



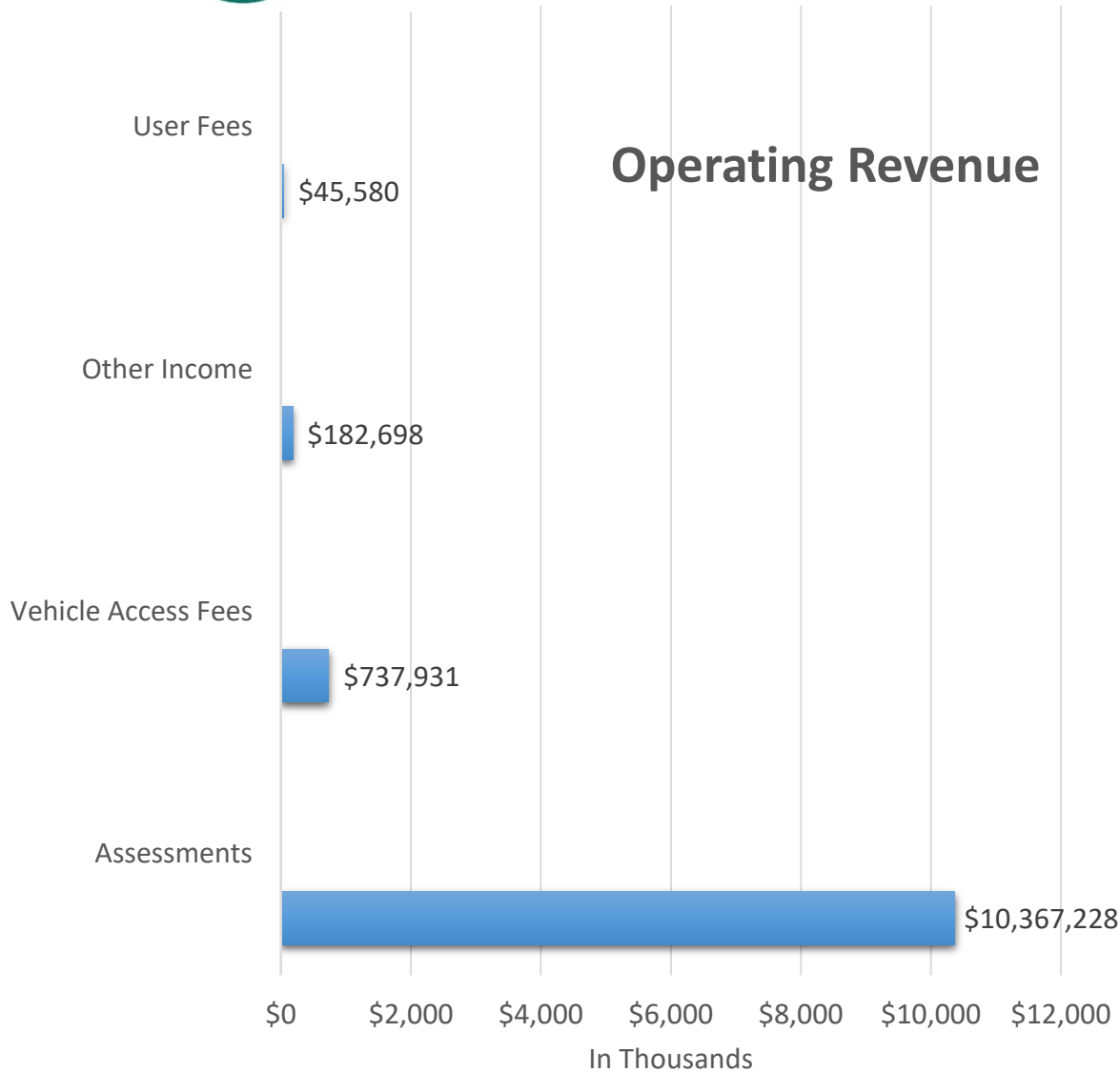
# Monthly Financial Results

As of May 31, 2020

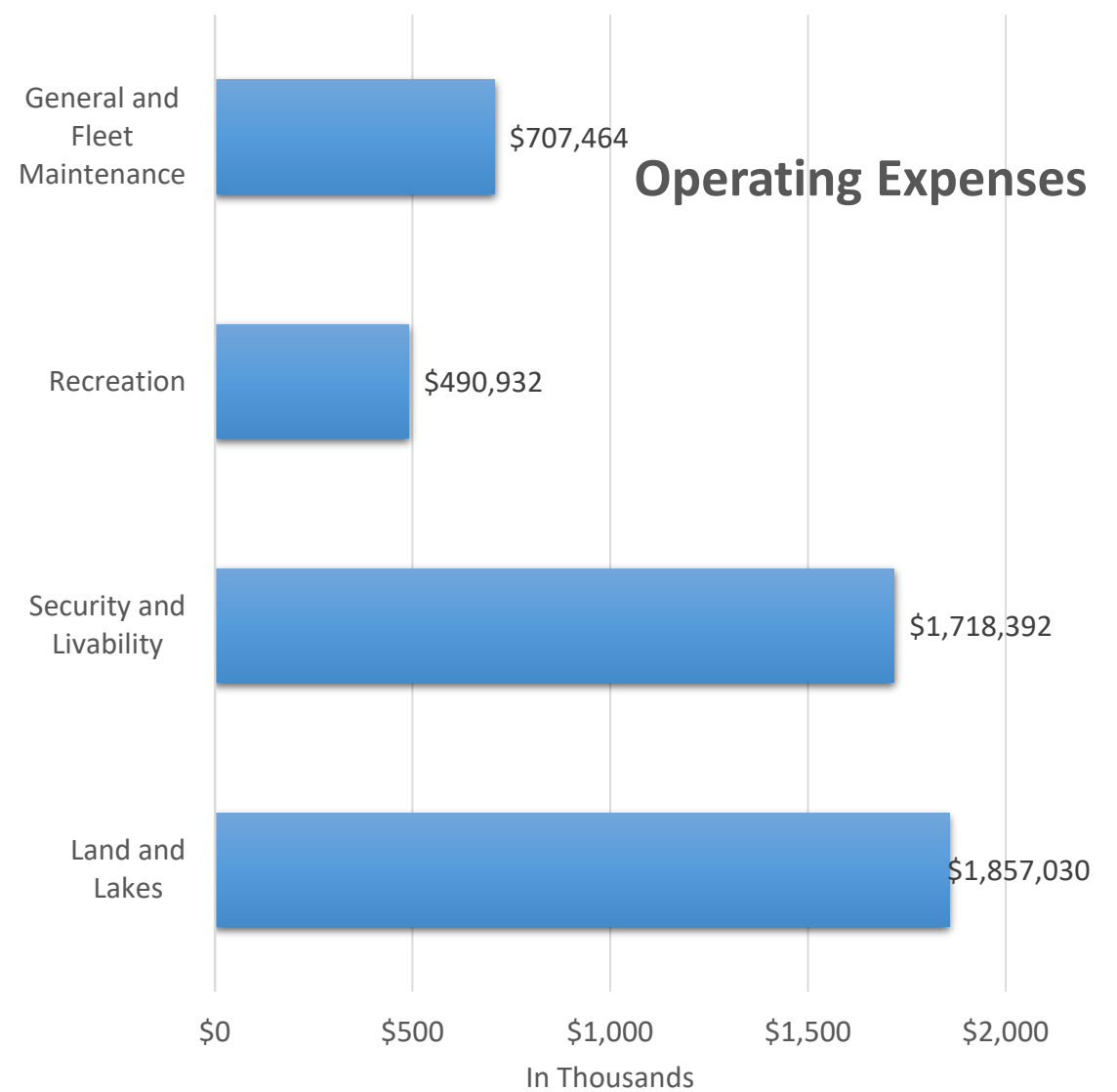


# Operating Revenue and Expenses to May 31, 2020

## Operating Revenue



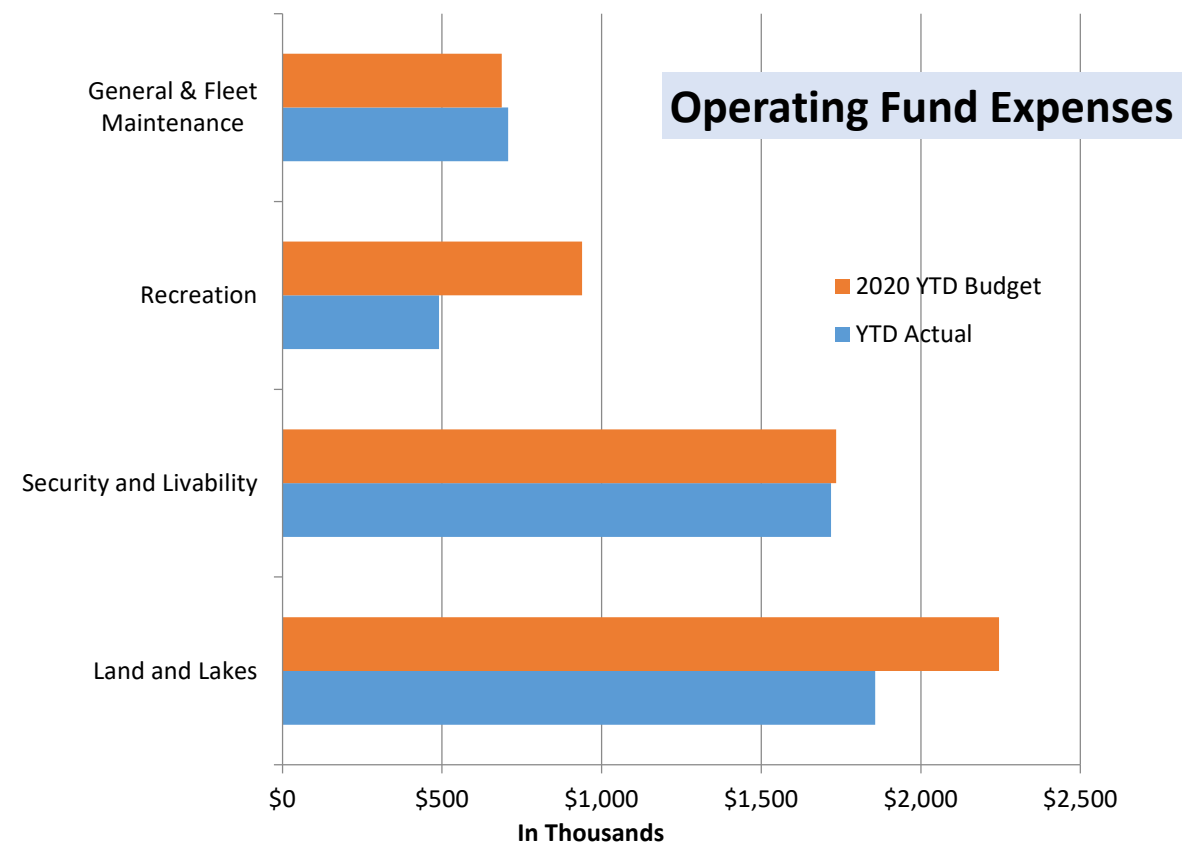
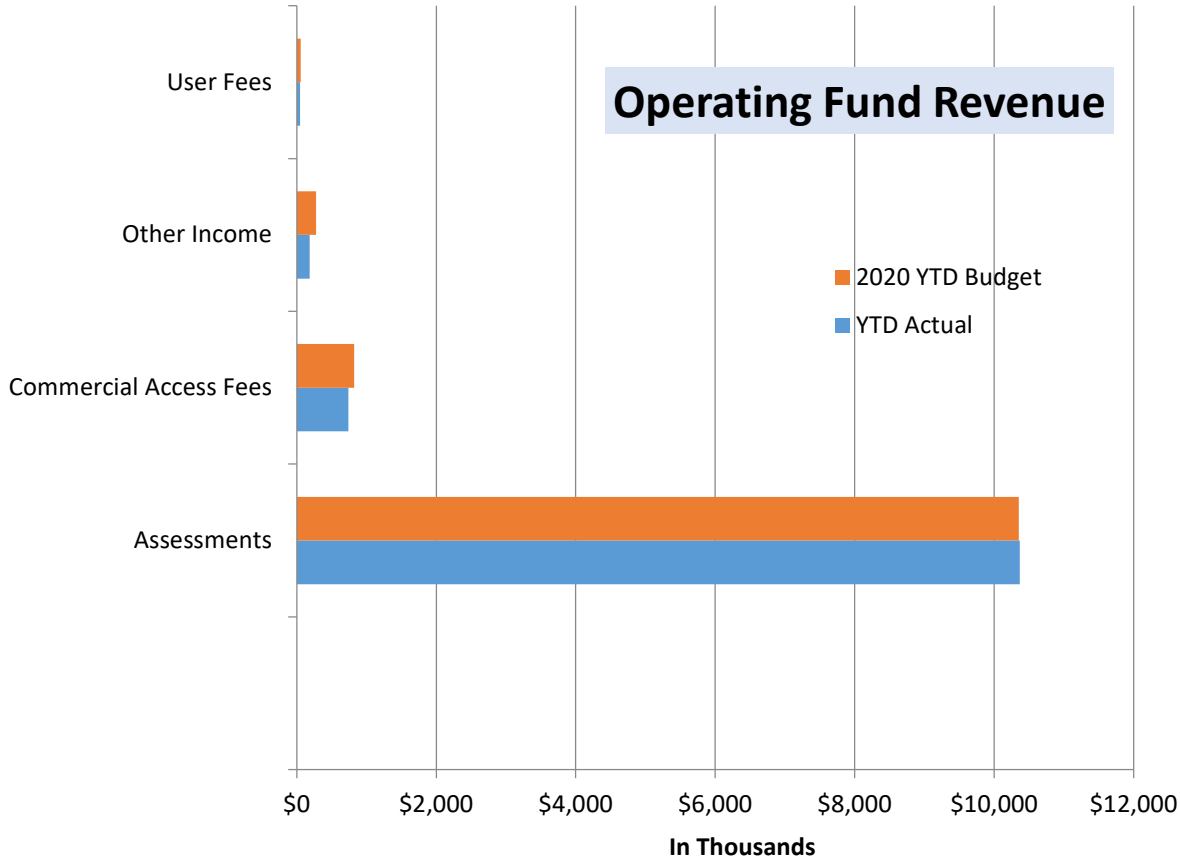
## Operating Expenses



Note - non-operating revenue and expenses are not included above. These financial reports are unaudited and are for internal use only.



# Operating Budget to Actual Comparison May 31, 2020

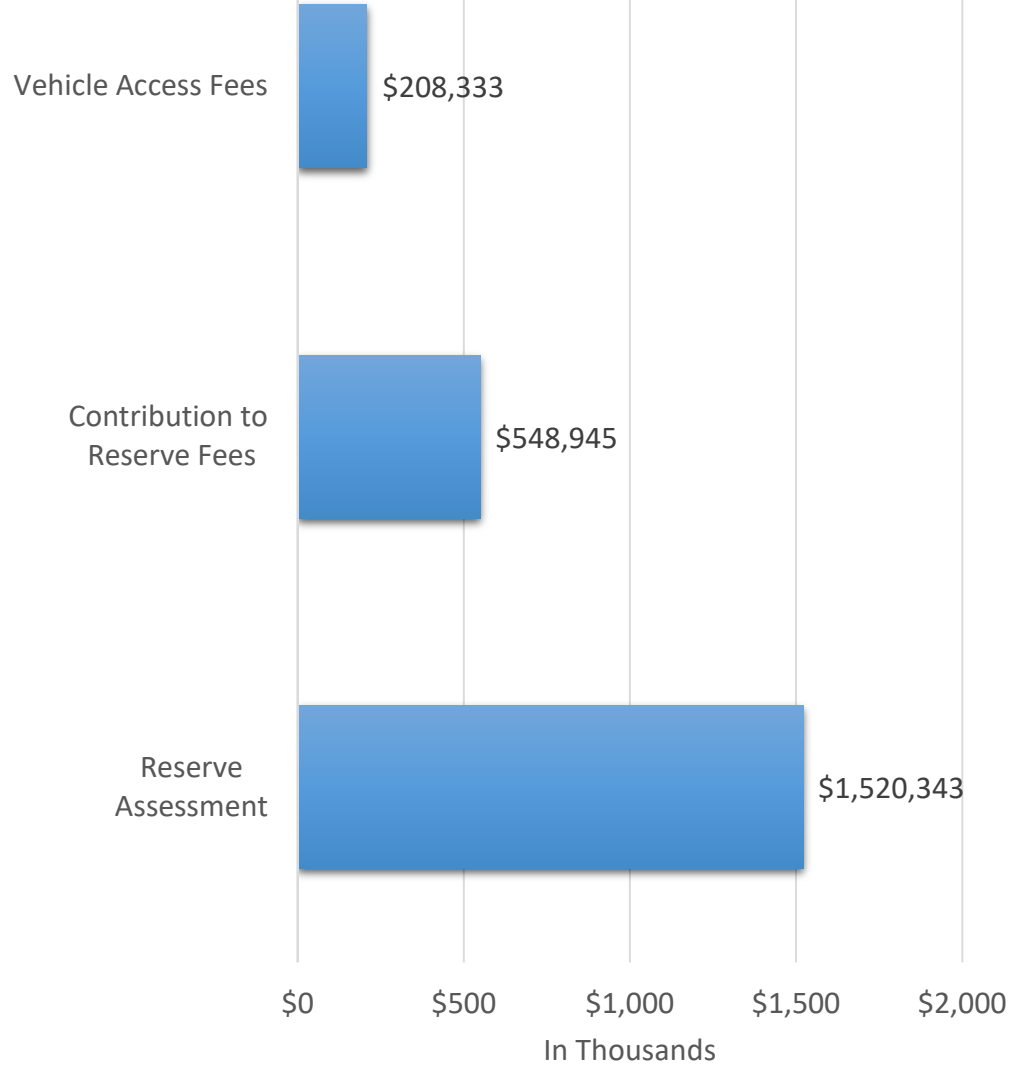


Note - non-operating revenue and expenses are not included above. These financial reports are unaudited and are for internal use only.

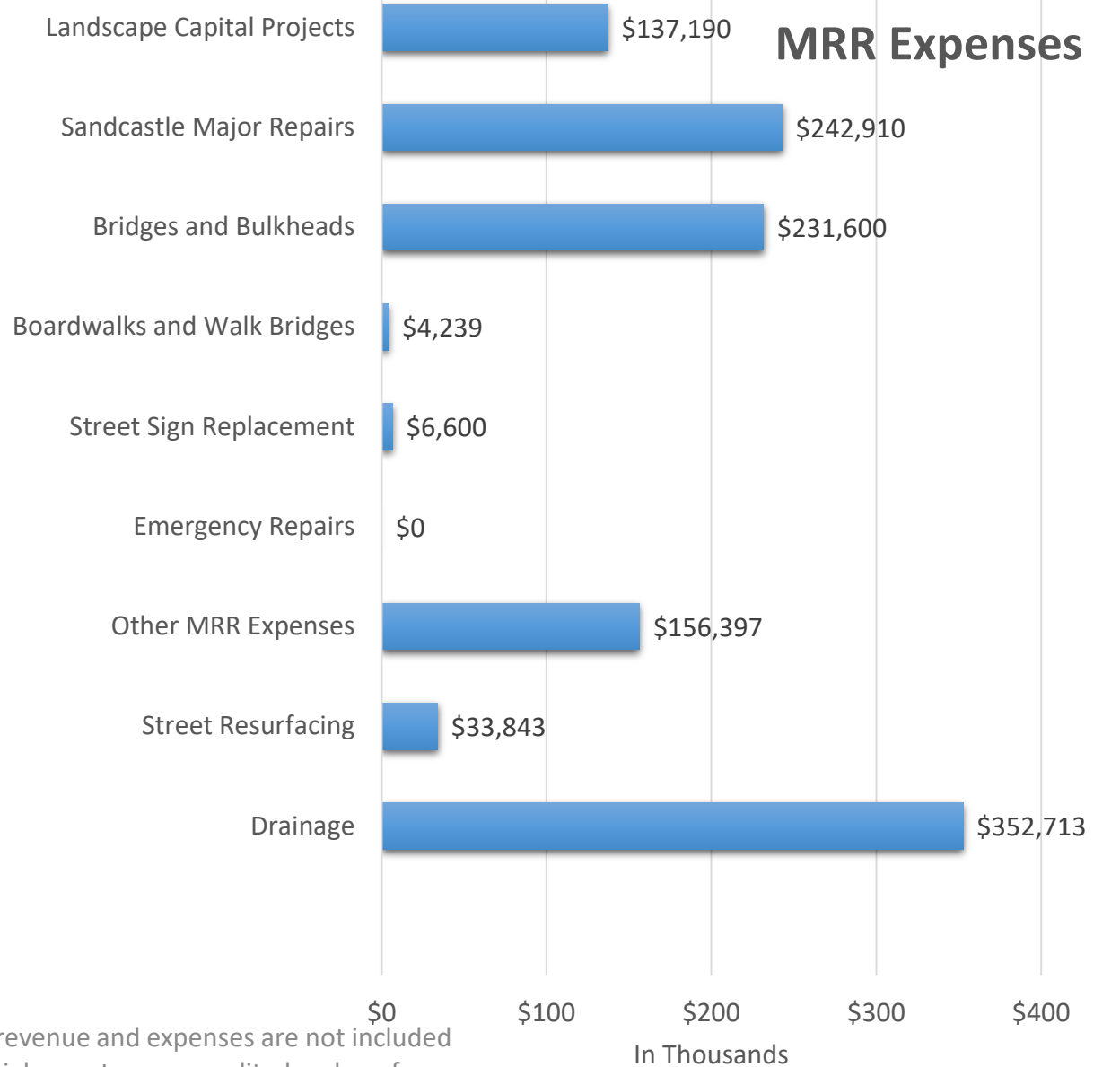


# MRR Revenue and Expenses to May 31, 2020

## MRR Revenue



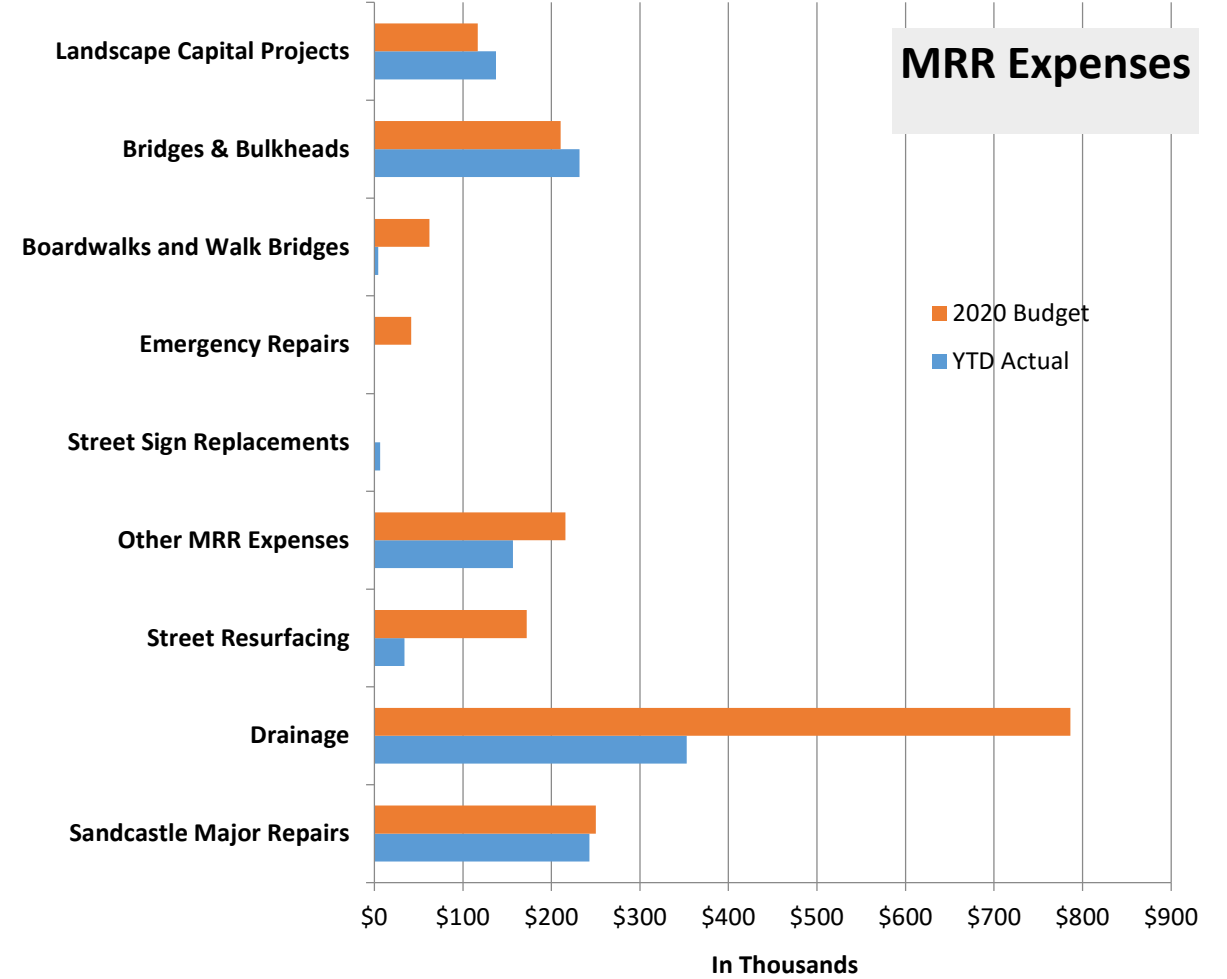
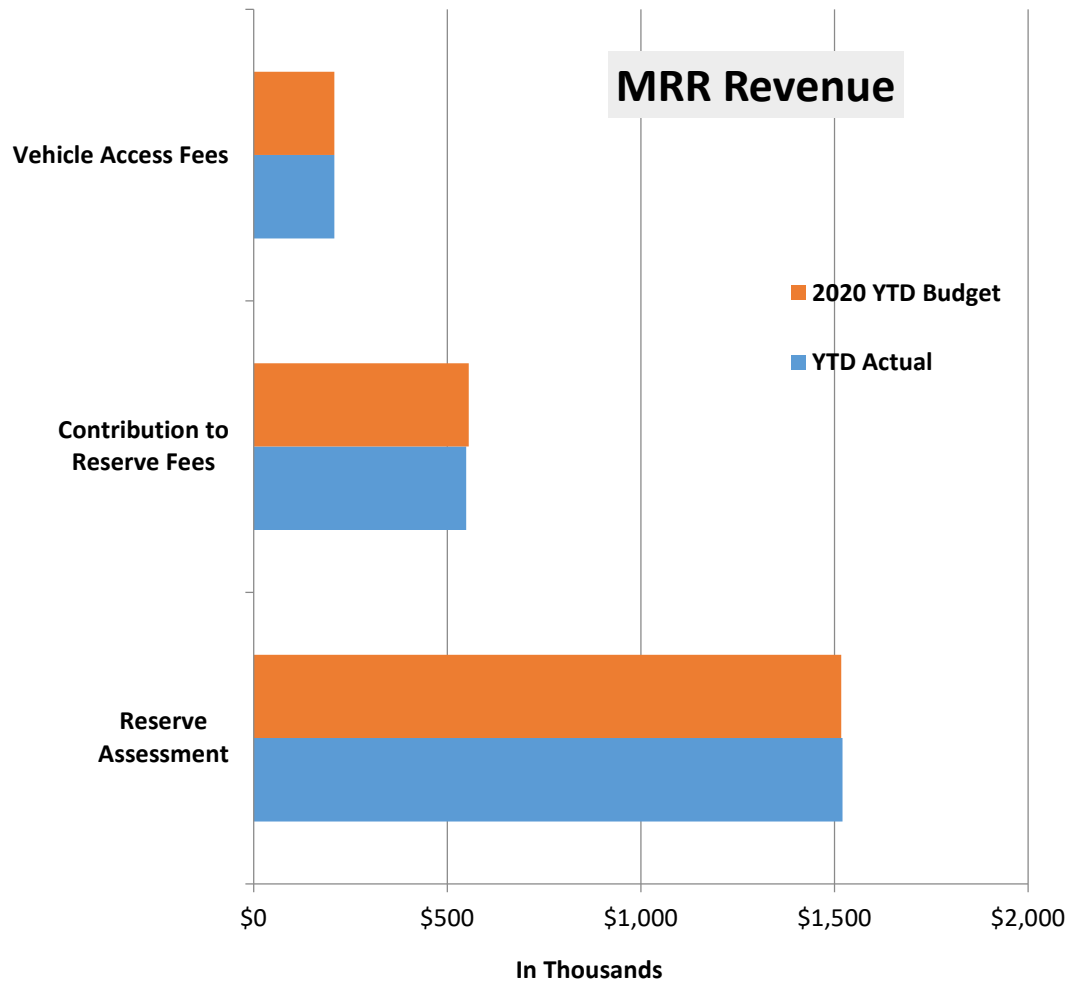
## MRR Expenses



Note - non-operating revenue and expenses are not included above. These financial reports are unaudited and are for internal use only.



# MRR Budget to Actual Comparison May 31, 2020



Note - non-operating revenue and expenses are not included above. These financial reports are unaudited and are for internal use only.



## Variance Analysis – May 31, 2020

March 17, 2020 saw the initiation of KICA's efforts to limit costs, close some facilities, and practice social distancing in response to the Covid-19 threat. COO, Jimmy Bailey directed each department to freeze hiring and defer expenses until there is clarity around the return of commercial activity and more information about the economic impact of the crisis. KICA's board of directors is reviewing revenue projections monthly and will provide guidance about spending priorities going forward. At this point, favorable budget variances are considered timing differences unless noted differently below. Following the close of June's books, a comprehensive mid-year update focused on the impact of COVID-19 will be prepared and available to the membership.

**Total Revenue** through May 31 is \$13,627,331, which is \$356,794 below budget.

**Assessments**, KICA's primary revenue source, total \$11,887,570 through May 31 and are in line with the \$11,870,535 budgeted.

- Through May 31, 99% of 2020 assessments have been collected.
- At the May meeting, KICA's Board of Directors approved temporary relief for delinquent assessments. While assessments remain due and payable with interest and late fees, an additional 90 days had been granted before liens are filed.

**Contributions to Reserve (CTR)** through May 31 are \$548,945 which is \$6,249 below budget.

- The Contributions to Reserve estimate for June of 2020 is \$340,000. As of June 22, month-to-date CTR collections received are \$276,169. The month-to-date amount is included in the \$340,000 projection for June. The June CTR estimate reflects the sale of one commercial parcel that will generate \$119,000 in CTR.
- For the prior year, contributions to reserve through May of 2019 were \$516,353.

**Vehicle Access Fees** through May 31 are \$946,264 which is \$84,908 below the \$1,031,172 budgeted. Delays in pass renewals and reduced commercial activity due to business closures and social distancing requirements significantly impacted vehicle access revenue. KICA's expectation is that a significant percentage of the negative variance will be recovered this quarter.

- Vehicle Access Fees through May of 2019 were \$1,091,366.

**Investment Income** through May 31, 2020 is below budget by \$200,702 which represents a recovery from the March 31 shortfall of \$551,337. The budget to actual



deficit reflects reduced yield on bank deposits, unrealized losses on mutual fund investments, and lower than budgeted earnings on fixed income investments in KICA's reserve account.

The reserve investment account balance totaled \$7,939,179 as of May 31 and has rebounded from the March 31 balance of \$7,445,489 without additional deposits. The investment portfolio is comprised of 70% fixed income and 30% equity investments and is invested for the long-term for repair and replacement of existing island infrastructure.

**Operating Expenses** as of May 31 are \$5,840,481, which is 19.44% better than the budget of \$7,249,635.

**Payroll Expenses**, which typically represent KICA's largest expense line item, are \$2,647,764 through May 31. This amount is 7.48% better than the \$2,861,772 budgeted. Much of the favorable variance is comprised of savings associated with furloughs and a hiring freeze associated with mitigating the financial losses attributed to COVID-19.

**Building Equipment Repairs and Maintenance** ended May at \$177,704 which is 55.75% better than the \$401,553 budgeted. Of the \$223,849 variance, \$125,000 is attributed to delays in installation of heating equipment at the Sandcastle Ocean View pool. Construction was budgeted to be complete by May 31. This project is ongoing and should be completed below budget by the end of June.

Through May 31, the only permanent favorable variance in this expense category is the \$10,000 savings related to the storage upgrades at the Sandcastle. Other favorable variances represent delays or deferrals that will be revisited once there is more certainty around the pandemic's impact on 2020 revenue.

**Common Area Repairs and Maintenance** at May 31 total \$905,253 which is \$186,710 below the budget of \$1,091,963. The actual total includes \$46,954 of expenses related to Hurricane Dorian mitigation which are not part of the 2020 budget.

Utilities, which are included in the Common Area total, ended May \$95,516 below budget largely thanks to savings in irrigation due to well-timed rainfall, changes in watering philosophies, and new moisture monitoring tools. Closed facilities also resulted in lower than budgeted electricity and water usage.

The delay or cancellation of educational and community events represent \$49,713 of the favorable variance.

**Operating/Administrative Expenses** ended May totaling \$944,268 which is 9.13% below the budget of \$1,039,089. Some notable variances include:



- Uniforms - \$12,223 favorable variance
- Communications and Technology - \$8,260 favorable variance
- Legal Fees - \$18,058 favorable variance
- Insurance (Property and Worker's Compensation) - \$15,775 favorable variance

**Landscape Capital Projects** finished May totaling \$137,190 which is \$20,523 or 17.59% over budget. Of the total actual expenses, \$44,323 relates to the median restoration on Governor's Drive which was a 2019 carryforward project and was not included in the 2020 budget.

Landscape capital projects budgeted for 2020 and completed to date include major trimming and mitigation in and around ponds 2, 8, 18 and 26.

**Major Repairs and Replacements (MRR)** expenses through May 31 total \$1,028,301 and are 40.85% under the budget of \$1,738,592. Four expense categories represent the bulk of the major repairs for the first five months of 2020:

- Drain cleaning along Kiawah Beach Drive, Beachwalker Drive, on Dunlin Court, and on Glossy Ibis Lane. Drainage repair and replacement at Seascape and along Shipwatch Drive.
- Leisure Trail Resurfacing – various locations – totaling \$105,950
- Renovation of the plaster and lighting at the Sandcastle family pool.
- Materials have been purchased renovation of the Eagle Point II bridge is nearing completion. To date, \$231,600 of expenses have been recorded. The total project contract is \$299,000.

There were no emergency repairs recorded in the first five months of 2020, which resulted in a positive variance of \$41,667.

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





# Kiawah Island Community Association, Inc.

## Consolidated Balance Sheet

05/31/2020

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	855,079	0	0	0	0	0	855,079
Money Market Funds	6,475,043	631,219	201,656	2,911,738	72,369	605,509	10,897,534
CD's	0	0	52,500	892,500	0	105,000	1,050,000
Interest Receivable	0	0	1,729	24,980	0	3,458	30,167
Accounts Receivable	112,863	23,302	1,298	53,597	1,628	0	192,687
Accounts Receivable- Other	411	0	0	0	0	0	411
Royalty Receivable	25,000	0	0	0	0	0	25,000
Prepaid Expenses	534,208	17,975	0	80,000	0	0	632,183
<b>Total Current Assets</b>	<b>8,002,604</b>	<b>672,496</b>	<b>257,183</b>	<b>3,962,814</b>	<b>73,997</b>	<b>713,967</b>	<b>13,683,061</b>
<b>Fixed Assets</b>							
Equipment & Furniture	0	0	0	0	0	1,570,139	1,570,139
Trucks and Trailers	0	0	0	0	0	819,629	819,629
Pool Furniture	0	0	0	0	0	93,182	93,182
Bathhouse and Pool Area	0	0	0	0	0	166,443	166,443
Buildings	0	0	0	0	0	2,530,343	2,530,343
Land	0	0	0	0	0	440,253	440,253
Accumulated Depreciation	0	0	0	0	0	(2,569,642)	(2,569,642)
<b>Total Fixed Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,050,345</b>	<b>3,050,345</b>
<b>Other Assets</b>							
Mutual Fund Investments	0	0	40,668	2,048,360	0	642,142	2,731,171
Corporate Bonds	0	0	174,750	2,970,750	0	349,500	3,495,000
Corporate Bond Premium	0	0	1,772	30,116	0	3,543	35,431
Unrealized Gain/Loss on Investments	0	0	7,666	130,317	0	15,331	153,314
<b>Total Other Assets</b>	<b>0</b>	<b>0</b>	<b>224,856</b>	<b>5,179,544</b>	<b>0</b>	<b>1,010,517</b>	<b>6,414,916</b>
<b>TOTAL ASSETS</b>	<b>8,002,604</b>	<b>672,496</b>	<b>482,039</b>	<b>9,142,357</b>	<b>73,997</b>	<b>4,774,829</b>	<b>23,148,322</b>

### LIABILITIES AND FUND BALANCE

#### Current Liabilities

Payroll Withholdings	32,028	0	0	0	0	0	32,028
Accrued Payroll	375,558	50,909	0	0	0	0	426,467
Deposits and Prepaid Assessments	157,795	30,570	0	0	0	0	188,365
Accounts Payable	(99,676)	64,125	0	247,479	0	0	211,929
Accrued Liabilities	115,234	0	0	0	0	0	115,234
ARB Coordinator Salary	30,346	0	0	0	0	0	30,346



# Kiawah Island Community Association, Inc.

## Consolidated Balance Sheet

05/31/2020

	FUNDS						TOTAL
	General	Recreation	V-Gate	Reserve	Preserve	Property	
Current Mortgage Payable	0	0	0	0	0	29,152	29,152
Deferred Revenue- Royalty Income- Cur	29,258	0	0	0	0	0	29,258
Deferred Revenue	1,495	0	0	0	0	0	1,495
<b>Total Current Liabilities</b>	<b>642,038</b>	<b>145,604</b>	<b>0</b>	<b>247,479</b>	<b>0</b>	<b>29,152</b>	<b>1,064,273</b>
<b>Non-Current Liabilities</b>							
Deferred Revenue- Royalty Income	300,939	0	0	0	0	0	300,939
LT Mortgage Payable	0	0	0	0	0	397,155	397,155
<b>Total Non-Current Liabilities</b>	<b>300,939</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>397,155</b>	<b>698,094</b>
<b>Fund Balance</b>							
Fund Balance	7,059,628	526,892	482,039	8,894,878	73,997	4,348,522	21,385,955
<b>Total Fund Balance</b>	<b>7,059,628</b>	<b>526,892</b>	<b>482,039</b>	<b>8,894,878</b>	<b>73,997</b>	<b>4,348,522</b>	<b>21,385,955</b>
<b>TOTAL LIABILITIES/FUNDS</b>	<b>8,002,604</b>	<b>672,496</b>	<b>482,039</b>	<b>9,142,357</b>	<b>73,997</b>	<b>4,774,829</b>	<b>23,148,322</b>



# Kiawah Island Community Association, Inc.

## Consolidated Income Statement with Budget Variances

for the Period Ending 05/31/2020

	YEAR-TO-DATE		Favorable (Unfavorable)		2020 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
<b>Total Revenue</b>						
<b>Operating Revenues</b>						
Assessments	11,887,570	11,870,535	17,035	0.14 %	11,872,373	(15,197)
Contribution to Reserves	548,945	555,194	(6,249)	(1.13)%	1,345,937	796,992
Commercial Access Fees	946,264	1,031,172	(84,908)	(8.23)%	1,615,758	669,494
User Fees	45,580	58,492	(12,912)	(22.07)%	174,100	128,520
Other Income	182,698	277,872	(95,174)	(34.25)%	691,709	509,011
<b>Total Operating Revenues</b>	<b>13,611,057</b>	<b>13,793,265</b>	<b>(182,208)</b>	<b>(1.32)%</b>	<b>15,699,877</b>	<b>2,088,820</b>
<b>Non-Operating Revenue</b>						
Investment Income	(100,577)	100,125	(200,702)	(200.45)%	225,940	326,517
Comcast Revenue	116,851	90,736	26,115	28.78 %	217,767	100,916
<b>Total Non-Operating Rev.</b>	<b>16,274</b>	<b>190,861</b>	<b>(174,587)</b>	<b>(91.47)%</b>	<b>443,707</b>	<b>427,433</b>
<b>Total Revenue</b>	<b>13,627,331</b>	<b>13,984,126</b>	<b>(356,794)</b>	<b>(2.55)%</b>	<b>16,143,584</b>	<b>2,516,252</b>
<b>Total Expenses</b>						
<b>Operating Expense</b>						
Payroll Expenses	2,647,764	2,861,772	214,008	7.48 %	6,842,410	4,194,646
Building/Equipment R/M	177,704	401,553	223,849	55.75 %	687,762	510,058
Common Area R/M	905,253	1,091,963	186,710	17.10 %	2,365,446	1,460,192
Operating Expenses	944,268	1,039,089	94,821	9.13 %	2,385,407	1,441,139
Capital Projects - LCI	137,190	116,667	(20,523)	(17.59)%	280,000	142,810
Capital Projects - MRR	1,028,301	1,738,592	710,291	40.85 %	3,752,100	2,723,799
<b>Total Operating Expense</b>	<b>5,840,481</b>	<b>7,249,635</b>	<b>1,409,154</b>	<b>19.44 %</b>	<b>16,313,124</b>	<b>10,472,644</b>
<b>Non-Operating Expense</b>						
Community Program Support	0	0	0	0.00 %	0	0
Interfund Transfers	0	0	0	0.00 %	0	0
Other (Gains)/Losses	(136,424)	0	136,424	0.00 %	0	136,424
Capital Equipment Purchases	8,404	64,591	56,187	86.99 %	130,333	121,929
Interest Expense	14,897	21,385	6,488	30.34 %	50,838	35,941
Depreciation	122,359	124,980	2,621	2.10 %	305,000	182,641
<b>Total Non-Operating Exp.</b>	<b>9,236</b>	<b>210,957</b>	<b>201,720</b>	<b>95.62 %</b>	<b>486,171</b>	<b>476,935</b>
<b>Total Expenses</b>	<b>5,849,717</b>	<b>7,460,592</b>	<b>1,610,875</b>	<b>21.59 %</b>	<b>16,799,295</b>	<b>10,949,578</b>
<b>BEGINNING FUND BALANCE</b>	<b>13,608,341</b>	<b>13,608,341</b>	<b>0</b>	<b>0.00 %</b>	<b>13,608,341</b>	<b>0</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>7,777,615</b>	<b>6,523,534</b>	<b>1,254,080</b>	<b>19.22 %</b>	<b>(655,711)</b>	<b>(8,433,326)</b>
<b>ENDING FUND BALANCE</b>	<b>21,385,955</b>	<b>20,131,875</b>	<b>1,254,080</b>	<b>6.23 %</b>	<b>12,952,629</b>	<b>(8,433,326)</b>



# Kiawah Island Community Association, Inc.

## Income Statement

For Period Ending 05/31/2020

	General		Recreation		V-Gate		MRR		Preserve		Property		Total
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
<b>Total Revenue</b>													
<b>Operating Revenues</b>													
Assessments	\$9,115,149	\$9,108,266	\$765,904	\$766,673	\$209,083	\$208,242	\$1,520,343	\$1,517,299	\$277,092	\$270,056	\$0	\$0	\$11,887,570
Contribution to Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$548,945	\$555,194	\$0	\$0	\$0	\$0	\$548,945
Commercial Access Fees	\$737,931	\$822,839	\$0	\$0	\$0	\$0	\$208,333	\$208,333	\$0	\$0	\$0	\$0	\$946,264
User Fees	\$0	\$0	\$45,580	\$58,492	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,580
Other Income	\$160,805	\$211,229	\$21,893	\$66,643	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$182,698
<b>Total Operating Revenues</b>	<b>10,013,884</b>	<b>10,142,333</b>	<b>\$833,377</b>	<b>\$891,807</b>	<b>\$209,083</b>	<b>\$208,242</b>	<b>\$2,277,621</b>	<b>\$2,280,826</b>	<b>\$277,092</b>	<b>\$270,056</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,611,057</b>
<b>Non-Operating Revenue</b>													
Investment Income	\$29,612	\$36,866	\$2,507	\$2,446	(\$470)	\$768	(\$97,516)	\$46,045	\$730	\$0	(\$35,440)	\$14,000	(\$100,577)
Comcast Revenue	\$116,851	\$90,736	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$116,851
<b>Total Non-Operating Rev.</b>	<b>\$146,464</b>	<b>\$127,602</b>	<b>\$2,507</b>	<b>\$2,446</b>	<b>(\$470)</b>	<b>\$768</b>	<b>(\$97,516)</b>	<b>\$46,045</b>	<b>\$730</b>	<b>\$0</b>	<b>(\$35,440)</b>	<b>\$14,000</b>	<b>\$16,274</b>
<b>Total Revenue</b>	<b>10,160,348</b>	<b>10,269,935</b>	<b>\$835,884</b>	<b>\$894,253</b>	<b>\$208,613</b>	<b>\$209,010</b>	<b>\$2,180,105</b>	<b>\$2,326,871</b>	<b>\$277,821</b>	<b>\$270,056</b>	<b>(\$35,440)</b>	<b>\$14,000</b>	<b>\$13,627,331</b>
<b>Total Expenses</b>													
<b>Operating Expense</b>													
Payroll Expenses	\$2,322,832	\$2,489,835	\$231,036	\$278,042	\$66,667	\$66,667	\$0	\$0	\$27,229	\$27,229	\$0	\$0	\$2,647,764
Building/Equipment R/M	\$87,209	\$134,103	\$84,805	\$261,866	\$5,690	\$5,583	\$0	\$0	\$0	\$0	\$0	\$0	\$177,704
Common Area R/M	\$634,401	\$651,536	\$91,613	\$180,340	\$2,644	\$9,121	\$0	\$0	\$176,596	\$250,967	\$0	\$0	\$905,253
Operating Expenses	\$840,421	\$937,534	\$101,716	\$98,381	\$2,131	\$3,174	\$0	\$0	\$0	\$0	\$0	\$0	\$944,268
Capital Projects - LCI	\$0	\$0	\$0	\$0	\$0	\$0	\$137,190	\$116,667	\$0	\$0	\$0	\$0	\$137,190
Capital Projects - MRR	\$0	\$0	\$0	\$0	\$0	\$0	\$1,028,301	\$1,738,592	\$0	\$0	\$0	\$0	\$1,028,301
<b>Total Operating Expense</b>	<b>\$3,884,864</b>	<b>\$4,213,007</b>	<b>\$509,170</b>	<b>\$818,629</b>	<b>\$77,131</b>	<b>\$84,545</b>	<b>\$1,165,491</b>	<b>\$1,855,258</b>	<b>\$203,825</b>	<b>\$278,196</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,840,481</b>
<b>Non-Operating Expense</b>													
Community Program Support	\$221,100	\$221,100	(\$221,100)	(\$221,100)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers	\$981,501	\$0	\$20,922	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,002,423)	\$0	\$0
Other (Gains)/Losses	(\$31,020)	\$0	\$0	\$0	(\$5,270)	\$0	(\$89,594)	\$0	\$0	\$0	(\$10,540)	\$0	(\$136,424)
Capital Equipment Purchases	\$0	\$16,391	\$0	\$10,700	\$0	\$0	\$0	\$0	\$0	\$0	\$8,404	\$37,500	\$8,404
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,897	\$21,385	\$14,897



# Kiawah Island Community Association, Inc.

## Income Statement

For Period Ending 05/31/2020

	General		Recreation		V-Gate		MRR		Preserve		Property		Total
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,359	\$124,980	\$122,359
<b>Total Non-Operating Exp.</b>	<b>\$1,171,581</b>	<b>\$237,491</b>	<b>(\$200,178)</b>	<b>(\$210,400)</b>	<b>(\$5,270)</b>	<b>\$0</b>	<b>(\$89,594)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$867,303)</b>	<b>\$183,865</b>	<b>\$9,236</b>
<b>Total Expenses</b>	<b>\$5,056,445</b>	<b>\$4,450,498</b>	<b>\$308,992</b>	<b>\$608,229</b>	<b>\$71,861</b>	<b>\$84,545</b>	<b>\$1,075,897</b>	<b>\$1,855,258</b>	<b>\$203,825</b>	<b>\$278,196</b>	<b>(\$867,303)</b>	<b>\$183,865</b>	<b>\$5,849,717</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$1,955,724</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$345,286</b>	<b>\$0</b>	<b>\$7,790,671</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,516,660</b>	<b>\$0</b>	<b>\$13,608,341</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$5,103,903</b>	<b>\$0</b>	<b>\$526,892</b>	<b>\$0</b>	<b>\$136,753</b>	<b>\$0</b>	<b>\$1,104,207</b>	<b>\$0</b>	<b>\$73,997</b>	<b>\$0</b>	<b>\$831,862</b>	<b>\$0</b>	<b>\$7,777,615</b>
<b>ENDING FUND BALANCE</b>	<b>\$7,059,628</b>	<b>\$0</b>	<b>\$526,892</b>	<b>\$0</b>	<b>\$482,039</b>	<b>\$0</b>	<b>\$8,894,878</b>	<b>\$0</b>	<b>\$73,997</b>	<b>\$0</b>	<b>\$4,348,522</b>	<b>\$0</b>	<b>\$21,385,955</b>