



Variance Analysis for the year ending December 31, 2017

Total Revenues: Actual revenues for the year were \$15,033,682 or \$1,088,806 ahead of budgeted revenue of \$13,944,876. The favorable variance is the result of the assessment for damage related to Tropical Storm Irma. That unplanned supplemental assessment totaled \$1,018,516. The assessment for damage from Hurricane Matthew was recorded in 2016 and totaled \$1,127,192.

Regular 2017 Assessments of \$9,808,755 are in line with budget.

Contributions to Reserve for December were \$134,905. For 2017 CTR totaled \$1,480,684 or \$19,316 below the \$1,500,000 budgeted.

- At December 31, 2016, Contributions to Reserve totaled \$1,446,658.

Commercial Access Fees as of December 31, 2017 totaled \$1,567,808 or 2.67% below the budgeted amount of \$1,610,750.

For the prior year, Commercial Access Fees totaled \$1,153,910.

Total Expenses for 2017 were \$16,328,834 versus a budget of \$13,874,313 for an unfavorable variance of \$2,454,521 or 17.69%. Actual expenses for the year include:

Tropical Storm Irma expenses across all expense categories of \$851,007.

Hurricane Matthew expenses across all expense categories of \$994,373. Repairs related to Hurricane Matthew are complete and a statement of revenue and expenses for the storm follows this narrative.

Payroll and benefits expenses of \$5,866,963 finished December in line with the 2017 budget amount of \$5,858,481.

Repairs and Maintenance – Through December 31, Building Repairs and Maintenance totaled \$462,114 or \$29,653 over the budget of \$432,461. The variance resulted from improvements to the Beachwalker Center administration building. Updates to the building were approved by the board outside of the annual budget process.

Variance Analysis
For Year Ended December 31, 2017

Common Area Repairs and Maintenance expenses of \$1,150,127 exceeded budget by \$519,800. The unfavorable variance is the result of:

- Unbudgeted clean-up costs related to Hurricane Matthew which total \$262,543 for the year
- Unbudgeted clean-up costs related to Tropical Storm Irma which total \$303,653 in 2017

Operating/Administrative expenses of \$2,518,036 finished 2017 in line with the budget of \$2,548,106.

Landscape Capital Projects and Major Repairs and Replacements – Landscape Capital Improvements ended the year at \$307,586 or \$17,814 under the 2017 budget of \$325,400.

Major Repairs and Replacements finished 2017 at \$5,491,327 which is \$2,006,799 over budget for the year.

- MRR expenses for 2017 include:
 - \$495,783 of unbudgeted expenses related to Tropical Storm Irma
 - \$731,829 of unbudgeted expenses related to Hurricane Matthew
 - \$322,107 in expenses related to the Sandcastle renovations and \$668,836 for repaving of the Kiawah Island Parkway. Both of these projects were approved by the board outside of the annual budget process.
- Permanent savings of \$8,852 in bridges and bulkhead projects and \$35,765 in the street resurfacing project along with a permanent timing difference of \$262,998 on the Cougar Point drainage project helped offset the impact of the unbudgeted storm and project costs.

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.

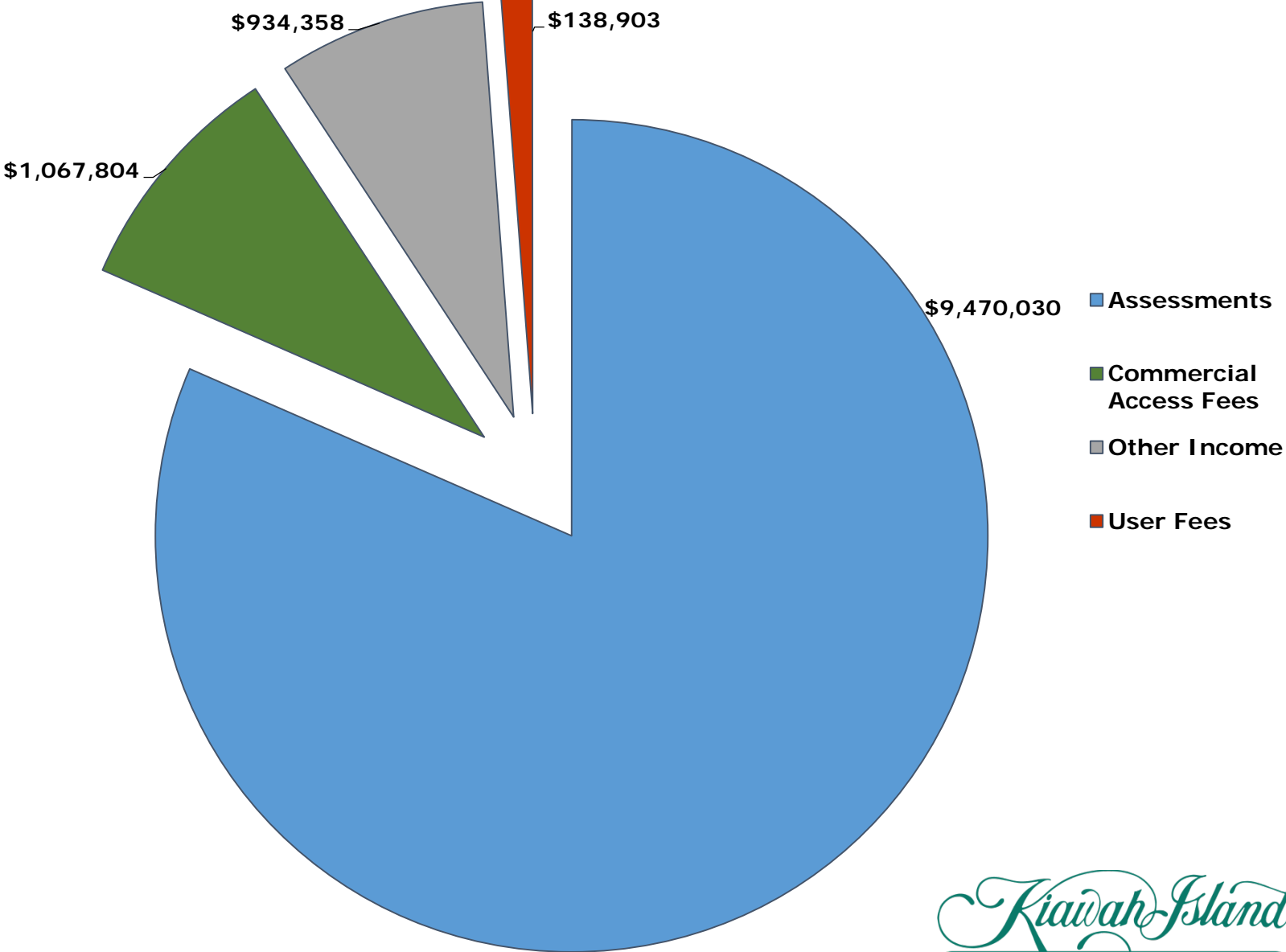


Hurricane Matthew Statement of Activity - all dates

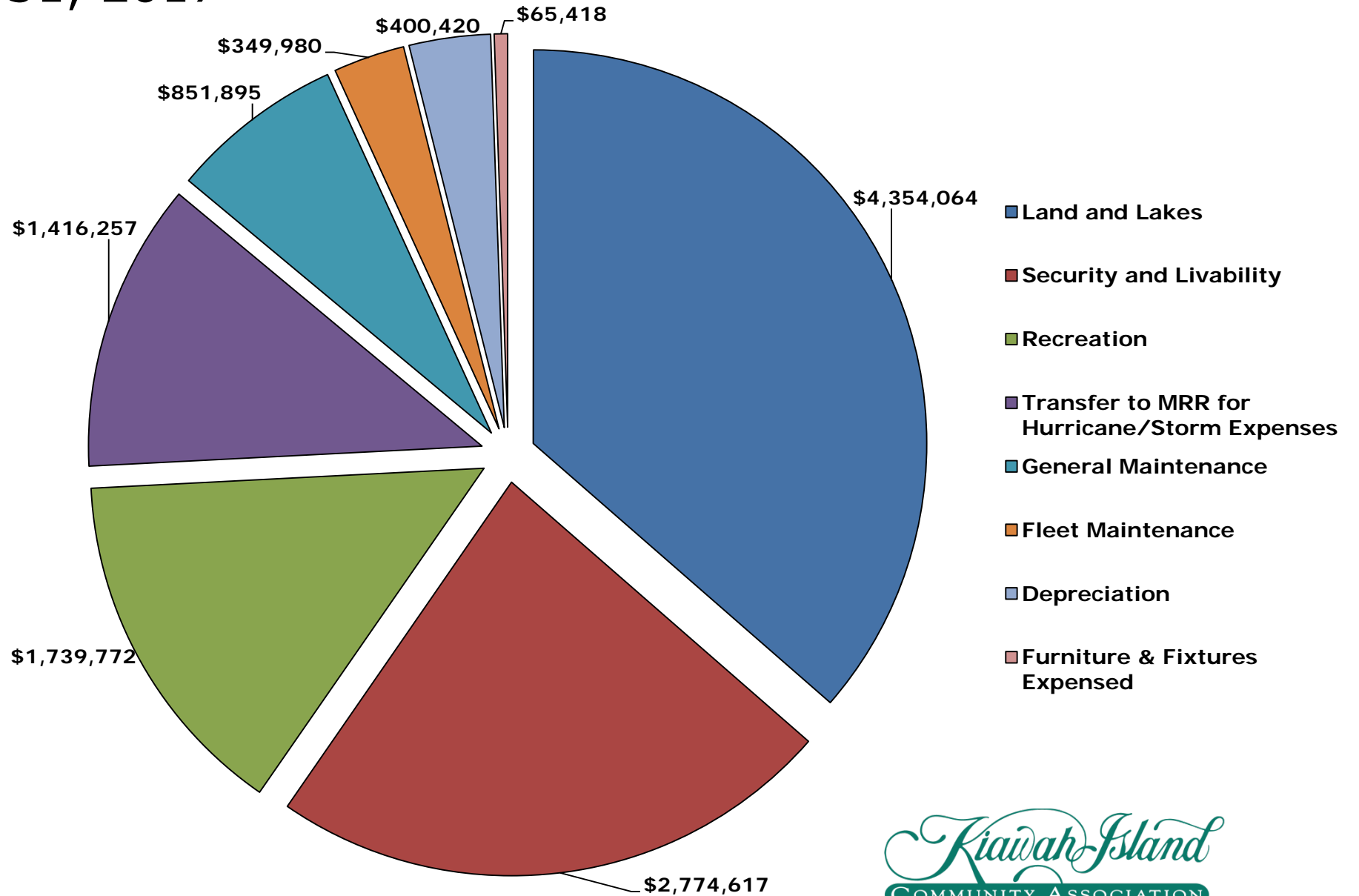
<u>Account Number</u>	<u>Account Description</u>		
02-4005-11	Supplemental Annual Assessment	\$1,127,191.53	
	Total Assessment		\$1,127,191.53
02-5016-12	Overtime	\$2,817.11	
02-5016-15	Overtime	\$6,330.33	
02-5016-18	Overtime	\$814.70	
02-5030-12	Payroll Taxes	\$240.00	
02-5030-15	Payroll Taxes	\$538.00	
02-5030-18	Payroll Taxes	\$70.00	
02-5219-15	Other Equipment R/M	\$3,874.36	
02-5242-18	Electrical Supplies	\$700.00	
02-5244-18	Boardwalks	\$6,631.50	
02-5247-18	Signage	\$3,409.92	
02-5248-18	Leisure Trails	\$5,220.00	
02-5250-15	Small Tools & Supplies	\$2,254.76	
02-5274-15	Planting Materials	\$1,242.31	
02-5275-15	Mulch	\$4,607.73	
02-5280-15	Contracted Services	\$360,974.50	
02-5280-19	Contracted Services	\$12,059.00	
02-5286-15	Major Flood/Hurricane	\$106,720.48	
02-5286-18	Major Flood/Hurricane	\$243.75	
02-5295-11	Comm/Tech-Recurring-web&communications	\$1,443.00	
02-5505-11	Janitorial Services	\$80.00	
02-5611-11	Telephone Expense	\$264.98	
02-5624-11	Seminar, Training, Travel	\$1,492.41	
02-5812-11	Community Goodwill	\$9,881.12	
02-5930-11	Employee Recognition	\$105.84	
	Total Operating Expenses		\$532,015.80
03-5212-25	Building R/M	\$5,929.00	
03-5213-25	Painting & Caulking	\$1,080.00	
03-5216-25	Pool R/M & Supplies	\$1,000.00	
	Total Recreation Expenses		\$8,009.00
04-5246-11	Fence	\$13,016.53	
	Total Preserve Expenses		\$13,016.53
06-6410-40	Drainage	\$224,999.20	
06-6443-40	Infrastructure Inspections	\$28,433.77	
06-6460-40	Street Resurfacing	\$32,214.20	
06-6483-40	Cinder Creek & Rhett's Bluff Renovations	\$355,788.75	
06-6491-40	Leisure Trail Resurfacing	\$17,463.00	
06-6493-40	Boardwalks & Walk Bridges	\$261,575.69	
	Total MRR and LCI Expenses		\$920,474.61
	Net Hurricane Deficit (Absorbed by KICA's Operating Fund)		(\$346,324.41)

Note: This financial statement is unaudited and is for internal use only.

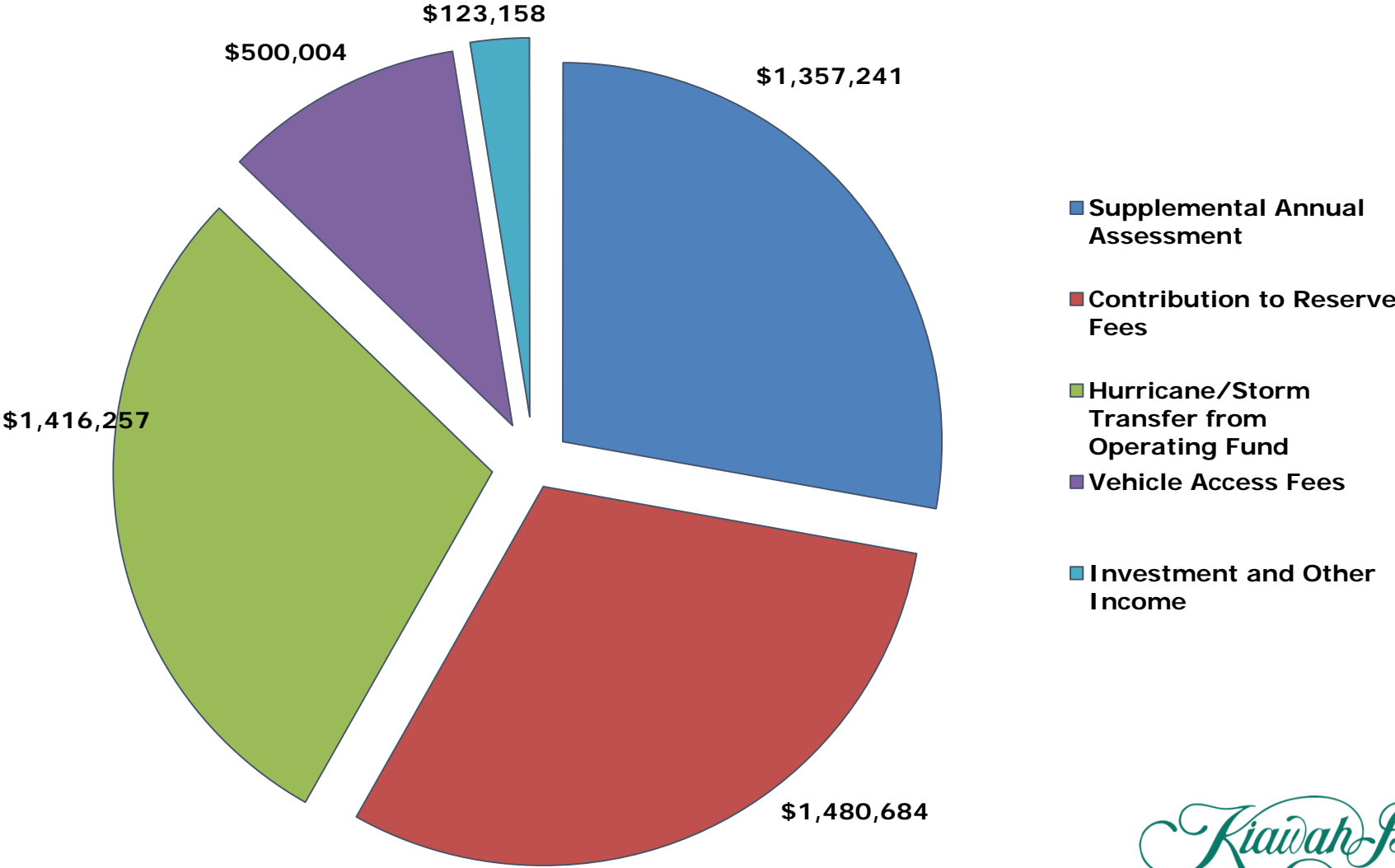
Operating Revenue to December 31, 2017



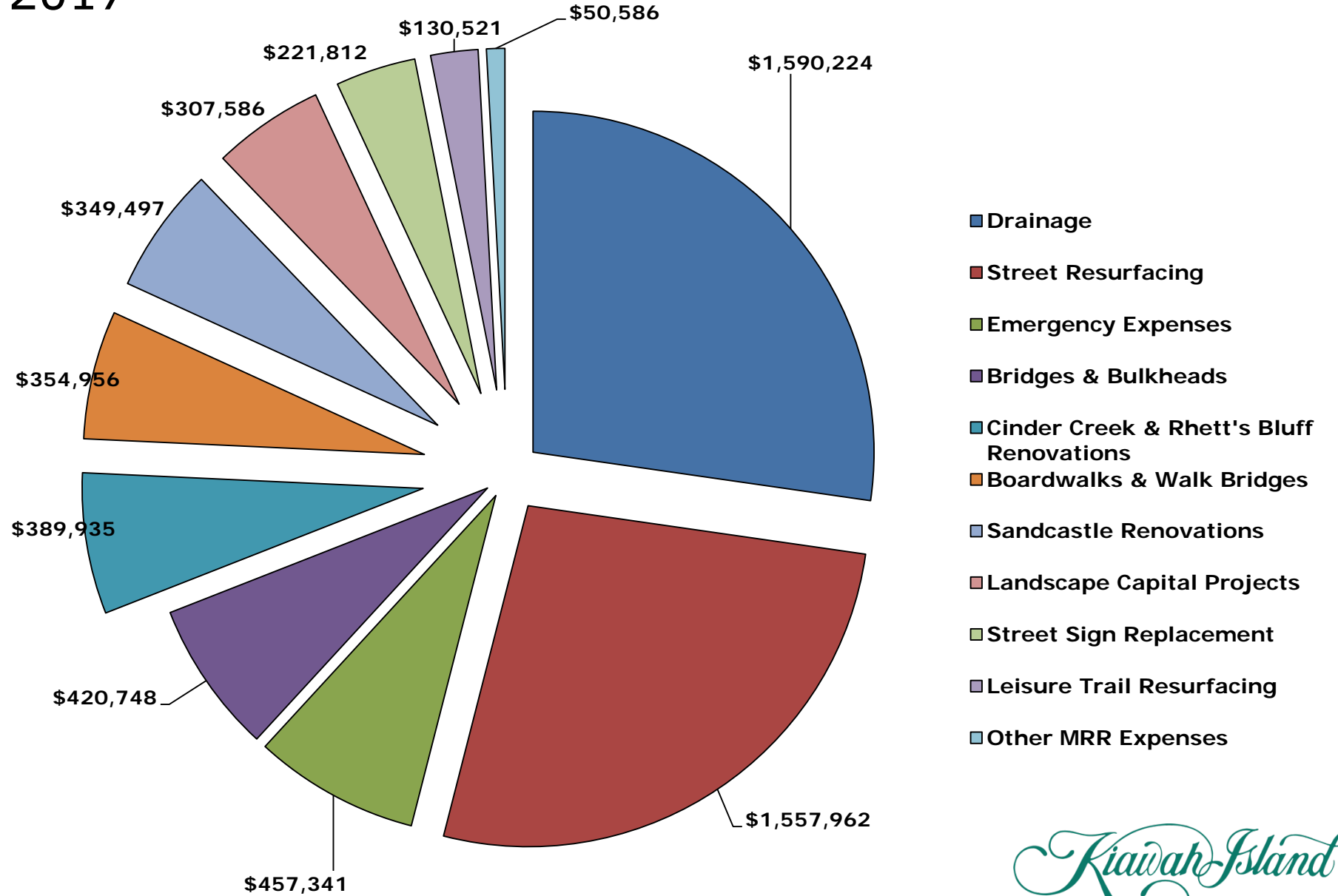
Operating Expenses to December 31, 2017



MRR Revenue to December 31, 2017



MRR Expenses to December 31, 2017





Consolidated Balance Sheet

Dec 31, 2017

	General	Recreation	V-Gate	Reserve	Preserve	Property	TOTAL
ASSETS							
Current Assets							
Cash and Cash Equivalents	408,607	0	0	0	0	0	408,607
Money Market Funds	4,807,446	169,916	362,463	1,867,147	14,773	1,613,783	8,835,528
CD's	0	0	0	450,000	0	0	450,000
Interest Receivable	0	0	0	35,328	0	0	35,328
Accounts Receivable	54,760	9,052	(960)	11,684	(550)	0	73,987
Accounts Receivable- Other	28,637	0	0	0	0	0	28,637
Royalty Receivable	75,000	0	0	0	0	0	75,000
Prepaid Expenses	145,293	(23,850)	0	24,840	0	0	146,283
Total Current Assets	5,519,742	155,118	361,504	2,388,999	14,223	1,613,783	10,053,369
Fixed Assets							
Equipment & Furniture	0	0	0	0	0	1,505,688	1,505,688
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
Buildings	0	0	0	0	0	2,531,828	2,531,828
Land	0	0	0	0	0	440,253	440,253
Accumulated Depreciation	0	0	0	0	0	(2,292,302)	(2,292,302)
Total Fixed Assets	0	0	0	0	0	3,182,493	3,182,493
Other Assets							
Treasury Investments > 1 Yr	0	0	0	587,528	0	0	587,528
Corporate Bonds	0	0	0	3,800,000	0	0	3,800,000
Corporate Bond Premium	0	0	0	71,046	0	0	71,046
Unrealized Gain/Loss on Investments	0	0	0	(41,427)	0	0	(41,427)
Total Other Assets	0	0	0	4,417,148	0	0	4,417,148
TOTAL ASSETS	5,519,742	155,118	361,504	6,806,147	14,223	4,796,276	17,653,010

Note: This financial statement is unaudited and is for internal use only.



Consolidated Balance Sheet

Dec 31, 2017

	General	Recreation	V-Gate	Reserve	Preserve	Property	TOTAL
LIABILITIES AND FUND BALANCE							
Current Liabilities							
Payroll Withholdings	6,817	0	0	0	0	0	6,817
Accrued Payroll	335,213	40,465	0	0	0	0	375,678
Deposits and Prepaid Assessments	64,775	4,413	0	0	0	0	69,187
Accounts Payable	173,174	43,539	0	1,017,667	0	0	1,234,380
Deferred Revenue- Royalty Income- Cur	50,156	0	0	0	0	0	50,156
Total Current Liabilities	630,135	88,416	0	1,017,667	0	0	1,736,218
Non-Current Liabilities							
Deferred Revenue- Royalty Income	401,251	0	0	0	0	0	401,251
LT Mortgage Payable	1,512,590	0	0	0	0	0	1,512,590
Total Non-Current Liabilities	1,913,841	0	0	0	0	0	1,913,841
Fund Balance							
Fund Balance	2,975,766	66,703	361,504	5,788,479	14,223	4,796,276	14,002,951
Total Fund Balance	2,975,766	66,703	361,504	5,788,479	14,223	4,796,276	14,002,951
TOTAL LIABILITIES/FUNDS	5,519,742	155,118	361,504	6,806,147	14,223	4,796,276	17,653,010

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**Consolidated Income Statement with Budget Variances
for the Period Ending December 31, 2017**

	YEAR-TO-DATE		Favorable (Unfavorable)		2017 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
Revenues						
Assessments	10,827,271	9,792,395	1,034,876	10.57%	9,792,395	(1,034,876)
Investment Income	153,963	99,955	54,008	54.03%	99,955	(54,008)
Contribution to Reserves	1,480,684	1,500,000	(19,316)	(1.29)%	1,500,000	19,316
Commercial Access Fees	1,567,808	1,610,750	(42,942)	(2.67)%	1,610,750	42,942
User Fees	138,903	172,650	(33,747)	(19.55)%	172,650	33,747
Other Income	865,053	769,126	95,927	12.47%	769,126	(95,927)
Total Revenues	15,033,682	13,944,876	1,088,806	7.81%	13,944,876	(1,088,806)
Expenses						
Payroll Expenses	5,866,963	5,858,481	(8,482)	(0.14)%	5,858,481	(8,482)
Building/Equipment R/M	462,114	432,461	(29,653)	(6.86)%	432,461	(29,653)
Common Area R/M	1,150,127	630,327	(519,800)	(82.47)%	630,327	(519,800)
Operating Expenses	2,518,036	2,548,106	30,069	1.18%	2,548,106	30,069
Capital Equipment Purchases	65,418	0	(65,418)	-	0	(65,418)
Capital Projects - LCI	307,586	325,400	17,814	5.47%	325,400	17,814
Capital Projects - MRR	5,491,327	3,484,528	(2,006,799)	(57.59)%	3,484,528	(2,006,799)
Depreciation	400,420	495,000	94,580	19.11%	495,000	94,580
Interest Expense	59,402	58,510	(892)	(1.52)%	58,510	(892)
(Gain)/Loss on Sale of Assets	7,440	41,500	34,060	82.07%	41,500	34,060
Total Expenses	16,328,834	13,874,313	(2,454,521)	(17.69)%	13,874,313	(2,454,521)
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	15,298,103	15,298,103	0	0.00%	15,298,103	0
NET SURPLUS/(DEFICIT)	(1,295,151)	70,564	(1,365,715)	(1,935.44)%	70,564	1,365,715
ENDING FUND BALANCE	14,002,951	15,368,666	(1,365,715)	(8.89)%	15,368,666	1,365,715



Statement of Activity by Fund December 31, 2017

	General		Recreation		V-Gate		MRR		Preserve		Property		Total
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
Revenues													
Assessments	\$8,658,515	\$7,634,426	\$587,405	\$589,025	\$200,950	\$194,745	\$1,357,241	\$1,350,889	\$23,161	\$23,310	\$0	\$0	\$10,827,271
Investment Income	\$24,708	\$48,000	\$1,159	\$4,100	\$1,451	\$2,750	\$121,661	\$45,000	\$46	\$105	\$4,938	\$0	\$153,963
Contribution to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$1,480,684	\$1,500,000	\$0	\$0	\$0	\$0	\$1,480,684
Commercial Access Fees	\$1,067,804	\$1,110,750	\$0	\$0	\$0	\$0	\$500,004	\$500,000	\$0	\$0	\$0	\$0	\$1,567,808
User Fees	\$0	\$36,890	\$138,903	\$135,760	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,903
Other Income	\$630,758	\$550,425	\$234,296	\$218,701	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$865,053
Total Revenues	\$10,381,784	\$9,380,491	\$961,762	\$947,586	\$202,401	\$197,495	\$3,459,590	\$3,395,889	\$23,207	\$23,415	\$4,938	\$0	\$15,033,682
Expenses													
Payroll Expenses	\$5,135,764	\$5,135,857	\$577,491	\$568,918	\$153,708	\$153,706	\$0	\$0	\$0	\$0	\$0	\$0	\$5,866,963
Building/Equipment R/M	\$289,243	\$207,794	\$171,665	\$219,222	\$1,206	\$5,445	\$0	\$0	\$0	\$0	\$0	\$0	\$462,114
Common Area R/M	\$1,076,425	\$575,407	\$58,165	\$40,400	\$2,520	\$2,520	\$0	\$0	\$13,017	\$12,000	\$0	\$0	\$1,150,127
Operating Expenses	\$2,081,561	\$2,172,119	\$407,570	\$347,334	\$28,905	\$28,652	\$0	\$0	\$0	\$0	\$0	\$0	\$2,518,036
Capital Equipment Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,418	\$0	\$65,418
Capital Projects - LCI	\$0	\$0	\$0	\$0	\$29,085	\$50,000	\$268,149	\$267,000	\$10,352	\$8,400	\$0	\$0	\$307,586
Capital Projects - MRR	\$0	\$0	\$0	\$0	\$0	\$0	\$5,491,327	\$3,484,528	\$0	\$0	\$0	\$0	\$5,491,327
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$400,420	\$495,000	\$400,420
Interest Expense	\$59,402	\$58,510	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,402
(Gain)/Loss on Sale of Assets	(\$26,213)	\$41,500	\$1,400	\$0	\$0	\$0	\$32,254	\$0	\$0	\$0	\$0	\$0	\$7,440
Total Expenses	\$8,616,182	\$8,191,187	\$1,216,290	\$1,175,874	\$215,425	\$240,323	\$5,791,731	\$3,751,528	\$23,368	\$20,400	\$465,838	\$495,000	\$16,328,834
Transfers													
Community Program Support	\$230,000	\$230,000	(\$230,000)	(\$230,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers	\$1,861,766	\$0	\$21,878	\$0	\$0	\$0	(\$1,416,257)	\$0	(\$13,017)	\$0	(\$454,371)	\$0	\$0
Total Transfers	\$2,091,766	\$230,000	(\$208,122)	(\$230,000)	\$0	\$0	(\$1,416,257)	\$0	(\$13,017)	\$0	(\$454,371)	\$0	\$0
BEGINNING FUND BALANCE	\$3,301,930	\$0	\$113,109	\$0	\$374,528	\$0	\$6,704,363	\$0	\$1,368	\$0	\$4,802,805	\$0	\$15,298,103
NET SURPLUS/(DEFICIT)	(\$326,164)	\$0	(\$46,406)	\$0	(\$13,024)	\$0	(\$915,883)	\$0	\$12,855	\$0	(\$6,529)	\$0	(\$1,295,151)
ENDING FUND BALANCE	\$2,975,766	\$0	\$66,703	\$0	\$361,504	\$0	\$5,788,479	\$0	\$14,223	\$0	\$4,796,276	\$0	\$14,002,951

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