

**Kiawah Island Community Association, Inc.**  
**Consolidated Income Statement with Budget Variances**

for the Period Ending 10/31/2020

	YEAR-TO-DATE		Favorable (Unfavorable)		2020 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
<b>Total Revenue</b>						
<b>Operating Revenues</b>						
Assessments	11,892,615	11,872,006	20,609	0.17 %	11,872,373	(20,242)
Contribution to Reserves	2,831,777	1,103,876	1,727,901	156.53 %	1,345,937	(1,485,840)
Commercial Access Fees	1,539,980	1,470,597	69,383	4.72 %	1,615,758	75,778
User Fees	48,626	149,183	(100,557)	(67.41)%	174,100	125,474
Other Income	423,019	640,538	(217,519)	(33.96)%	691,709	268,689
<b>Total Operating Revenues</b>	<b>16,736,018</b>	<b>15,236,201</b>	<b>1,499,817</b>	<b>9.84 %</b>	<b>15,699,877</b>	<b>(1,036,141)</b>
<b>Non-Operating Revenue</b>						
Investment Income	200,943	198,222	2,721	1.37 %	225,940	24,997
Comcast Revenue	222,241	181,473	40,768	22.47 %	217,767	(4,474)
<b>Total Non-Operating Rev.</b>	<b>423,184</b>	<b>379,695</b>	<b>43,489</b>	<b>11.45 %</b>	<b>443,707</b>	<b>20,523</b>
<b>Total Revenue</b>	<b>17,159,201</b>	<b>15,615,896</b>	<b>1,543,305</b>	<b>9.88 %</b>	<b>16,143,584</b>	<b>(1,015,618)</b>
<b>Total Expenses</b>						
<b>Operating Expense</b>						
Payroll Expenses	5,198,519	5,649,736	451,217	7.99 %	6,842,410	1,643,891
Building/Equipment R/M	334,471	611,206	276,735	45.28 %	687,762	353,291
Common Area R/M	1,473,270	2,057,702	584,433	28.40 %	2,365,446	892,176
Operating Expenses	1,809,916	2,022,294	212,378	10.50 %	2,385,407	575,491
Capital Projects - LCI	187,948	233,333	45,385	19.45 %	280,000	92,052
Capital Projects - MRR	2,386,553	3,406,717	1,020,164	29.95 %	3,752,100	1,365,547
<b>Total Operating Expense</b>	<b>11,390,677</b>	<b>13,980,988</b>	<b>2,590,311</b>	<b>18.53 %</b>	<b>16,313,124</b>	<b>4,922,447</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	(139,643)	0	139,643	0.00 %	0	139,643
Capital Equipment Purchases	12,604	111,550	98,946	88.70 %	130,333	117,729
Interest Expense	21,820	42,522	20,702	48.69 %	50,838	29,018
Depreciation	243,092	255,044	11,952	4.69 %	305,000	61,908
<b>Total Non-Operating Exp.</b>	<b>137,874</b>	<b>409,116</b>	<b>271,242</b>	<b>66.30 %</b>	<b>486,171</b>	<b>348,298</b>
<b>Total Expenses</b>	<b>11,528,550</b>	<b>14,390,104</b>	<b>2,861,554</b>	<b>19.89 %</b>	<b>16,799,295</b>	<b>5,270,745</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>5,630,651</b>	<b>1,225,792</b>	<b>4,404,859</b>	<b>359.35 %</b>	<b>(655,711)</b>	<b>(6,286,362)</b>
<b>ENDING FUND BALANCE</b>	<b>19,238,992</b>	<b>14,834,133</b>	<b>4,404,859</b>	<b>29.69 %</b>	<b>12,952,629</b>	<b>(6,286,362)</b>

KIAWAH ISLAND  
**COMMUNITY**  
ASSOCIATION

MONTHLY FINANCIAL REPORT

## October 2020 Variance Analysis

We are almost 8 months into the COVID crisis and KICA's efforts to contain costs while still providing expected services have proved to be successful. We have shown improvements in most categories as we wrap up the 10<sup>th</sup> month of our fiscal year. We fully expect to have continued operating success and end 2020 strongly.

Amounts Represented are Through Oct. 30, 2020

### **Total Revenue**

\$17,159,201, which is \$1,543,305 ahead of budget.

### **Assessments**

KICA's primary revenue source, totalled \$11,892,615 and is in line with the \$11,872,006 budgeted.

- Through October, 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 \$2,831,777 which is \$1,727,901 above budget.



- The Contributions to Reserve continue to exceed monthly budgets as sales are closing at a record pace. Kiawah has projected total sales in excess of \$600,000,000 by year end, which would exceed any previous year, and provide over \$3,000,000 to our MR&R account.

### **Vehicle Access Fees**

\$1,539,980, which is \$69,383 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**

\$200,943, which is roughly on budget as the market continues its recovery from the spring recession. Yield on cash deposits is still minimal but we try to find banks that pay higher than their peers.

### **Operating Expenses**

\$11,390,677, which is 19% better than the budget of \$13,980,988.

### **Payroll Expenses**

Typically KICA's largest expense line item, payroll expenses are at \$5,198,519, which is 8% better than the \$5,649,736 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**

\$334,471, which is 45% better than the \$611,206 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**

\$1,473,270, which is 28% below the budget of \$2,057,702. Much of this work happens in the slower fall and winter seasons, so this gap will likely close as we approach year end.



## **Operating/Administrative Expenses**

\$1,809,916, which is 10.5% below the budget of \$2,022,294. Contributing to this are savings in travel & conference expenses, uniform rentals, and property insurance.

## **Landscape Capital Projects**

\$187,948, which is \$45,385 or 19% 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)**

\$2,386,553, which is 30% under the budget of \$3,406,717. 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 and should be completed by year end.

## 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](mailto:johnny.wallace@kica.us) or by telephone at 843-768-9194 ext. 216.

