



## Variance Analysis

### For Seven Months Ending July 31, 2017

**Total Revenues:** Actual revenues through July 31 were \$12,712,467 or 1% ahead of a budget of \$12,587,178.

**Assessments** of \$9,802,435 were in line with budget.

**Contributions to Reserve** for July were \$158,984. The year-to-date CTR total at July 31 was \$902,976 or \$22,024 under the \$925,000 budgeted.

- At July 31, 2016, Contributions to Reserve totaled \$812,405.
- The CTR estimate for August is \$98,000.

**Commercial Access Fees** as of July 31 totaled \$1,234,238 which was \$15,821 ahead of the \$1,218,417 budgeted.

- Commercial Access Fees were \$955,704 at July 31, 2016.

**Total Expenses** through July 31, 2017 were \$9,643,352 versus a budget of \$9,737,566 for a favorable variance of \$94,214 or .97%. Actual expenses for the seven months include \$757,302 of unbudgeted costs related to Hurricane Matthew.

**Payroll and benefits** expenses of \$3,425,010 were in line with the year-to-date budget amount of \$3,471,401.

**Repairs and Maintenance** – Through July 31, Building Repairs and Maintenance totaled \$186,206 or 39.75% below the budget of \$309,070. The largest projects budgeted for the first seven months of 2017, but not yet undertaken are:

- \$69,500 earmarked for painting and repairs at the Sandcastle.
- \$11,500 in various Sandcastle maintenance projects that will be incorporated into the upcoming renovation.
- \$14,171 in maintenance at the Beachwalker Drive administrative office that has been delayed until the August/September office improvements and move.

Common Area Repairs and Maintenance expenses of \$667,962 exceeded budget by \$208,974. The overage can be attributed to unbudgeted common area land management clean-up costs related to Hurricane Matthew which total \$262,543 year-to-date.

Variance Analysis  
For Seven Months Ending July 31, 2017

**Repairs and Maintenance** (continued) - The 2017 Building and Equipment budget of \$432,461 does not include the \$150,000 of improvements to the Beachwalker Drive administrative office building which were approved by the board on July 10. These expenses will be paid for with existing funds.

**Operating/Administrative** expenses of \$1,650,287 finished July over budget by \$39,044 or 2.42%. Purchase delays in this category were not able to offset the \$148,433 of unbudgeted architect and design fees related to the Sandcastle renovation which are part of this total.

**Landscape Capital Projects and Major Repairs and Replacements** – Landscape Capital Improvements finished July at \$201,270 - over the budget amount of \$195,817 due to project timing and the addition of plantings to the planned project along the Kiawah Island Parkway.

Major Repairs and Replacements of \$3,125,464 through July 31 were \$200,954 below budget despite \$494,758 of unbudgeted Hurricane Matthew repairs and replacement spending.

Two significant projects contributed to the favorable budget comparison:

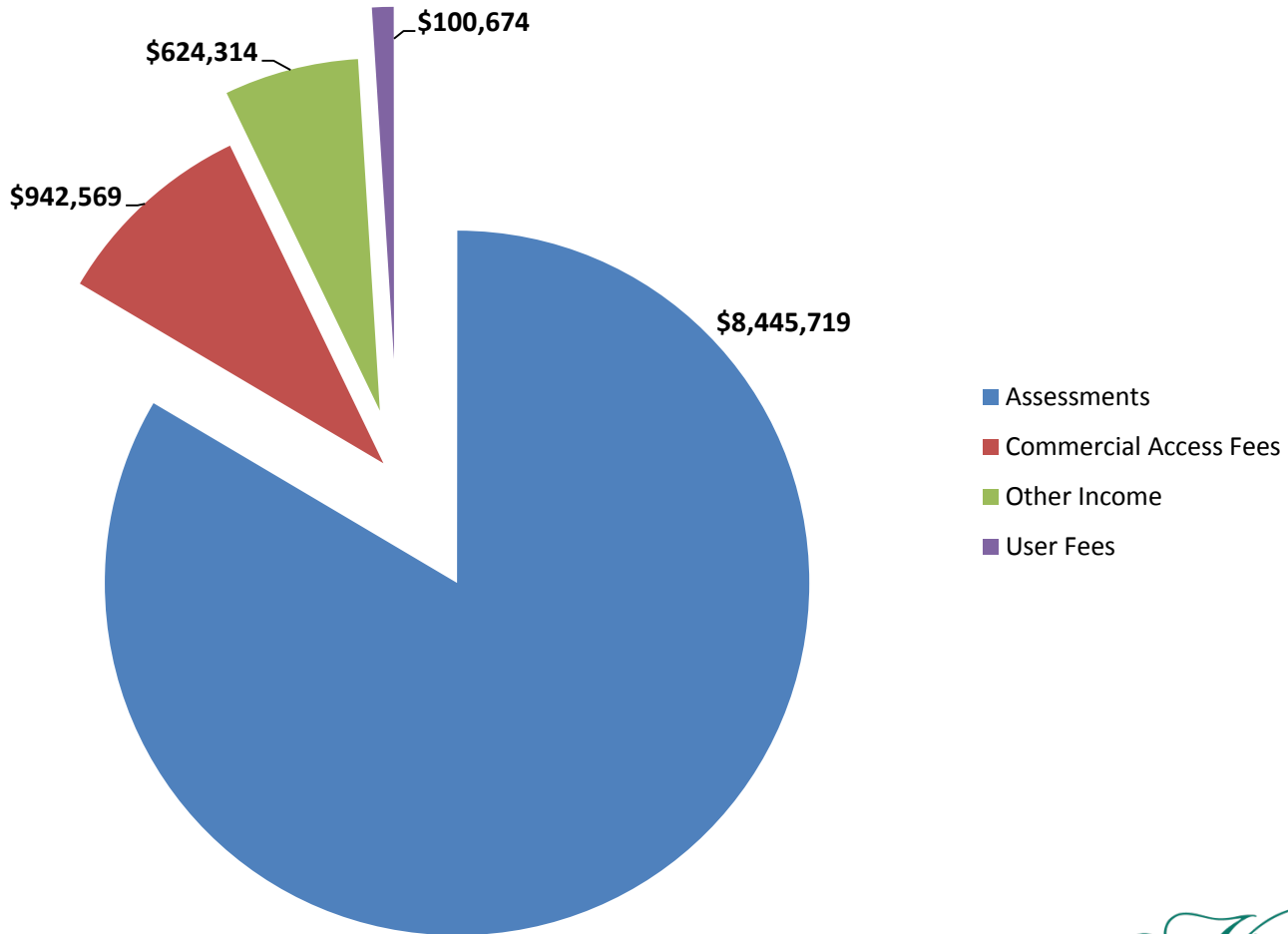
- Drainage renovations to Cougar Point Golf Course began in November of 2016 and as a result, \$276,576 of the cost of that project was expensed in 2016 despite being included in the 2017 budget approved November 8.
- Road Rejuvenation was budgeted to cost \$325,000 while the actual cost of the project was \$263,000.

The 2017 MRR budget total of \$3,484,528 does not include two expenses approved by the Board of Directors on July 10. Both projects are scheduled to occur before the end of 2017.

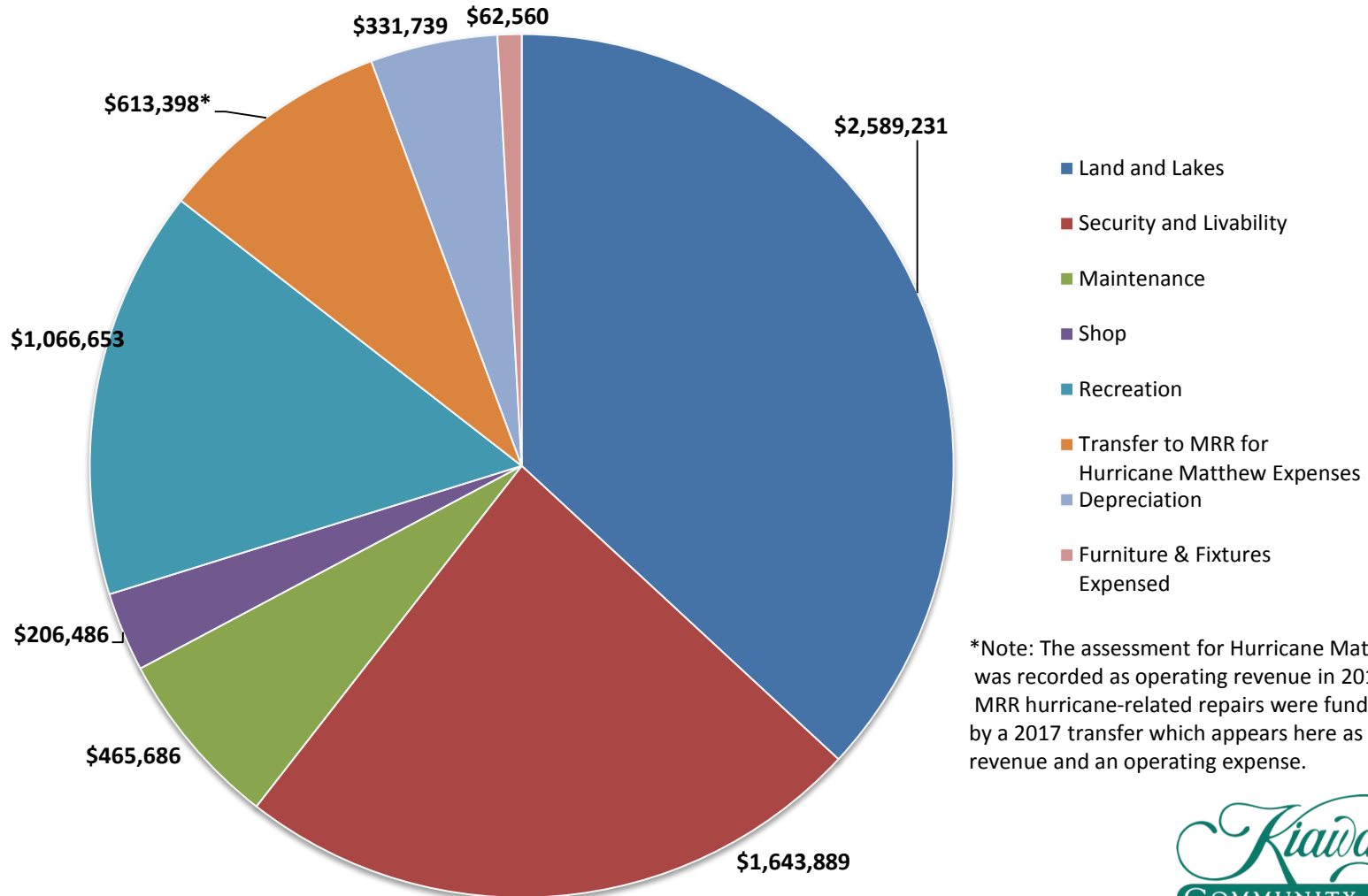
- The repair of the east and west sides of the Rhett's Bluff dock was approved up to \$235,000. The original dock was destroyed by Hurricane Matthew. This renovation will restore the dock to the level of function provided by the previous dock.
- The Board of Directors approved spending up to \$800,000 to mill and replace the Kiawah Island Parkway.

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](mailto:jane.ovenden@kica.us) or by telephone at 843-768-9194 ext. 216.

# Operating Revenue to July 31, 2017

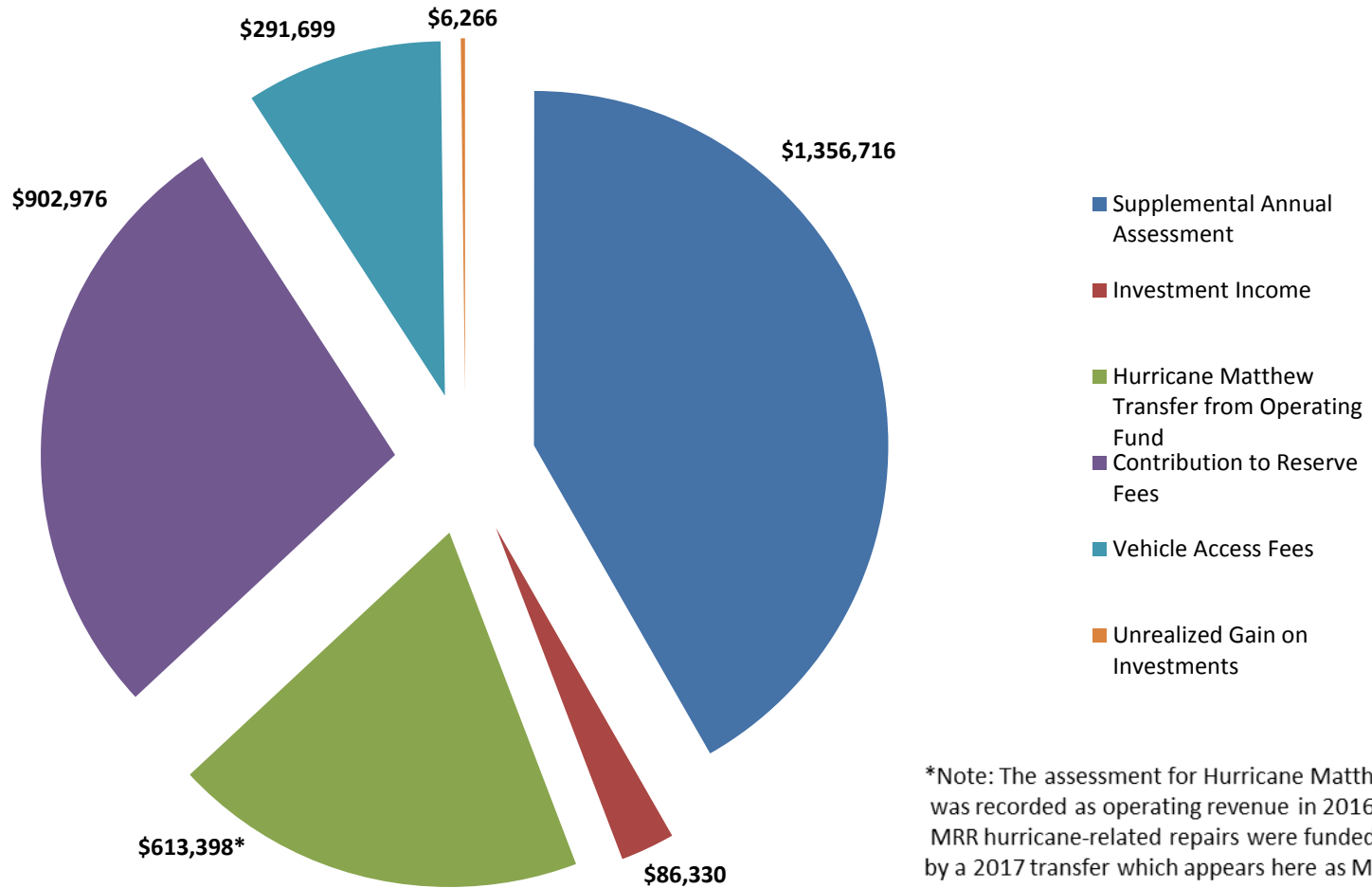


# Operating Expenses to July 31, 2017



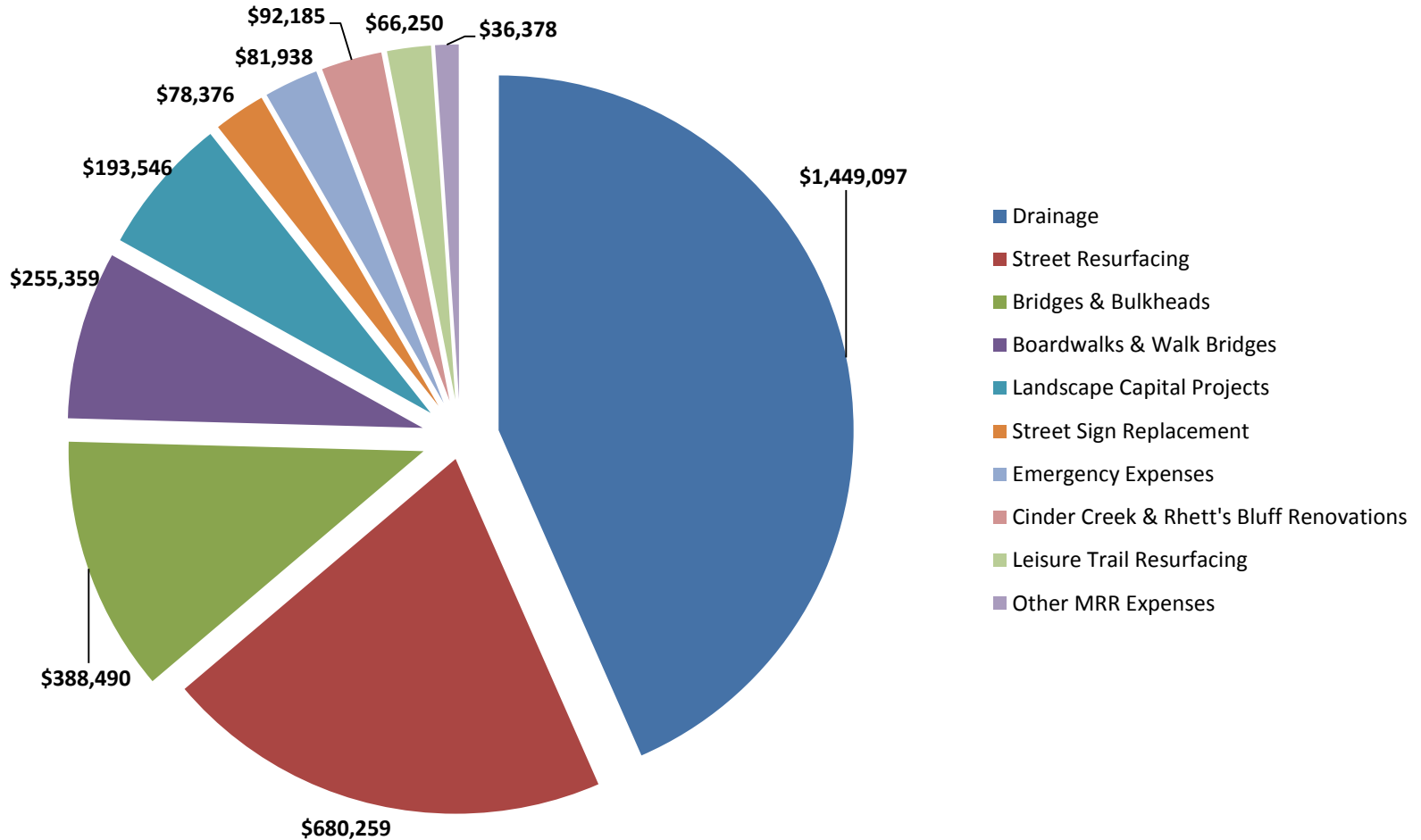
\*Note: The assessment for Hurricane Matthew was recorded as operating revenue in 2016. MRR hurricane-related repairs were funded by a 2017 transfer which appears here as MRR revenue and an operating expense.

# MRR Revenue to July 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 Expenses to July 31, 2017



## Kiawah Island Community Association, Inc.

## Consolidated Balance Sheet

July 31, 2017

|                                     | FUNDS            |                |                |                  |               |                  | TOTAL             |
|-------------------------------------|------------------|----------------|----------------|------------------|---------------|------------------|-------------------|
|                                     | General          | Recreation     | V-Gate         | Reserve          | Preserve      | Property         |                   |
| <b>ASSETS</b>                       |                  |                |                |                  |               |                  |                   |
| <b>Current Assets</b>               |                  |                |                |                  |               |                  |                   |
| Cash and Cash Equivalents           | 309,318          | 0              | 0              | 0                | 0             | 0                | 309,318           |
| Money Market Funds                  | 8,050,093        | 373,122        | 463,870        | 1,010,677        | 16,735        | 1,556,130        | 11,470,627        |
| CD's                                | 0                | 0              | 0              | 450,000          | 0             | 0                | 450,000           |
| Interest Receivable                 | 0                | 0              | 0              | 42,622           | 0             | 0                | 42,622            |
| Accounts Receivable                 | 52,309           | 53,188         | 336            | 18,474           | 90            | 0                | 124,398           |
| Accounts Receivable- Other          | 838              | (2,129)        | 0              | 0                | 0             | 0                | (1,291)           |
| Royalty Receivable                  | 37,500           | 0              | 0              | 0                | 0             | 0                | 37,500            |
| Prepaid Expenses                    | 270,575          | 8,327          | 0              | 123,151          | 0             | 0                | 402,053           |
| <b>Total Current Assets</b>         | <b>8,720,632</b> | <b>432,508</b> | <b>464,206</b> | <b>1,644,925</b> | <b>16,825</b> | <b>1,556,130</b> | <b>12,835,226</b> |
| <b>Fixed Assets</b>                 |                  |                |                |                  |               |                  |                   |
| Equipment & Furniture               | 0                | 0              | 0              | 0                | 0             | 1,494,202        | 1,494,202         |
| 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             | (5,023,020)      | (5,023,020)       |
| <b>Total Fixed Assets</b>           | <b>0</b>         | <b>0</b>       | <b>0</b>       | <b>0</b>         | <b>0</b>      | <b>6,579,185</b> | <b>6,579,185</b>  |
| <b>Other Assets</b>                 |                  |                |                |                  |               |                  |                   |
| Treasury Investments > 1 Yr         | 0                | 0              | 0              | 600,883          | 0             | 0                | 600,883           |
| Corporate Bonds                     | 0                | 0              | 0              | 4,400,000        | 0             | 0                | 4,400,000         |
| Corporate Bond Premium              | 0                | 0              | 0              | 90,221           | 0             | 0                | 90,221            |
| Unrealized Gain/Loss on Investments | 0                | 0              | 0              | (5,774)          | 0             | 0                | (5,774)           |
| <b>Total Other Assets</b>           | <b>0</b>         | <b>0</b>       | <b>0</b>       | <b>5,085,329</b> | <b>0</b>      | <b>0</b>         | <b>5,085,329</b>  |
| <b>TOTAL ASSETS</b>                 | <b>8,720,632</b> | <b>432,508</b> | <b>464,206</b> | <b>6,730,254</b> | <b>16,825</b> | <b>8,135,315</b> | <b>24,499,740</b> |

## Kiawah Island Community Association, Inc.

## Consolidated Balance Sheet

July 31, 2017

8/23/2017

|                                       | FUNDS            |                |                |                  |               |                  | TOTAL             |
|---------------------------------------|------------------|----------------|----------------|------------------|---------------|------------------|-------------------|
|                                       | General          | Recreation     | V-Gate         | Reserve          | Preserve      | Property         |                   |
| <b>LIABILITIES AND FUND BALANCE</b>   |                  |                |                |                  |               |                  |                   |
| <b>Current Liabilities</b>            |                  |                |                |                  |               |                  |                   |
| Payroll Withholdings                  | 30,803           | 0              | 0              | 0                | 0             | 0                | 30,803            |
| Accrued Payroll                       | 336,271          | 49,872         | 0              | 0                | 0             | 0                | 386,142           |
| Deposits and Prepaid Assessments      | 2,603            | 9,450          | 0              | 0                | 0             | 0                | 12,053            |
| Accounts Payable                      | 141,508          | 28,200         | 0              | 90,415           | 0             | 0                | 260,123           |
| ARB Coordinator Salary                | 5,062            | 0              | 0              | 0                | 0             | 0                | 5,062             |
| Current Mortgage Payable              | 22,472           | 0              | 0              | 0                | 0             | 0                | 22,472            |
| Deferred Revenue- Royalty Income- Cur | 16,719           | 0              | 0              | 0                | 0             | 0                | 16,719            |
| <b>Total Current Liabilities</b>      | <b>555,437</b>   | <b>87,522</b>  | <b>0</b>       | <b>90,415</b>    | <b>0</b>      | <b>0</b>         | <b>733,374</b>    |
| <b>Non-Current Liabilities</b>        |                  |                |                |                  |               |                  |                   |
| 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         |
| <b>Total Non-Current Liabilities</b>  | <b>1,963,997</b> | <b>0</b>       | <b>0</b>       | <b>0</b>         | <b>0</b>      | <b>0</b>         | <b>1,963,997</b>  |
| <b>Fund Balance</b>                   |                  |                |                |                  |               |                  |                   |
| Fund Balance                          | 6,201,198        | 344,986        | 464,206        | 6,639,839        | 16,825        | 8,135,315        | 21,802,370        |
| <b>Total Fund Balance</b>             | <b>6,201,198</b> | <b>344,986</b> | <b>464,206</b> | <b>6,639,839</b> | <b>16,825</b> | <b>8,135,315</b> | <b>21,802,370</b> |
| <b>TOTAL LIABILITIES/FUNDS</b>        | <b>8,720,632</b> | <b>432,508</b> | <b>464,206</b> | <b>6,730,254</b> | <b>16,825</b> | <b>8,135,315</b> | <b>24,499,740</b> |



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

|                               | YEAR-TO-DATE      |                   | Favorable (Unfavorable) |              | 2017 Total        | Remaining          |
|-------------------------------|-------------------|-------------------|-------------------------|--------------|-------------------|--------------------|
|                               | Actual            | Budget            | \$ Variance             | % Variance   | Budget            | Budget             |
| <b>Revenues</b>               |                   |                   |                         |              |                   |                    |
| Assessments                   | 9,802,435         | 9,781,988         | 20,447                  | 0.21%        | 9,792,395         | (10,040)           |
| Investment Income             | 103,822           | 58,307            | 45,515                  | 78.06%       | 99,955            | (3,867)            |
| Contribution to Reserves      | 902,976           | 925,000           | (22,024)                | (2.38)%      | 1,500,000         | 597,024            |
| Commercial Access Fees        | 1,234,238         | 1,218,417         | 15,821                  | 1.30%        | 1,610,750         | 376,512            |
| User Fees                     | 100,674           | 96,517            | 4,157                   | 4.31%        | 172,650           | 71,976             |
| Other Income                  | 568,321           | 506,949           | 61,372                  | 12.11%       | 769,126           | 200,805            |
| <b>Total Revenues</b>         | <b>12,712,467</b> | <b>12,587,178</b> | <b>125,289</b>          | <b>1.00%</b> | <b>13,944,876</b> | <b>1,232,410</b>   |
| <b>Expenses</b>               |                   |                   |                         |              |                   |                    |
| Payroll Expenses              | 3,425,010         | 3,471,401         | 46,390                  | 1.34%        | 5,858,481         | 2,433,470          |
| Building/Equipment R/M        | 186,206           | 309,070           | 122,864                 | 39.75%       | 432,461           | 246,255            |
| Common Area R/M               | 667,962           | 458,988           | (208,974)               | (45.53)%     | 630,327           | (37,635)           |
| Operating Expenses            | 1,650,287         | 1,611,243         | (39,044)                | (2.42)%      | 2,548,106         | 897,819            |
| Capital Equipment Purchases   | 62,560            | 0                 | (62,559)                | -            | 0                 | (62,559)           |
| Capital Projects - LCI        | 201,270           | 195,817           | (5,454)                 | (2.79)%      | 325,400           | 124,130            |
| Capital Projects - MRR        | 3,125,464         | 3,326,418         | 200,954                 | 6.04%        | 3,484,528         | 359,064            |
| Depreciation                  | 331,739           | 288,750           | (42,989)                | (14.89)%     | 495,000           | 163,261            |
| Interest Expense              | 34,753            | 34,380            | (373)                   | (1.08)%      | 58,510            | 23,757             |
| (Gain)/Loss on Sale of Assets | (41,899)          | 41,500            | 83,399                  | 200.96%      | 41,500            | 83,399             |
| <b>Total Expenses</b>         | <b>9,643,352</b>  | <b>9,737,566</b>  | <b>94,214</b>           | <b>0.97%</b> | <b>13,874,313</b> | <b>4,230,960</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>18,733,256</b> | <b>18,733,256</b> | <b>0</b>                | <b>0.00%</b> | <b>18,733,256</b> | <b>0</b>           |
| <b>NET SURPLUS/(DEFICIT)</b>  | <b>3,069,114</b>  | <b>2,849,612</b>  | <b>219,503</b>          | <b>7.70%</b> | <b>70,564</b>     | <b>(2,998,551)</b> |
| <b>ENDING FUND BALANCE</b>    | <b>21,802,370</b> | <b>21,582,868</b> | <b>219,503</b>          | <b>1.02%</b> | <b>18,803,820</b> | <b>(2,998,551)</b> |

# Kiawah Island Community Association, Inc.

## Income Statement

YTD as of July 31, 2017

|                               | General               |                       | Recreation            |                       | V-Gate              |                     | MRR                   |                       | Preserve             |                    | Property              |                     | Total                  |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|----------------------|--------------------|-----------------------|---------------------|------------------------|
|                               | Actual                | Budget                | Actual                | Budget                | Actual              | Budget              | Actual                | Budget                | Actual               | Budget             | Actual                | Budget              |                        |
| <b>Revenues</b>               |                       |                       |                       |                       |                     |                     |                       |                       |                      |                    |                       |                     |                        |
| Assessments                   | \$7,634,594.07        | \$7,624,435.58        | \$587,161.37          | \$588,642.32          | \$200,802.68        | \$194,711.07        | \$1,356,715.83        | \$1,350,888.78        | \$23,160.95          | \$23,310.00        | \$0.00                | \$0.00              | \$9,802,434.90         |
| Investment Income             | \$13,578.23           | \$28,000.00           | \$746.00              | \$2,391.69            | \$770.09            | \$1,604.19          | \$86,329.90           | \$26,250.00           | \$20.30              | \$61.25            | \$2,377.82            | \$0.00              | \$103,822.34           |
| Contribution to Reserves      | \$0.00                | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$0.00              | \$902,976.29          | \$925,000.00          | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$902,976.29           |
| Commercial Access Fees        | \$942,569.00          | \$926,750.00          | \$0.00                | \$0.00                | \$0.00              | \$0.00              | \$291,669.00          | \$291,666.69          | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$1,234,238.00         |
| User Fees                     | \$24,440.00           | \$21,519.19           | \$76,234.00           | \$74,997.94           | \$0.00              | \$0.00              | \$0.00                | \$0.00                | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$100,674.00           |
| Other Income                  | \$416,049.54          | \$371,936.49          | \$152,271.51          | \$135,012.65          | \$0.00              | \$0.00              | \$0.00                | \$0.00                | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$568,321.05           |
| <b>Total Revenues</b>         | <b>\$9,031,230.84</b> | <b>\$8,972,641.26</b> | <b>\$816,412.88</b>   | <b>\$801,044.60</b>   | <b>\$201,572.77</b> | <b>\$196,315.26</b> | <b>\$2,637,691.02</b> | <b>\$2,593,805.47</b> | <b>\$23,181.25</b>   | <b>\$23,371.25</b> | <b>\$2,377.82</b>     | <b>\$0.00</b>       | <b>\$12,712,466.58</b> |
| <b>Expenses</b>               |                       |                       |                       |                       |                     |                     |                       |                       |                      |                    |                       |                     |                        |
| Payroll Expenses              | \$2,991,299.03        | \$3,041,607.27        | \$344,048.44          | \$340,131.46          | \$89,663.00         | \$89,661.81         | \$0.00                | \$0.00                | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$3,425,010.47         |
| Building/Equipment R/M        | \$96,535.86           | \$137,672.38          | \$88,788.97           | \$166,908.64          | \$881.45            | \$4,488.88          | \$0.00                | \$0.00                | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$186,206.28           |
| Common Area R/M               | \$626,892.17          | \$426,951.37          | \$28,052.80           | \$23,566.62           | \$0.00              | \$1,470.00          | \$0.00                | \$0.00                | \$13,016.53          | \$7,000.00         | \$0.00                | \$0.00              | \$667,961.50           |
| Operating Expenses            | \$1,384,759.35        | \$1,355,696.23        | \$244,176.61          | \$233,972.75          | \$21,350.65         | \$21,574.00         | \$0.00                | \$0.00                | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$1,650,286.61         |
| 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              | \$193,546.15          | \$187,416.69          | \$7,724.25           | \$8,400.00         | \$0.00                | \$0.00              | \$201,270.40           |
| Capital Projects - MRR        | \$0.00                | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$0.00              | \$3,125,464.44        | \$3,326,418.00        | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$3,125,464.44         |
| Depreciation                  | \$0.00                | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$0.00              | \$0.00                | \$0.00                | \$0.00               | \$0.00             | \$331,739.07          | \$288,750.00        | \$331,739.07           |
| Interest Expense              | \$34,752.67           | \$34,380.00           | \$0.00                | \$0.00                | \$0.00              | \$0.00              | \$0.00                | \$0.00                | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$34,752.67            |
| (Gain)/Loss on Sale of Assets | (\$38,500.00)         | \$41,500.00           | \$0.00                | \$0.00                | \$0.00              | \$0.00              | (\$3,398.62)          | \$0.00                | \$0.00               | \$0.00             | \$0.00                | \$0.00              | (\$41,898.62)          |
| <b>Total Expenses</b>         | <b>\$5,095,739.08</b> | <b>\$5,037,807.33</b> | <b>\$705,066.82</b>   | <b>\$764,579.47</b>   | <b>\$111,895.10</b> | <b>\$117,194.69</b> | <b>\$3,315,611.97</b> | <b>\$3,513,834.69</b> | <b>\$20,740.78</b>   | <b>\$15,400.00</b> | <b>\$394,298.64</b>   | <b>\$288,750.00</b> | <b>\$9,643,352.39</b>  |
| <b>Transfers</b>              |                       |                       |                       |                       |                     |                     |                       |                       |                      |                    |                       |                     |                        |
| Community Program Support     | \$134,169.00          | \$134,166.69          | (\$134,169.00)        | (\$134,166.69)        | \$0.00              | \$0.00              | \$0.00                | \$0.00                | \$0.00               | \$0.00             | \$0.00                | \$0.00              | \$0.00                 |
| Interfund Transfers           | \$902,054.49          | \$0.00                | \$13,638.00           | \$0.00                | \$0.00              | \$0.00              | (\$613,397.66)        | \$0.00                | (\$13,016.53)        | \$0.00             | (\$289,278.30)        | \$0.00              | \$0.00                 |
| <b>Total Transfers</b>        | <b>\$1,036,223.49</b> | <b>\$134,166.69</b>   | <b>(\$120,531.00)</b> | <b>(\$134,166.69)</b> | <b>\$0.00</b>       | <b>\$0.00</b>       | <b>(\$613,397.66)</b> | <b>\$0.00</b>         | <b>(\$13,016.53)</b> | <b>\$0.00</b>      | <b>(\$289,278.30)</b> | <b>\$0.00</b>       | <b>\$0.00</b>          |
| <b>BEGINNING FUND BALANCE</b> | <b>\$3,301,930.09</b> | <b>\$0.00</b>         | <b>\$113,109.20</b>   | <b>\$0.00</b>         | <b>\$374,527.99</b> | <b>\$0.00</b>       | <b>\$6,704,362.61</b> | <b>\$0.00</b>         | <b>\$1,368.05</b>    | <b>\$0.00</b>      | <b>\$8,237,957.98</b> | <b>\$0.00</b>       | <b>\$18,733,255.92</b> |
| <b>NET SURPLUS/(DEFICIT)</b>  | <b>\$2,899,268.27</b> | <b>\$0.00</b>         | <b>\$231,877.06</b>   | <b>\$0.00</b>         | <b>\$89,677.67</b>  | <b>\$0.00</b>       | <b>(\$64,523.29)</b>  | <b>\$0.00</b>         | <b>\$15,457.00</b>   | <b>\$0.00</b>      | <b>(\$102,642.52)</b> | <b>\$0.00</b>       | <b>\$3,069,114.19</b>  |
| <b>ENDING FUND BALANCE</b>    | <b>\$6,201,198.36</b> | <b>\$0.00</b>         | <b>\$344,986.26</b>   | <b>\$0.00</b>         | <b>\$464,205.66</b> | <b>\$0.00</b>       | <b>\$6,639,839.32</b> | <b>\$0.00</b>         | <b>\$16,825.05</b>   | <b>\$0.00</b>      | <b>\$8,135,315.46</b> | <b>\$0.00</b>       | <b>\$21,802,370.11</b> |