

**MAYOR:**  
Bradley D. Belt

**TOWN ADMINISTRATOR:**  
Stephanie Tillerson

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



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

**COUNCIL MEMBERS:**  
E. Luke Farrell  
Madeleine Kaye  
Lance Spencer

## **AUDIT COMMITTEE MEETING**

Kiawah Island Municipal Center  
Council Conference Room  
April 7, 2025; 1:00 pm

### **Agenda**

- I. **Call to Order**
- II. **Roll Call:**
- III. **Approval of Minutes:**
  - A. Minutes of the Audit Committee meeting of March 17, 2025 [Tab 1]
- IV. **Old Business:**

None
- V. **New Business:**
  - A. Discussion of the Fiscal Year 2024 Audit Results
  - B. Discussion of the Fiscal Year 2025 Extended Audit Scope
  - C. Fiscal Year 2026 Budget Draft Presentation [Tab 2]
  - D. Budget Report for First Eight Months Ending 2.29.25 [Tab 3]
- VI. **Chairman's Comments:**
- VII. **Citizens' Comments:**
- VIII. **Adjournment:**



TAB 1

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## **AUDIT COMMITTEE**

# AUDIT COMMITTEE MEETING

Kiawah Island Municipal Center

Council Conference Room

March 17, 2025; 11:00 am

## Minutes

I. **Call to Order:** *Chairman Farrell called the meeting to order at 11:00 am.*

II. **Roll Call:**

**Present:** Luke Farrell, Chairman  
Peter Ashton  
Paul Curth  
William Donovan  
John Wilson

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

III. **Approval of Minutes:**

A. Minutes of the Audit Committee meeting of October 7, 2024

*Chairman Farrell indicated that none of the current members were in attendance at the October 7, 2024, Audit Committee meeting, so he accepted the minutes as presented.*

IV. **Old Business:**

None

V. **New Business:**

A. Welcome the new team  
a. Review of the Audit Committee Charter  
b. Goals for the Year

B. Discussion of the Scope of the Internal Controls Audit

Committee Members engaged in a comprehensive discussion about strengthening organizational financial controls, the critical role of the Audit Committee, and the delicate balance between maintaining robust financial oversight and managing the practical limitations of committee work.

Members discussed the role of auditing in financial controls and risk management, highlighting the need to address a broad range of risks, including cybersecurity and legal compliance, while prioritizing financial controls as the initial step. The audit committee is viewed as a crucial check on management, ensuring a comprehensive range of risks are addressed. Emphasized was the importance of the audit committee being proactive in understanding the audit scope and testing strategy rather than relying solely on the auditors' findings.

Members explored the auditing process and the role of the Audit Committee, discussing the auditor's responsibilities in understanding the organization, determining the level of reliance on internal controls, and deciding on the testing approach. They also address the challenges of managing the audit process, including the extensive documentation and the necessity for the Audit

Committee to be involved throughout the process. The conversation underscored the intricacies of the auditing process. It emphasized the importance of open communication between the organization and its auditors to ensure a comprehensive understanding and effective mitigation of the organization's risks. The discussion also addressed concerns regarding transparency and public records, noting that email discussions among members could be considered public meetings. The speakers emphasize the importance of avoiding any appearance of deliberations or decision-making outside of official public meetings. They caution against committee members directly lobbying each other or the chairman and recommend sharing educational resources instead.

The discussion emphasized the importance of a planning meeting between the Audit Committee and the auditors, where the scope, risk areas, and testing strategy can be discussed and questioned. Members discussed inviting the audit firm to provide an overview of their audit strategy and findings from the previous year rather than immediately requesting a separate internal controls audit. Also emphasized was the importance of educating committee members and ensuring that everyone felt comfortable with the process while also considering time and budget constraints. Members discussed scheduling the audit firm's presentation for April 7<sup>th</sup> as a potential date.

Members discussed the process of conducting an internal control audit and having the auditors present their findings and expectations to determine if a separate internal controls audit is necessary. Also discussed was the feasibility of completing an internal control audit by June 30, given the existing work plan, as well as the benefits of conducting the internal controls audit simultaneously with the financial audit. Ms. Szubert expressed a desire to prioritize completing the audit quickly, addressing some ongoing issues, and finding the most efficient and effective approach to ensure that proper financial controls and procedures are in place.

Members discussed coordinating a meeting schedule and planning a review process. They discuss potential meeting times, such as the first Monday or Wednesday of the month, and the need to balance scheduling with other existing commitments.

#### C. Review of Budget Report for the First Seven Months Ended 1/31/2025

Ms. Szubert outlined the process of presenting budget reports monthly and balance sheets quarterly to the Ways and Means Committee.

Ms. Szubert discussed the Town's Budget-to-Actual Report for the first seven months, ending January 31, 2025. The Budget-to-Actual Report is compiled on a modified cash basis, with all funds consolidated.

Overall, for the first seven months, the Town's consolidated revenues of \$8.8 million are 7%, or \$612,000, higher when compared to the YTD for FY2024 and are at 57% of the total budgeted revenues for the current year. Overall, revenues are within budget, with Building Permits and Interest Income exceeding the originally budgeted amount.

With almost 60% of the year elapsed, the expenditures of \$6.5 million are 10%, or \$ 570,000, higher than for the fiscal year FY2024 and 46% of the current year's budget. Ms. Szubert pointed out the conservative budgeting approach and the current fiscal year's financial performance, noting that expenditures are within budget.

Ms. Szubert stated the first draft of the FY budget was presented at the Ways and Means Committee meeting.

Chairman Farrell explained that a significant portion of the Town's revenue comes from tax revenues, including State and Local accommodations taxes, which have specific requirements for how they must be spent. He noted that the Town has approximately \$2 million per year to allocate towards tourism-related initiatives.

**VI. Chairman's Comments:**

None

**VII. Citizens' Comments:**

None

**VIII. Adjournment:**

*Chairman Farrell adjourned the meeting.*

Submitted by,

\_\_\_\_\_  
Petra S. Reynolds, Town Clerk

\_\_\_\_\_  
Date

DRAFT



TAB 2

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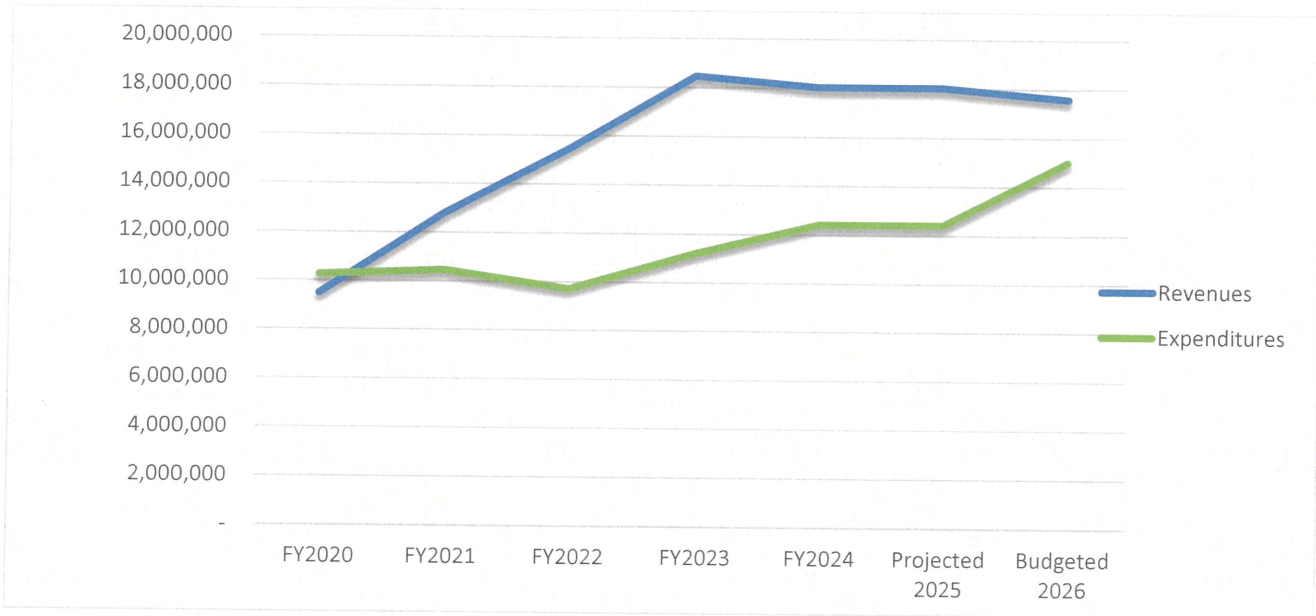
## **AUDIT COMMITTEE**

# NARRATIVE HIGHLIGHTS

The FY2025-2026 Budget reflects the Town's commitment to responsible fiscal planning and prudent spending, ensuring a strong, sustainable financial foundation for future development. This budget has been carefully crafted to maintain services, continue funding environmental initiatives, enhance cultural events and programs and support improvements to the Municipal Center and roads.

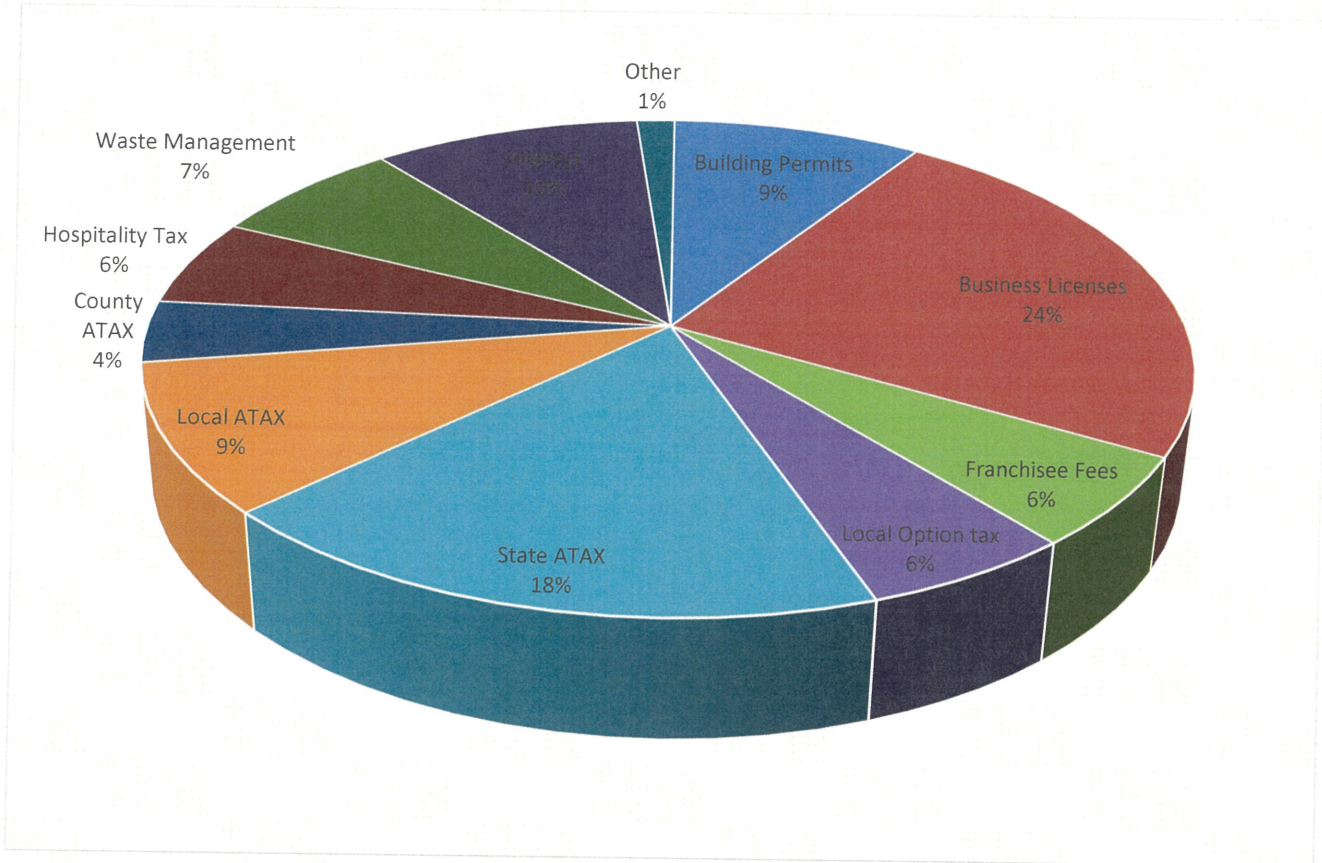
The proposed budget projects \$17.6M in revenues, with \$15M budgeted expenditures, resulting in \$2.6M surplus in the consolidated fund balance. The total proposed expenditure includes allocations for recurring costs, totaling \$9.8M. That cost covers salaries and benefits (\$3.8M), administration and operations (\$2.2M), waste management (\$2.1M) and contracted public safety (\$1.7M) and shows a \$1.8M increase from FY2023-2024 actual cost. This increase is mostly attributable to an increase in personnel cost (\$872K), waste management (\$580K) and public safety (\$302K).

The following chart shows the history, projected and budgeted FY2025-2026 trends in total consolidated revenues and expenditures



# REVENUES

Overall, the total FY2025-2026 budgeted revenues of \$17.6M are 3%, or \$460K lower than current year projections. The chart below presents a makeup of the Town's budgeted revenue sources FY26.



The comparisons below are made to FY2024-2025 projected revenues.

- ✓ Building Permits revenue is estimated to decrease 3%, or \$50K, primarily due to an estimated slowdown in new construction activity on the Island. The average permit cost for the new construction is approximately \$12,500 and for renovation projects is \$1,225. Based on the same averages we are anticipating a decrease in permits for the new construction and a slight increase in renovation projects.

Building Permits from Special Projects are budgeted to decrease 100%, or \$437K. At this time there are no special projects planned for the next fiscal year.

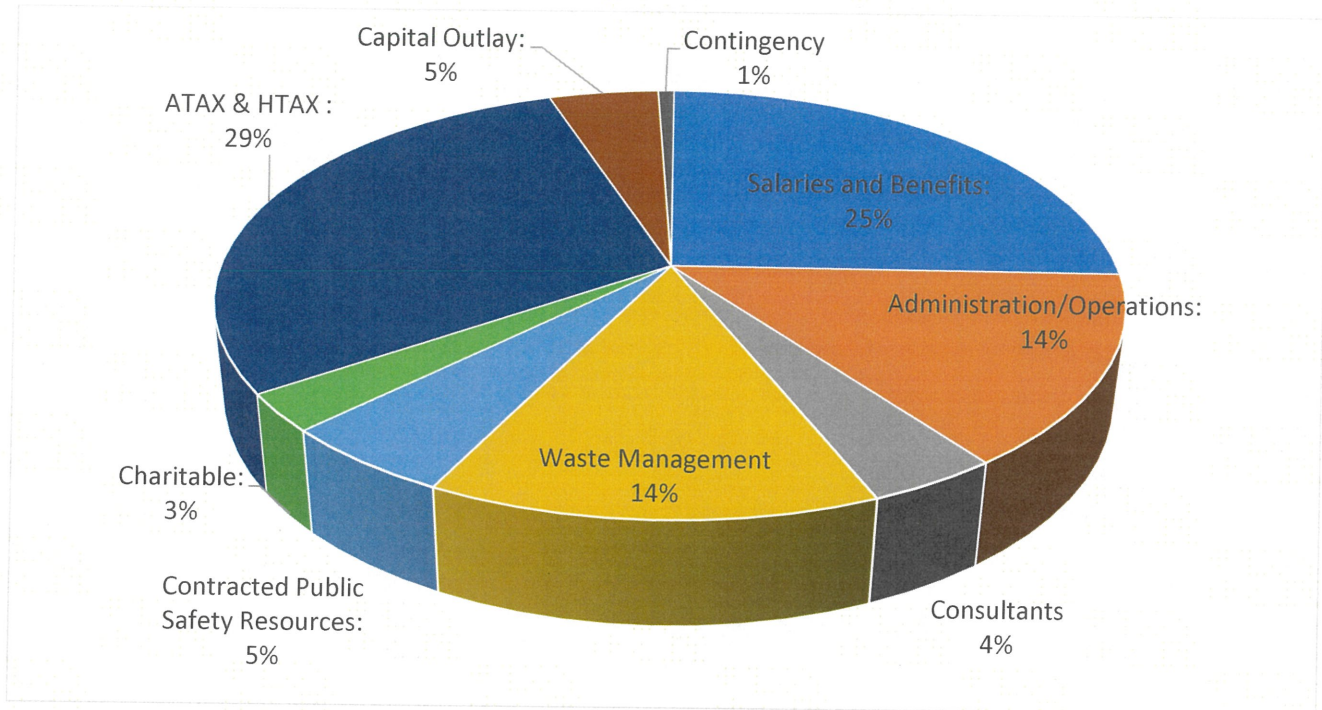
- ✓ Business Licenses revenue is budgeted to increase 2%, or \$100K. Based on the historical averages, we are budgeting to issue 2,100 standard business licenses with the average cost of \$1,240 per license and about 1,400 short term rental licenses with the average cost of \$285 per license, collect approximately \$400,000 in short term rental application fees, and \$700,000 from Municipal Association of SC Telecommunication and Insurance Tax Programs.
- ✓ Franchise Fees are budgeted to remain flat. Those fees include franchise agreements with BEC, Island

Beach Services, KIC, Comcast, AT &T and with no change.

- ✓ Local Option Sales Tax is budgeted 3%, or \$30K higher than current year projections based on the recent years' averages and the inflation on goods sold.
- ✓ State Accommodation Tax revenue is anticipated to increase 3%, or \$93K. We predict volume of tourists on the Island comparable to the current year, however the higher accommodation prices should increase tourism-generated revenues.
- ✓ Local Accommodation Tax revenue is budgeted with a 4%, or a \$71k increase reflecting similar trends as SATAX.
- ✓ County Accommodation Tax revenue is budgeted with no change.
- ✓ Hospitality Tax revenue is budgeted to increase 5%, or \$51K.
- ✓ Waste Management revenue is budgeted with no change.
- ✓ Interest Revenue is budgeted to decrease 16%, or \$325K, reflecting anticipated lower returns on the Town's investments due to a slow decrease in interest rates.
- ✓ Other revenues include the following sources:
  1. Aid to Subdivision – \$55k, an increase of 5%, or \$2.5k.
  2. Planning Fees - \$15K, no change.
  3. Court Fees & Fines - \$20K, no change.
  4. Beverage Permits revenue - \$51K, an increase of 6%, or \$3K.
  5. Victim's Assistance Fees - \$10K, no change.
  6. Art Council ticket sales-\$75k, no change.
  7. Miscellaneous revenue - \$15K, no change.

## EXPENDITURES

Overall, the total FY2025-2026 budgeted expenditures of \$15M represent 21% increase compared to the current year FY2024-2025 projections, reflecting an increase of \$2.6M and 15% increase compared to FY2023-2024 actual expenditures, representing a \$2.2M increase. The chart below presents a makeup of the Town's total consolidated expenditures FY2025-2026.



- ✓ **Salaries and Benefits** show a 13%, or \$433K increase compared to FY2025 projected figures. This increase is primarily due to the following factors:
  1. \$188K increase for performance-based and cost-of-living adjustments.
  2. Funding for 28 existing full-time employees, one new FTE -Project Manager (\$75k), and one intern (\$20K) to support the Planning Department and various data analysis projects.
  3. 1%, or \$51K increase in the SC Retirement System contributions, effective July 1, 2025.
  4. An anticipated increase in the Town's health insurance contributions, effective January 1, 2025, which is not yet included in the budget.
  
- ✓ **Administration/Operations** show 14%, or \$261K increase, primarily due to the following:
  1. Events: 139%, or 32K increase to account for other miscellaneous community activities, and cultural events organized by the Town outside Arts Council programs.
  2. Maintenance: 14%, or \$84K to cover for possible increase in landscaping contract, and \$75k placeholder for enhancements at Town Hall grounds including clearing the creek view.
  3. Professional Services: 24%, or \$102k increase and include the following:
    - Town Attorney, Labor Attorney and additional legal services -\$480K

- Town Prosecutor-\$20K
- On-Call Engineer- \$50K

✓ **Consultant** costs are budgeted to increase by 68%, or \$244K and include the following:

1. HR Consultants- \$25K
2. Tallow tree control-\$30K
3. Reserve study-\$15K
4. Actuarial evaluation- \$5.5K
5. Placeholder for new website consulting-\$150K
6. CPSM (remainder of the contract)-\$14.5K
7. Zoning ordinance update- \$100K
8. Stormwater management review-\$75K
9. GIS shapefiles mapping and analysis-\$25K
10. Beach survey-\$50K
11. Floodplan management services -\$40K
12. Placeholder for infrastructure projects-\$50K
13. Miscellaneous consulting services- \$20k

✓ **Public Safety** costs are budgeted to be 2%, or 34K higher than current year projections, assuming the same contract terms with CCSO and the average of 800 hours per month for deputy coverage.

✓ **ATAX & HTAX** Uses include the following allocations:

1. Promotional fund- CVB -\$903K
2. SATAX Town Allocations- \$1.4M including:
  - 70% of deputies cost-\$538K
  - 70% of beach patrol contract-\$408K
  - 70% of Trident contract for the beach garbage pickup-\$78K
  - Arts & Cultural Events- \$322K
3. SATAX Other Recipients (funding outside the Town's allocations)- \$1.6M
4. Other Uses- \$512K, including:
  - Aerial photography- \$50K
  - Beach monitoring- \$60K
  - Conservation projects- \$250K
  - Environmental research- \$96K
  - Educational programs- \$25K
  - Fish Studies-\$10K
  - Pond management-\$6K
  - Turtle patrol-\$15K
  - Beach signs-\$20K

✓ **Capital Outlay** includes the following requests:

1. Building-\$300K for Municipal center projects including preliminary design for the wing addition, office modifications and garage/storage improvements.
2. Infrastructure and landscape-\$300K for patching work on Beachwalker Parkway-\$250K and Betsy Kerrison safety and esthetics enhancements-\$50K.
3. Vehicles- \$80k for the boat.
4. Other- \$10k for KI Parkway cameras.

✓ The budget includes the following interfund transfers:

1. \$25,956 from GF to AC for payroll allocation
2. \$175,000 from LATAX to GF for infrastructure and landscape improvements
3. \$336,205 from LATAX to Capital Fund for future beach renourishment and capital projects
4. \$336,205 from LATAX to Capital Fund for an emergency fund
5. \$51,000 from Beverage Tax Fund to Capital Fund for future infrastructure repairs
6. \$198,000 from Hospitality Tax Fund to Capital Fund for future beach renourishment and capital projects
7. \$198,000 from Hospitality Tax Fund to Capital to emergency fund
8. \$175,000 from Hospitality Tax Fund to GF for infrastructure and landscape improvements

Town of Kiawah Island  
Budget Draft FY2026  
All Funds Consolidated

	Actuals FY 2024	Budgeted FY2025	Projected FY2025	Budget FY2026	% of Total	FY2025 Projected Variance \$	FY2025 Projected Variance %	FY2024 Actual Variance \$	FY2024 Actual Variance %
<b>Revenues:</b>									
Building Permits	\$ 1,605,081	\$ 1,300,000	\$ 1,624,869	\$ 1,577,131	9%	\$ (47,738)	-3%	\$ (27,950)	-2%
Building Permits/Special Projects	959,182	-	437,092	-	0%	(437,092)	-100%	(959,182)	-100%
Business Licenses	4,635,356	3,750,000	4,100,000	4,200,000	24%	100,000	2%	(435,356)	-9%
Franchisee Fees	981,795	970,000	1,034,364	1,037,300	6%	2,936	0.3%	55,505	6%
Local Option tax	995,279	900,000	971,359	1,000,500	6%	29,141	3%	5,221	1%
State ATAX	3,023,766	3,000,000	3,096,019	3,189,161	18%	93,142	3%	165,395	5%
Local ATAX	1,566,940	1,500,000	1,609,923	1,681,025	10%	71,102	4%	114,085	7%
County ATAX	732,633	612,000	700,000	700,000	4%	-	0%	(32,633)	-4%
Hospitality Tax	962,458	900,000	940,074	991,303	6%	51,229	5%	28,845	3%
Waste Management	643,032	1,068,000	1,246,500	1,246,500	7%	-	0%	603,468	94%
Interest	1,985,302	1,200,000	2,025,000	1,700,000	10%	(325,000)	-16%	(285,302)	-14%
Other	363,995	267,012	234,968	240,567	1%	5,599	2%	(123,428)	-34%
<b>Total Revenues</b>	<b>18,454,819</b>	<b>15,467,011</b>	<b>18,020,168</b>	<b>17,563,487</b>	<b>100%</b>	<b>(456,680)</b>	<b>-3%</b>	<b>(891,332)</b>	<b>-5%</b>
<b>Expenses:</b>									
<b>Salaries and Benefits:</b>									
Salaries	2,106,856	2,478,883	2,367,611	2,706,554	18%	338,943	14%	599,698	28%
Overtime	13,370	11,700	11,800	12,000	0%	200	2%	(1,370)	-10%
Benefits	606,985	859,225	769,975	844,586	6%	74,611	10%	237,601	39%
Payroll Tax	191,770	226,950	208,480	227,279	2%	18,799	9%	35,509	19%
	<b>2,918,981</b>	<b>3,576,758</b>	<b>3,357,866</b>	<b>3,790,420</b>	<b>25%</b>	<b>432,553</b>	<b>13%</b>	<b>871,439</b>	<b>30%</b>
<b>Administration/Operations:</b>									
Administration	245,843	193,520	155,160	117,520	1%	(37,640)	-24%	(128,323)	-52%
Communications	72,065	84,724	74,997	72,984	0.5%	(2,013)	-3%	919	1%
Events	20,985	25,000	23,000	55,000	0.4%	32,000	139%	34,015	162%
Insurance	202,673	224,940	243,079	269,876	2%	26,797	11%	67,203	33%
Maintenance	750,515	599,000	602,200	686,000	5%	83,800	14%	(64,515)	-9%
Minor Assets & Supplies	126,071	134,800	100,850	138,400	1%	37,550	37%	12,329	10%
Miscellaneous	18,321	25,000	27,000	27,000	0.2%	2,000	8%	8,679	47%
Office Equipment	44,552	40,000	40,000	50,000	0.3%	10,000	25%	5,448	12%
Professional Services	417,418	515,000	427,900	530,000	4%	102,100	24%	112,582	27%
Travel & Training	58,917	100,650	76,350	83,300	1%	6,950	9%	24,383	41%
Utilities	104,229	125,000	125,000	125,000	1%	-	0%	20,771	20%
	<b>2,061,589</b>	<b>2,067,634</b>	<b>1,893,536</b>	<b>2,155,080</b>	<b>14%</b>	<b>261,544</b>	<b>14%</b>	<b>93,491</b>	<b>5%</b>
Consultants	339,914	362,150	356,729	601,000	4%	244,271	68%	261,086	77%
Waste Management	1,520,835	2,107,000	2,100,000	2,100,000	13%	-	0%	579,165	38%
Funded from SATAX *	-	-	-	(78,400)	-	(78,400)	-	(78,400)	-
<b>Contracted Public Safety Resources:</b>									
Charleston County Deputies	465,658	703,779	733,779	767,970	5%	34,191	5%	302,312	65%
Evening Code Enforcement	389,376	389,376	389,376	389,376	3%	-	0%	-	0%
Beach Patrol	584,000	584,000	584,000	584,000	4%	-	0%	-	0%
	<b>1,439,034</b>	<b>1,677,155</b>	<b>1,707,155</b>	<b>1,741,346</b>	<b>5%</b>	<b>34,191</b>	<b>2%</b>	<b>302,312</b>	<b>21%</b>
Funded from SATAX *	(1,021,994)	(897,800)	(881,000)	(946,379)	-	(65,379)	-	75,615	-7%
<b>Charitable:</b>									
MUSC Pledge	200,000	200,000	200,000	200,000	1%	-	0%	-	0%
Contributions	220,891	200,000	200,000	220,000	1%	20,000	10%	(891)	0%
	<b>420,891</b>	<b>400,000</b>	<b>400,000</b>	<b>420,000</b>	<b>3%</b>	<b>20,000</b>	<b>5%</b>	<b>(891)</b>	<b>0%</b>
Contingency	-	100,000	-	100,000	-	100,000	-	100,000	-
<b>ATAX &amp; HTAX:</b>									
Promotional Fund-CVB	931,512	902,870	870,729	902,870	6%	32,141	4%	(28,642)	-3%
SATAX Town Allocations*	1,021,994	897,800	984,195	1,346,779	9%	362,584	37%	324,785	32%
SATAX Other Recipients	2,003,657	2,962,274	1,653,445	1,653,221	11%	779,776	89%	(350,436)	-17%
Other Uses	588,055	805,900	629,569	512,000	3%	(117,569)	-19%	(76,055)	-13%
	<b>4,545,218</b>	<b>5,568,844</b>	<b>3,357,938</b>	<b>4,414,870</b>	<b>29%</b>	<b>1,056,932</b>	<b>31%</b>	<b>(130,348)</b>	<b>-3%</b>
<b>Capital Outlay:</b>									
Building	92,361	25,000	-	300,000	2%	300,000	-	207,639	225%
Infrastructure & Landscape	338,237	-	35,000	300,000	2%	265,000	757%	(38,237)	-11%
Vehicles	112,773	35,000	23,944	80,000	1%	56,056	234%	(32,773)	-29%
Other Capital Expenditures	58,203	50,000	39,129	10,000	0.1%	(29,129)	-	(48,203)	-83%
	<b>601,574</b>	<b>110,000</b>	<b>98,073</b>	<b>690,000</b>	<b>5%</b>	<b>591,927</b>	<b>604%</b>	<b>88,426</b>	<b>15%</b>
<b>Total Expenses</b>	<b>12,826,042</b>	<b>15,071,741</b>	<b>12,390,297</b>	<b>14,987,937</b>	<b>100%</b>	<b>2,597,640</b>	<b>21%</b>	<b>2,161,895</b>	<b>17%</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 5,628,777</b>	<b>\$ 395,270</b>	<b>\$ 5,629,871</b>	<b>\$ 2,575,551</b>		<b>\$ (3,054,320)</b>		<b>\$ (3,053,227)</b>	

TOWN OF KIAWAH ISLAND  
 BUDGET FOR YEAR ENDED 6/30/26  
 ALL FUNDS

	2024-2025 Budget										
	General Fund Budget	State Accom Tax Fund Budget	County Accom Tax Fund Budget	Local Accom Tax Fund Budget	Beverage Tax Fund Budget	Hospitality Tax Fund Budget	Victims Assist Fund Budget	Arts and Cultural Events	Capital Fund Budget	Emergency Fund Budget	Total Funds Budget
<b>Revenues &amp; Other Sources :</b>											
Accommodations Tax	\$ 179,594	\$ 3,009,567	\$ 700,000	\$ 1,681,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,570,186
Hospitality Tax	-	-	-	-	-	991,303	-	-	-	-	991,303
Aid to subdivisions	54,567	-	-	-	-	-	-	-	-	-	54,567
Zoning Permits	15,000	-	-	-	-	-	-	-	-	-	15,000
Business License Revenue	4,200,000	-	-	-	-	-	-	-	-	-	4,200,000
Building Permits	1,577,131	-	-	-	-	-	-	-	-	-	1,577,131
Building Permits/Special Projects	-	-	-	-	-	-	-	-	-	-	-
Local Option Sales Tax	1,000,500	-	-	-	-	-	-	-	-	-	1,000,500
Franchise Fee - Electric	485,000	-	-	-	-	-	-	-	-	-	485,000
Franchise Fee -Beach	412,300	-	-	-	-	-	-	-	-	-	412,300
Franchise Fee - Other	140,000	-	-	-	-	-	-	-	-	-	140,000
Fines & Forfeitures	20,000	-	-	-	-	-	10,000	-	-	-	30,000
Interest Revenue	943,105	90,000	75,000	190,000	-	101,895	-	-	299,000	1,000	1,700,000
Solid Waste Collections	1,246,500	-	-	-	-	-	-	-	-	-	1,246,500
Beverage Tax / Permits	-	-	-	-	51,000	-	-	-	-	-	51,000
Miscellaneous Revenue	15,000	-	-	-	-	-	-	75,000	-	-	90,000
Transfers In	-	-	-	-	-	-	-	347,956	585,466	534,466	1,467,887
<b>Total Revenues &amp; Other Sources</b>	<b>10,288,697</b>	<b>3,099,567</b>	<b>775,000</b>	<b>1,871,025</b>	<b>51,000</b>	<b>1,093,198</b>	<b>10,000</b>	<b>422,956</b>	<b>884,466</b>	<b>535,466</b>	<b>19,031,375</b>
<b>Expenditures &amp; Uses :</b>											
Salary and Benefits	3,693,772	-	-	-	-	-	-	96,648	-	-	3,790,420
CCSO Deputies	230,391	537,579	-	-	-	-	-	-	-	-	767,970
Code Enforcement	389,376	-	-	-	-	-	-	-	-	-	389,376
Beach Patrol	175,200	408,800	-	-	-	-	-	-	-	-	584,000
Utilities & Supplies	170,400	-	35,000	22,500	-	35,500	-	-	-	-	263,400
Communication	72,984	-	-	-	-	-	-	-	-	-	72,984
Waste Management	1,991,600	78,400	30,000	-	-	-	-	-	-	-	2,100,000
Professional Services	530,000	-	-	-	-	-	-	-	-	-	530,000
Consulting	601,000	-	-	-	-	-	-	-	-	-	601,000
Maintenance	458,100	-	26,900	-	-	201,000	-	-	-	-	686,000
Insurance	269,876	-	-	-	-	-	-	-	-	-	269,876
Travel & Training	83,300	-	-	-	-	-	-	-	-	-	83,300
Office Equipment	50,000	-	-	-	-	-	-	-	-	-	50,000
ATAX Uses	-	2,556,091	497,000	15,000	-	-	-	327,000	-	-	3,395,091
Contributions	420,000	-	-	-	-	-	-	-	-	-	420,000
Capital Outlay	340,000	-	-	175,000	-	175,000	-	-	-	-	690,000
Other	284,520	-	-	-	-	-	10,000	-	-	-	294,520
Transfers Out	25,956	322,000	-	672,410	51,000	396,521	-	-	-	-	1,467,887
<b>Total Expenditures &amp; Uses</b>	<b>9,786,475</b>	<b>3,902,870</b>	<b>588,900</b>	<b>884,910</b>	<b>51,000</b>	<b>808,021</b>	<b>10,000</b>	<b>423,648</b>	<b>-</b>	<b>-</b>	<b>16,455,824</b>
<b>Change in Fund Balance</b>	<b>502,222</b>	<b>(803,303)</b>	<b>186,100</b>	<b>986,115</b>	<b>-</b>	<b>285,177</b>	<b>-</b>	<b>-</b>	<b>884,466</b>	<b>535,466</b>	<b>2,575,551</b>
<b>Fund Balances, beginning of the year</b>	<b>26,835,730</b>	<b>1,927,920</b>	<b>2,330,648</b>	<b>2,877,565</b>	<b>2,000</b>	<b>1,970,723</b>	<b>21,176</b>	<b>-</b>	<b>7,589,182</b>	<b>3,153,915</b>	<b>46,752,499</b>
<b>Fund Balances, end of the year</b>	<b>\$ 27,337,952</b>	<b>\$ 1,124,617</b>	<b>\$ 2,516,748</b>	<b>\$ 3,863,680</b>	<b>\$ 2,000</b>	<b>\$ 2,255,900</b>	<b>\$ 21,176</b>	<b>\$ -</b>	<b>\$ 8,473,648</b>	<b>\$ 3,689,381</b>	<b>\$ 49,328,050</b>

**Town of Kiawah Island  
Five Year Capital Improvements Plan**

<u>Capital Expenditures</u>	<u>Projected FY2025</u>	<u>Budgeted FY2026</u>	<u>Forecast FY2027</u>	<u>Forecast FY2028</u>	<u>Forecast FY2029</u>	<u>Forecast FY2030</u>
Beach Renourishment	\$ 77,000	\$ -	\$ 800,000	\$ -	\$ -	\$ -
Municipal Center Expansion	-	300,000	12,000,000	-	-	-
Garage Modifications & Drainage Improvements	75,000	-	210,000	-	-	-
Municipal Center Parking Modifications	7,000	-	-	-	-	-
Pedestrian Leisure Trail	-	-	-	-	-	-
Beachwalker Dr Repavement	-	250,000	-	-	-	1,000,000
Kiawah Island Parkway Resiliency Projects	350,000	-	-	-	-	-
Beachwalker Dr & Kiawah Island Parkway Landscape	-	-	-	-	-	-
Betsy Kerrison Safety & Esthetics Enhancements	-	50,000	-	-	-	-
Median at Little Rabbit	12,000	-	-	-	-	-
Property Acquisitions	-	-	1,000,000	1,000,000	1,000,000	1,000,000
Audio-Visual Equipment Upgrade	65,000	-	-	-	-	-
Speed & Traffic Control Equipment	37,422	-	-	-	-	-
Vehicles	-	-	-	-	-	-
· Administration	-	-	-	55,000	-	-
· Planning	-	-	-	-	-	-
· Building Department	-	-	-	-	55,000	-
· Public Safety	-	-	-	55,000	-	-
· Public Works	23,944	-	110,000	70,000	70,000	70,000
· Wildlife	-	80,000	55,000	-	55,000	55,000
	-	-	-	-	-	-
<b>Total Capital Expenditures</b>	<b>\$ 647,366</b>	<b>\$ 680,000</b>	<b>\$ 14,175,000</b>	<b>\$ 1,180,000</b>	<b>\$ 1,180,000</b>	<b>\$ 2,125,000</b>



TAB 3

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## **AUDIT COMMITTEE**



# Memorandum

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

**FROM:** Dorota Szubert, Finance Director

**SUBJECT:** Budget Report for the First Eight Months Ended 2/28/2025

**DATE:** April 1, 2025

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## Overview:

Presented here is the Town's Budget to Actual Report for the first eight months ended 2/28/2025. The Budget to Actual Report is compiled on a modified cash basis, and all the funds are consolidated.

Overall, for the first eight months, the Town's consolidated revenues of \$10.8M are 4%, or \$424K higher when compared to YTD for the last fiscal year, FY2024, and are at 70% of the total budgeted revenues for the current year. In overall, the revenues are within the budget, with the Building Permits and Interest Income higher than originally budgeted.

With almost 70% of the year lapsed, the expenditures of \$7.9M are 20% or \$1.3M higher than for fiscal year FY2024 and 55% of the current year budget. The majority of the expenditures are reasonable and in line with the budget.

Town of Kiawah Island  
 Budget to Actuals  
 For the Seven Months Ended 2/28/2025  
 Modified Cash Basis /Unaudited

	Fiscal 2025				FY2025 VS FY2024		
	Y-T-D ACTUALS	TOTAL BUDGET	VARIANCE	% OF BUDGET	FY2024 Y-T-D	\$ VARIANCE	% VARIANCE
<b>Revenue:</b>							
Building Permits	\$ 1,640,897	\$ 1,300,000	\$ 340,897	126%	\$ 1,230,313	\$ 410,584	33%
Building Permits-Special Projects	437,092	-	437,092	100%	959,182	(522,090)	-54%
Business Licenses	830,202	3,350,000	(2,519,798)	25%	1,012,300	(182,098)	-18%
STR Application Fees	124,600	400,000	(275,400)	31%	116,500	8,100	7%
Franchisee Fees	690,031	970,000	(279,969)	71%	711,692	(21,661)	-3%
Local Option Tax	613,576	900,000	(286,424)	68%	592,485	21,091	4%
State ATAX	1,767,412	3,000,000	(1,232,588)	59%	1,645,632	121,780	7%
Local ATAX	1,035,788	1,500,000	(464,212)	69%	995,924	39,864	4%
County ATAX	416,622	612,000	(195,378)	68%	400,084	16,538	4%
Hospitality Tax	517,127	900,000	(382,873)	57%	497,598	19,529	4%
Waste Management	1,242,397	1,068,000	174,397	116%	632,405	609,992	96%
Inte	1,361,102	1,200,000	161,102	113%	1,290,211	70,891	5%
Other	153,905	267,012	(113,107)	58%	322,639	(168,734)	-52%
<b>Total Revenue</b>	<b>10,830,751</b>	<b>15,467,011</b>	<b>(4,636,260)</b>	<b>70%</b>	<b>10,406,965</b>	<b>423,786</b>	<b>4%</b>
<b>Expenses:</b>							
<b>Salaries &amp; Benefits :</b>							
Salaries/Regular Employees	1,582,136	2,478,883	(896,747)	64%	1,306,176	(275,960)	-21%
Overtime	5,472	11,700	(6,228)	47%	7,039	1,567	22%
Benefits	534,439	859,225	(324,786)	62%	499,309	(35,130)	-7%
Payroll Tax	137,650	226,950	(89,300)	61%	117,167	(20,483)	-17%
<b>Subtotal</b>	<b>2,259,697</b>	<b>3,576,758</b>	<b>(1,317,061)</b>	<b>63%</b>	<b>1,929,691</b>	<b>(330,006)</b>	<b>-17%</b>
<b>Administration/Operations:</b>							
Communications	45,671	84,724	(39,053)	54%	45,657	(14)	0%
Insurance	224,219	225,090	(871)	100%	202,674	(21,545)	-11%
Maintenance	418,510	599,000	(180,490)	70%	336,385	(82,125)	-24%
Utilities & Supplies	119,759	259,800	(140,041)	46%	112,317	(7,442)	-16%
Rentals	32,504	40,000	(7,496)	81%	29,158	(3,346)	-11%
Travel	38,724	100,650	(61,926)	38%	22,899	(15,825)	-69%
Professional Services	231,451	515,000	(283,549)	45%	232,640	1,189	1%
Other	108,356	243,520	(135,164)	44%	151,300	42,944	28%
<b>Subtotal</b>	<b>1,219,194</b>	<b>2,067,784</b>	<b>(848,590)</b>	<b>59%</b>	<b>1,133,030</b>	<b>(86,164)</b>	<b>-8%</b>
Consultants	112,497	362,000	(249,503)	31%	217,654	105,157	48%
Waste Management	1,228,260	2,107,000	(878,740)	58%	791,316	(436,944)	-55%
<b>Contracted Public Safety Resources:</b>							
Charleston County Deputies	532,835	703,779	(170,944)	76%	216,767	(316,068)	-146%
Funded from SATAX *	(372,985)	(489,000)	116,016	76%	(151,737)	221,248	-146%
Evening Code Enforcement	259,584	389,376	(129,792)	67%	259,584	-	0%
Beach Patrol	389,333	584,000	(194,667)	67%	389,333	-	0%
Funded from SATAX *	(272,533)	(392,000)	119,467	70%	(272,533)	-	0%
<b>Subtotal</b>	<b>536,234</b>	<b>796,155</b>	<b>(379,388)</b>	<b>67%</b>	<b>441,414</b>	<b>(94,820)</b>	<b>-21%</b>
<b>Charitable:</b>							
Contributions	-	200,000	(200,000)	0%	-	-	-
MUSC Pledge	200,000	200,000	-	100%	200,000	-	0%
<b>Subtotal</b>	<b>200,000</b>	<b>400,000</b>	<b>(200,000)</b>	<b>50%</b>	<b>200,000</b>	<b>-</b>	<b>0%</b>
<b>ATAX &amp; HTAX :</b>							
Promotional Fund-CVB	607,917	843,274	(235,357)	72%	486,190	(121,727)	-25%
SATAX Town Allocations	742,488	1,053,163	(310,675)	71%	411,321	(331,167)	-81%
SATAX Other Recipients	554,016	1,946,837	(1,392,821)	28%	607,918	53,902	9%
Other Uses	309,562	805,900	(496,338)	38%	292,427	(17,135)	-6%
<b>Subtotal</b>	<b>2,213,983</b>	<b>4,649,174</b>	<b>(2,435,191)</b>	<b>48%</b>	<b>1,797,856</b>	<b>(416,127)</b>	<b>-23%</b>
Contingency	5,000	100,000	(95,000)	5%	38,000	33,000	87%
<b>Capital Outlay:</b>							
Building	-	25,000	(25,000)	0%	-	-	-
Vehicles	23,944	35,000	(11,056)	68%	-	(23,944)	-
Other	55,017	50,000	5,017	110%	-	(55,017)	-
<b>Subtotal</b>	<b>78,961</b>	<b>110,000</b>	<b>(31,039)</b>	<b>72%</b>	<b>-</b>	<b>(78,961)</b>	<b>-</b>
<b>Total Expenses</b>	<b>7,853,826</b>	<b>14,168,871</b>	<b>(6,434,512)</b>	<b>55%</b>	<b>6,548,961</b>	<b>(1,304,865)</b>	<b>-20%</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 2,976,925</b>	<b>\$ 1,298,140</b>	<b>\$ 1,798,252</b>		<b>\$ 3,858,004</b>	<b>\$ 881,079</b>	