	The Keystone Neighbourhood Co. 2026 Projections & 2027 Proposed Budget	2025 Actual	2026 Budget	2026 Projected	2026 Budget -vs- Projection (under budget)	2027 Budget
	Income					
1	40000 · Annual Real Estate Assessments	2,766,361.09	3,040,336	3,037,975	(2,361)	3,003,489
2	41000 · Real Estate Transfer Assessment	2,174,727.00	1,600,620	1,204,200	(396,420)	1,600,620
3	42000 · Sales Assessment (1/2%)	213,445.42	230,185	212,109	(18,076)	232,109
4	43000 · Recreation Assessments (1/2%)	27,883.20	25,115	25,115	0	26,642
5	45000 · Other Income	755,515.83	548,079	727,171	179,092	612,370
6	46000 · Keystone Design Review Board	24,350	14,850	12,500	(2,350)	13,850
7	47000 · Community Events	720,582	730,896	615,519	(115,377)	604,660
8	48000 · Warren Station	156,861	209,875	198,156	(11,719)	232,425
	Income	6,839,726	6,399,956	6,032,745	(367,211)	6,326,165
	Expense					
9	51000 · Administrative Expenses	595,036	721,698	669,736	(51,962)	756,258
9	52000 · Insurance	68,555	85,252	71,007	(14,245)	92,342
9	53000 · Leasehold	89,535	98,196	97,126	(1,070)	108,842
10	53020 · Security	94,965	162,673	59,700	(102,973)	80,000
10	53030 · Member Expenses	14,013	27,125	12,370	(14,755)	17,370
10	53035 · Board Member Travel Expenses	0	2500	0	(2,500)	2,500
10	54000 · Income Tax Expense	0	1500	0	(1,500)	1,500
10	59999 · Depreciation Expense	30,736	57,330	35,649	(21,681)	40,996
11	61000 · Event Dept. Expenses	592,853	633,795	625,531	(8,264)	629,122
11	69999 · Events & Festivals	538,561	486,600	395,655	(90,945)	430,574
12	70000 - 79999 · Warren Station Operations	439,002	417,877	387,489	(30,388)	427,389
13	81000 · Neighbourhood Operations	1,852,804	2,484,812	2,093,262	(391,550)	2,564,313
14	83000 · Pool & Spa Maintenance	174,580	195,646	190,310	(5,336)	203,750
15	84000 · Road Snow Removal & Maintenance	172,259	299,352	190,907	(108,445)	241,578
16	85000 · Landscaping	135,918	208,937	189,814	(19,124)	222,734
17	89000 · KNC Design Review Board	72,574	68,614	53,165	(15,449)	72,519
	Total Revenue	6,839,726	6,399,956	6,032,745	(367,211)	6,326,165
	Total Expense	4,871,391	5,951,907	5,071,721	(880,186)	5,891,787
	Operating Income Before Capital Allocations	1,968,335	448,049	961,024	512,975	434,378
18	Capital Expenditures	1,523,690	2,268,946	965,395	(1,303,551)	2,901,306

Notes to the Financials

REVENUE

1 **AREA: Annual Real Estate Assessments** **$3,003,489**

Budgeted comparable to 2026 AREA

2 **RETA: Real Estate Transfer Assessment (2%)** **$1,600,620**

Budgeted flat to 2026 budget as we experience an uptick in property sales in the second half of 2026 and considering Kindred resales. Considering the neighbourhood inventory and other current trends being realized in the Summit County real estate markets.

3 **Sales Assessments (1/2%)** **$232,109**

Budget minor increase to 2026 budget anticipating an increase in merchant sales and rentals with Kindred being fully operational in 2027.

4 **Recreation Assessments (1/2%)** **$26,642**

Budget minor increase to 2026 budget/projections anticipating an uptick in skier visits.

5 **Other Income** **$612,370**

Interest Income: Anticipate interest rates continuing to remain close to 2026 rates thus we will not be able to reinvest at favorable rate upon maturities.

Commercial Trash: Assume overall increase due to labor and fuel cost increases.

Rent / PO Box: Anticipate to continue to have post office boxes near rental capacity.

Finance Charges: With the online payment system active many owners are paying on time reducing the number of accounts being assessed finance charges. Budget flat to 2025 budget.

6 **Keystone Design Review Board** **$13,850**

Budget minor increase to 2026 projection realizing the limited number of construction project being undertaken due to high financing and materials costs.

7 **Community Events** **$604,660**

Assume similar event schedule to 2026 with anticipated revenue rebalancing across all festivals. Slated for 2027 are Bacon & Bourbon Festival, Wine & Jazz Festival, River Run Art Festival, the Bluegrass & Beer Festival and Oktoberfest on Saturday of Labor Day Weekend. We will see mini-golf revenue in the summer of 2027 along with our beloved summer mini events such as Keystone Concert Series, NRO and more.

8 **Warren Station** **$232,425**

Now that Kindred construction is very close to completion we are looking forward to becoming engaged in the wedding business once again. We look to expand conference business, renewing our non-profit relationships, communicating with headliner musical entertainers and reoccurring specialty events such as the Comedy Series, Winter Bluegrass, Winter Wine Weekend and other unique events. We will continue with some of the exciting newer events such as the On the Patio series, winter season closing events and more.

EXPENSES

9 **General & Administrative** **$976,312**

Anticipate an increase in legal fees, professional fees and mileage in 2027. Members' expense will increase in 2027 as we continue our First Tracks events and add homeowner happy hours through out the winter. Anticipate rental lease and contracted security fees to increase in 2027. We are still experiencing high costs of Special Events GL and Umbrella insurance coverage.

Administrative General Expenses	602,018
Audit / Tax Prep	18,500
Legal	116,205
Office Equipment & Expenses	21,035
Leasehold	108,842
Insurance	92,342
Member Expenses	17,370

10 **Security, Depreciation and Board Member Travel Expenses** **$123,496**

We will see a slight uptick in sercurity as we increase oversight on Hunki Dori Road. We will continue with independent security staff to manage parking and high traffic areas.

Security	80,000
Depreciation	40,996
Board Member Travel Expenses	2,500

11 **Community Events** **$1,059,696**

We are looking forward to another fast paced summer festival season which will kick off with our signature Bacon & Bourbon Festival in late June and continue with our long time favorites of Wine & Jazz Festival and the Bluegrass & Beer Festival. As we move through July we will once again host the River Run Art Festival for 3 days. We will close out the summer season with the rapidly growing and loved by all Oktoberfest. Sprinkled through out the summer will be Keystone Concert Series, NRO events and other amazing entertainment offerings.

Event Dept. General Expenses	614,376
Events & Festivals Expenses	441,520
Other Events - Summer & Winter	3,800

12 **Warren Station - Center for the Performing Arts** **$427,389**

The Warren Station budget assumes we will begin hosting more weddings in 2027. Expanding conference and non-profit business will be a focus as well as growth in the Warren Station well-loved events such as the Comedy series, Winter Wine Weekend and Winter Bluegrass events and fun public programming. We will be producing some larger concerts as we move through 2027 in Warren Station as well as our On the Patio series and comedy shows.

Warren Station General Expenses	228,674
Entertainment Expenses	198,715

13 **Neighbourhood Operations & Common Area Maintenance** **$2,564,313**

Operating expenses will experience an increase to budget as we close 2026. Plaza utilities, snowmelt utilities, common area restroom cleaning/maintenance and commercial trash/recycling expenses are experiencing an increases due to soaring costs and availability of natural gas, labor and housing. It is anticipated that in late 2026 the KNC will begin managing the common areas of the Kindred Resort and realizing new expenditures related to that area including the snowmelt system operations. The 2027 budget reflects the additional snowmelt utilities that we will experience for the winter seasons. All other accounts will see a modest increase to 2026 projections as we work to mitigate the escalating cost of supplies and contract labor.

Operations Dept. General Expenses	1,475,367
Tools / Supplies / Uniforms / Signage	37,586
Snowmelt Utilities	427,782
Commercial Trash	185,577
Fuel / Vehicle Maintenance	40,219
Plaza Maintenance / Lighting / Utilities	100,113
Restroom Cleaning / Temporary Labor	297,669

14 **Pool Maintenance** **$203,750**

The pool and spa area are an in-demand amenity in River Run as such we are budgeting a slight increase to 2026 projections for all expenses as we endeavor to keep pace with the rising costs of supplies and labor.

Chemicals	19,214
Maint/Repair/Equip	35,566
Pool Utilities	51,771
Restroom Cleaning	80,144
Pool Towels	17,054

15 **Road Snow Removal & Maintenance** **$241,578**

We are budgeting an increase to snow plowing/salting in 2027. Considering the very limited snow storage areas remaining in our managed areas we are planning on utilizing new techniques in snow management as well as additional loader work and hauling to be essential to keep the neighbourhoods in tip top shape. Utilities for the Trail Head Drive snowmelt system are trending as anticipated due to a consistent maintenance program of the system. We will strive to secure competitive pricing when we renew our natural gas contract this fall.

Snow Plowing/Salting	65,000
Snow Hauling	17,916
Road Maintenance	2,949
Trail Head Drive Expenditures	155,713

16 **Landscaping** **$222,734**

We will budget for 3 full time landscaping staff in summer 2027 due to the addition of the Kindred Resort common areas. We are experiencing an increase in irrigation costs with our new irrigation contractor but a much higher level of service. We have increased the irrigation budget, fertilizer and plant materials budget to cover the common areas of the Kindred Resort and to keep the village and outlying Neighbourhoods up to the standards expected.

Landscaping General Expenses	87,728
Fertilizer	17,636
Irrigation	55,714
Plants/Flowers/Maintenance	56,657
Tree Spraying/Removal	5,000

17 **Keystone Design Review Board** **$72,519**

All expenses will remain flat to 2026 budget in 2027 with the exception of a minor increase in administration costs.

18 **Total Capital & Improvements Expenditures** **$2,901,306**

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

Community Pool	239,202
Roadways/Walkways/Boardwalks, etc.	1,583,968
Common Element Maintenance & Upgrades	740,523
Events/Warren Station	75,000
Administration	262,613

Community Investment

Year	Events & Festivals	Warren Station	Total
FY 2025 Actual	**410,832**	**282,141**	**692,972**
FY 2026 Budget	**389,499**	**205,501**	**595,000**
FY 2026 Projected	**405,667**	**189,333**	**595,000**
FY 2027 Proposed	**455,036**	**194,964**	**650,000**