

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

Treasurer's Report

Lisa Mascolo
MARCH 21, 2024
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



2023 Accomplishments

- **KICA Liability & Property Insurance Portfolio Review**
 - Collaborated w/insurance agent
 - Recommended accepted portfolio strategy to BOD
- **New Auditor Selection**
 - Expedited but thorough process
 - 2022 tax return completed on time
 - 2023 Audit - unmodified opinion
- **Transition to new Investment advisor**
 - Transitioned assets to Morgan Stanley & brought portfolio to IPS compliance
 - Cook Street (Investment Advisor) reports quarterly at Finance Committee
 - More robust reporting to BOD, FC and membership
- **Operating cash investment strategies**
 - Short-term, higher yield investments for imminent cash needs
 - T-bill ladder for less imminent cash needs



2023 Accomplishments

- **2023 budget process & performance**
 - Effective budget process including transparency to members
 - Both Operating & Reserve Funds performed better than budget (see Q4 Quarterly Finance Report posted to the KICA web site)
 - Operating Fund Net Loss: Budget (\$840,770) vs Actual (\$246,928)
 - Reserve Fund Net Surplus: Budget \$1,640,597 vs Actual \$3,468,501
- **Revised Investment Policy Statement**
 - Latest version dated Jan 2024
 - Clearer, more effective guidelines and performance criteria
 - Increased the upper constraint of equity allocation from 40% to 50%
- **Employee Health Insurance change**
 - Analyzed options
 - Provided accepted recommendation to implement self-insured collective strategy
- **Collections**
 - Ended 2023 w/ no outstanding assessments or liens



KICA Financial Condition

- **Healthy and stable - Strong balance sheet**
- **Investment Portfolio**
 - Effective structure in place for short and long term resources
 - Effective relationship w/ Investment Advisor
 - Positioned to adjust to the market
 - Investment income in 2023 = \$975k vs. loss in 2022 = (\$525k)
- **Reserve Funding**
 - Based on March 2023 Reserve Study report - 56.9% funded.
 - Reserve fund is 100% restricted to major repairs and replacement
 - Finance Committee to review new report end of March



KICA Financial Condition

- **2024 Budget**
 - Board approved an Operating Fund \$608k net deficit
 - Reserve Fund budget slated for a \$3.2M net surplus
 - 2024 CTR budget of \$4M - The Cape to be in added in Q2 & Q3
- **Future risks under consideration**
 - Liability and property insurance
 - Health insurance costs
 - Named storm exposure
 - Revenue stream consistency: Island sales (CTR); Comcast royalties, Access Fees

2024 Priorities

- **Financial Controls Manual**
- **MRR Reserve policy**
- **Budget/Fund Balance strategies**
- **Operating Cash Investment Policy Statement**
- **Insurance landscape**



Thank you!

