

**MAYOR:**  
Bradley D. Belt

**TOWN ADMINISTRATOR:**  
Stephanie Tillerson

**TOWN ATTORNEY:**  
Stafford J. McQuillin III



**MAYOR PRO TEMPORE:**  
Russell A. Berner

**COUNCIL MEMBERS:**  
Dr. Michael Heidingsfelder  
E. Luke Farrell  
Madeleine Kaye

**AUDIT COMMITTEE MEETING**  
Kiawah Island Municipal Center  
Council Meeting Room  
June 27, 2024, 1:00 pm

**Agenda**

- I. **Call to Order**
- II. **Roll Call:**
- III. **Approval of Minutes:**
  - A. Minutes of the March 14, 2024, Audit Committee Meeting
- IV. **Old Business:**

None
- V. **New Business:**
  - A. Discussion of the Upcoming Fiscal Year 2023-2024 Audit
  - B. Review of Budget Report
- VI. **Chairman's Comments:**
- VII. **Citizen's Comments:**
- VIII. **Adjournment:**

# AUDIT COMMITTEE MEETING

Kiawah Island Municipal Center  
Council Meeting Room  
March 14 , 2023; 10:00 am

## Minutes

I. Call to Order: *Chairman Heidingsfelder called the meeting to order at 10:00 am.*

II. Roll Call:

Present: Michael Heidingsfelder, *Chairman*  
Andrew Capelli  
Jim Williams  
Pamela Pollitt  
Mark Reynolds

Also Present: Stephanie Tillerson, *Town Administrator*  
Dorota Szubert, *Finance Director*

Also Present via Zoom: David Irwin, *Mauldin & Jenkins*  
Trey Scott, *Mauldin & Jenkins*

III. Approval of Minutes:

A. Minutes of the Audit Committee meeting of October 23, 2023

*Mr. Capelli moved to approve the minutes of the October 23, 2023, Audit Committee meeting. Mr. Williams seconded the motion, and it was unanimously approved.*

IV. Old Business:

None

V. New Business:

A. Discussion of the Proposal for Income Verification Audit Services

The discussion focused on the approach to conducting income verification audit for the top 10 contributors to the business license revenue collected by the Town for 2024 license year. Emphasis was placed on understanding the complex business structure of some of the audited entities.

B. Review of the Fiscal Year 2024 Budget Amendment

Dorota Szubert presented details regarding budget amendment that was approved by the Town Council February 6, 2024.

C. Review of Budget Report for the First Seven Months Ended 1/31/2024

Dorota Szubert presented the Town's Budget Report for the first seven months ended 1/31/2024.

VI. Chairman's Comments:

None

VII. Citizen's Comments:

None

VIII. Adjournment:

*Chairman Heidingsfelder adjourned the meeting at 11:48 am.*

Submitted by,

\_\_\_\_\_  
Dorota Szubert, Finance Director

\_\_\_\_\_  
Date

DRAFT



# Memorandum

**TO:** Chair and Members of Ways and Means Committee

**FROM:** Dorota Szubert, Finance Director

**SUBJECT:** Budget Report for the First Eleven Months Ended 5/31/2024

**DATE:** July 2, 2024

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## Overview:

Presented here is the Town's Budget-to-Actual Report for the first eleven months. The report is compiled on a cash basis, and all the funds are consolidated. The original budget was amended on February 6, 2024, to adjust the totals to the current projections.

For the first eleven months, the Town's consolidated revenues of \$14.7M are 9%, or \$1.4M higher when compared to year-to-date for the last fiscal, FY2023, and are at 95% of the total amended budgeted revenues for the current year. Overall, revenues are in line with budget, with Building Permits, Business Licenses, Interest Income, and Miscellaneous Income exceeding the budget. The Miscellaneous Income includes a one-time reimbursement from CCSO of \$161K for the vehicles and equipment book value, \$33K, a one-time restitution payment from the former treasurer, and a \$15K legal expenses reimbursement.

At 92% of the year elapsed, expenditures totaling \$10.2M are 5% or \$521K higher than for fiscal year FY2023 and account for 61%, or 86% excluding the \$5M placeholder, of the current year's budget. The majority of the expenditures are reasonable and in line with the amended budget, with the exception of the following line items that will carry the negative variance throughout the year:

1. Waste management, attributable to the earlier initiation of the contract with Trident.
2. Professional services
3. Charitable Contributions due to Town Council approval of an additional application outside the regular process.
4. Non-budgeted cost for storm cleanup.

Town of Kiawah Island  
 Budget Report -Cash basis  
 5.31.24

Fiscal 2024

FY2024 VS FY2023

	TOTAL BUDGET	TOTAL AMENDED BUDGET	Y-T-D ACTUALS	\$ VARIANCE	% OF BUDGET	FY2023 Y-T-D	\$ VARIANCE	% VARIANCE
<b>Revenue:</b>								
Building Permits	\$ 1,200,000	\$ 1,200,002	\$ 1,519,507	\$ 319,505	127%	\$ 1,608,001	\$ (88,494)	-6%
Building Permits-Special Projects	300,000	959,182	959,182	-	100%	623,908	335,274	35%
Business Licenses	3,100,000	3,100,057	3,293,917	193,860	106%	2,976,455	317,462	10%
STR Application Fees	400,000	400,000	401,500	1,500	100%	378,000	23,500	6%
Franchisee Fees	970,000	970,000	747,166	(222,834)	77%	762,804	(15,638)	-2%
Local Option Tax	891,347	891,347	795,669	(95,678)	89%	783,291	12,378	2%
State ATAX	2,936,510	2,936,510	1,897,976	(1,038,534)	65%	1,913,518	(15,542)	-1%
Local ATAX	1,477,158	1,477,158	1,106,166	(370,992)	75%	1,171,159	(64,993)	-6%
County ATAX	450,000	450,000	400,084	(49,916)	89%	470,959	(70,875)	-18%
Hospitality Tax	829,177	829,177	737,788	(91,389)	89%	734,799	2,989	0%
Environmental Services	640,000	640,000	648,900	8,900	101%	661,787	(12,887)	-2%
Interest	1,176,281	1,501,281	1,810,979	309,698	121%	1,000,416	810,563	45%
Other	224,536	224,536	419,671	195,135	187%	282,277	137,394	33%
<b>Total Revenue</b>	<b>14,595,007</b>	<b>15,579,247</b>	<b>14,738,505</b>	<b>(840,743)</b>	<b>95%</b>	<b>13,367,374</b>	<b>1,371,131</b>	<b>9%</b>
<b>Expenses:</b>								
Salaries/Regular Employees	2,030,719	2,152,469	1,984,667	(167,802)	92%	1,691,486	(293,181)	-15%
Overtime	8,000	8,000	12,344	4,344	154%	9,050	(3,294)	-27%
Benefits	714,590	746,521	660,592	(85,929)	88%	550,106	(110,486)	-17%
Payroll Tax	169,592	183,613	172,667	(10,946)	94%	161,978	(10,689)	-6%
<b>Employee Subtotal</b>	<b>2,922,901</b>	<b>3,090,604</b>	<b>2,830,270</b>	<b>(260,334)</b>	<b>92%</b>	<b>2,412,620</b>	<b>(417,650)</b>	<b>-15%</b>
Public Safety/Payroll and Related/ Off Duty Deputies	736,569	350,000	395,221	45,221	113%	667,205	271,984	69%
STR Code Enforcement	389,376	389,376	324,480	(64,896)	83%	279,749	(44,731)	-14%
Beach Patrol	584,000	584,000	486,667	(97,333)	83%	486,666	(1)	0%
Utilities & Supplies	237,440	247,440	220,121	(27,319)	89%	201,256	(18,865)	-9%
Communications	77,460	77,460	76,221	(1,239)	98%	70,269	(5,952)	-8%
Waste Management	1,278,000	1,278,000	1,210,232	(67,768)	95%	1,061,510	(148,722)	-12%
Insurance	190,176	190,176	202,674	12,498	107%	172,891	(29,783)	-15%
Professional Services	176,900	251,900	342,106	90,206	136%	219,456	(122,650)	-36%
Consultants	488,000	618,803	272,523	(346,280)	44%	442,347	169,824	62%
Maintenance	556,000	556,000	552,196	(3,804)	99%	630,919	78,723	14%
Travel	74,300	74,300	53,444	(20,856)	72%	52,145	(1,299)	-2%
Rentals	46,000	46,000	35,027	(10,973)	76%	34,967	(60)	0%
Tourism & Recreations	2,516,032	2,516,032	2,273,271	(242,761)	90%	1,865,321	(407,950)	-18%
Contributions	200,000	200,000	220,891	20,891	110%	209,121	(11,770)	0%
Other	353,920	375,528	307,556	(67,972)	82%	261,352	(46,204)	-15%
Building	5,000,000	5,000,000	-	(5,000,000)	0%	202,596	202,596	-
Infrastructure	250,000	250,000	186,469	(63,531)	75%	-	(186,469)	-
Vehicles	115,000	115,000	-	(115,000)	0%	159,837	159,837	-
Other	450,000	487,370	-	(487,370)	0%	76,133	76,133	-
MUSC Pledge	200,000	200,000	200,000	-	100%	200,000	-	0%
Non Budgeted-Storm Clean up	-	-	38,000	38,000	-	-	(38,000)	-100%
<b>Total Expenses</b>	<b>16,842,074</b>	<b>16,897,989</b>	<b>10,227,369</b>	<b>(6,670,620)</b>	<b>61%</b>	<b>9,706,360</b>	<b>(521,009)</b>	<b>-5%</b>
<b>Net Changes in Fund Balance</b>	<b>\$ (2,247,067)</b>	<b>\$ (1,318,741)</b>	<b>\$ 4,511,136</b>	<b>\$ 5,829,877</b>		<b>\$ 3,661,014</b>	<b>\$ (850,122)</b>	<b>-19%</b>