



Variance Analysis for Nine Months Ending September 30, 2017

Total Revenues: Actual revenues through September 30 were \$13,212,867 or .061% short of the budgeted revenue of \$13,294,568.

Assessments of \$9,806,235 were in line with budget.

Contributions to Reserve for September were \$105,852. The year-to-date CTR total at September 30 was \$1,088,381 or \$186,619 below the \$1,275,000 budgeted.

- At September 30, 2016, Contributions to Reserve totaled \$1,089,479.
- The CTR estimate for October is \$162,000.

Commercial Access Fees as of September 30 fell below budget for the first time in 2017. Total fees of \$1,370,214 were 1.26% below the \$1,387,750 budgeted. The loss of three days of pass activity due to Hurricane Irma is one contributing factor. Also, September is historically a month of heavy renewal activity, but the trend did not hold true for 2017. The current expectation is that renewal delays will be a matter of timing and will correct before the end of the year.

- Commercial Access Fees totaled \$1,045,900 at September 30, 2016.

Investment Income for the first three quarters of 2017 totaled \$119,002. Operating funds earned \$21,386 or .29% through September 30 while the reserve for major repairs and replacements funds earned \$97,615 or 1.35% year-to-date.

Total Expenses through September 30, 2017 were \$11,731,307 versus a budget of \$11,454,769 for an unfavorable variance of \$276,538 or 2.41%. Actual expenses for the nine months include:

Payroll and benefits expenses of \$4,423,009 are in line with the year-to-date budget amount of \$4,427,443.

Repairs and Maintenance – Through September 30, Building Repairs and Maintenance totaled \$255,002 or 28.9% below the budget of \$358,686. The largest factor behind the reduced expenses is the delay in Sandcastle maintenance pending the renovation in late 2017 and the first half of 2018.

Common Area Repairs and Maintenance expenses of \$904,737 exceeded budget by \$362,673. The overage is the result of:

- Unbudgeted clean-up costs related to Hurricane Matthew which total \$262,543 year-to-date
- Unbudgeted clean-up costs related to Hurricane Irma which total \$158,885 year-to-date

Operating/Administrative expenses of \$2,049,628 finished September over budget by \$47,185 or 2.36%. This expense category includes

- \$173,596 of unbudgeted architect, planning and design fees related to the Sandcastle renovation
- \$34,278 of expenses related to the upgrades at the Beachwalker Center.

Administrative and IT expenses show favorable budget comparisons (of \$41,437 and \$88,038 respectively) due to the timing of purchases and are expected to finish the year in line with budget. Utilities of \$512,232 year-to-date exceeded budget by \$6,953 or 1.38%

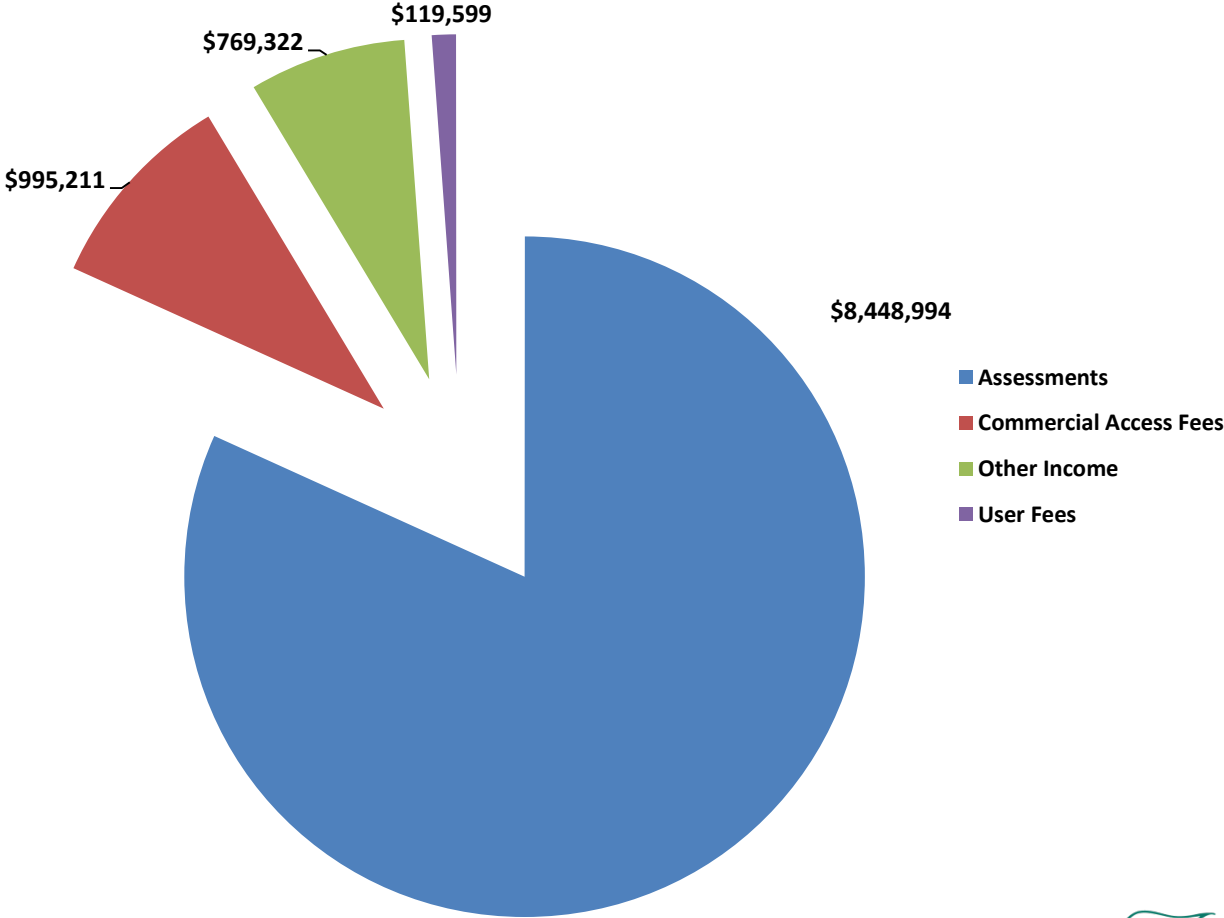
Landscape Capital Projects and Major Repairs and Replacements – Landscape Capital Improvements ended September at \$258,184 which is \$19,466 under the \$277,650 budgeted for the first three quarters of 2017.

Major Repairs and Replacements of \$3,342,425 through September 30 were \$47,237 below the budget of \$3,389,662.

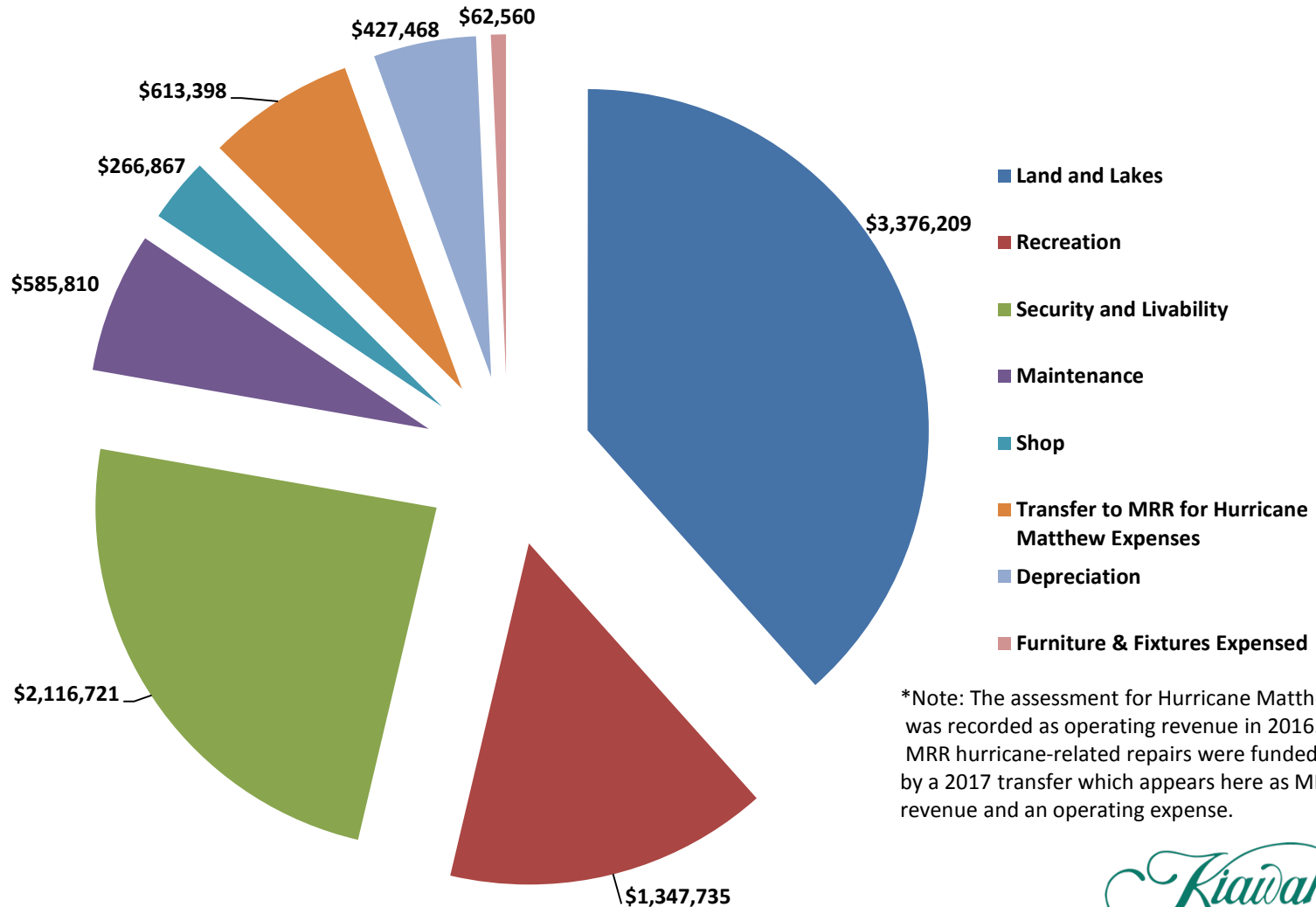
- Drainage is ahead of budget by \$107,634 (despite the addition of \$143,181 of unbudgeted expenses connected with Hurricane Matthew) due an early start on the Cougar Point Golf Course project. \$276,576 of the cost of that project was expensed in December of 2016 while the entire project cost was included in the 2017 budget approved November 8.
- The \$250,000 island signage update will be completed in 2017, but later than budgeted. To date, \$90,472 has been expensed while all \$250,000 was budgeted to be complete at this point in the year.
- Contingency for Emergencies of \$220,483 exceed the budget of \$189,353 following metal pipe repairs along Sea Marsh Drive and in the Cougar Point Golf Course area.
- Street resurfacing is under budget by \$36,265 and Bridges and Bulkhead expenses are under budget by \$11,590. Projects in these categories were completed at savings compared to the budgeted cost.

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 September 30, 2017

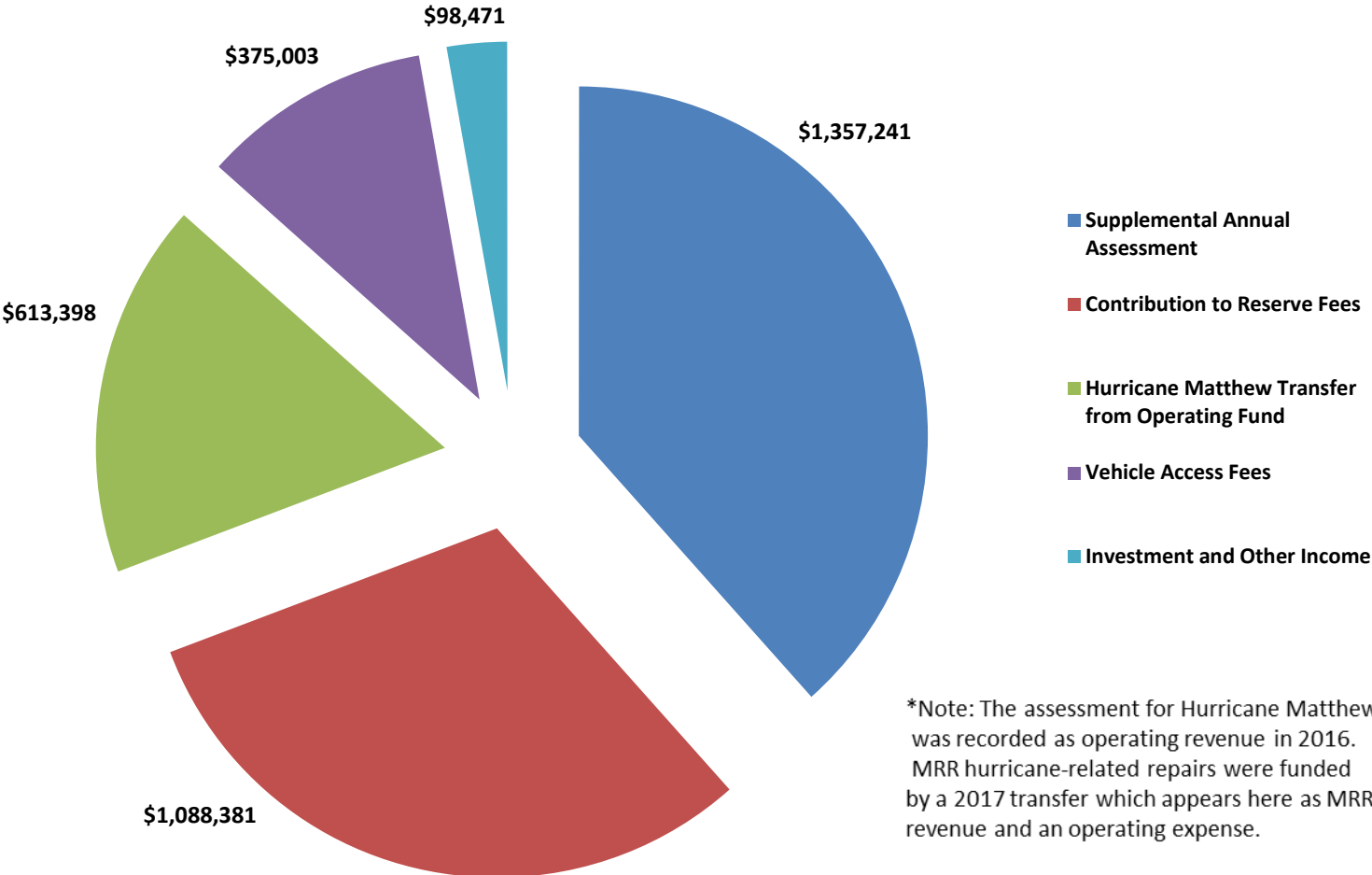


Operating Expenses to September 30, 2017



*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.

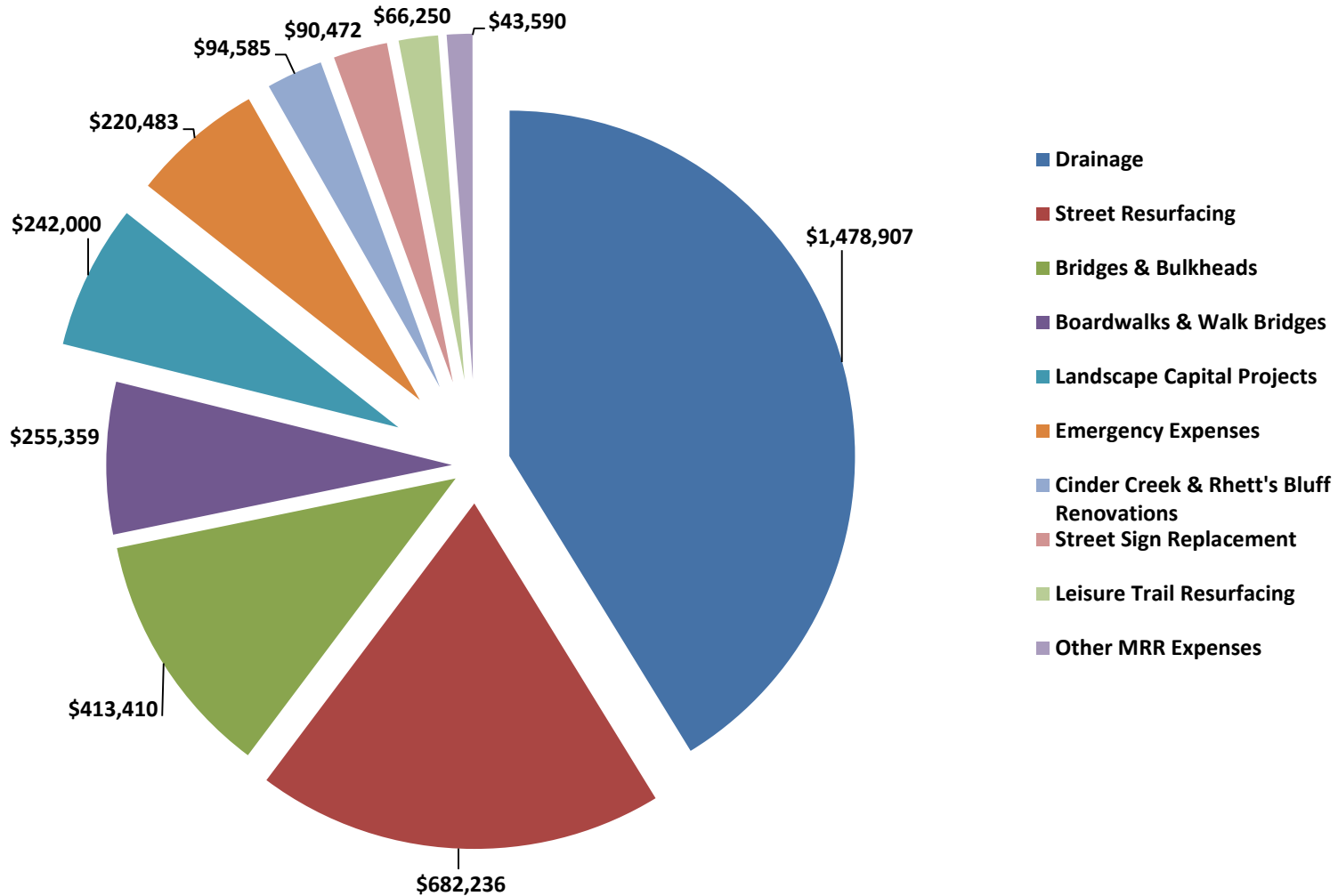
MRR Revenue to September 30, 2017



*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 September 30, 2017



Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

Sept 30, 2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
ASSETS							
Current Assets							
Cash and Cash Equivalents	261,783	0	0	0	0	0	261,783
Money Market Funds	6,844,462	288,453	425,719	1,346,954	16,743	1,579,100	10,501,431
CD's	0	0	0	450,000	0	0	450,000
Interest Receivable	0	0	0	44,168	0	0	44,168
Accounts Receivable	35,099	22,862	229	34,827	90	0	93,106
Accounts Receivable- Other	311	0	0	0	0	0	311
Royalty Receivable	37,500	0	0	0	0	0	37,500
Prepaid Expenses	234,631	500	0	100,840	0	0	335,971
Total Current Assets	7,413,786	311,815	425,948	1,976,789	16,833	1,579,100	11,724,271
Fixed Assets							
Equipment & Furniture	0	0	0	0	0	1,441,899	1,441,899
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	(5,034,735)	(5,034,735)
Total Fixed Assets	0	0	0	0	0	6,515,167	6,515,167
Other Assets							
Treasury Investments > 1 Yr	0	0	0	591,747	0	0	591,747
Corporate Bonds	0	0	0	4,200,000	0	0	4,200,000
Corporate Bond Premium	0	0	0	82,157	0	0	82,157
Unrealized Gain/Loss on Investments	0	0	0	(11,185)	0	0	(11,185)
Total Other Assets	0	0	0	4,862,720	0	0	4,862,720
TOTAL ASSETS	7,413,786	311,815	425,948	6,839,510	16,833	8,094,267	23,102,158

Kiawah Island Community Association, Inc.

Consolidated Balance Sheet

Sept 30, 2017

10/14/2017

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
LIABILITIES AND FUND BALANCE							
Current Liabilities							
Payroll Withholdings	57,979	0	0	0	0	0	57,979
Accrued Payroll	410,212	33,394	0	0	0	0	443,605
Deposits and Prepaid Assessments	2,603	10,880	0	0	0	0	13,483
Accounts Payable	166,422	12,243	0	190,963	0	0	369,628
Accrued Liabilities	12	0	0	0	0	0	12
ARB Coordinator Salary	12,444	0	0	0	0	0	12,444
Current Mortgage Payable	13,655	0	0	0	0	0	13,655
Deferred Revenue- Royalty Income- Cur	12,539	0	0	0	0	0	12,539
Total Current Liabilities	675,866	56,516	0	190,963	0	0	923,345
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	4,773,923	255,299	425,948	6,648,547	16,833	8,094,267	20,214,816
Total Fund Balance	4,773,923	255,299	425,948	6,648,547	16,833	8,094,267	20,214,816
TOTAL LIABILITIES/FUNDS	7,413,786	311,815	425,948	6,839,510	16,833	8,094,267	23,102,158

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

	YEAR-TO-DATE		Favorable (Unfavorable)		2017 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
Revenues						
Assessments	9,806,235	9,787,775	18,460	0.19%	9,792,395	(13,840)
Investment Income	119,002	74,966	44,036	58.74%	99,955	(19,047)
Contribution to Reserves	1,088,381	1,275,000	(186,619)	(14.64)%	1,500,000	411,619
Commercial Access Fees	1,370,214	1,387,750	(17,536)	(1.26)%	1,610,750	240,536
User Fees	119,599	122,171	(2,572)	(2.11)%	172,650	53,051
Other Income	709,435	646,906	62,529	9.67%	769,126	59,691
Total Revenues	13,212,867	13,294,568	(81,701)	(0.61)%	13,944,876	732,009
Expenses						
Payroll Expenses	4,423,009	4,427,443	4,435	0.10%	5,858,481	1,435,472
Building/Equipment R/M	255,002	358,686	103,684	28.91%	432,461	177,459
Common Area R/M	904,737	542,064	(362,673)	(66.91)%	630,327	(274,410)
Operating Expenses	2,049,628	2,002,443	(47,185)	(2.36)%	2,548,106	498,478
Capital Equipment Purchases	62,560	0	(62,559)	- %	0	(62,559)
Capital Projects - LCI	258,184	277,650	19,466	7.01%	325,400	67,216
Capital Projects - MRR	3,342,425	3,389,662	47,237	1.39%	3,484,528	142,103
Depreciation	427,468	371,250	(56,218)	(15.14)%	495,000	67,532
Interest Expense	44,784	44,070	(714)	(1.62)%	58,510	13,726
(Gain)/Loss on Sale of Assets	(36,488)	41,500	77,988	187.92%	41,500	77,988
Total Expenses	11,731,307	11,454,769	(276,538)	(2.41)%	13,874,313	2,143,006
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)	1,481,560	1,839,800	(358,240)	(19.47)%	70,564	(1,410,997)
ENDING FUND BALANCE	20,214,816	20,573,056	(358,240)	(1.74)%	18,803,820	(1,410,997)

Kiawah Island Community Association, Inc.

Income Statement

YTD as of September 30, 2017

	General		Recreation		V-Gate		MRR		Preserve		Property		Total
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
Revenues													
Assessments	\$7,637,479	\$7,629,806	\$587,405	\$589,025	\$200,950	\$194,745	\$1,357,241	\$1,350,889	\$23,161	\$23,310	\$0	\$0	\$9,806,235
Investment Income	\$17,342	\$36,000	\$916	\$3,075	\$990	\$2,063	\$96,597	\$33,750	\$28	\$79	\$3,128	\$0	\$119,002
Contribution to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$1,088,381	\$1,275,000	\$0	\$0	\$0	\$0	\$1,088,381
Commercial Access Fees	\$995,211	\$1,012,750	\$0	\$0	\$0	\$0	\$375,003	\$375,000	\$0	\$0	\$0	\$0	\$1,370,214
User Fees	\$0	\$27,668	\$119,599	\$94,504	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$119,599
Other Income	\$497,716	\$445,629	\$211,719	\$201,277	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$709,435
Total Revenues	\$9,147,748	\$9,151,853	\$919,639	\$887,881	\$201,940	\$196,808	\$2,917,223	\$3,034,639	\$23,189	\$23,389	\$3,128	\$0	\$13,212,867
Expenses													
Payroll Expenses	\$3,848,412	\$3,862,843	\$459,315	\$449,321	\$115,281	\$115,279	\$0	\$0	\$0	\$0	\$0	\$0	\$4,423,009
Building/Equipment R/M	\$139,340	\$163,961	\$114,545	\$189,855	\$1,116	\$4,870	\$0	\$0	\$0	\$0	\$0	\$0	\$255,002
Common Area R/M	\$849,137	\$500,874	\$40,694	\$30,300	\$1,890	\$1,890	\$0	\$0	\$13,017	\$9,000	\$0	\$0	\$904,737
Operating Expenses	\$1,707,381	\$1,691,143	\$318,474	\$286,410	\$23,773	\$24,889	\$0	\$0	\$0	\$0	\$0	\$0	\$2,049,628
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	\$8,460	\$50,000	\$242,000	\$219,250	\$7,724	\$8,400	\$0	\$0	\$258,184
Capital Projects - MRR	\$0	\$0	\$0	\$0	\$0	\$0	\$3,342,425	\$3,389,662	\$0	\$0	\$0	\$0	\$3,342,425
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$427,468	\$371,250	\$427,468
Interest Expense	\$44,784	\$44,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,784
(Gain)/Loss on Sale of Assets	(\$38,500)	\$41,500	\$0	\$0	\$0	\$0	\$2,012	\$0	\$0	\$0	\$0	\$0	(\$36,488)
Total Expenses	\$6,550,555	\$6,304,392	\$933,028	\$955,886	\$150,520	\$196,928	\$3,586,436	\$3,608,912	\$20,741	\$17,400	\$490,027	\$371,250	\$11,731,307
Transfers													
Community Program Support	\$172,503	\$172,500	(\$172,503)	(\$172,500)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers	\$952,697	\$0	\$16,925	\$0	\$0	\$0	(\$613,398)	\$0	(\$13,017)	\$0	(\$343,208)	\$0	(\$0)
Total Transfers	\$1,125,200	\$172,500	(\$155,578)	(\$172,500)	\$0	\$0	(\$613,398)	\$0	(\$13,017)	\$0	(\$343,208)	\$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)	\$1,471,993	\$0	\$142,189	\$0	\$51,420	\$0	(\$55,816)	\$0	\$15,465	\$0	(\$143,691)	\$0	\$1,481,560
ENDING FUND BALANCE	\$4,773,923	\$0	\$255,299	\$0	\$425,948	\$0	\$6,648,547	\$0	\$16,833	\$0	\$8,094,267	\$0	\$20,214,816