



## Variance Analysis

### For Six Months Ending June 30, 2017

**Total Revenues:** Actual revenues for the first half of 2017 were \$12,333,828 or 1.11% ahead of a budget of \$12,198,113.

**Assessments** of \$9,801,007 were in line with budget.

**Contributions to Reserve** for June were \$186,835. The year-to-date CTR total at June 30 was \$743,992 or \$6,008 behind the \$750,000 budgeted.

- At June 30, 2016, Contributions to Reserve totaled \$698,925.
- The CTR estimate for July is \$150,000.

**Commercial Access Fees** as of June 30 totaled \$1,169,184 which was \$42,999 ahead of the \$1,126,185 budgeted.

- Commercial Access Fees were \$910,136 at the mid-point of 2016.

**Total Expenses** through June 30, 2017 were \$8,627,139 versus a budget of \$8,873,080 for a favorable variance of \$245,941 or 2.77%. Actual Expenses for the six months include \$740,938 of unbudgeted costs related to Hurricane Matthew.

**Payroll and benefits** expenses of \$2,937,755 were in line with the year-to-date budget amount of \$2,977,278.

**Repairs and Maintenance** – Through June 30, Building Repairs and Maintenance totaled \$159,149 or 43% below the budget of \$281,650. The single largest budgeted expense that has not been undertaken is \$69,500 earmarked for painting and repairs at the Sandcastle. These expenses will instead be part of the Sandcastle renovation planned for the last quarter of 2017 and the first half of 2018.

Repairs and maintenance projects totaling \$20,000 planned for the Beachwalker Drive administrative building have been delayed until the second half of 2017 – this delay also contributed to the favorable comparison to budget.

Common Area Repairs and Maintenance expenses of \$627,693 exceeded budget by \$197,094. The overage can be attributed to unbudgeted common area repair costs related to Hurricane Matthew which totaled \$262,543 for the first half of 2017.

Variance Analysis  
For Six Months Ending June 30, 2017

**Operating/Administrative** expenses of \$1,358,597 finished June just under budget by \$34,155 or 2.45%; primarily due to temporary savings in administrative expenses of \$36,665, in utilities of \$31,620, and delays in IT purchases which finished the period \$52,919 below budget. Delayed IT purchases will occur prior to year-end as KICA expands to occupy all of the building at 23 Beachwalker Drive.

Lower than budgeted amounts in these areas helped offset overages for workers compensation insurance, legal fees, and unbudgeted planning and design costs for the Sandcastle renovations.

**Landscape Capital Projects and Major Repairs and Replacements** – Landscape Capital Improvements finished June \$33,595 under the budget amount of \$179,900 due to changes to the schedule of projects and major purchase delays. However, this category is expected to finish 2017 in line with the annual budget total of \$325,400.

Major Repairs and Replacements of \$3,070,145 through June 30 were \$222,251 below budget despite \$458,416 of unbudgeted Hurricane Matthew repairs and replacement spending.

Two significant projects contributed to the favorable budget comparison:

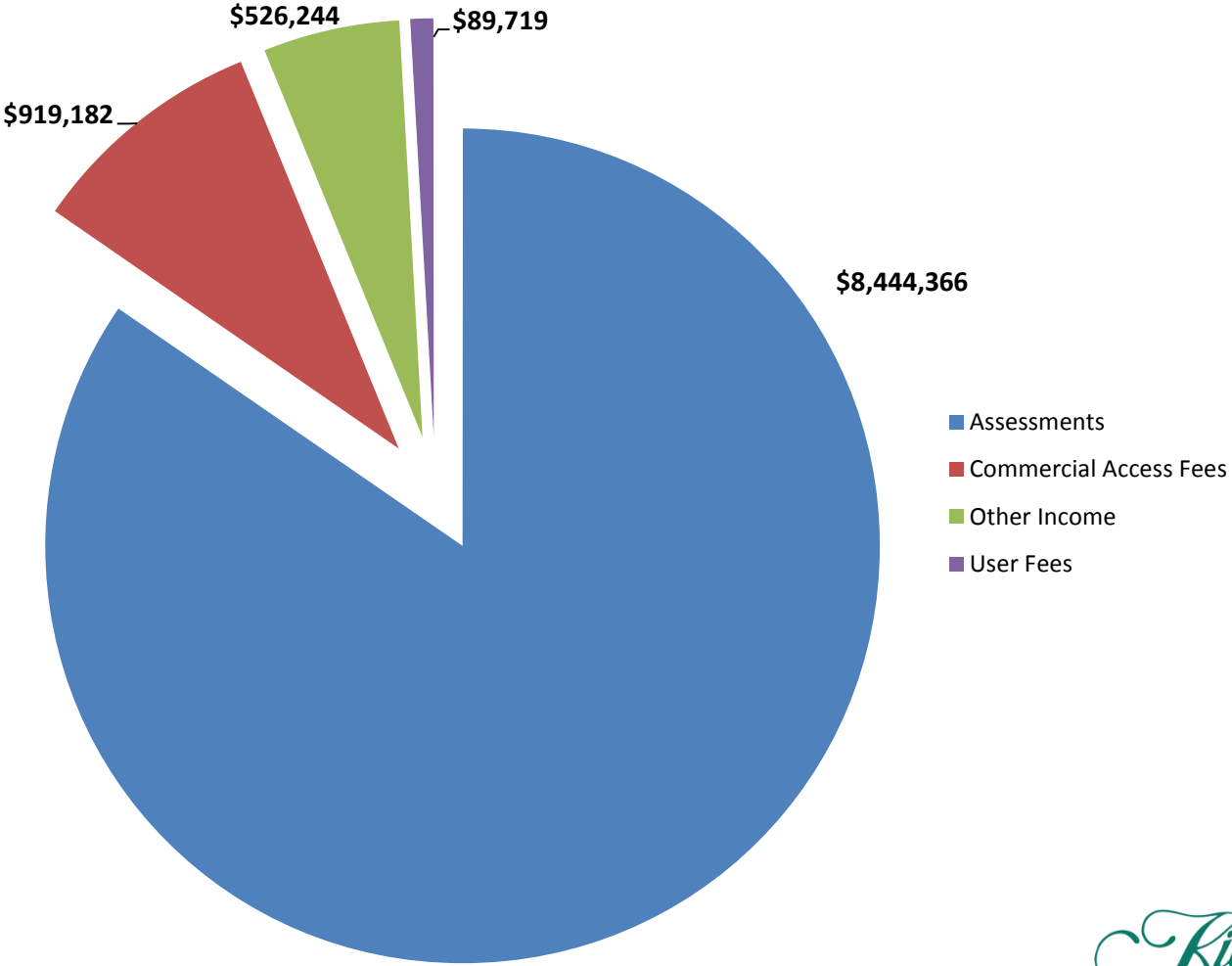
- Drainage renovations to Cougar Point Golf Course began in November of 2016 and as a result, \$276,576 of the cost of that project was expensed in 2016 despite being included in the 2017 budget approved November 8.
- Road Rejuvenation was budgeted to cost \$325,000 while the actual cost of the project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

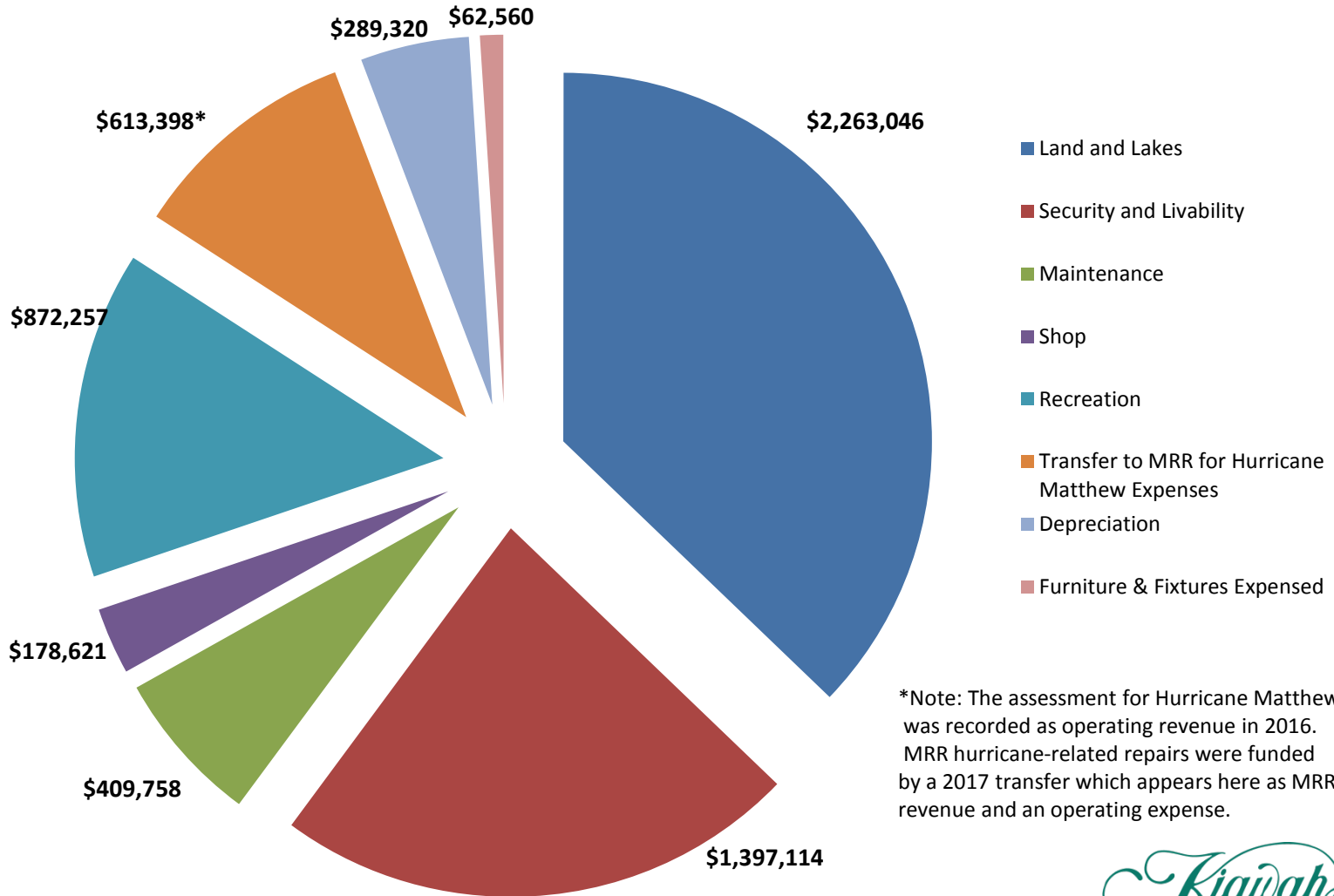
- The repair of the east and west sides of the Rhett's Bluff dock was approved up to \$235,000. The original dock was destroyed by Hurricane Matthew. This renovation will restore the dock to the level of function provided by the previous dock.
- The Board of Directors approved spending up to \$800,000 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 June 30, 2017

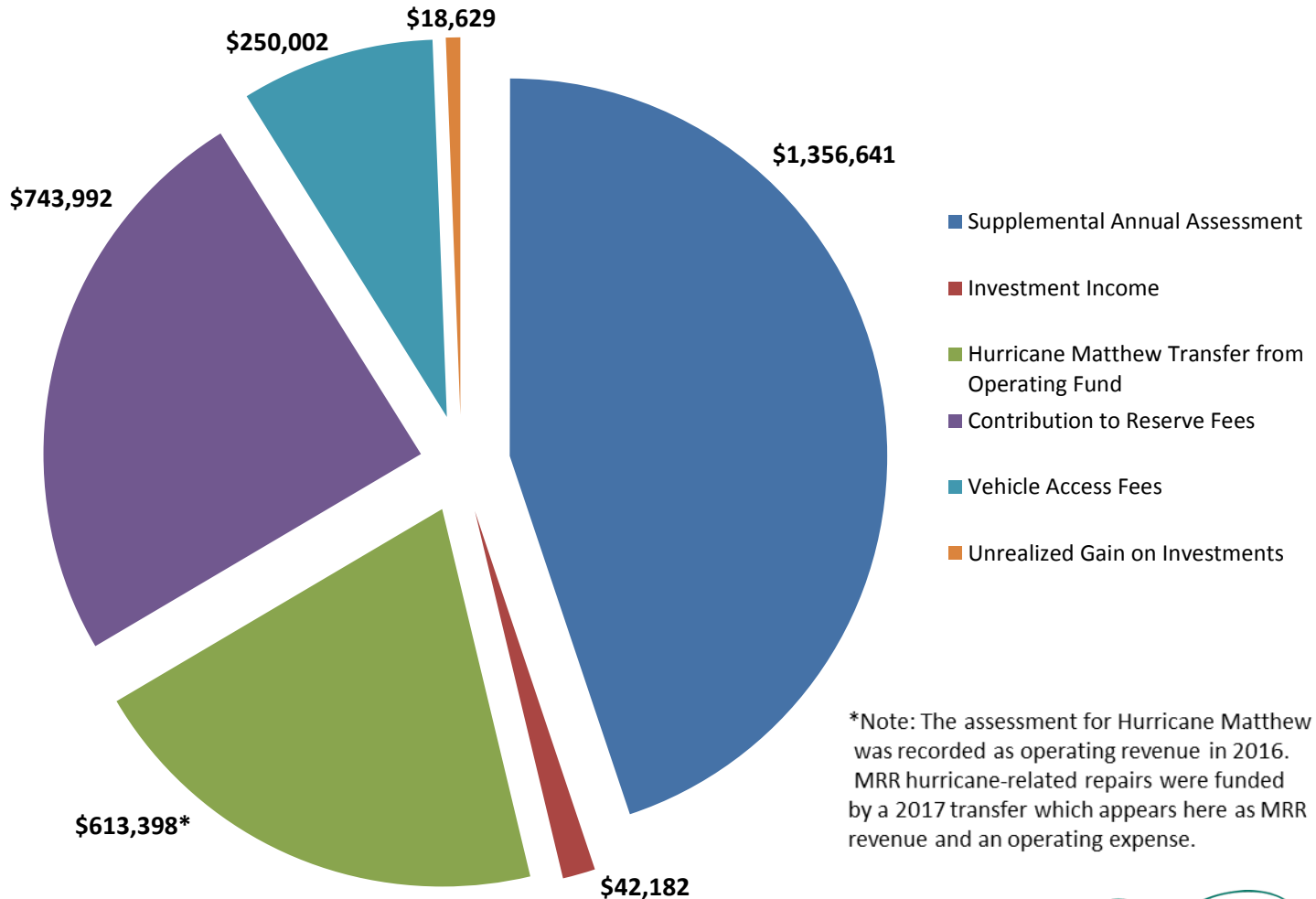


# Operating Expenses to June 30, 2017



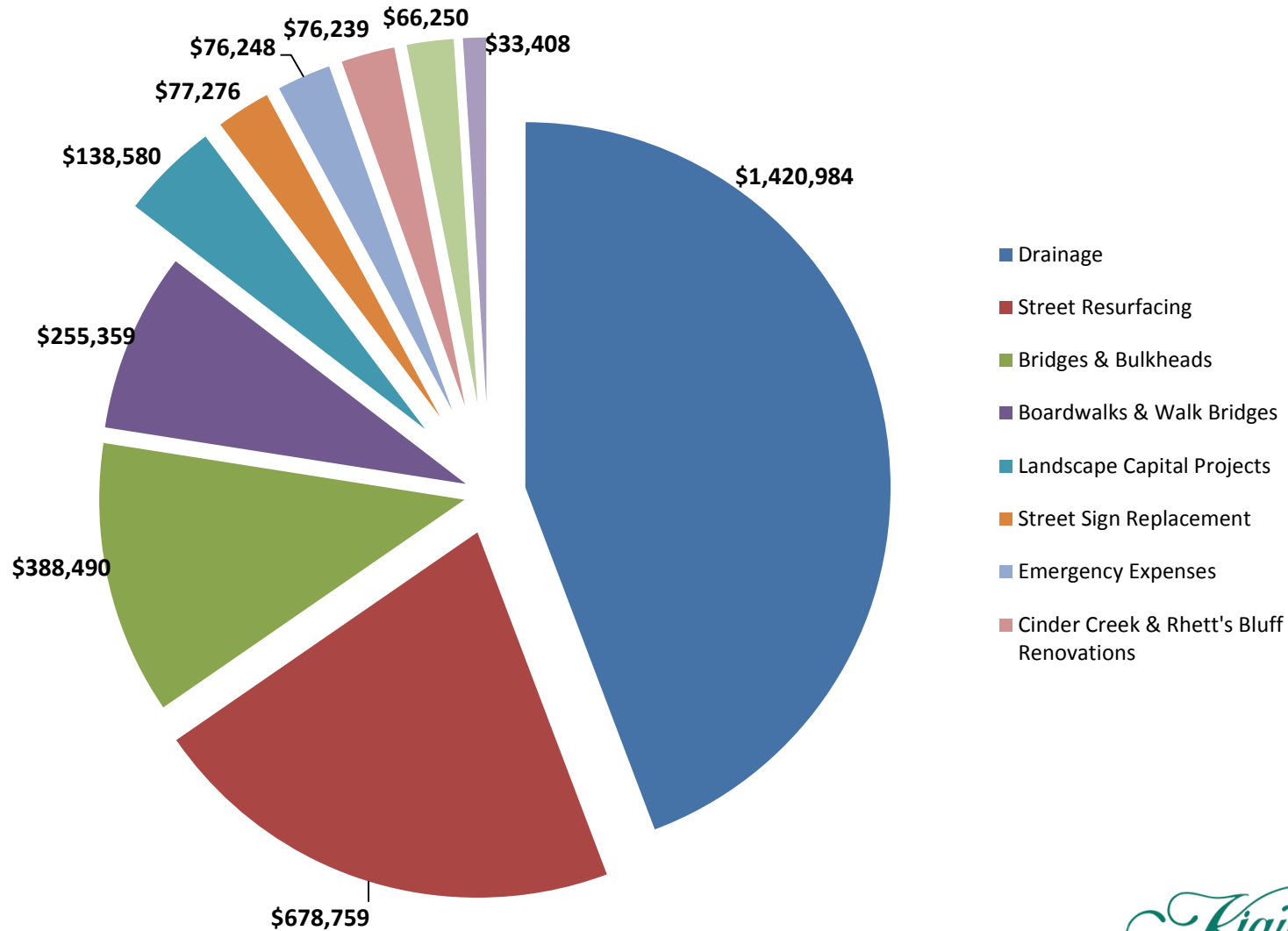
\*Note: The assessment for Hurricane Matthew was recorded as operating revenue in 2016. MRR hurricane-related repairs were funded by a 2017 transfer which appears here as MRR revenue and an operating expense.

# MRR Revenue to June 30, 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 June 30, 2017



# Kiawah Island Community Association, Inc.

## Consolidated Balance Sheet

June 30, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	601,475	0	0	0	0	0	601,475
Money Market Funds	8,628,123	418,970	488,798	922,641	16,733	1,534,394	12,009,659
CD's	0	0	0	450,000	0	0	450,000
Interest Receivable	0	0	0	39,451	0	0	39,451
Accounts Receivable	55,367	42,522	576	60,870	90	0	159,425
Accounts Receivable- Other	1,483	(1,283)	0	0	0	0	199
Royalty Receivable	37,500	0	0	0	0	0	37,500
Prepaid Expenses	292,696	12,175	0	118,151	0	0	423,023
<b>Total Current Assets</b>	<b>9,616,644</b>	<b>472,383</b>	<b>489,374</b>	<b>1,591,114</b>	<b>16,823</b>	<b>1,534,394</b>	<b>13,720,732</b>
<b>Fixed Assets</b>							
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	(4,980,600)	(4,980,600)
<b>Total Fixed Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,616,795</b>	<b>6,616,795</b>
<b>Other Assets</b>							
Treasury Investments > 1 Yr	0	0	0	566,225	0	0	566,225
Corporate Bonds	0	0	0	4,400,000	0	0	4,400,000
Corporate Bond Premium	0	0	0	94,924	0	0	94,924
Unrealized Gain/Loss on Investments	0	0	0	6,588	0	0	6,588
<b>Total Other Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,067,737</b>	<b>0</b>	<b>0</b>	<b>5,067,737</b>
<b>TOTAL ASSETS</b>	<b>9,616,644</b>	<b>472,383</b>	<b>489,374</b>	<b>6,658,851</b>	<b>16,823</b>	<b>8,151,189</b>	<b>25,405,264</b>

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

June 30, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Current Liabilities</b>							
Payroll Withholdings	26,487	0	0	0	0	0	26,487
Accrued Payroll	315,540	43,918	0	0	0	0	359,458
Deposits and Prepaid Assessments	2,603	10,130	0	0	0	0	12,733
Accounts Payable	376,616	27,744	0	141,239	0	0	545,599
ARB Coordinator Salary	4,946	0	0	0	0	0	4,946
Current Mortgage Payable	27,021	0	0	0	0	0	27,021
Deferred Revenue- Royalty Income- Cur	25,078	0	0	0	0	0	25,078
<b>Total Current Liabilities</b>	<b>778,291</b>	<b>81,792</b>	<b>0</b>	<b>141,239</b>	<b>0</b>	<b>0</b>	<b>1,001,322</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	6,874,356	390,591	489,374	6,517,613	16,823	8,151,189	22,439,946
<b>Total Fund Balance</b>	<b>6,874,356</b>	<b>390,591</b>	<b>489,374</b>	<b>6,517,613</b>	<b>16,823</b>	<b>8,151,189</b>	<b>22,439,946</b>
<b>TOTAL LIABILITIES/FUNDS</b>	<b>9,616,644</b>	<b>472,383</b>	<b>489,374</b>	<b>6,658,851</b>	<b>16,823</b>	<b>8,151,189</b>	<b>25,405,264</b>



**Kiawah Island Community Association, Inc.**  
**Consolidated Income Statement with Budget Variances**  
for the Period Ending June 30, 2017

	YEAR-TO-DATE		Favorable (Unfavorable)		2017 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
<b>Revenues</b>						
Assessments	9,801,007	9,780,398	20,609	0.21%	9,792,395	(8,612)
Investment Income	59,721	49,978	9,744	19.50%	99,955	40,234
Contribution to Reserves	743,992	750,000	(6,008)	(0.80)%	1,500,000	756,008
Commercial Access Fees	1,169,184	1,126,185	42,999	3.82%	1,610,750	441,566
User Fees	89,719	81,358	8,361	10.28%	172,650	82,931
Other Income	470,204	410,194	60,010	14.63%	769,126	298,922
<b>Total Revenues</b>	<b>12,333,828</b>	<b>12,198,113</b>	<b>135,715</b>	<b>1.11%</b>	<b>13,944,876</b>	<b>1,611,048</b>
<b>Expenses</b>						
Payroll Expenses	2,937,755	2,977,278	39,523	1.33%	5,858,481	2,920,726
Building/Equipment R/M	159,149	281,650	122,501	43.49%	432,461	273,312
Common Area R/M	627,693	430,599	(197,094)	(45.77)%	630,327	2,634
Operating Expenses	1,358,597	1,392,752	34,155	2.45%	2,548,106	1,189,509
Capital Equipment Purchases	62,560	0	(62,559)	-	0	(62,559)
Capital Projects - LCI	146,305	179,900	33,595	18.67%	325,400	179,095
Capital Projects - MRR	3,070,145	3,292,396	222,251	6.75%	3,484,528	414,383
Depreciation	289,320	247,500	(41,820)	(16.90)%	495,000	205,680
Interest Expense	29,877	29,505	(372)	(1.26)%	58,510	28,633
(Gain)/Loss on Sale of Assets	(54,261)	41,500	95,761	230.75%	41,500	95,761
<b>Total Expenses</b>	<b>8,627,139</b>	<b>8,873,080</b>	<b>245,941</b>	<b>2.77%</b>	<b>13,874,313</b>	<b>5,247,174</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>3,706,690</b>	<b>3,325,033</b>	<b>381,657</b>	<b>11.48%</b>	<b>70,564</b>	<b>(3,636,126)</b>
<b>ENDING FUND BALANCE</b>	<b>22,439,946</b>	<b>22,058,289</b>	<b>381,657</b>	<b>1.73%</b>	<b>18,803,820</b>	<b>(3,636,126)</b>

# Kiawah Island Community Association, Inc.

## Income Statement

YTD as of June 30, 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	\$7,633,303	\$7,623,197	\$587,124	\$588,325	\$200,779	\$194,677	\$1,356,641	\$1,350,889	\$23,161	\$23,310	\$0	\$0	\$9,801,007
Investment Income	\$13,675	\$24,000	\$745	\$2,050	\$762	\$1,375	\$42,182	\$22,500	\$18	\$53	\$2,339	\$0	\$59,721
Contribution to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$743,992	\$750,000	\$0	\$0	\$0	\$0	\$743,992
Commercial Access Fees	\$919,182	\$876,185	\$0	\$0	\$0	\$0	\$250,002	\$250,000	\$0	\$0	\$0	\$0	\$1,169,184
User Fees	\$23,985	\$18,445	\$65,734	\$62,913	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,719
Other Income	\$375,171	\$328,848	\$95,034	\$81,346	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$470,204
<b>Total Revenues</b>	<b>\$8,965,316</b>	<b>\$8,870,675</b>	<b>\$748,637</b>	<b>\$734,634</b>	<b>\$201,541</b>	<b>\$196,052</b>	<b>\$2,392,817</b>	<b>\$2,373,389</b>	<b>\$23,179</b>	<b>\$23,363</b>	<b>\$2,339</b>	<b>\$0</b>	<b>\$12,333,828</b>
<b>Expenses</b>													
Payroll Expenses	\$2,584,050	\$2,627,285	\$276,851	\$273,140	\$76,854	\$76,853	\$0	\$0	\$0	\$0	\$0	\$0	\$2,937,755
Building/Equipment R/M	\$78,919	\$123,628	\$79,504	\$153,808	\$726	\$4,213	\$0	\$0	\$0	\$0	\$0	\$0	\$159,149
Common Area R/M	\$591,666	\$403,139	\$23,011	\$20,200	\$0	\$1,260	\$0	\$0	\$13,017	\$6,000	\$0	\$0	\$627,693
Operating Expenses	\$1,154,686	\$1,184,698	\$194,797	\$188,502	\$9,115	\$19,552	\$0	\$0	\$0	\$0	\$0	\$0	\$1,358,597
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	\$138,580	\$171,500	\$7,724	\$8,400	\$0	\$0	\$146,305
Capital Projects - MRR	\$0	\$0	\$0	\$0	\$0	\$0	\$3,070,145	\$3,292,396	\$0	\$0	\$0	\$0	\$3,070,145
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$289,320	\$247,500	\$289,320
Interest Expense	\$29,877	\$29,505	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,877
(Gain)/Loss on Sale of Assets	(\$38,500)	\$41,500	\$0	\$0	\$0	\$0	(\$15,761)	\$0	\$0	\$0	\$0	\$0	(\$54,261)
<b>Total Expenses</b>	<b>\$4,400,698</b>	<b>\$4,409,756</b>	<b>\$574,162</b>	<b>\$635,650</b>	<b>\$86,695</b>	<b>\$101,878</b>	<b>\$3,192,964</b>	<b>\$3,463,896</b>	<b>\$20,741</b>	<b>\$14,400</b>	<b>\$351,879</b>	<b>\$247,500</b>	<b>\$8,627,139</b>
Transfers													
Community Programs Support	\$115,002	\$115,000	(\$115,002)	(\$115,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers	\$877,190	\$0	\$11,995	\$0	\$0	\$0	(\$613,398)	\$0	(\$13,017)	\$0	(\$262,771)	\$0	\$0
<b>Total Transfers</b>	<b>\$992,192</b>	<b>\$115,000</b>	<b>(\$103,007)</b>	<b>(\$115,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$613,398)</b>	<b>\$0</b>	<b>(\$13,017)</b>	<b>\$0</b>	<b>(\$262,771)</b>	<b>\$0</b>	<b>\$0</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$3,301,930</b>	<b>\$0</b>	<b>\$113,109</b>	<b>\$0</b>	<b>\$374,528</b>	<b>\$0</b>	<b>\$6,704,363</b>	<b>\$0</b>	<b>\$1,368</b>	<b>\$0</b>	<b>\$8,237,958</b>	<b>\$0</b>	<b>\$18,733,256</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$3,572,426</b>	<b>\$0</b>	<b>\$277,482</b>	<b>\$0</b>	<b>\$114,846</b>	<b>\$0</b>	<b>(\$186,750)</b>	<b>\$0</b>	<b>\$15,455</b>	<b>\$0</b>	<b>(\$86,769)</b>	<b>\$0</b>	<b>\$3,706,690</b>
<b>ENDING FUND BALANCE</b>	<b>\$6,874,356</b>	<b>\$0</b>	<b>\$390,591</b>	<b>\$0</b>	<b>\$489,374</b>	<b>\$0</b>	<b>\$6,517,613</b>	<b>\$0</b>	<b>\$16,823</b>	<b>\$0</b>	<b>\$8,151,189</b>	<b>\$0</b>	<b>\$22,439,946</b>