

Keystone Neighbourhood Company, Inc.

	2017 Actual	2018 Budget	2018 Projections	2018 Budget -vs- Projection (under budget)	2019 Proposed Budget
40000 · Annual Real Estate Assessments	1,819,170.67	1,620,000.00	1,640,764.54	20,764.54	1,838,330.00
41000 · Real Estate Transfer Assessment	1,957,666.00	1,100,000.00	1,875,850.00	775,850.00	1,210,000.00
42000 · Sales Assessment (1/2%)	216,940.89	198,000.00	218,060.00	20,060.00	209,000.00
43000 · Recreation Assessments (1/2%)	22,935.74	22,500.00	25,845.91	3,345.91	24,000.00
45000 · Other Income	263,049.64	230,300.00	298,610.12	68,310.12	256,049.82
46000 · Keystone Design Review Board	91,750.00	32,500.00	23,750.00	(8,750.00)	27,500.00
Total Administrative Revenue	4,371,512.94	3,203,300.00	4,082,880.57	879,580.57	3,564,879.82
Total Community Events Revenue	481,437.60	476,445.01	538,370.79	61,925.78	506,637.00
Total Warren Station Revenue	291,415.32	306,383.62	289,452.87	(16,930.75)	309,300.00
Income	5,144,365.86	3,986,128.63	4,910,704.23	924,575.60	4,380,816.82
51000 · Administrative Expenses	372,703.92	405,410.63	388,641.44	(16,769.19)	424,693.91
52000 · Insurance	40,984.99	43,700.58	38,867.89	(4,832.69)	43,707.00
53000 · Leasehold	62,839.71	64,361.93	62,092.98	(2,268.95)	64,157.42
53020 · Security	98,143.92	110,428.00	103,049.28	(7,378.72)	110,428.00
53030 · Member Expenses	11,843.82	9,300.00	11,867.91	2,567.91	17,000.00
53035 · Board Member Travel Expenses	2,306.33	3,500.00	600.00	(2,900.00)	1,700.00
54000 · Income Tax Expense	4,044.55	1,500.00	0.00	(1,500.00)	1,500.00
59999 · Depreciation Expense	69,801.30	49,000.00	76,408.29	27,408.29	79,479.03
Administrative Dept. Total Expenses	662,668.54	687,201.14	681,527.79	(5,673.35)	742,665.36
61000 · Event Dept. Expenses	314,794.41	338,297.50	337,107.52	(1,189.98)	358,699.00
69999 · Event & Festivals	346,652.43	371,106.00	360,150.16	(10,955.84)	398,745.00
Event Dept. Total Expenses	661,446.84	709,403.50	697,257.68	(12,145.82)	757,443.90
70000 · Warren Station Operations	406,790.26	446,425.13	499,987.16	53,562.03	480,493.10
72000 · Weddings	26,456.02	27,000.00	30,578.82	3,578.82	28,000.00
Warren Station Total Expenses	433,246.28	473,425.13	530,565.98	57,140.85	508,493.10
81000 · Neighbourhood Operations	940,153.98	1,016,636.89	1,010,344.96	(6,291.93)	1,078,466.00
83000 · Pool & Spa Maintenance	65,660.04	63,595.14	65,472.11	1,876.97	67,967.58
84000 · Road Snow Removal & Maintenance	111,150.33	188,900.00	154,402.64	(34,497.36)	180,395.00
85000 · Landscaping	110,623.88	115,950.00	104,979.23	(10,970.77)	117,955.50
Total Operations Dept. Expenses	1,227,588.23	1,385,082.03	1,335,198.94	(49,883.09)	1,444,783.73
89000 · KNC Design Review Board	35,350.36	29,405.30	29,523.12	117.82	31,655.28
Total Revenue	5,144,365.86	3,986,128.63	4,910,704.23	924,575.60	4,380,816.82
Total Expenses	3,020,300.25	3,284,517.10	3,274,073.51	(10,443.59)	3,485,041.37
Operating Income Before Capital Allocations	2,124,065.61	701,611.53	1,636,630.72	935,019.19	895,775.45
Capital Expenditures	512,765.00	5,116,043.00	4,906,043.00	(210,000.00)	588,500.00

NOTES TO FINANCIALS**REVENUE**

1	AREA: Annual Real Estate Assessments	\$ 1,838,330
	Based 2019 A.R.E.A. budget similar to 2018 actual before the \$200,000 credit was applied.	
2	RETA: Real Estate Transfer Assessment (2%)	\$ 1,210,000
	Limited inventory of existing properties and considering new inventory still in the market anticipate 2019 R.E.T.A. be comparable to 2018 budget.	
3	Sales Assessments (1/2%)	\$ 209,000
	Considering the strong merchant base in the village and allowing for the possibility of a limited snow year we anticipate sales assessments to show a measured increase to 2018 budget.	
4	Recreation Assessments (1/2%)	\$ 24,000
	Continuing to see growth in recreational assessments with increases in adult and kids ski school and ice rink rentals.	
5	Other Income	\$ 256,050
	Interest Income: Anticipate minor decrease in interest income due to large capital project expenses in 2018.	
	Commercial Trash: Assume labor flat to 2018. Commercial trash revenue steady over previous four years and anticipate continuing into 2019.	
	Rent / PO Box / Genie Boon Lift: Anticipate four P.O. box rentals due to new development and six Boom Lift rentals in 2019.	
	Finance Charges: Many owners paying prior to finance charges being assessed budget 2019 similar to three year average.	
6	Keystone Design Review Board	\$ 27,500
	Budget decrease in revenue for 2019 as new development review fees are anticipated to be less than last two years.	
7	Community Events	\$ 506,637
	Assume similar event schedule to 2018 with event revenue growth predicted for Mardi Gras and Mountain Town Music Festival compared to 2018 projections. All other festivals projecting revenue growth over 2018 budgeted amounts. Slated for 2019 are Bacon and Bourbon Tour, Wine & Jazz Festival, River Run Art Festival, Bluegrass & Beer Festival, Mountain Town Music Festival and Oktoberfest on Saturday of Labor Day Weekend. Mini-golf revenue experienced a dip in 2018, but is anticipated to rebound in 2019. Considering two large conference groups confirming they will not be returning to River Run in 2019 summer events and events plaza revenue is considerable less than 2018 budget and 2018 projections.	
8	Warren Station	\$ 309,300
	Assumes increased wedding revenues over 2018 with 13 weddings confirmed for 2019 (which is 50%+ growth from same time last year), continued growth in conference business, returning headliner musical entertainers and reoccurring specialty events such as Winter Bluegrass, Winter Wine Weekend, Winter Comedy Series and the Distilled Series. There will also continue to be the large concerts in Warren Station including Lil Smokies and Sister Sparrow. We have community programming slated for 2019 with the Bow Wow Film Festival, Evo3 Fundraiser and Kidtopia Culinary Festival.	

EXPENSES

9 General & Administrative \$ 551,058

Assume 2019 administrative budget similar to 2018 budget noting network/software, phone and credit card expenses flat to 2018 projections. All other accounts projected for 3% or less increase in 2019. Expecting legal and audit expenses to trend closely to three year average and 2018 projections. Business insurance policies budgeted flat to 2018 budget.

Administrative General Expenses	\$365,932.36
Audit / Tax Prep	\$17,484.00
Legal	\$16,000.00
Office Equipment & Expenses	\$25,277.00
Leasehold	\$64,158.00
Insurance	\$43,707.00
Member Expenses	\$17,000.00
Income Tax	\$1,500.00

10 Security, Depreciation and Board Member Travel Expenses \$ 191,607

Budgeted security expense flat to 2018 budget, board member travel expenses budgeted to 3 year average and depreciation is budgeted to CPA actual including the new 2018 GEM purchased in October 2018 .

Security	\$110,428.00
Depreciation	\$79,479.03
Board Member Travel Expenses	\$1,700.00

11 Community Events \$ 757,444

Department operating expenses will see an increase for general marketing and supplies expenses, but all other expense accounts will remain close to flat 2018 year-end projections. Event lineup for 2019 will see three major festivals of Bacon & Bourbon Tour starting the summer off in June, Wine & Jazz Festival in July and the Bluegrass & Beer Festival in August. The Mountain Town Music Festival ,co-produced with the merchants, will be a one day festival in August and Oktoberfest will be held on Saturday of Labor Day weekend which is becoming more successful each year. All festivals are budgeted for a slight increase in expenses due to the rising cost of production and compared to 2018 year-end projections. Assume comparable cost sharing with the merchant association to hold Mountain Town Music Festival. Anticipate mini-golf, other village animation, River Run Art Festival to continue with minimal expenses incurred.

Event Dept. General Expenses	\$358,699.00
Bacon & Bourbon Tour	\$68,724.58
Wine & Jazz Festival	\$56,922.00
Bluegrass & Beer Festival	\$104,131.00
Mountain Town Music Festival	\$78,480.66
Other Events/Summer/Winter/Oktoberfest	\$90,486.76

12 Warren Station - Center for the Performing Arts \$ 508,493

Budget assumes an increase in marketing, office/supplies, bar labor and insurance/licensing. The proposed minimal increase in operational expenses is due to increased use of facility while considering improved facility management through maintenance contracts for upkeep and supplies. Assume an increase to 2018 year-end projection for winter and summer programming and a change in music concert programming.

Warren Station General Expenses	\$314,993.00
Entertainment Expenses	\$165,500.00
Wedding Expenses	\$28,000.00

13 Neighbourhood Operations & Common Area Maintenance \$ **1,078,466**

Operating expenses will remain similar to 2018 budget and year-end projections remaining flat to a modest increase for common area restroom maintenance, operating supplies, vehicle maintenance and fuel. We budgeted for an increase for snowmelt utilities considering the new River Run Village snowmelt system.

Operations Dept. General Expenses	\$664,188.00
Tools / Supplies / Uniforms	\$32,794.00
Snowmelt Utilities	\$89,500.00
Commercial Trash	\$79,200.00
Fuel	\$7,635.00
Plaza Maintenance	\$26,300.00
Lighting & Utilities	\$10,168.00
Restroom Cleaning	\$89,300.00
Signage	\$1,000.00
Vehicle Maintenance	\$55,841.00
Temporary Labor	\$22,540.00

14 Pool Maintenance \$ **67,968**

Continuing to experience a savings in chemicals due to the efficiencies of the new pool chemical monitoring system. Budget maintenance/repairs and utilities comparable to 2018 projected year-end. Restroom cleaning and pool towels budgeted a slight increase deducting the bulk purchase of pool towels in fall of 2018 of \$2K.

Chemicals	\$5,200.00
Maint/Repair/Equip	\$12,384.00
Pool Utilities	\$32,744.00
Restroom Cleaning	\$9,671.00
Pool Towels	\$7,968.00

15 Road Snow Removal & Maintenance \$ **180,395**

Budgeted an increase for snow plowing/salting, snow hauling and road maintenance for 2019 compared to 2018 projections. We are continuing to experience additional cost for snow hauling/maintenance due to a continued reduction in available snow storage areas in and around the village/neighbourhoods. Trail Head Drive expenditures budgeted flat to 2018 projections.

Snow Plowing/Salting	\$71,070.00
Snow Hauling	\$27,725.00
Road Maintenance	\$1,400.00
Trail Head Drive Expenditures	\$80,200.00

16 Landscaping \$ **117,956**

Budget similar to 2018 budget anticipating four full time landscaping dept. staff in 2019. As we continue to expand the neighbourhoods beautification, which we are growing each year, we are realizing an increase in labor needed for the continued up keep through the summer season. Anticipate an increase over 2018 projections for all other accounts due to many areas not accessible due to snow melt project in summer 2018.

Landscaping General Expenses	\$44,100.00
Fertilizer	\$11,330.00
Irrigation	\$18,076.50
Plants/Flowers/Maintenance	\$39,449.00
Tree Spraying/Removal	\$5,000.00

17 Keystone Design Review Board \$ **31,655**

Assume a slight increase in professional fees due to anticipated new home starts in 2019. We are experiencing an increase in reviews of small projects such as hot tubs and deck additions/expansions due to new developments in the Keystone area.

18 Total Capital & Improvements Expenditures **\$ 588,500**

Annual capital budget expenditures per the most recent reserve fund study and anticipated expenses.

Equipment & Supplies	\$140,000
Community Pool	\$40,000
Roadways/Walkways/Boardwalks, etc.	\$180,000
Common Element Maintenance & Upgrades	\$178,500
Improvements	\$50,000

Community Investment

Year	Events & Festivals	Warren Station	Total
FY 2018 Budget	\$232,958	\$167,042	\$400,000.00
FY 2018 Projected	\$158,887	\$241,113	\$400,000.00
FY 2019 Proposed	\$250,807	\$199,193	\$450,000.00