KIAWAH ISLAND

COMMUNITY

ASSOCIATION

Treasurer's Report

Lisa Mascolo
MARCH 17, 2023
KICA ANNUAL MEETING

Finance Committee

Lisa Mascolo
Board Treasurer & Committee Chair

Dale Schoon
Director of Finance & Committee Vice-Chair

Jim DiLella

Paul Hennessy

Debbie Diddle

Paul Hough

Michael Petrecca

Bran Petranovic

Jeff Porter

2022 Accomplishments

- Finance Department restaffing
  - New director Feb; complete change of staff by Sept

- Operating cash investment strategies
  - Short-term, higher yield investments for idle cash
  - Sweep a/c, 4-6 wk maturities, 3-12 mo T-bill ladder

- Investment advisor bid process
  - Thorough process culminating in new advisor/transfer of assets

- 2023 budget process
  - Effective process including transparency to members

2022 Accomplishments

- Financial Controls Manual
  - Latest version dated May 2022

- Investment Policy Statement
  - Latest version dated July 2022

- 2022 Audit - unmodified opinion
  - No Auditor adjusting entries
  - Very quick turnaround

- More information to members
  - Making progress with quality information to members

KICA Financial Condition

- **Healthy and stable - Strong balance sheet**

- **KICA Liquidity**
  - Details reviewed at the Finance Committee and BOD meetings
  - Posted to the website

- **Cash balances**
  - No relationship with Silicon Valley Bank
  - No bank balances in excess of the $250k FDIC insured limit

- **Significant unrealized losses on investments**
  - KICA poised to take advantage of eventual market upturn

- **Reserve Funding**
  - Based on June 2022 Reserve Study report- 55% funded.
  - Reserve fund is 100% restricted to major repairs and replacement
  - Finance Committee to review new report end of March

- **2023 Budget**
  - BOD approved an $840K net operating deficit
  - MRR Reserve budget slated for $1.6M net surplus
  - 2023 CTR budget of $3.05M - on track YTD

2023 Priorities

- Investment Policy Statement

- MRR Reserve "funding" levels

- Budget/Fund Balance strategies

- Internal controls environment

- Refine public reporting package

Thank you!