



Variance Analysis for Eight Months Ending August 31, 2017

Total Revenues: Actual revenues through August 31 were \$12,960,369 or .07% short of the budgeted revenue of \$12,969,294.

Assessments of \$9,805,127 were in line with budget.

Contributions to Reserve for August were \$79,553. The year-to-date CTR total at August 31 was \$982,529 or \$117,471 below the \$1,100,000 budgeted.

- At August 31, 2016, Contributions to Reserve totaled \$905,892.
- The CTR estimate for September is \$130,000.

Commercial Access Fees as of August 31 totaled \$1,304,671 which was in line with the \$1,304,083 budgeted.

- Commercial Access Fees totaled \$1,003,345 at August 31, 2016.

Total Expenses through August 31, 2017 were \$10,569,396 versus a budget of \$10,596,603 for a slight favorable variance of \$27,207 or .26%. Actual expenses for the eight months include:

Payroll and benefits expenses of \$3,922,701 are in line with the year-to-date budget amount of \$3,962,054.

Repairs and Maintenance – Through August 31, Building Repairs and Maintenance totaled \$246,811 or 26% below the budget of \$333,588. One large project budgeted for the first eight months of 2017, but not yet undertaken, is the \$69,500 painting and repair project budgeted for the Sandcastle. This work will be part of the renovation occurring late in 2017 and in 2018.

Common Area Repairs and Maintenance expenses of \$708,043 exceeded budget by \$195,432. The overage is the result of:

- Unbudgeted land management clean-up costs related to Hurricane Matthew which total \$262,543 year-to-date
- Unbudgeted improvements at the Beachwalker administrative offices which total \$42,679 at this point in the year.

Timing differences in chemicals, small tools, and repair accounts helped offset the impact of the two overages noted above.

Variance Analysis
For Eight Months Ending August 31, 2017

Operating/Administrative expenses of \$1,877,926 finished August over budget by \$70,086 or 3.88%. This expense category includes \$151,492 of unbudgeted architect, planning and design fees related to the Sandcastle renovation. Administrative and IT expenses continue to show favorable budget comparisons due to the timing of purchases and are expected to finish the year in line. However utilities, which showed favorable budget to actual comparisons earlier in the year, are experiencing the impact of recent rate increases and are now \$17,466 over budget for 2017.

Landscape Capital Projects and Major Repairs and Replacements – Landscape Capital Improvements finished August at \$219,794 - \$8,061 over the budget amount of \$211,733 due to project timing and the addition of plantings to the renovation project along the Kiawah Island Parkway.

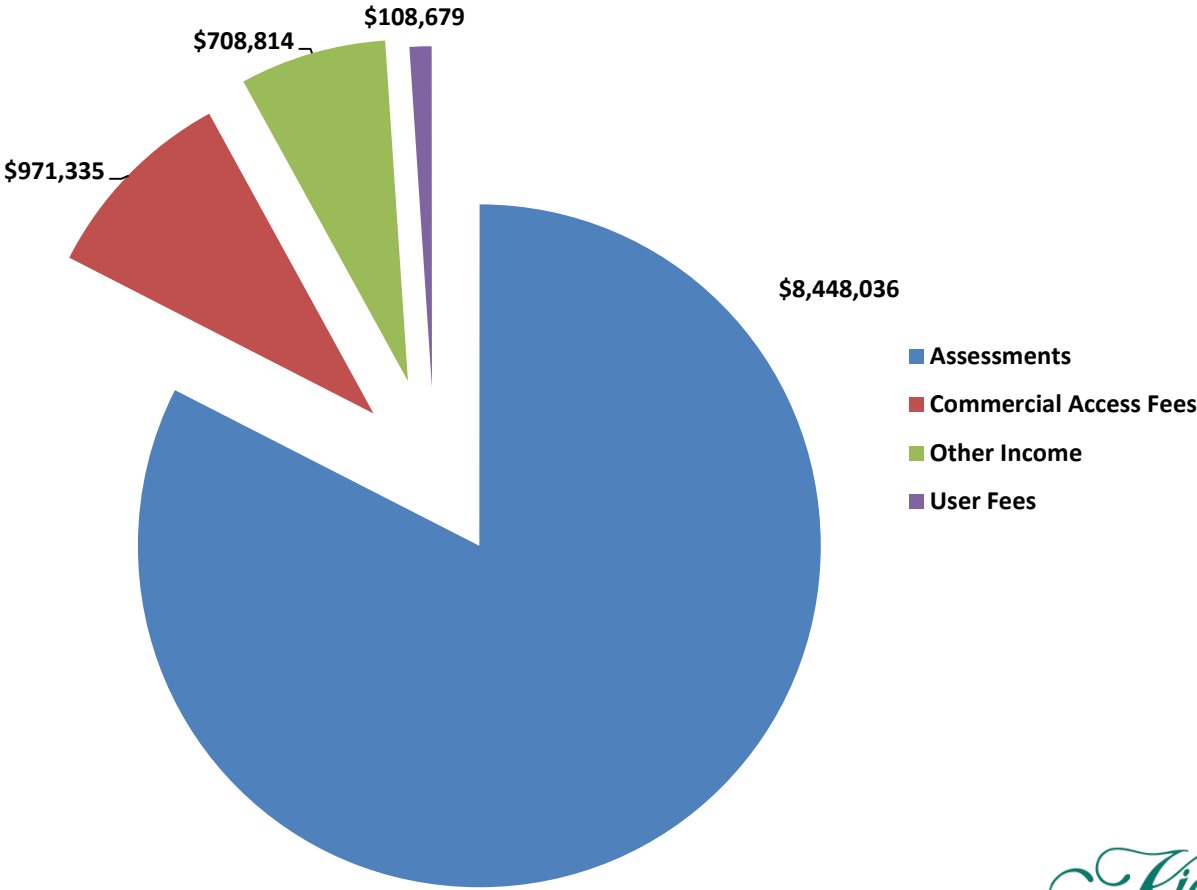
Major Repairs and Replacements of \$3,162,616 through August 31 were \$195,424 below budget despite \$494,758 of unbudgeted Hurricane Matthew repairs and replacement spending.

Significant projects contributing to the favorable budget comparison are:

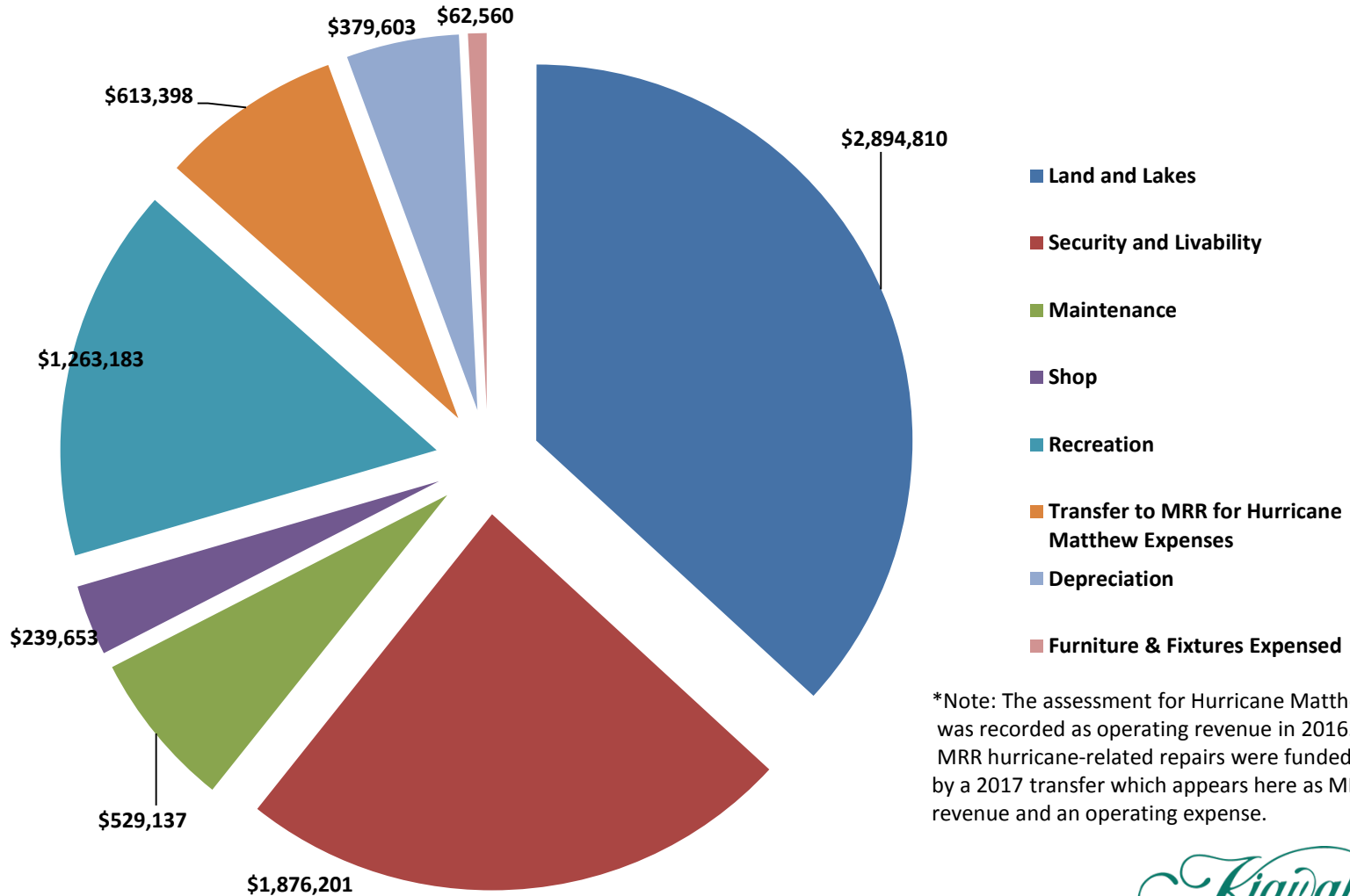
- The \$250,000 island signage update will be completed in 2017, but later than budgeted. To date, \$87,714 has been expensed.
- Contingency for Emergencies is under budget by \$86,376 at August 31, but is projected to end the year over the \$252,470 budgeted for the 12 month period as a result of metal pipe failures along Sea Marsh Drive and in the Cougar Point Golf Course area.
- Street resurfacing is ahead of budget by \$35,015 – which represents a permanent variance.
- Bridges and Bulkhead expenses to date are ahead of budget by \$36,510 and Leisure Trail Resurfacing is ahead by \$23,750. The differences in these two accounts are a function of project timing.
- Drainage is ahead of budget by \$100,611 despite the addition of \$143,181 of unbudgeted expenses connected with Hurricane Matthew due to an early start to and invoicing for the Cougar Point concrete pipe replacement. \$276,576 of the cost of that project was expensed in December of 2016 despite being included in the 2017 budget approved November 8.

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 August 31, 2017

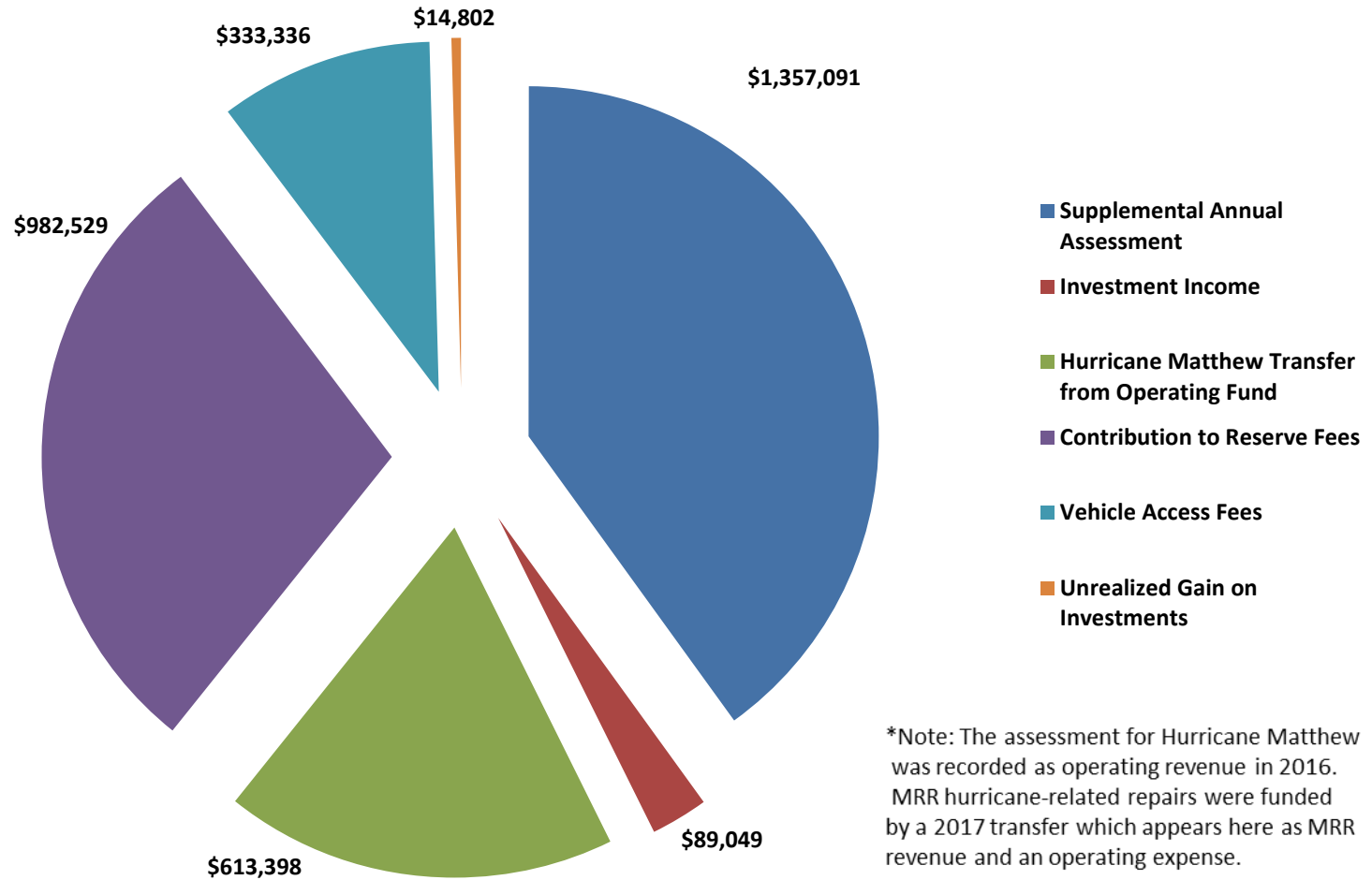


Operating Expenses to August 31, 2017

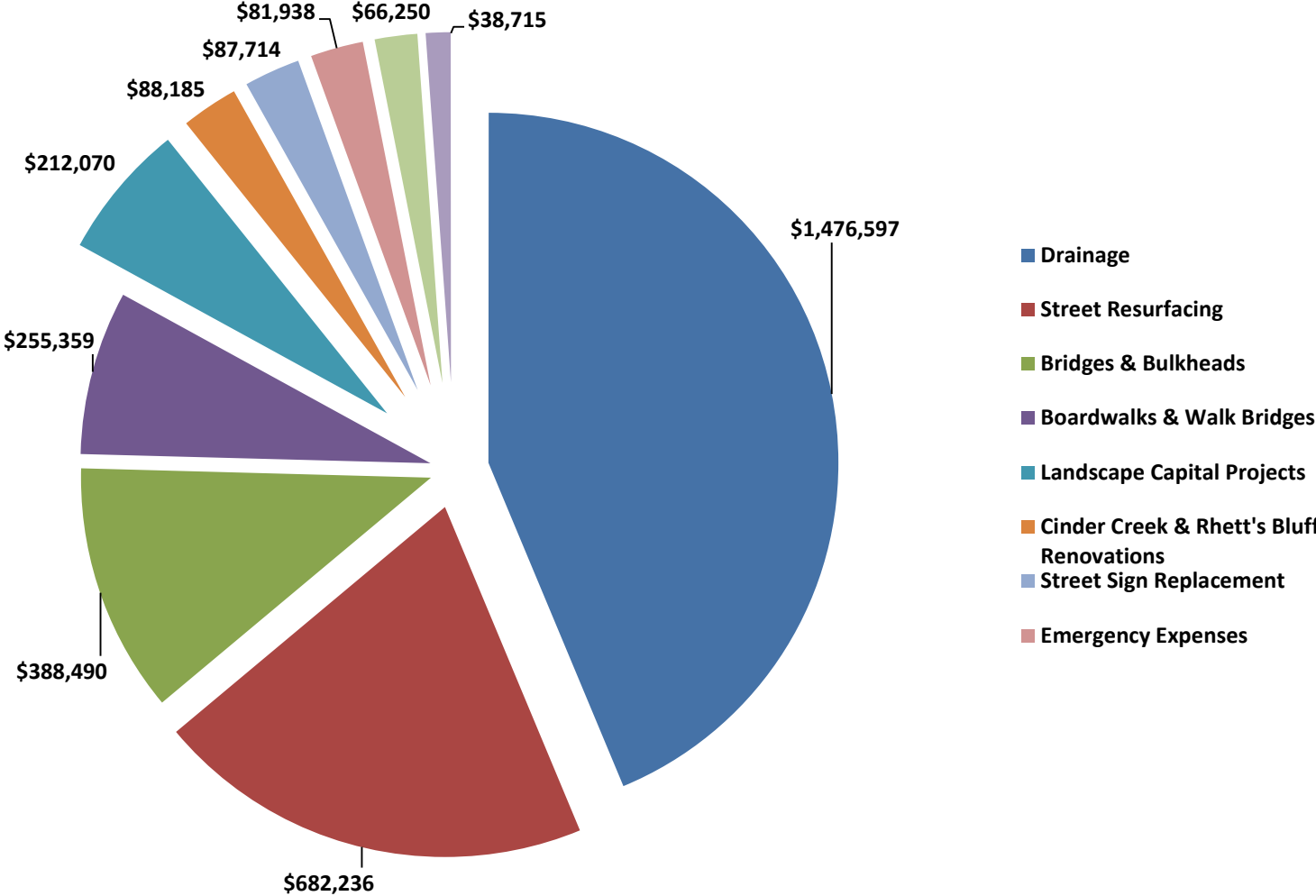


*Note: The assessment for Hurricane Matthew was recorded as operating revenue in 2016. MRR hurricane-related repairs were funded by a 2017 transfer which appears here as MRR revenue and an operating expense.

MRR Revenue to August 31, 2017



MRR Expenses to August 31, 2017



Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

August 31, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
ASSETS							
Current Assets							
Cash and Cash Equivalents	267,993	0	0	0	0	0	267,993
Money Market Funds	7,502,205	332,163	448,083	1,232,615	16,739	1,551,752	11,083,558
CD's	0	0	0	450,000	0	0	450,000
Interest Receivable	0	0	0	46,065	0	0	46,065
Accounts Receivable	57,554	47,898	217	44,235	90	0	149,994
Accounts Receivable- Other	860	(2,708)	0	0	0	0	(1,848)
Prepaid Expenses	234,923	500	0	105,840	0	0	341,263
Total Current Assets	8,063,535	377,854	448,300	1,878,755	16,829	1,551,752	12,337,025
Fixed Assets							
Equipment & Furniture	0	0	0	0	0	1,525,912	1,525,912
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	7,757,532	7,757,532
Land Improvements	0	0	0	0	0	95,697	95,697
Land	0	0	0	0	0	440,253	440,253
Accumulated Depreciation	0	0	0	0	0	(5,070,883)	(5,070,883)
Total Fixed Assets	0	0	0	0	0	6,563,032	6,563,032
Other Assets							
Treasury Investments > 1 Yr	0	0	0	593,923	0	0	593,923
Corporate Bonds	0	0	0	4,200,000	0	0	4,200,000
Corporate Bond Premium	0	0	0	85,980	0	0	85,980
Unrealized Gain/Loss on Investments	0	0	0	2,762	0	0	2,762
Total Other Assets	0	0	0	4,882,665	0	0	4,882,665
TOTAL ASSETS	8,063,535	377,854	448,300	6,761,420	16,829	8,114,784	23,782,722

Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

August 31, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
LIABILITIES AND FUND BALANCE							
Current Liabilities							
Payroll Withholdings	30,582	0	0	0	0	0	30,582
Accrued Payroll	365,120	53,353	0	0	0	0	418,473
Deposits and Prepaid Assessments	2,603	13,173	0	0	0	0	15,776
Accounts Payable	123,837	26,725	0	44,407	0	0	194,970
Accrued Liabilities	12	0	0	0	0	0	12
ARB Coordinator Salary	8,253	0	0	0	0	0	8,253
Current Mortgage Payable	18,071	0	0	0	0	0	18,071
Deferred Revenue- Royalty Income- Cur	8,359	0	0	0	0	0	8,359
Total Current Liabilities	556,837	93,251	0	44,407	0	0	694,496
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	5,542,701	284,602	448,300	6,717,013	16,829	8,114,784	21,124,229
Total Fund Balance	5,542,701	284,602	448,300	6,717,013	16,829	8,114,784	21,124,229
TOTAL LIABILITIES/FUNDS	8,063,535	377,854	448,300	6,761,420	16,829	8,114,784	23,782,722

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

	YEAR-TO-DATE		Favorable (Unfavorable)		2017 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
Revenues						
Assessments	9,805,127	9,783,524	21,603	0.22%	9,792,395	(12,732)
Investment Income	109,017	66,637	42,380	63.60%	99,955	(9,062)
Contribution to Reserves	982,529	1,100,000	(117,471)	(10.68)%	1,500,000	517,471
Commercial Access Fees	1,304,671	1,304,083	588	0.05%	1,610,750	306,079
User Fees	108,679	113,012	(4,333)	(3.83)%	172,650	63,971
Other Income	650,346	602,038	48,308	8.02%	769,126	118,780
Total Revenues	12,960,369	12,969,294	(8,925)	(0.07)%	13,944,876	984,507
Expenses						
Payroll Expenses	3,922,701	3,962,054	39,353	0.99%	5,858,481	1,935,779
Building/Equipment R/M	246,811	333,588	86,777	26.01%	432,461	185,650
Common Area R/M	708,043	512,612	(195,432)	(38.12)%	630,327	(77,717)
Operating Expenses	1,877,926	1,807,841	(70,086)	(3.88)%	2,548,106	670,179
Capital Equipment Purchases	62,560	0	(62,559)	- %	0	(62,559)
Capital Projects - LCI	219,794	211,733	(8,061)	(3.81)%	325,400	105,606
Capital Projects - MRR	3,162,616	3,358,040	195,424	5.82%	3,484,528	321,912
Depreciation	379,603	330,000	(49,603)	(15.03)%	495,000	115,397
Interest Expense	39,776	39,235	(541)	(1.38)%	58,510	18,734
(Gain)/Loss on Sale of Assets	(50,434)	41,500	91,934	221.53%	41,500	91,934
Total Expenses	10,569,396	10,596,603	27,207	0.26%	13,874,313	3,304,916
Transfers						
Community Program Support	0	0	0	0.00%	0	0
Interfund Transfers	0	0	0	0.00%	0	0
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)	2,390,973	2,372,691	18,282	0.77%	70,564	(2,320,410)
ENDING FUND BALANCE	21,124,229	21,105,947	18,282	0.09%	18,803,820	(2,320,410)

Kiawah Island Community Association, Inc.

Income Statement

YTD as of August 31, 2017

	General		Recreation		V-Gate		MRR		Preserve		Property		Total
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
Revenues													
Assessments	\$7,636,645	\$7,625,630	\$587,330	\$588,950	\$200,900	\$194,745	\$1,357,091	\$1,350,889	\$23,161	\$23,310	\$0	\$0	\$9,805,127
Investment Income	\$15,485	\$32,000	\$834	\$2,733	\$880	\$1,833	\$89,049	\$30,000	\$24	\$70	\$2,745	\$0	\$109,017
Contribution to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$982,529	\$1,100,000	\$0	\$0	\$0	\$0	\$982,529
Commercial Access Fees	\$971,335	\$970,750	\$0	\$0	\$0	\$0	\$333,336	\$333,333	\$0	\$0	\$0	\$0	\$1,304,671
User Fees	\$0	\$24,593	\$108,679	\$88,418	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$108,679
Other Income	\$449,794	\$410,697	\$200,552	\$191,341	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$650,346
Total Revenues	\$9,073,259	\$9,063,670	\$897,395	\$871,443	\$201,780	\$196,578	\$2,762,004	\$2,814,222	\$23,185	\$23,380	\$2,745	\$0	\$12,960,369
Expenses													
Payroll Expenses	\$3,402,610	\$3,452,460	\$417,620	\$407,123	\$102,472	\$102,471	\$0	\$0	\$0	\$0	\$0	\$0	\$3,922,701
Building/Equipment R/M	\$141,232	\$151,517	\$104,668	\$177,392	\$911	\$4,679	\$0	\$0	\$0	\$0	\$0	\$0	\$246,811
Common Area R/M	\$656,524	\$475,998	\$36,823	\$26,933	\$1,680	\$1,680	\$0	\$0	\$13,017	\$8,000	\$0	\$0	\$708,043
Operating Expenses	\$1,550,137	\$1,514,281	\$304,845	\$270,297	\$22,945	\$23,263	\$0	\$0	\$0	\$0	\$0	\$0	\$1,877,926
Capital Equipment Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,560	\$0	\$62,560
Capital Projects - LCI	\$0	\$0	\$0	\$0	\$0	\$0	\$212,070	\$203,333	\$7,724	\$8,400	\$0	\$0	\$219,794
Capital Projects - MRR	\$0	\$0	\$0	\$0	\$0	\$0	\$3,162,616	\$3,358,040	\$0	\$0	\$0	\$0	\$3,162,616
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$379,603	\$330,000	\$379,603
Interest Expense	\$39,776	\$39,235	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,776
(Gain)/Loss on Sale of Assets	(\$38,500)	\$41,500	\$0	\$0	\$0	\$0	(\$11,934)	\$0	\$0	\$0	\$0	\$0	(\$50,434)
Total Expenses	\$5,751,777	\$5,674,991	\$863,956	\$881,745	\$128,008	\$132,093	\$3,362,751	\$3,561,373	\$20,741	\$16,400	\$442,162	\$330,000	\$10,569,396
Transfers													
Community Program Support	\$153,336	\$153,333	(\$153,336)	(\$153,333)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers	\$927,376	\$0	\$15,281	\$0	\$0	\$0	(\$613,398)	\$0	(\$13,017)	\$0	(\$316,243)	\$0	(\$0)
Total Transfers	\$1,080,712	\$153,333	(\$138,055)	(\$153,333)	\$0	\$0	(\$613,398)	\$0	(\$13,017)	\$0	(\$316,243)	\$0	(\$0)
BEGINNING FUND BALANCE	\$3,301,930	\$0	\$113,109	\$0	\$374,528	\$0	\$6,704,363	\$0	\$1,368	\$0	\$8,237,958	\$0	\$18,733,256
NET SURPLUS/(DEFICIT)	\$2,240,771	\$0	\$171,493	\$0	\$73,772	\$0	\$12,651	\$0	\$15,461	\$0	(\$123,174)	\$0	\$2,390,973
ENDING FUND BALANCE	\$5,542,701	\$0	\$284,602	\$0	\$448,300	\$0	\$6,717,013	\$0	\$16,829	\$0	\$8,114,784	\$0	\$21,124,229