



2012 Budget Assumptions

GENERAL ASSUMPTIONS

REVENUES - Total Revenues \$8,917,678

1. Final assumes a 5% increase in the General and Amenity assessments only (increase of \$300k). Assumes no increase for the V-Gate segment assessment because that fund has a sufficient balance of \$428k. Total of \$300k will be transferred from the General Fund to the Reserve Fund in 2012.
2. Joint Member Administrative Fee proposed increase from \$50 to \$100 ea (\$35k to \$70k)
3. Proposal of a Property Sale Administrative Fee of \$100 to be collected at closing on each property transfer to cover administration costs associated with ownership changes.
4. Investment Income assumes no increase over 2011 projections.
5. Contribution to Reserves of \$1m assumes no increase over 2011 projections.
6. Commercial Access Fees assumes a rate increase for vehicle fees of 5% (increase of \$32k) and Bike Tag Fees \$5 each (increase of \$14k)
7. User Fees include increasing Sandcastle event room rentals (increase of \$4k for 2012 but possibly \$12k for 2013)
8. User Fees include fees to cover Celebrate Kiawah event. Reduced expense to \$30k (propose no guests), KICA to cover \$20k and balance to come from cover charge and sponsors.
9. User Fees include increasing Canoe storage fees from \$500/berth to \$750/berth (increase of \$13k). Increase Rhett's Bluff annual launch fees from \$200 to \$300 to cover total expenses (increase of \$8k). Staff proposes to change contract dates for launch and storage to Jan-Dec (from Nov-Nov). This is reflected in 2011 projections as a reduction to income of approx \$34k because fees are booked at start of contract. But actual loss is only 6 weeks or approx \$4k.
10. Assume losing the TOKI landscape maintenance contract (\$36k)
11. Assume marketplace in Digest. Total revenues \$126k less expenses of \$59k = \$67k net.

EXPENSES – Total Expenses \$9,800,278

- 12. Payroll Expenses- See separate Payroll Assumptions (\$241k) Reduced Land seasonal employees from 4 to 2 - saves \$15k. Increased allocation from Security to V-Gate to cover two patrols @16hrs/day – wages, taxes and benefits = \$77k (no net increase- expense moved from General Fund to V-Gate Fund)
- 13. Capital Projects MRR/LCI- See separate Assumptions (\$1.2m/\$949k)
- 14. Depreciation Expense of \$380k decreases as assets are fully depreciated (\$85k).
- 15. Capital Equipment Purchases- See separate summary- \$25k total
- 16. Board Planning of \$106k - See separate assumptions
- 17. Repair and repaint verandah doors and sidelights and Sandcastle (\$8k)
- 18. Lease and maintenance contract for 5 copiers- renewed with new vendor saves \$8k/yr
- 19. Pool R/M includes pool depth markers and autopilot salt system (\$9k)
- 20. Road & Drainage R/M budget increased (\$9k) – lack of MRR funds
- 21. Communications and Technology – (\$33k) includes new Capture Community Software for \$22k (Software \$6k plus recurring license \$15k)
- 22. Uniform/Clothing Allowance – removed allowance for office staff and reduced other allowance (\$9k)
- 23. Vehicle Gas allowance assumed \$3.85/gallon (\$8k)
- 24. Seminar, Training and Travel reduced overall budget by 12k
- 25. Water/Sewage and Water/Irrigation increased by 23% based on projected rate increase (\$44k)
- 26. Snack Bar Operations- assume close on Tuesday and increase menu prices to balance operating budget (\$10k)
- 27. General Insurance assumes a 10% increase at renewal in June (\$16k)
- 28. Increased Community Program Support from General to Recreation Fund from \$150k to \$265k to help cover Recreation funded depreciation.

TOTAL FUNDS NET DEFICIT – (\$882,600)

OPERATING FUNDS

2012 Budget	308,805
2011 Projections	77,996
Variance	230,809

PRESERVE FUND

2012 Budget	(6,250)
2011 Projections	(6,283)
Variance	33

Preserve Fence Fund assumes a special assessment to cover fence and planting maintenance (\$12k). Fund needs replenishing to avoid a deficit balance

RESERVE FUND

2012 Budget	(805,155)
2011 Projections	(1,803,069)
Variance	997,914

See separate MRR assumptions on budget detail

Notes for Final:

1. Staff reduced LCI budget from \$949k to \$408k or by \$541k (See LCI budget detail).
2. A Contingency for Emergency account was added for \$240k to MRR budget (FC recommended and board agreed).
3. Staff added \$80k to 2011 Projections for emergency pipe occlusion.
4. A transfer of \$1m from General Fund to Reserve Fund by end of year 2011 is included in projections (FC recommended and board agreed) as well as the \$300k transfer in the 2012 budget.