



Variance Analysis

For Three Months Ending March 31, 2017

Total Revenues: Actual revenues for the first quarter of 2017 were \$11,130,222 versus a budget of \$10,947,447.

Assessments of \$9,789,750 were in line with budget.

Contributions to Reserves for March were \$134,520. The year-to-date CTR total at March 31 was \$316,313 which is \$91,313 ahead of budget. By comparison, CTR collected in the first quarter of 2016 totaled \$224,361.

The CTR estimate for April is \$140,000.

Commercial Access Fees finished the quarter at \$702,310 which was \$54,835 ahead of the \$647,475 budgeted.

Island access activity, which directly correlates with access fee revenue, remains high. At March 31, 2017 there were 96 new homes under construction on Kiawah; while at March 31, 2016 there were 86 and on March 31, 2015 there were 63 new homes under construction.

Total Expenses through March 31 were \$5,023,552 versus a budget of \$4,280,121 for an unfavorable variance of (\$743,431) or (17.4%). Actual Expenses for the first quarter include \$568,472 of unbudgeted costs related to Hurricane Matthew.

Payroll and benefits expenses of \$1,532,937 were in line with the year-to-date budget amount of \$1,515,408.

Repairs and Maintenance - Building Repairs and Maintenance for March totaled \$77,467 - more than \$108,000 under the budget of \$186,436 - primarily due to the postponement of \$70,000 of painting at the Sandcastle. Common Area Repairs and Maintenance expenses exceeded budget by \$93,351. The Common Area Maintenance expense total of \$417,204 includes \$262,118 in unbudgeted repair and maintenance costs related to Hurricane Matthew.

Variance Analysis
For Three Months Ending March 31, 2017

Operating/Administrative expenses of \$649,377 finished the quarter below budget by \$41,162 or 5.96%, largely due to delays in communications and IT purchases and continued savings in utilities and water for irrigation.

Landscape Capital Projects and Major Repairs and Replacements – Landscape Capital Improvements finished the first quarter \$21,021 under the budget amount of \$98,950 primarily due to project and major purchase delays.

Major Repairs and Replacements of \$2,115,312 exceeded budget by \$830,441. Two major projects -the Cougar Point drainage renovation and the Kiawah Island Parkway paving project finished ahead of schedule and earlier than budgeted. But, the projects were completed at total costs in line with budget. Major Repairs and Replacement expenses for the first quarter also include \$306,354 of unbudgeted costs related to damage caused by Hurricane Matthew.

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.

Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

March 31, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
ASSETS							
Current Assets							
Cash and Cash Equivalents	543,410	0	0	0	0	0	543,410
Money Market Funds	10,866,679	606,661	530,264	1,073,773	11,068	1,466,623	14,555,066
CD's	0	0	0	450,000	0	0	450,000
Interest Receivable	0	0	0	42,680	0	0	42,680
Accounts Receivable	229,955	25,324	2,940	68,936	540	0	327,694
Accounts Receivable- Other	6,342	0	0	0	0	0	6,342
Royalty Receivable	37,500	0	0	0	0	0	37,500
Prepaid Expenses	80,531	0	0	231,447	0	0	311,978
Total Current Assets	11,764,418	631,985	533,203	1,866,836	11,608	1,466,623	16,274,672
Fixed Assets							
Equipment & Furniture	0	0	0	0	0	1,494,484	1,494,484
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	(4,843,960)	(4,843,960)
Total Fixed Assets	0	0	0	0	0	6,758,526	6,758,526
Other Assets							
Treasury Investments > 1 Yr	0	0	0	571,696	0	0	571,696
Corporate Bonds	0	0	0	3,800,000	0	0	3,800,000
Corporate Bond Premium	0	0	0	104,640	0	0	104,640
Unrealized Gain/Loss on Investments	0	0	0	11,151	0	0	11,151
Total Other Assets	0	0	0	4,487,486	0	0	4,487,486
TOTAL ASSETS	11,764,418	631,985	533,203	6,354,323	11,608	8,225,149	27,520,685

Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

March 31, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
LIABILITIES AND FUND BALANCE							
Current Liabilities							
Payroll Withholdings	11,370	0	0	0	0	0	11,370
Accrued Payroll	423,733	50,023	0	0	0	0	473,756
Deposits and Prepaid Assessments	2,556	24,695	0	0	0	0	27,251
Accounts Payable	105,484	8,846	0	10,309	0	0	124,639
ARB Coordinator Salary	1,873	0	0	0	0	0	1,873
Current Mortgage Payable	40,257	0	0	0	0	0	40,257
Deferred Revenue- Royalty Income- Cur	37,617	0	0	0	0	0	37,617
Total Current Liabilities	622,890	83,564	0	10,309	0	0	716,762
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	9,177,531	548,420	533,203	6,344,014	11,608	8,225,149	24,839,926
Total Fund Balance	9,177,531	548,420	533,203	6,344,014	11,608	8,225,149	24,839,926
TOTAL LIABILITIES/FUNDS	11,764,418	631,985	533,203	6,354,323	11,608	8,225,149	27,520,685

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

	YEAR-TO-DATE		Favorable (Unfavorable)		2017 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
Revenues						
Assessments	9,789,750	9,766,741	23,009	0.24%	9,792,395	2,645
Investment Income	23,526	24,989	(1,463)	(5.85)%	99,955	76,429
Contribution to Reserves	316,313	225,000	91,313	40.58%	1,500,000	1,183,687
Commercial Access Fees	702,310	647,475	54,835	8.47%	1,610,750	908,440
User Fees	43,070	25,329	17,741	70.04%	172,650	129,580
Pool Initiation Fees	28,390	10,855	17,535	161.54%	52,605	24,215
Other Income	226,863	247,058	(20,195)	(8.17)%	716,521	489,658
Total Revenues	11,130,222	10,947,447	182,775	1.67%	13,944,876	2,814,654
Expenses						
Payroll Expenses	1,532,937	1,515,408	(17,530)	(1.16)%	5,858,481	4,325,543
Building/Equipment R/M	77,647	186,436	108,788	58.35%	432,461	354,814
Common Area R/M	417,204	323,853	(93,351)	(28.83)%	630,327	213,123
Operating Expenses	649,377	690,539	41,162	5.96%	2,548,106	1,898,729
Capital Equipment Purchases	52,770	0	(52,770)	--	0	(52,770)
Capital Projects - LCI	77,929	98,950	21,021	21.24%	325,400	247,471
Capital Projects - MRR	2,115,312	1,284,871	(830,441)	(64.63)%	3,484,528	1,369,216
Depreciation	144,360	123,750	(20,610)	(16.65)%	495,000	350,640
Interest Expense	14,840	14,815	(25)	(0.17)%	58,510	43,670
(Gain)/Loss on Sale of Assets	(58,824)	41,500	100,324	241.74%	41,500	100,324
Total Expenses	5,023,552	4,280,121	(743,431)	(17.37)%	13,874,313	8,850,760
Transfers						
Community Programs Support	57,501	57,500	(1)	0.00%	230,000	172,499
Community Programs Support	(57,501)	(57,500)	1	0.00%	(230,000)	(172,499)
Transfer Fixed Assets	(183,045)	0	183,045	0.00%	0	183,045
Transfer Fixed Assets	167,972	0	(167,972)	0.00%	0	(167,972)
Transfer Fixed Assets	15,074	0	(15,074)	0.00%	0	(15,074)
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)	6,106,670	6,667,326	(560,656)	(8.41)%	70,564	(6,036,106)
ENDING FUND BALANCE	24,839,926	25,400,581	(560,656)	(2.21)%	18,803,820	(6,036,106)