>	<b>\$31,880</b>	<b>\$0</b>	<b>\$334,135</b>	<b>\$0</b>	<b>(\$3,695)</b>	<b>\$0</b>	<b>(\$7,116)</b>	<b>\$0</b>	<b>(\$1,205,142)</b>
<b>ENDING FUND BALANCE</b>	<b>\$1,464,360</b>	<b>\$0</b>	<b>(\$23,152)</b>	<b>\$0</b>	<b>\$393,384</b>	<b>\$0</b>	<b>\$6,068,279</b>	<b>\$0</b>	<b>\$10,528</b>	<b>\$0</b>	<b>\$4,789,160</b>	<b>\$0</b>	<b>\$12,702,560</b>