

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

for the Period Ending 11/30/2020

	YEAR-TO-DATE		Favorable (Unfavorable)		2020 Total	Remaining
	Actual	Budget	\$ Variance	% Variance	Budget	Budget
<b>Total Revenue</b>						
<b>Operating Revenues</b>						
Assessments	11,892,818	11,872,190	20,628	0.17 %	11,872,373	(20,445)
Contribution to Reserves	3,278,463	1,233,998	2,044,465	165.68 %	1,345,937	(1,932,526)
Commercial Access Fees	1,632,962	1,544,698	88,264	5.71 %	1,615,758	(17,204)
User Fees	48,396	166,142	(117,746)	(70.87)%	174,100	125,704
Other Income	464,025	666,123	(202,098)	(30.34)%	691,709	227,683
<b>Total Operating Revenues</b>	<b>17,316,665</b>	<b>15,483,151</b>	<b>1,833,514</b>	<b>11.84 %</b>	<b>15,699,877</b>	<b>(1,616,788)</b>
<b>Non-Operating Revenue</b>						
Investment Income	503,244	212,631	290,612	136.67 %	225,940	(277,303)
Comcast Revenue	256,464	199,620	56,844	28.48 %	217,767	(38,697)
<b>Total Non-Operating Rev.</b>	<b>759,708</b>	<b>412,251</b>	<b>347,457</b>	<b>84.28 %</b>	<b>443,707</b>	<b>(316,001)</b>
<b>Total Revenue</b>	<b>18,076,372</b>	<b>15,895,402</b>	<b>2,180,971</b>	<b>13.72 %</b>	<b>16,143,584</b>	<b>(1,932,789)</b>
<b>Total Expenses</b>						
<b>Operating Expense</b>						
Payroll Expenses	5,690,198	6,304,329	614,131	9.74 %	6,842,410	1,152,212
Building/Equipment R/M	361,652	651,304	289,652	44.47 %	687,762	326,110
Common Area R/M	1,627,938	2,208,893	580,956	26.30 %	2,365,446	737,508
Operating Expenses	1,952,879	2,207,284	254,405	11.53 %	2,385,407	432,528
Capital Projects - LCI	222,746	256,667	33,921	13.22 %	280,000	57,254
Capital Projects - MRR	2,933,306	3,587,742	654,436	18.24 %	3,752,100	818,794
<b>Total Operating Expense</b>	<b>12,788,718</b>	<b>15,216,218</b>	<b>2,427,500</b>	<b>15.95 %</b>	<b>16,313,124</b>	<b>3,524,406</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	(147,845)	0	147,845	0.00 %	0	147,845
Capital Equipment Purchases	12,604	120,941	108,337	89.58 %	130,333	117,729
Interest Expense	22,840	46,756	23,916	51.15 %	50,838	27,998
Depreciation	266,789	280,022	13,233	4.73 %	305,000	38,211
<b>Total Non-Operating Exp.</b>	<b>154,388</b>	<b>447,719</b>	<b>293,331</b>	<b>65.52 %</b>	<b>486,171</b>	<b>331,783</b>
<b>Total Expenses</b>	<b>12,943,106</b>	<b>15,663,937</b>	<b>2,720,831</b>	<b>17.37 %</b>	<b>16,799,295</b>	<b>3,856,189</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>5,133,266</b>	<b>231,465</b>	<b>4,901,802</b>	<b>2,117.73 %</b>	<b>(655,711)</b>	<b>(5,788,978)</b>
<b>ENDING FUND BALANCE</b>	<b>18,741,607</b>	<b>13,839,805</b>	<b>4,901,802</b>	<b>35.42 %</b>	<b>12,952,629</b>	<b>(5,788,978)</b>

KIAWAH ISLAND  
**COMMUNITY**  
ASSOCIATION

MONTHLY FINANCIAL REPORT

## November 2020 Variance Analysis

11 months into this most unusual year continues to bear out our earlier observations, namely that KICA has been successful in containing costs in response to the pandemic, and that we will end the year in a strong financial position. R/E sales have exceeded any previous year on record, contributing unprecedented amounts to our Major Reserves & Replacements fund. December should continue that trend. We also are making very good progress in the flood mitigation projects begun earlier this year.

### Amounts Represented are Through November 30, 2020

#### **Total Revenue**

\$18,076,372, which is \$2,180,971 ahead of budget.

#### **Assessments**

KICA's primary operating revenue source, totaled \$11,892,818 and is in line with the \$11,872,190 budgeted.

- Through November, 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 \$3,278,463 which is \$1,233,998 above budget.



- The Contributions to Reserve continue to exceed monthly budgets as sales are closing at a record pace. Kiawah has projected total sales could approach \$700,000,000 by year end, which would exceed any previous year, and provide over \$3,400,000 to our MR&R account.

### **Vehicle Access Fees**

\$1,632,962, which is \$88,264 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**

\$503,244, now ahead of budget by \$290,612 as the market continues its strong 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**

\$12,788,718, which is 16% better than the budget of \$15,216,218.

### **Payroll Expenses**

Typically KICA's largest expense line item, payroll expenses are at \$5,690,188, which is 9.75% better than the \$6,304,329 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**

\$361,652, which is 45% better than the \$651,304 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**

\$1,627,938, which is 26% below the budget of \$2,208,893. Much of this work happens in the slower fall and winter seasons, and the gap will continue to close through the end of the year.



## **Operating/Administrative Expenses**

\$1,952,879, which is 11.5% below the budget of \$2,207,284. Contributing to this are savings in travel & conference expenses, uniform rentals, and property insurance.

## **Landscape Capital Projects**

\$222,746, which is \$33,921 or 13% 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)**

\$2,933,306, which is 18% under the budget of \$3,587,742. Ongoing mitigation of drainage continues to be our largest expense in this category; we plan 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.
- After January 1 we will suspend further flood mitigation work until after the PGA.

## **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.

