

Kiawah Island Community Association, Inc.
Consolidated Income Statement with Budget Variances
for the Period Ending 09/30/2020

	YEAR-TO-DATE		Favorable (Unfavorable)		2020 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
Total Revenue						
Operating Revenues						
Assessments	11,890,503	11,871,823	18,680	0.16 %	11,872,373	(18,130)
Contribution to Reserves	2,393,633	1,019,554	1,374,079	134.77 %	1,345,937	(1,047,696)
Commercial Access Fees	1,429,246	1,391,429	37,817	2.72 %	1,615,758	186,512
User Fees	47,765	127,625	(79,860)	(62.57)%	174,100	126,335
Other Income	395,682	614,953	(219,271)	(35.66)%	691,709	296,027
Total Operating Revenues	16,156,829	15,025,384	1,131,445	7.53 %	15,699,877	(456,952)
Non-Operating Revenue						
Investment Income	203,621	182,713	20,907	11.44 %	225,940	22,319
Comcast Revenue	206,499	163,325	43,173	26.43 %	217,767	11,268
Total Non-Operating Rev.	410,119	346,039	64,081	18.52 %	443,707	33,588
Total Revenue	16,566,948	15,371,422	1,195,526	7.78 %	16,143,584	(423,364)
Total Expenses						
Operating Expense						
Payroll Expenses	4,700,291	5,092,143	391,853	7.70 %	6,842,410	2,142,119
Building/Equipment R/M	315,126	564,754	249,628	44.20 %	687,762	372,636
Common Area R/M	1,374,640	1,911,768	537,128	28.10 %	2,365,446	990,806
Operating Expenses	1,664,157	1,808,315	144,158	7.97 %	2,385,407	721,249
Capital Projects - LCI	152,739	210,000	57,261	27.27 %	280,000	127,261
Capital Projects - MRR	1,757,239	3,210,692	1,453,452	45.27 %	3,752,100	1,994,861
Total Operating Expense	9,964,192	12,797,672	2,833,480	22.14 %	16,313,124	6,348,932
Non-Operating Expense						
Community Program Support	0	0	0	0.00 %	0	0
Interfund Transfers	0	0	0	0.00 %	0	0
Other (Gains)/Losses	(149,897)	0	149,897	0.00 %	0	149,897
Capital Equipment Purchases	12,604	102,158	89,554	87.66 %	130,333	117,729
Interest Expense	20,812	38,409	17,597	45.81 %	50,838	30,026
Depreciation	219,044	229,205	10,161	4.43 %	305,000	85,956
Total Non-Operating Exp.	102,563	369,772	267,209	72.26 %	486,171	383,608
Total Expenses	10,066,755	13,167,444	3,100,689	23.55 %	16,799,295	6,732,540
BEGINNING FUND BALANCE	13,608,341	13,608,341	0	0.00 %	13,608,341	0
NET SURPLUS/(DEFICIT)	6,500,193	2,203,978	4,296,214	194.93 %	(655,711)	(7,155,904)
ENDING FUND BALANCE	20,108,533	15,812,319	4,296,214	27.17 %	12,952,629	(7,155,904)

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

MONTHLY FINANCIAL REPORT

Sept. 2020 Variance Analysis

It has now been 6.5 months since we began reducing expenses due to the COVID-19 crisis and KICA's efforts have proved to be successful. We have shown improvements in most categories as we wrap up the 9th month of our fiscal year. While we are certain that some areas will never fully recover due to the statewide shutdown beginning March 15, we are still optimistic that we will end the year well.

Amounts Represented are Through Sept. 30, 2020

Total Revenue

\$16,566,948, which is \$1,195,526 ahead of budget.

Assessments

KICA's primary revenue source totals \$11,890,503, which is in line with the \$11,871,823 budgeted.

- Through September, 99.9% of 2020 assessments have been collected.
- All remaining delinquent accounts were referred to our attorneys for collection, and liens have been placed on all unpaid properties.

Contributions to Reserve (CTR)

Real estate transactions fees that contribute to KICA's Reserve Fund are \$2,393,663 which is \$1,374,079 above budget.



- The Contributions to Reserve continue to exceed monthly budgets as sales are closing at a record pace. We have already exceeded our annual budget and expect to top \$3,000,000 by year end. 2020 is on track to equal or exceed the highest R/E sales year in the island's history.

Vehicle Access Fees

\$1,429,246, which is \$37,817 over budget. Strong rebounds in fleet sales and bicycle decals have contributed to this. We are also offering Commercial RFID passes for the first time this year which has contributed almost \$60,000 to this category.

Investment Income

\$203,621, which is \$20,907 ahead of budget as the market continues its recovery. Yield on cash deposits is still minimal but we try to find banks that pay higher than their peers.

Operating Expenses

\$9,964,192, which is 22% better than the budget of \$12,797,672.

Payroll Expenses

Payroll typically represents KICA's largest expense line item. Payroll is at \$4,700,291, which is 7.7% better than the \$5,092,143 budgeted. Much of the favorable variance is comprised of savings associated with furloughs, layoffs and a hiring freeze associated with mitigating the financial losses attributed to COVID-19.

Building Equipment Repairs and Maintenance

\$315,126, which is 44% better than the \$564,754 budgeted. A large contributor to this positive variance is due to the pool repairs at The Sandcastle coming in substantially under budget.

Common Area Repairs and Maintenance

\$1,374,640, which is 28% below the budget of \$1,911,768. Much of this work happens in the slower fall and winter seasons, so this gap will likely close as projects are restarted.



Operating/Administrative Expenses

\$1,664,157, which is 8% below the budget of \$1,808,315. Contributing to this are savings in travel & conference expenses, uniform rentals, and property insurance.

Landscape Capital Projects

\$152,739, which is \$57,261 or 27% under 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, 18,19 and 26.

Major Repairs and Replacements (MRR)

\$1,757,239 and are 45.3% under the budget of \$3,210,692. Ongoing mitigation of drainage continues to be our largest expense in this category; we hope by year end to have completed 30% of the total budget approved in the special assessment this past spring.

- Several MRR projects were postponed due to COVID concerns but are now back on track as the Board authorized these projects to begin again.

More Information

Please note that more information is available upon request. KICA's Director of Finance and Administration, Johnny Wallace, may be reached by email at johnny.wallace@kica.us or by telephone at 843-768-9194 ext. 216.

