

VAIL PARK AND RECREATION DISTRICT
d/b/a VAIL RECREATION DISTRICT
BOARD OF DIRECTORS

5:00 P.M.
Thursday, June 23, 2022
Town of Vail, Council Chambers
AGENDA
REGULAR MEETING

Agenda

1. Call to Order
2. Changes to Agenda;
3. Approval of Minutes;
 - a. May 12, 2022
4. Public Input (for matters not otherwise on agenda/three-minute time limit/no disrupting, pursuant to § 18-9-108, C.R.S.);
5. New Business and Special Orders;
 - a. Presentation and Acceptance of 2021 Audit-Mr. Dan Cudahy
 - b. Resolution to Adopt a Policy for Use Of Golf Course Facilities by Minors-Ms. Alice Plain and Mr. Mike Ortiz
 - c. Participation Prioritization Policies for Summer Camps-Mr. Chad Young
 - d. Report on Quarterly Recreation Subcommittee Meeting-Mr. Mike Ortiz
6. Unfinished Business;
 - a. Update on Dobson Ice Arena Engineering Report and Civic Area Plan-Mr. Mike Ortiz
7. Officers, Committees, Staff, and Professional Consultants;
 - a. May 2022 Financial Report- Mr. Eric Weaver
 - b. Executive Director Report - Mr. Mike Ortiz
 - c. Board Member Input
8. Adjournment

RECORD OF PROCEEDINGS

Minutes of the Special Meeting
of the Board of Directors

Vail Park and Recreation District
dba Vail Recreation District
May 12, 2022

A Special Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on May 12, 2022 at 5:00 p.m. at the Vail Town Council Chambers, Town of Vail, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

1. MEMBERS PRESENT

1.1. Tom Saalfeld, Jason Plante, Roland Kjesbo, Kirk Hansen

2. MEMBERS ABSENT AND EXCUSED

2.1. Kim Rediker

3. STAFF PRESENT

3.1. Mike Ortiz, Nell Davis, April Heredia, Jacob Tilmann, Dan Timm

4. OTHERS PRESENT

4.1. John Rediker, Bob Armour, Rick Sackbauer

5. CONSULTANTS PRESENT

5.1. Eric Weaver

6. CALL TO ORDER

6.1. Director Saalfeld called the meeting to order at 5:00 p.m.

7. CHANGES TO AGENDA

7.1. Change to the agenda to move public input after Oaths of Office.

8. APPROVAL OF MEETING MINUTES

8.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the April 21 special meeting.

9. OATHS OF OFFICE-JASON PLANTE, BOB ARMOUR AND JOHN REDIKER

9.1. Mr. Tom Saalfeld, Chairman of the board for the Vail Recreation District, swore in Director Rediker, Director Armour and Director Plante.

10. ELECTION OF BOARD OFFICERS

10.1. Director Kjesbo nominated Director Armour to be the Board Chairman.

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- 10.1.1. By motion duly made and seconded it was unanimously RESOLVED to elect Director Armour as Board chairman.
- 10.2. Director Rediker nominated Director Kjesbo to be Board secretary.
 - 10.2.1. By motion duly made and seconded it was unanimously RESOLVED to elect Director Kjesbo as Board secretary.
- 10.3. Director Plante nominated Director Hansen to be Board treasurer.
 - 10.2.1 By motion duly made and seconded it was unanimously RESOLVED to elect Director Hansen as Board treasurer.

11. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA

11.1 Mr. Sackbauer congratulated the new board members. He shared with the board that back in March Mr. Ortiz shared with the board that the service demand for a number of programs has exceeded the supply of programming offered. Mr. Sackbauer thinks this should stay as unfinished business and be addressed as an ongoing item. This is starting to be a problem in Pickleball, Camp Vail and some other programs,

11.2 Mr. Sackbauer also wanted to see as an agenda item, the topic of sustainability. He would also like this to stay on unfinished business as well. His concern is that if we continue to not be able to find employees and if we cannot continue to do Vail Recreation programming at the level that we are accustomed to then we should no longer be doing them.

11.3 Mr. Sackbauer's last point was succession planning. He believes that needs to be addressed not only for employees, directors and our executive director but also for our professional consultants. He would hope that if something did happen that our transitions would be seamless.

12. EXECUTIVE DIRECTOR INPUT

- 12.1. Mr. Ortiz shared with the board that he would like to have an orientation where we would have our attorney Allison Ulmer give a briefing on the roles and responsibilities of a board member, we would also have Eric Weaver do a review of financials and how they are used by the district, and then take a tour of the facilities the VRD manages. He would like this to be on June 14, 2022, at 10 a.m. at the clubhouse.
- 12.2. Mr. Ortiz introduced Nell Davis to the board. Nell is our new Director of Marketing & Communications.
- 12.3. Mr. Ortiz gave highlights from the directors reports as presented in the Board packet.

13. BOARD MEMBER INPUT

- 13.1. Director Plante gave thanks many of our sponsors. He acknowledged how important their sponsorship help is to the district.

RECORD OF PROCEEDINGS

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- 13.2 Director Hansen inquired on the timeline of the HR Study. Mr. Ortiz informed that it would take about twelve weeks. He also inquired if we program the skate park in Lionhead. Mr. Ortiz shared that we program some, but it is more of an open park. Mr. Hansen shared the details of an upcoming pickleball benefit tournament for Ukraine.
- 13.2. Director Kjesbo inquired if any of the chemicals put on the golf course affect dogs. Mr. Tilmann shared that they do not affect dogs. Director Kjesbo also thanked Mr. Ortiz for having the restaurant open the same day as the golf course.
- 13.3. Director Rediker wanted to thank all VRD staff for all that they are doing. He acknowledged that with staffing shortages he recognizes all the extra effort being done by the staff.
- 13.4. Director Armour wanted to thank everyone for the vote of confidence and looks forward to working with this board.

14. ADJOURNMENT

- 14.1. Upon a motion duly made and seconded it was unanimously RESOLVED to adjourn the Special Meeting of the Vail Recreation District Board of Directors.

Respectfully Submitted,
April Heredia
Secretary to the Meeting

VAIL PARK AND RECREATION DISTRICT

RESOLUTION NO. 2022 - __

ADOPTING A POLICY FOR USE OF GOLF COURSE FACILITIES BY MINORS

WHEREAS, the Vail Park and Recreation District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, Colorado Revised Statutes; and

WHEREAS, from time to time, the golf course and/or driving range operated by the District (collectively, the “Golf Course Facilities”) are used by unaccompanied minors, which can pose a safety risk to such minors, other customers, and District staff; be disruptive to other customers; and place an undue burden on District staff to supervise such minors; and

WHEREAS, the Board of Directors of the District (“Board”) hereby finds and determines that adopting a policy regarding use of Golf Course Facilities by children under 18 years of age is appropriate and necessary to the function and operation of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vail Park and Recreation District as follows:

1. **Policy for Use of Golf Course Facilities by Minors.** The following policies apply to the Golf Course Facilities:

(a) Children under the age of 6 who are accompanied by an adult may use the practice area of the Golf Course Facilities only.

(b) Children 6 - 13 years old must be accompanied by an adult while using the Golf Course Facilities.

(c) Children must be 16 years old and possess a valid driver’s license to operate a golf cart at the Golf Course Facilities.

2. **Severability.** If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

3. **Effective Date.** This Resolution shall take effect and be enforced immediately upon its approval by the Board.

ADOPTED this 23rd day of June 2022.

VAIL PARK AND RECREATION DISTRICT

By: _____
Bob Armour, Chairman

Attest:

Secretary

DOBSON ICE ARENA STRUCTURAL EVALUATION OF REMODELING SCHEMES

prepared for
Town of Vail
Public Works

Prepared by



James Robert Harris, P.E., Ph.D.

May 5, 2022

J.R. HARRIS & COMPANY
STRUCTURAL ENGINEERS
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DOBSON ICE ARENA
STRUCTURAL EVALUATION OF REMODELING SCHEMES

Introduction and Summary

The John A. Dobson Ice Arena was constructed in 1979, with an addition in 2001. The Town of Vail developed a Civic Area Plan in 2019, which identified some age-related conditions and deficiencies of the building that were of concern and recommended consideration of replacing or expanding the arena. Previously (in 2007), several schemes for expansion of the arena were developed for the Vail Recreation District. The purposes of this study are:

1. Assess the existing condition of the structure of the arena to inform future decisions about its future use and potential expansion.
2. Prepare conceptual designs of new roof structures for various expansions of the arena that would require replacement of the current roof structure.

In brief, the existing structure is in good condition, with no visually apparent evidence of ongoing deterioration. (There were some roof leaks in the early 1980s, which did lead to some damage, which was repaired at the time, and there is some evidence of staining from that episode.) The major wood components of the roof structure do not have the capacity to resist current building code requirements for snow, and the current practice of removing snow from the roof will need to continue. The concrete columns and foundations have the capacity to support the required snow loads, even from roofs with larger spans.

The schemes for expansion and our findings are summarized as follows:

Scheme 1:

Brief description (see Figures 1 and 5 – all figures are bound in Appendix A following the text of this report):

- move office, skate rental, and similar items out of the building to a new addition on the south side, west of the lower entry, and
- install new seating between the south side of the rink and the south wall.

Findings:

- The additional seating will increase the fixed seating capacity by about 90%, compared to the current capacity.
- If the addition to south/southwest is constrained by leaving the current access road unchanged, the size of a one story addition there will be slightly smaller than the vacated space within the arena, although the new addition could be two stories tall.
- The structural system and construction method for the addition would be similar to the southeast addition constructed in 2001.
- See the prior description of the condition and capacity of the existing roof structure.

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Scheme 2:

Brief description (see Figures 2, 6, and 11):

- Remove the existing roof and north wall, expand by approximately 50 feet to the north, with seating continuing upward from the existing seating.
- Build a new roof structure for current snow load standards.

Findings:

- The additional seating area brings the total capacity to about 4.1 times current fixed seating capacity, without including the amount gained by Scheme 1.
 - Additional rest rooms and other services needed for the expansion could be located under the new seating.
 - This could be combined with Scheme 1.
- The most economical structure for the new roof is a set of long span steel trusses supported on most of the existing concrete columns.
 - Eight of the existing twelve sets of columns will be used to support the new roof.
 - The existing columns and their footings are sufficient for the loads from the new roof.
 - Six new columns and foundations will be required along the north side, as well as a new perimeter wall and foundation along that side.
 - The south, east, and west sides will have new walls extending up from the existing walls.
 - The height of the new roof, if designed for reasonable economy, will be only a few feet higher than the top of the ventilators on the existing roof, but the new roof will appear much more massive, as shown in the figures.
 - Lowering the peak of the roof probably won't change the appearance much. Lowering the height at the perimeter will allow it to resemble the existing structure, although it will still be significantly higher than the edge of the existing structure, and the weight of structural steel will increase about 75% from the more economical solution (see Figure 10).

Scheme 3:

Brief description (see Figures 3 and 7):

- Similar to Scheme 2, but also expanding about 45 feet to the west

Findings:

- The additional seating area brings the total capacity to about 6.7 times current fixed seating capacity, without including the amount gained by Scheme 1.
- The current west entrance will be demolished and replaced further to the west.
- The new roof structure will be essentially the same as described for Scheme 2, except
 - Six of the existing twelve sets of columns and foundations will be reused.
 - Ten new columns and foundations will be required.

Scheme 4:

Brief description (see Figures 4 and 8):

- Replace the current facility with a completely new building, expanding to the limits permitted by the site

Findings:

- The seating could be about 11 times the current capacity
- The height of the roof can be reduced, when compared to Schemes 2 and 3, because the floor of the rink could be lowered by general excavation of the site; this may require a more robust underground drainage system.
- Without considering zoning requirements for setbacks, the site appears to be limited, so expansion to the east and south have been constrained to smaller values than used for expansion to the north and west in Schemes 2 and 3.

The remainder of this report will describe some of details of the study.

Evaluation of Existing Structure

The existing roof structure over the main arena space consists of twelve major beams sloping up to a ridge beam and tied together with a steel tension ring at their lower ends. The major beams are 12¼" wide by 69" deep glued-laminated (glulam) wood members. The lower end of each major beam is supported on reinforced concrete columns, and four of the beams are braced by concrete buttress walls. (The buttress walls are necessary to resist the horizontal thrust from the beams where the edge of the roof is straight, so the tension ring is ineffective at those locations.) The ridge beam resolves the horizontal thrust at the top of the major beams. The major beams support smaller beams ("purlins" on the drawings) spaced about 16 feet apart. The purlins are also glulam members, and they support 16 inch deep wood "I" joists that are spaced two feet apart. The I joists support a plywood roof deck. The I joists and the plywood are above the ceiling, but the purlins and the major beams are exposed below the ceiling. On each side of the ridge beam a skylight replaces the I joists and plywood. The exterior walls are hollow precast concrete panels. The concrete walls, columns, and buttresses are supported on spread footings on natural soil.¹ The floor in the arena is a concrete slab on the ground. The floor on the north side steps up to accommodate bleacher seating. The floor at the upper end of the seating extends around to the west and east and becomes a structural floor at those ends. The structural floor continues beyond the east and west sides of the main arena to provide a roof over ancillary spaces for locker rooms, rest rooms, mechanical equipment and storage. The 2001 addition created similar space outside the southeast wall of the arena.

¹ One of the principals at J. R. Harris & Company, Gene Stevens, was on the staff at KKBNA, Inc., when the arena was originally designed. He did the engineering design of the concrete buttresses and their foundations. He was consulted at multiple points during this evaluation.

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Visual inspections of the building were conducted by Fred Rutz on February 15 and March 11. Brian Wilson and Shile Dong accompanied Fred on March 11. The observed conditions were consistent with the 1978 drawings for the original construction. Photographs were taken. Moisture contents of eight of the large glued-laminated beams were measured with a Delmhorst J-2000 moisture meter. The measurements were taken near the bottom of the beam where the horizontal and vertical reactions are imposed on a steel seat mounted on the concrete column. The moisture contents ranged from 8.1 to 9.7 percent.

An analytical model of the main structure was prepared to identify the elements that control the capacity of the roof to resist snow and wind loads and track how those forces are transmitted through the columns, walls, and foundations to the supporting soil. We understand that a previous study by another engineer concluded that the roof structure was not capable of safely resisting the code-required snow load at the time of that study, but we have not seen that report.

The required snow load has changed over time. At the time of the original design, the roof design load recommended by the Structural Engineers Association of Colorado for Vail was 75 pounds per square foot (psf). That design load was targeted to represent a 30 year mean recurrence interval. Safety factors in use then meant that real capacity was expected to be substantially larger. In subsequent years building codes changed to a 50 year mean recurrence interval for allowable stress design loads, and recently have moved to specification of loads at the strength level based upon an acceptable probability of failure. Furthermore, building codes now require that buildings capable of having a large number of occupants meet a more stringent safety standard. The International Code Council, publisher of the *International Building Code* (IBC) recently concluded hearings for the content of the 2024 IBC. It adopted the 2022 edition of the standard *Minimum Design Loads and Associated Requirements for Buildings and Other Structures*² as the basis for its snow loads. Taking into account the various adjustments for exposure, slope, and insulation, and after adjustment down to the allowable stress level for convenience in comparing with the older requirements, the new design load for the Dobson Arena will be 105 psf. The increase comes from four sources: changing the basic safety level for ordinary buildings, requiring a higher safety level for buildings capable of having a large occupancy, over 40 years of additional data concerning snow accumulation in Vail, and a more sophisticated analysis of the data.

There have also been many changes in the methods of structural analysis. At the time the Dobson arena was originally designed it was generally necessary to make many more simplifying assumptions to arrive at a tractable solution than today. The three dimensional analytical model used in this study is a type commonly used in practice today, but it was simply not feasible in design practice in 1978. The result of the analysis is that the allowable stress capacity of the existing roof for snow load is 45 psf. The controlling members are the large inclined beams. The result is shown graphically in Figure 12; the numerical value shown for each member is the ratio of the demand from the sum of self-weight plus 45 psf snow to the capacity at allowable stress levels. The four large beams supported at the buttresses are the

² American Society of Civil Engineers, ASCE/SEI 7-2022, Reston, VA

members with the highest stress, and they are at the allowable capacity with the cited loads. This value is less than the 65 psf snow load stipulated on the 1978 drawings.³ It is possible that inclusion of some flexibility of the soil beneath the footings of the buttresses in the analysis would lower the demand on the most highly stressed members, but it does not appear that would change the overall answer by much. One factor that could increase the allowable snow load is the fact that the lumber is quite dry. It appears possible that adjusting the allowable stresses for the measured moisture content could raise the allowable load to approximately 60 psf, but that would require further study.

The final conclusion regarding the capacity of the existing roof is that excessive depths of snow should continue to be removed from the roof. It appears that 2½ feet is an appropriate depth to use as a trigger for snow removal.

Further Information on the Conceptual Designs for Expansion

Scheme 1

The new seating would be accessed from the south entry, at rink level. It would be possible to reconfigure the existing stairs to provide access from the upper level, utilizing the east and west entries, although that would reduce the gain in seating area somewhat. The demolition of the interior rooms is not structural. Openings can be cut in the existing exterior wall, to provide interior connection between the new spaces and the arena. The plan shown in Figure 1 allows most of West Meadow Drive to remain in place, except a portion of the northern fork of the split between the Dobson Arena and the Library. However, the street would need to be narrowed, and possibly closed, during the construction activity.

Compared with the other schemes, the amount of work, and thus the cost, is small. Furthermore, the ice rink could remain in operation during the majority of the construction period. When comparing the costs, it is important to include the present value of future snow removal from the existing roof.

Schemes 2 and 3

Schemes 2 and 3 have the common features of maintaining the existing ice rink and ancillary facilities while greatly expanding the seating capacity. For Scheme 3, much of the added seating is not centered on the ice rink (see Figure 9). These schemes also share the feature of supporting a significant portion of the new roof on existing foundations. Although the snow loads are much greater than the loads for which the original foundations were designed, the existing foundations are adequate. The large buttresses flanking the south entry were designed to resolve a large horizontal thrust from the large glulam beams. The other foundations each include two concrete columns, of which one was heavily loaded while the other was not. By installing a new beam joining the tops of those columns and then placing the support for the new

³ We are not sure why 65 psf was selected at that time, rather than the 75 psf recommendation cited earlier

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roof so the new load is shared equally by the two columns in each pair, their foundation is also sufficient.

Figure 9 shows three options for the configuration of the new roof. Option a shows a slight slope; it is sufficient for good drainage, but gently enough so that snow drifting can be ignored. It has the disadvantage that it will look much higher than the existing roof (see Figure 6), especially when viewed from the ground. Option b in Figure 10 will reduce the apparent height somewhat, but the weight of steel in the main truss increases by about 20 percent. Furthermore, the steel in the secondary trusses that span to the main truss will also increase somewhat, due to snow drifts that will form alongside the ridge of the roof. Option c is the one that drives the 75 percent increase in truss weight cited in the introduction.

None of the options for configuration of the main truss can lower the roof so that it resembles the current roof, because the bottom of the new roof is higher than the bottom of the existing roof to accommodate the extra seating capacity.

There are two other features that Schemes 2 and 3 share: Each could incorporate the work envisioned for Scheme 1, thus the additional seating capacity for these schemes could be larger than given in the introduction. And the expansion to the north, which was based upon the cited conceptual planning studies, appears to be uncomfortably close to the property line to the north.

Scheme 4

The new roof for Scheme 4 is shown to be similar to those for Schemes 2 and 3, but there is freedom to find different configurations, because there is no need to locate supports at the existing foundations. Even with excavation to lower the rink, it is likely that any new roof will look much higher than the existing roof, because the underside of the roof structure will still be higher than the underside of the existing roof. We have shown that Scheme 4 does not extend quite as far to the north as Schemes 2 and 3, given the concern about the property line to the north. The hypothetical layout superimposed over the arena assumed equal expansion on all sides, which creates potential encroachment over the north property line, Middle Creek, and West Meadow Drive. If the most capacity is desired, a refined design which lessens seating capacity on the constrained edges would need to be developed. Even if West Meadow Drive is not realigned, it might have to be closed during parts of the construction.

APPENDIX A - FIGURES

- 1 Plan showing new seating within existing building and addition to southwest to accommodate displaced services
- 2 Plan showing new seating north of existing building; new roof structure required; seating from Scheme 1 could be added
- 3 Plan showing new seating north of existing building; new roof structure required; seating from Scheme 1 could be added
- 4 Plan view of Scheme 4 overlaid on existing arena; a portion of West Meadow Drive would be relocated to the southwest.
- 5 Section of Scheme 1 looking east showing new grandstand seating on south
- 6 Section of Scheme 2 looking east with screened image of existing roof for perspective; economical option for new roof
- 7 Section of Scheme 3 looking west with screened image of existing for perspective; economical option for new roof
- 8 Section of Scheme 4 looking west, showing floor of rink lowered, with consequent lowering of new roof
- 9 Plans of new roof framing for Schemes 2 and 3 with position of rink shaded
- 10 Options a, b, and c, for shape of major roof truss for Scheme 2; refer to text for economic implications; similar concepts apply for Schemes 3 and 4
- 11 Oblique view of Scheme 2 from the southwest
- 12 Results of analysis of existing roof for self-weight plus 45 pounds per square foot of snow, on an allowable stress basis

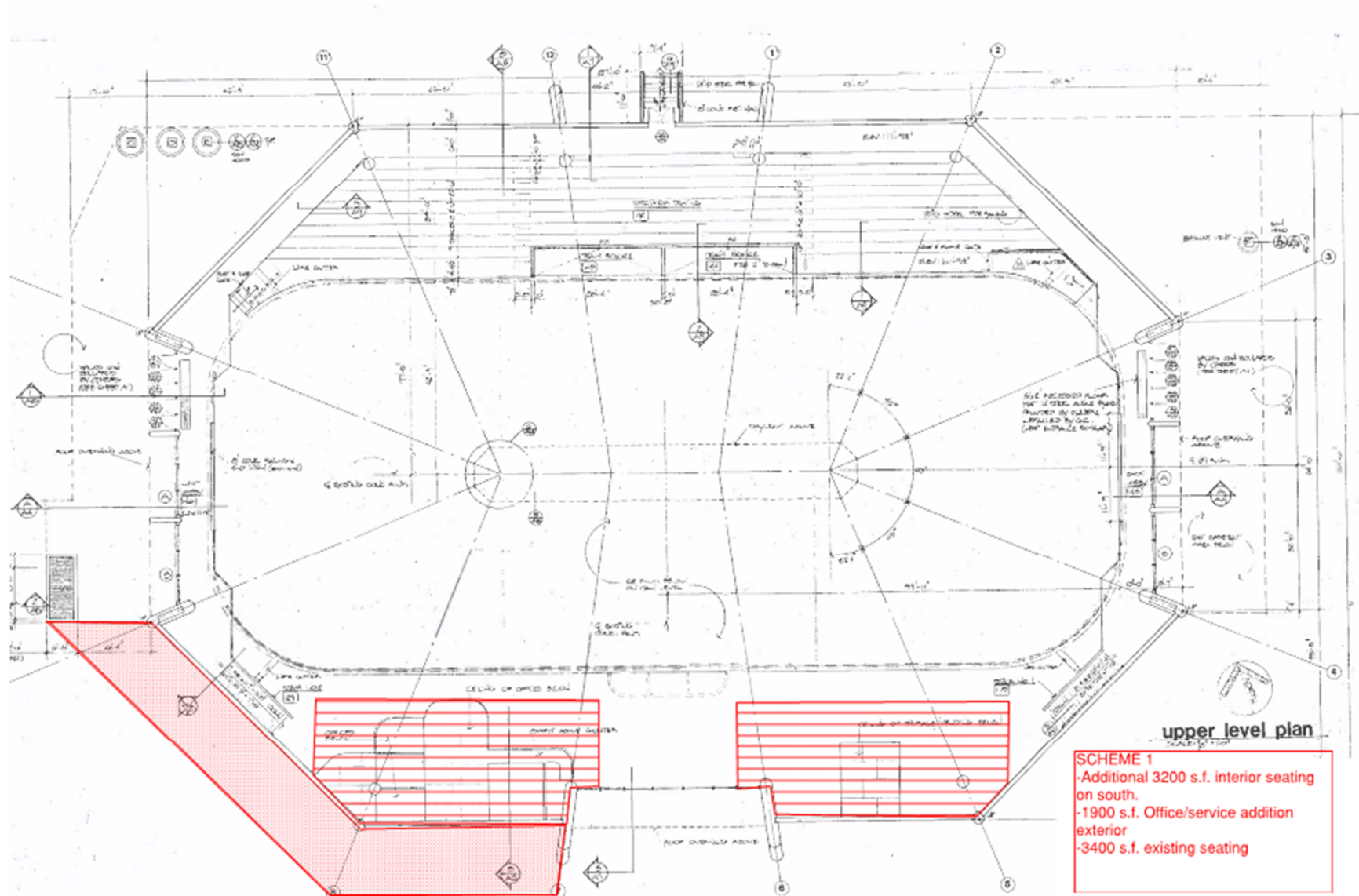


Figure 1 – Plan showing new seating within existing building and addition to southwest to accommodate displaced services

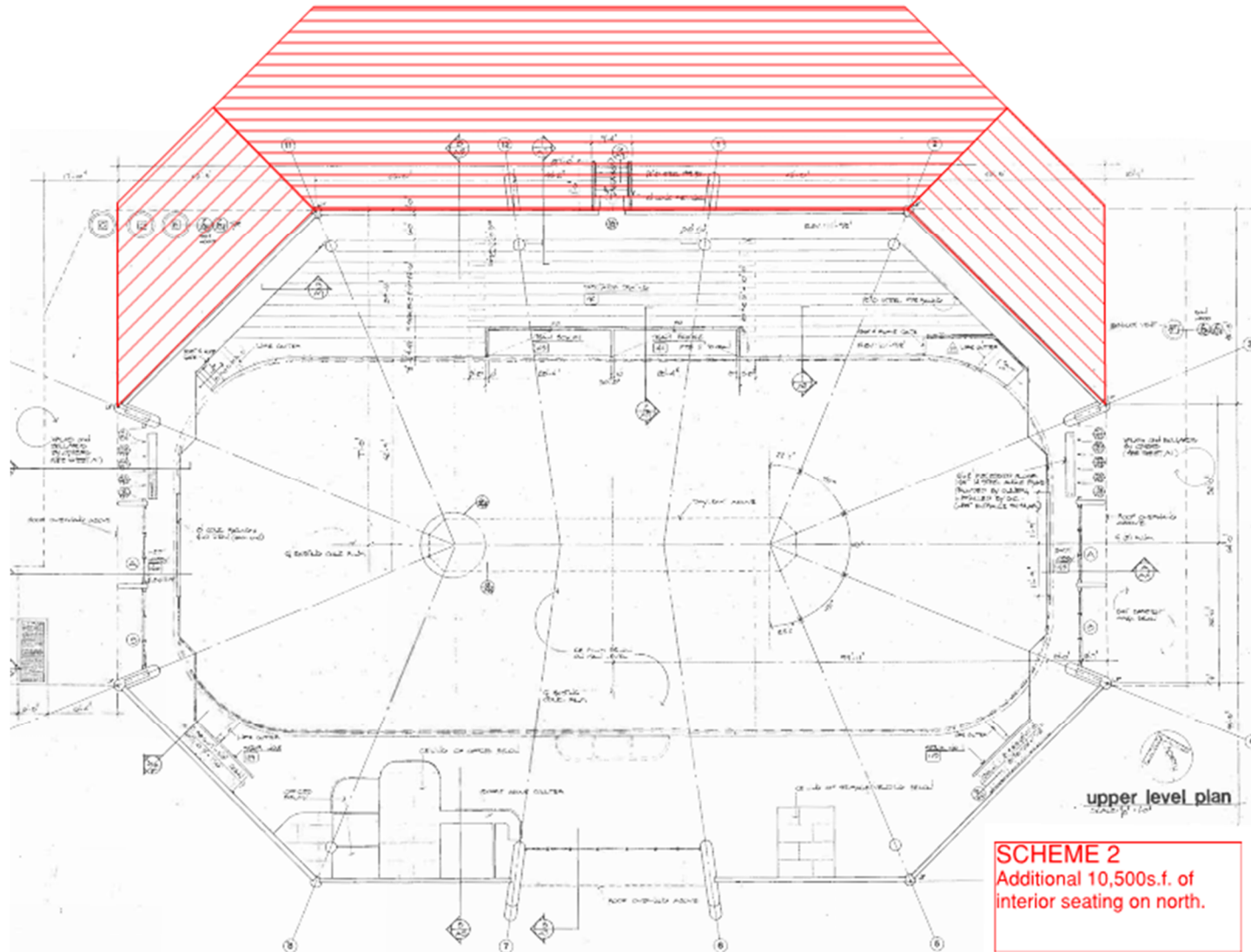


Figure 2 - Plan showing new seating north of existing building; new roof structure required; seating from Scheme 1 could be added

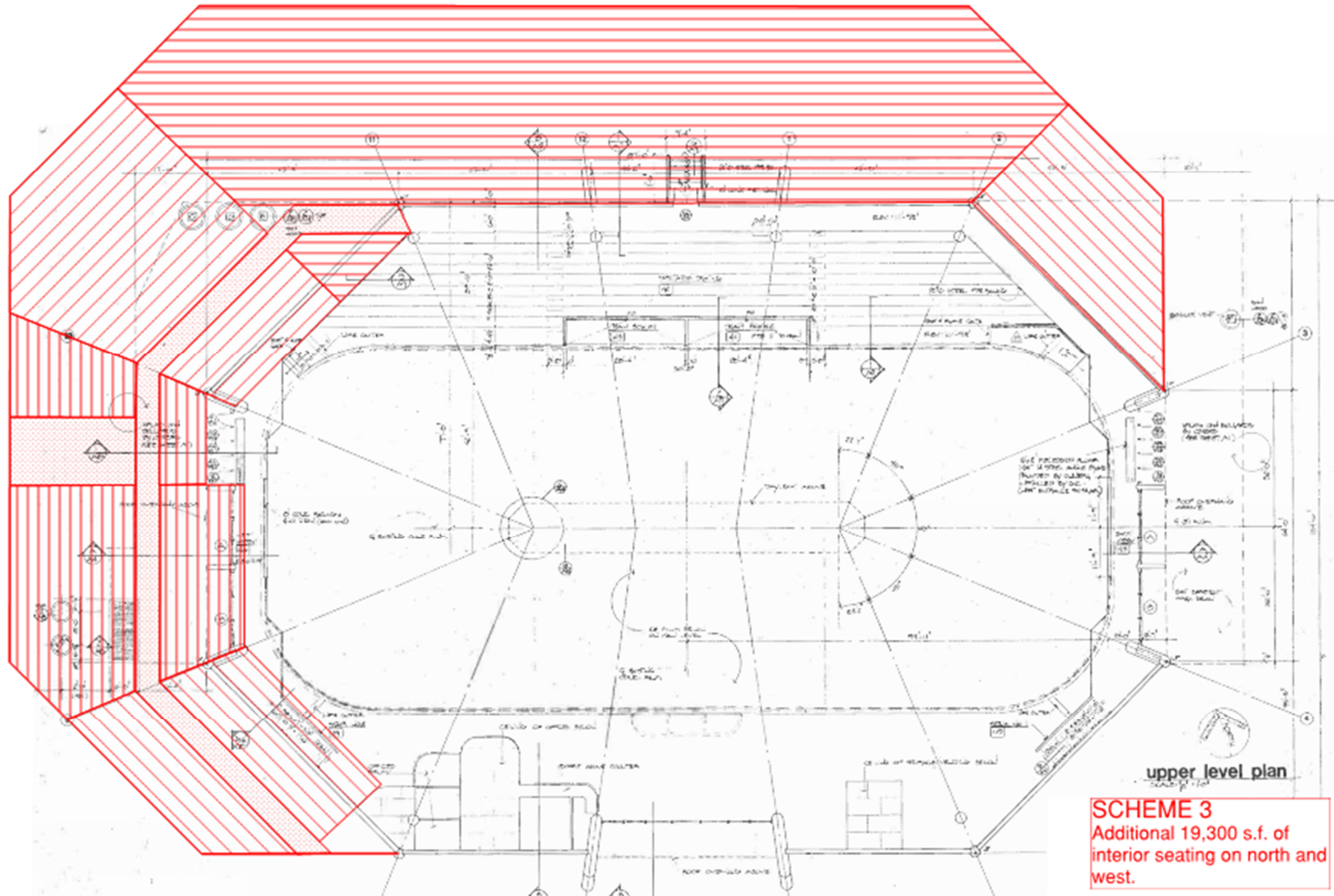


Figure 3 – Plan of new seating in Scheme 3, north and west of existing building; new roof structure required; seating from Scheme 1 could be added



Figure 4: Plan view of Scheme 4 overlaid on existing arena; a portion of West Meadow Drive would be relocated to the southwest.

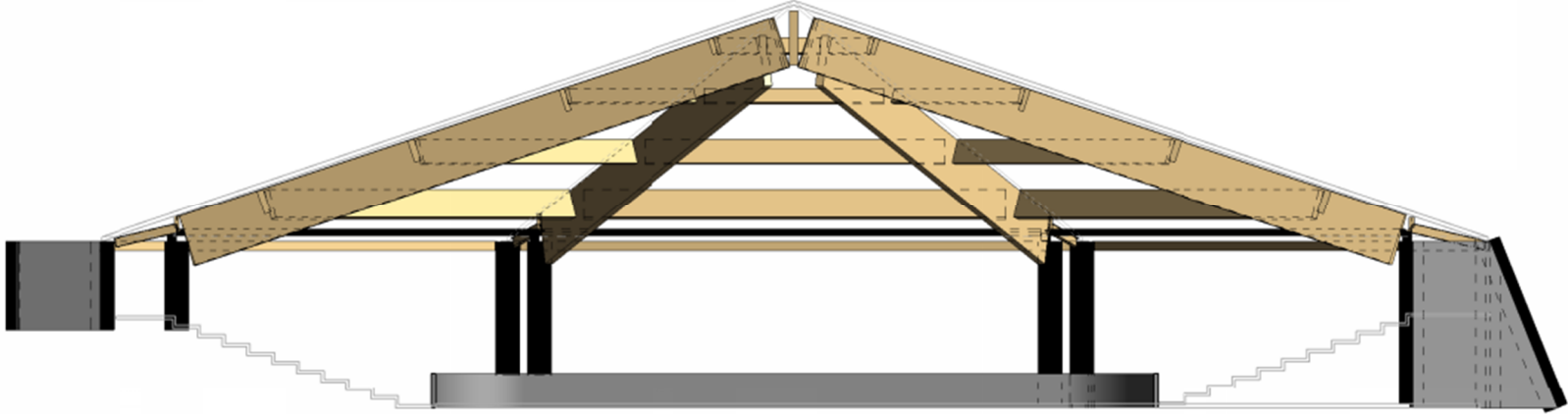


Figure 5 – Section of Scheme 1 looking east showing new grandstand seating on south (right hand side of figure)

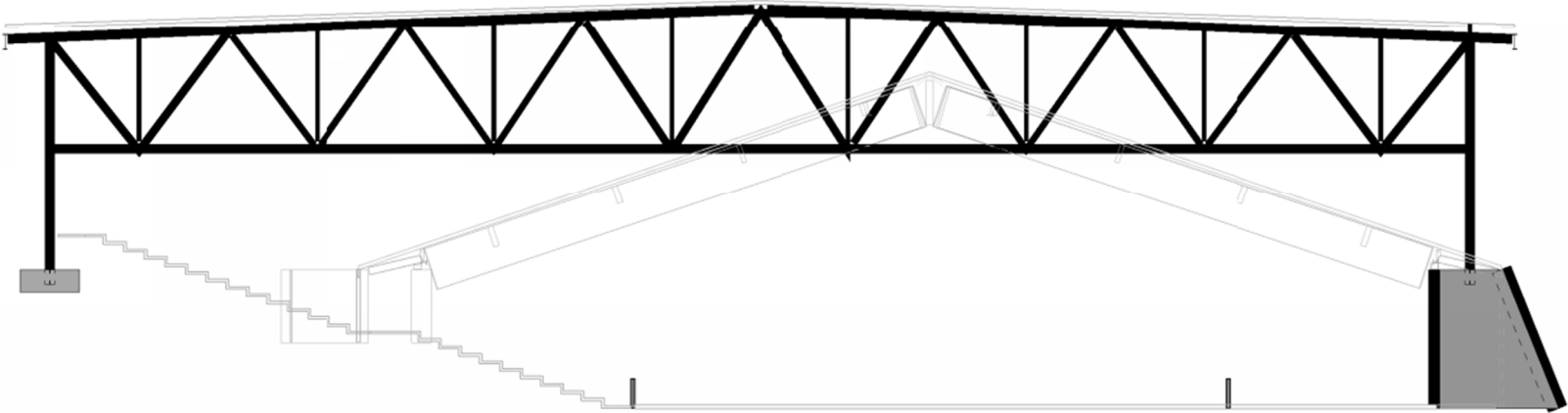


Figure 6 – Section of Scheme 2 looking east with screened image of existing roof for perspective; economical option for new roof

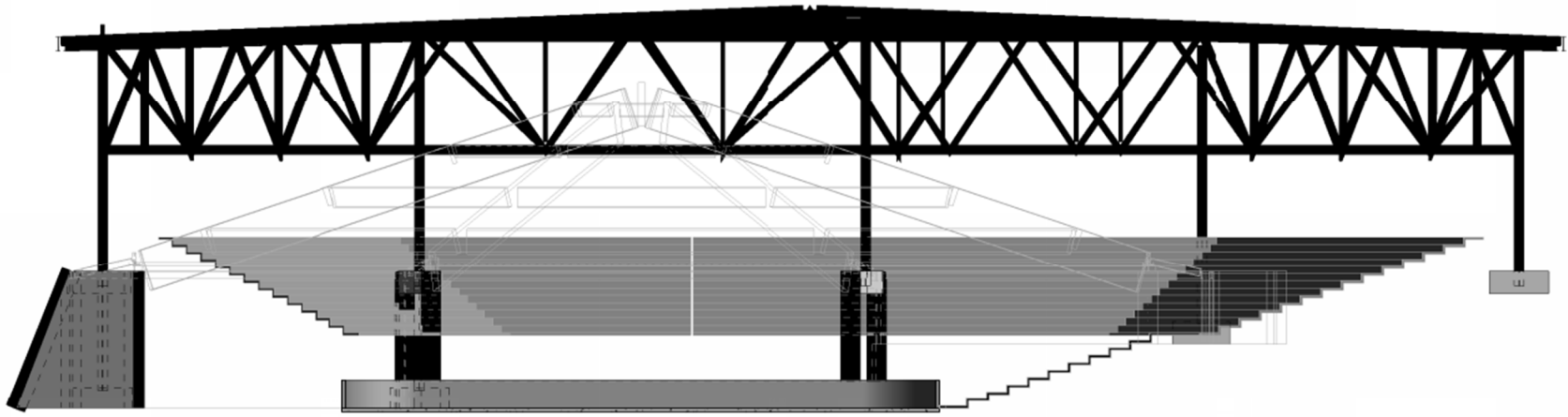


Figure 7 – Section of Scheme 3 looking west with screened image of existing for perspective; economical option for new roof

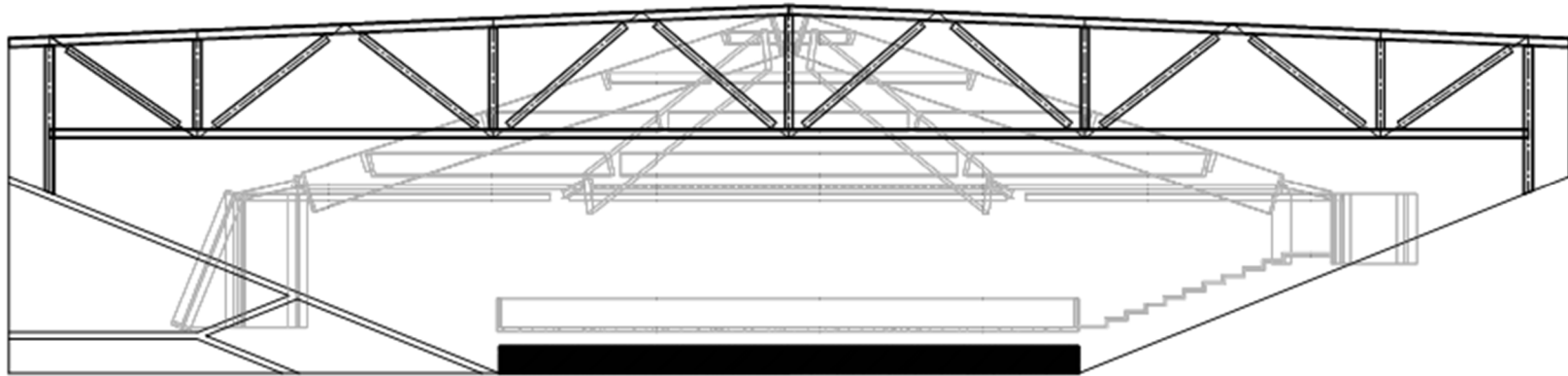


Figure 8 – Section of Scheme 4 looking west, showing floor of rink lowered, with consequent lowering of new roof

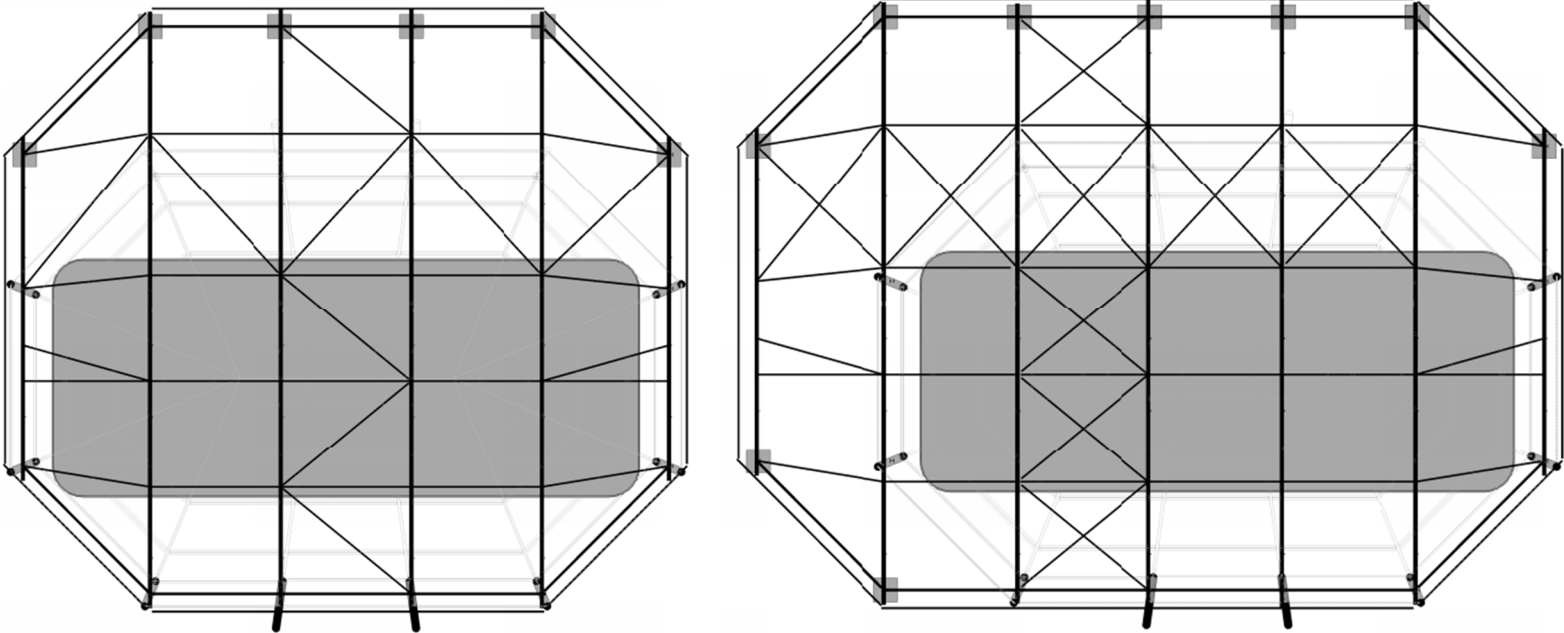


Figure 9 – Plans of new roof framing for Schemes 2 and 3 with position of rink shaded

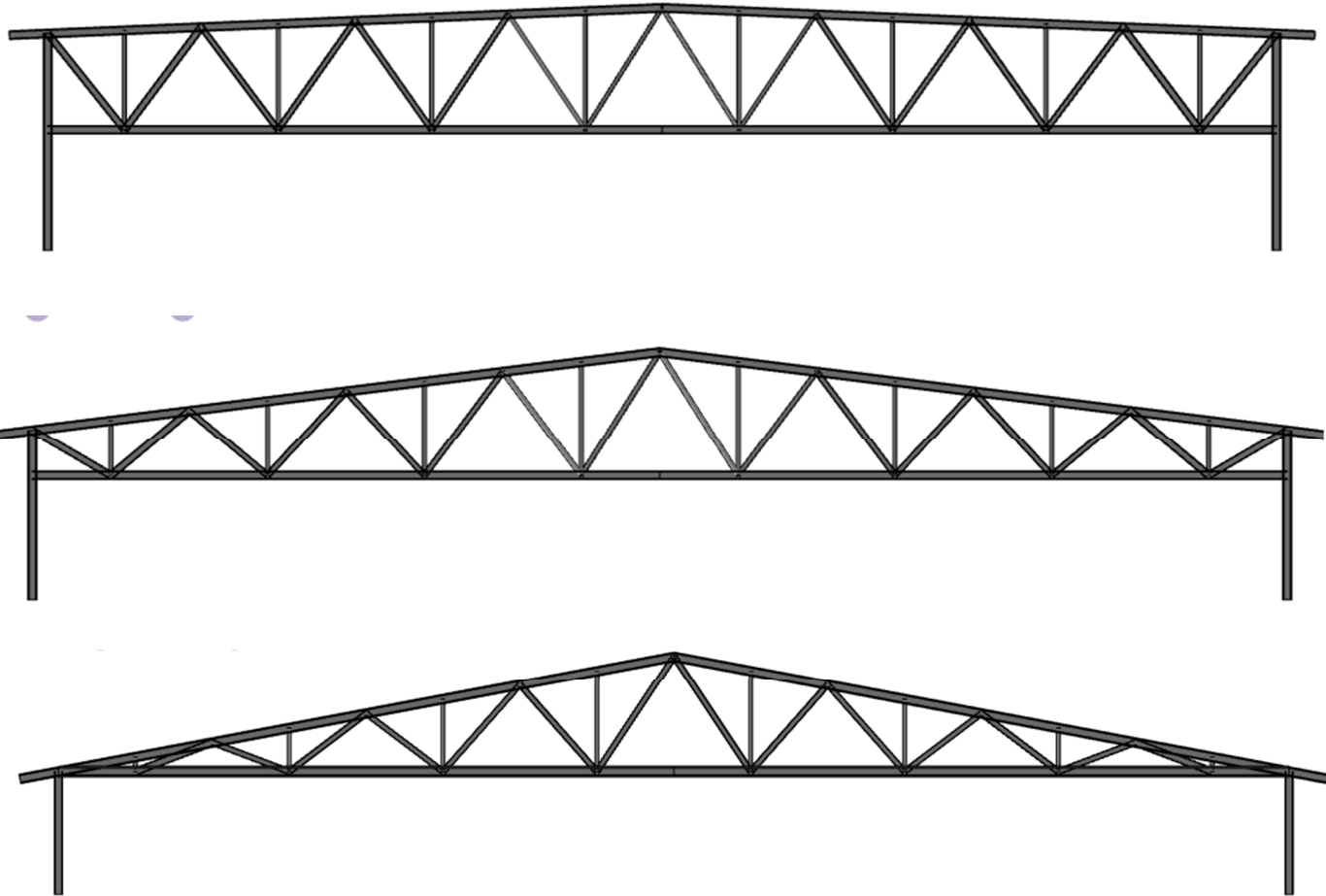


Figure 10 – Options a, b, and c, for shape of major roof truss for Scheme 2; refer to text for economic implications; similar concepts apply for Schemes 3 and 4.

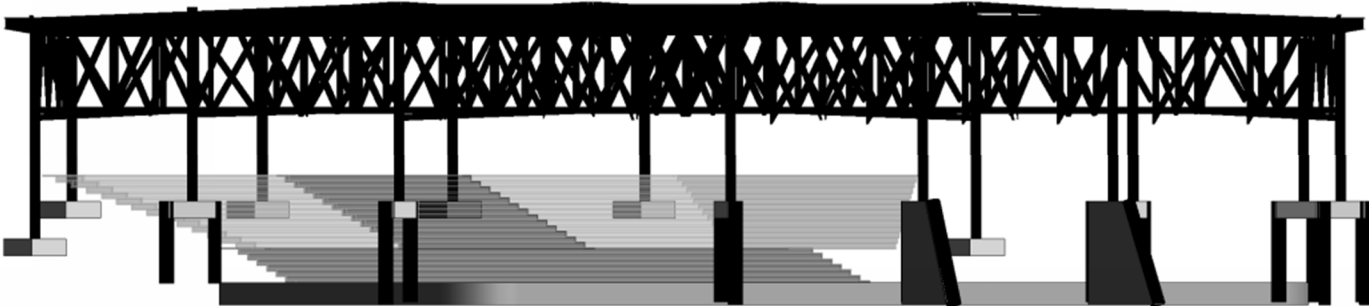
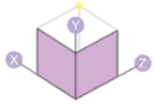
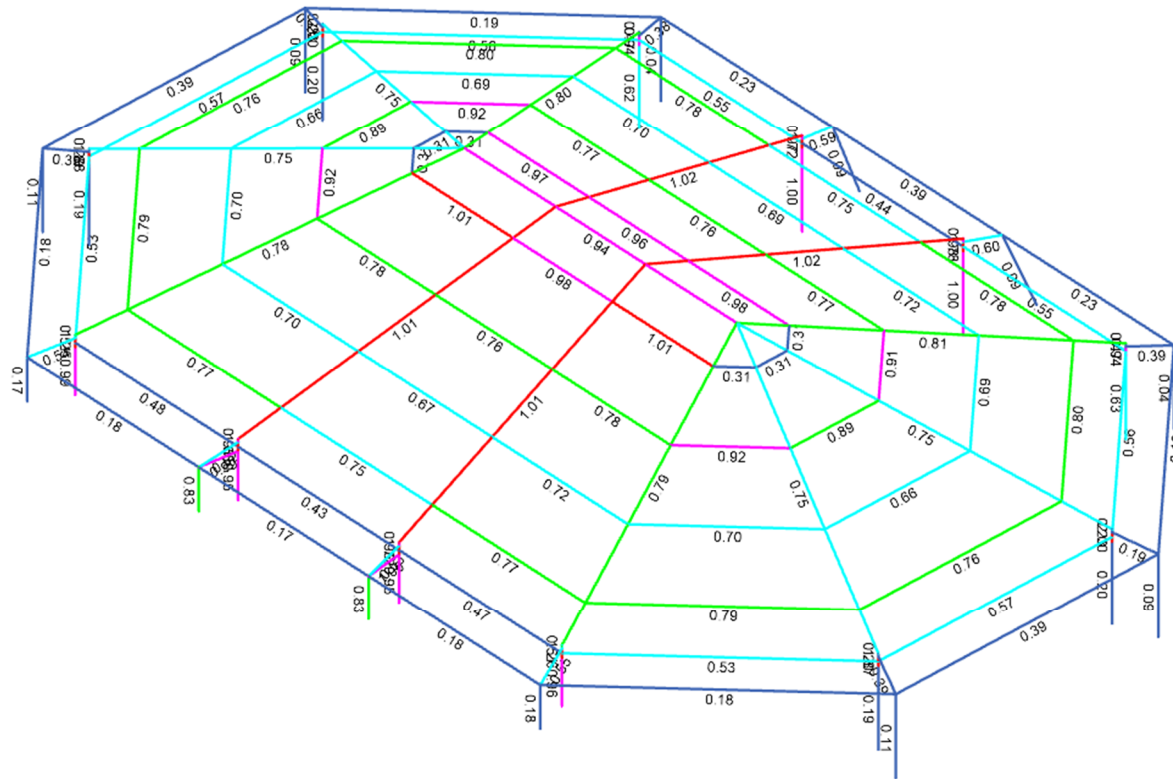


Figure 11 – Oblique view of Scheme 2 from the southwest



Code Check (LC 5)	
Black	No Calc
Red	> 1.0
Magenta	90-1.0
Green	75-90
Cyan	50-75
Blue	0-50



Member Code Checks Displayed
Results for LC 5. Total allowable

Figure 12 – Results of analysis of existing roof for self-weight plus 45 pounds per square foot of snow, on an allowable stress basis. The numerical values are the ratio of the load effect on the member to the allowable capacity of the member.

VAIL RECREATION DISTRICT DIRECTOR REPORTS

JUNE 23, 2022

MARKETING

- Our new Graphic Design & Communications Specialist Madelyn LyBarger has settled into her new role, and she is doing a great job! Most recently she gave the Grill on the Gore menus a fresh look, and she has been working on some nice t-shirt designs for the trail running series. Madelyn also created printed ads that will go inside TOV buses, and created a fun graphic to support the new “AC/DC” mini-competition for mountain biking.
- Either Nell or Madelyn have been at every race event taking photos.
- Nell and Madelyn hand delivered our summer brochures, along with golf and tennis rack cards, to hotels throughout Vail.
- Nell collaborated with the Vail Daily and Chef John Zavoral for a feature on John as part of the Vail Daily’s “Meet Your Chef” series. This included organizing a photo shoot to go with the editorial.
- The Grill on the Gore will also be featured in the upcoming issue of Eat Magazine.
- We have been promoting the Vail Golf Club steadily with print and digital ads, press releases promoting upcoming programming (such as junior club championship and ladies’ learn to play clinic), social media and more.
- Now that tennis is open, we’ve been promoting tennis programming, court rentals, camps, and the unbeatable views from the tennis courts. We updated the tennis desk signage (large format signs with fee and program info).
- Nell and Jerry went on KZYR to promote the pickleball junior camps.
- Nell is working with Julie to better promote the gymnastics competitive camps – this includes radio, print and digital advertising.
- Nell attended the Community & Trail Host Summer Kick-Off meeting (organized by the TOV) on June 9, and spoke to the community hosts about all of the VRD summer offerings. Alice was in attendance as well to talk about golf.
- Planning is officially underway for the Businesses, Bogeys & Bragging Rights charity golf tournament on Sept. 15. The theme this year, Wild West, is lending itself to lots of fun ideas for decorations, player gifts, awards, course challenges, food and more!
- Nell is still looking for a summer coordinator – this is a great job for a high school or college student who is interested in photography and writing!

GOLF

- All programs have begun including our Junior Golf camps, PGA Junior League and OP36 for the junior golfers. We offered our Lady Golf Camp the first week of June. This is a two-day camp for ladies; we had a full group of 16 participants! We offered a Get Golf Ready Camp for ladies this year also, which took place the first week of June. We had 10 golfers in this two-day clinic. Leagues have begun as well; our women’s league has eight new members currently and our men’s league has seven new members. Our senior club starts on June 20.
- Season pass sales have been good. We anticipate additional punch card sales as we approach peak season. The golf course has been busy; however not to the volume we had the last two summers. Feedback has been positive on the condition of the golf course. Excitement is rising as we get close to opening all 18 greens on July 1.

- Ongoing staff training is occurring. This includes continuous starter ranger trainings and outside staff trainings. Our Volunteer Starter-Concierges started this week. We have two new faces in this position - Wendy Fuller on Saturdays and Bruce Gillie on Fridays.
- The Heroes and Huskies Tournament took place on Thursday, June 16. The weather was perfect for the event, and we had several active duty young military playing in the tournament. Another successful tournament for the Battle Mountain Football Team.
- Merchandise sales have been solid. We are still waiting on spring deliveries for merchandise from Adidas and FootJoy.
- Callaway has not been able to delivery our new range balls. We ordered them in October and they were scheduled for delivery on May 1. We have been informed they do not have any range balls at this time. Our Srixon Range balls are barely holding up. Alice reached out to Srixon and other companies to try to get range balls, to no avail. We are managing currently with about 6,000 balls in the system. We usually have at least double this. We are hoping they will be able to deliver at some point this summer.
- We have a Callaway Demo Day scheduled for June 22.

SPORTS

- Adult Sports:
 - Summer softball has started with 26 teams participating on three nights, up two teams from 2021.
 - 8v8 coed soccer has kicked off with 12 quality teams, including one from Summit County.
 - Sand volleyball and cornhole will start next week with strong numbers of teams.
 - We are hosting a new league at Homestake Peak School - Women's La Liga.
- Youth Sports Camps:
 - Baseball camp kicked off our summer sports camp season with 50 full-day campers and six half-day campers. We are lucky to have the coaches from CSU-Pueblo up year after year; this was their 36th year running the camp. Big thanks to Antlers, Vail Realty and Vail International for hosting the coaches.
 - Upcoming camps include Track and Field, Soccer, Lacrosse, MiniHawks, Volleyball, Flag Football and Cheerleading.
 - Thanks to the partners mentioned above, we were given donated rooms for baseball camp, track and field, football and cheerleading. Currently working on housing Basketball Camp and Mini Hawks camp in paid housing.
- Events:
 - Committed to debuting a three-race youth trail running series for summer 2022. Locations will include Maloit Park, Miller Ranch Open Space and the Haymaker trail in Eagle. Town of Minturn, Howard Head and Mountain Valley Dental have signed on as sponsors.
 - The five-week Vail Whitewater Series finished up right before the GoPro Mountain Games. We had 339 racers participate, which is a record! We averaged 51 boats running the creek each night, and gave hundreds of spectators something to do on Tuesday nights in the off-season. Thanks to all the racers, sponsors, staff, safety boaters and after-party locations for making this series such a success.
 - We also put on an additional whitewater race (limited to kayaks and rafts), supported by the Town of Minturn, that ran from the Boneyard to the Eagle River Inn. The 20 boaters that participated had a blast.
 - We have kicked off the Bloch and Chapleau Town Mountain Bike Series with the Minturn Mini (kids-only race) and the Eagle Ranch Classic. Both races went great. We have added a new race to the calendar on July 6, the Son of Middle Enduro (timed downhill). This addition has allowed us to create a mini

competition within the series – the AC/DC award will be presented to the racer with the best combined times from Davos (ascend) and Son of Middle (descend) in all categories. This competition is sponsored by The Feed, who will be providing prizes.

Upcoming:

- June 22 – Davos Dash, Vail
- July 6 – Son of Middle Creek Enduro, Vail
- July 20 – Beaver Creek Blast, Beaver Creek Mtn
- Aug. 3 – Camp Hale, Redcliff
- Aug. 17 –Berry Creek Bash, Edwards
- Aug. 31 – Vail Grind, Vail Mountain (***Thanks to Vail Resorts we will be back on Vail Mountain for the first time in eight years and will introduce a brand-new course!***)

- The 2022 Dynafit Vail Trail Running Series started with a snow-out on May 21 for the Boneyard Boogie, which was rescheduled for June 4. The reschedule definitely hurt our numbers, but glad to get it in. By the time you read this we will have had a second race in partnership with Beaver Creek and the Vail Valley Charitable Fund, the Dynafit Summer Solstice 10K & 5K.

Upcoming:

- Dynafit Vail HillClimb, Vail Mountain – July 2, 2022
- Dynafit 10@10,000', 5K/10K, Vail Mountain – July 16, 2022
- Dynafit Berry Picker, Vail Mountain – July 30, 2022
- Dynafit Arrowhead Half, 5K/Half Marathon, Arrowhead – August 20, 2022
- Dynafit Meadowgold, 5K/10K, Minturn – September 17, 2022

- Other Events

- We just finished up the GoPro Mountain Games, where we were hired as specialists for the Rocky Dog 5K, Apres 5K, Spring Run Off 10K & 20K, Youth Mtn Bike Race, Beginner and Sport Mountain Bike Race, Pro and Expert Mountain Bike Race and a 3.65 mile hike. We were responsible for course design, course marking, sweeping courses, and moving course marshals and aid station volunteers around the venues, as well as being the liaison at the start and finish lines. Over 1700 people participated in our races, and proud to say no one got off course.
- VRD sports has been contracted to time the Bighorn Gravel Grinder ,hosted by Venture Sports, on June 26. We have also been approached to time the Vail 100 Gravel race in October, if producers USFS permit is approved.

- Field Rentals

- Tournaments have started on the fields with King of the Mountain Volleyball; 600 teams will be participating. Followed right behind with 14 days of lacrosse tournaments running through July 4.

PICKLEBALL

- The Golden Peak Pickleball Center is open and staffed daily, for the summer season, with all six courts available for play from 8 a.m. to 8 p.m. Open drop-in play is offered every morning from 8 a.m. to 12 p.m. Junior clinics are offered from 1-3 p.m., Monday through Thursday. At least three courts are available for court reservations throughout every day.
- Youth pickleball camps began June 13 and registration is now open at vailrec.com. The first week was full, but there are plenty of open spots for all upcoming weeks.
- The Skills & Drills sessions and Round Robin Mixers started up May 28, and are held from 1-3 p.m. on Fridays, Saturdays, and Sundays throughout the outdoor season. As of June 19, over 200 players have participated in these sessions at the Golden Peak Pickleball Center.

- As of June 19, 128 new 2021/22 annual passes, 20 new 2022 winter passes, and 84 new 2022 summer passes have been purchased.
- Jerry continues to help local and out-of-town players, as well as new staff, to learn about and to use Amilia for pickleball pass registrations, clinic signups and court reservations.
- On Saturday July 16, Lee Whitwell, who was the Major League Pickleball MVP, and other pros will conduct two three-hour clinics at Golden Peak. On Saturday night, Lee will be the keynote speaker at a charity banquet to benefit Ukraine. On Sunday, July 17, two round robin mixers will be held (session 1 from 12-2 p.m. and session 2 from 2-4 p.m.), also to benefit Ukraine charities.
- Players can register for the new partner search form at [this link](#) on the VRD website.
- Jerry is happy to have found an excellent staff for the busy summer outdoor season at Golden Peak. Sally Nowak is back, and is joined by Benton Dinkins, Carol Johnson, Ben Moore, Sophie Daniel and Chip Meade.

BUILDING MAINTENANCE

Bldg. Maintenance

- Venues are open for summer season; however it has been a challenge to manage this while balancing F&B deficiencies.
- Robson Forensic has provided preliminary report of deficiencies in the Clubhouse building envelope. Some have been addressed immediately; however, additional work is required and a thorough review of the report will be done once time permits.

Capital Projects

- Here are other capital projects with anticipated start dates:
 - Vail Golf Maintenance interior renovation – very challenging due to material shortages. Windows, flooring, cabinets, doors and equipment have all been incredibly difficult to source. Working through issues and hopefully wrapping this up before July.
 - EV charging station installation at Vail Golf & Nordic Clubhouse – TOV com dev staff have reviewed plans and confirmed that we could proceed with minor changes to confirm to TOV parking plans and ADA requirements. Project has been submitted for building permit.
 - Clubhouse painting – nearing completion
 - Clubhouse carpeting – complete
 - Clubhouse Epoxy Floor – scheduled to start Monday
 - HVAC upgrades to Gymnastics – This project is now delayed due to lack of availability of HVAC contractors and equipment availability issues. A temporary plan for the summer is currently being considered. TOV is now also actively looking for contractors for this project
 - Athletic Field restrooms and equipment storage building replacement – TOV has indicated that this building is on the Vail Golf Course parcel and may not be subject to Ford Park Master Plan. TOV would like to ask other Ford Park stakeholders if they have interest in this space.
 - Hole #6 lightning shelter installation – confirmed with TOV that they will not require a PEC approval. Preparing bid documents for posting with late September start date.
 - Vail Golf Maintenance roof replacement – engineering is complete and it is determined that the roof does not meet current code, and any changes to roof other than simply replacing the shingles is not possible without significant escalation in price. We will replace the shingles and look for other options to mitigate ice issues. Fall 2022 project.

GOLF MAINTENANCE

- **Greens:**
 - The golf greens are healthy and on track for opening day of the new greens on July 1 for speed and consistency.
- **New Greens: 3, 12, 13, 15, 16, 17, old 18**
 - The new golf greens are healthy and pushing new roots each day. We started lowering the height of cut two weeks ago along with topdressing. New greens are right on track for their July 1st opening date.
- **Tees and Fairways:**
 - Tees and fairways are in great shape! We applied a granular fertilizer application in early June, and are seeing great results. The turf is starting to fill in to all the thin spots. We will complete our poa seedhead suppression application this month, it is two applications with one more to be completed the week of June 20.
- **Rough:**
 - The rough is in a healthy state and, with our June application of fertilizer, we will follow up with a second application in July for added health going into the summer stress.
- **Bunkers:**
 - Bunkers are looking good, considering the much-needed maintenance necessary to have a great looking and consistent bunker. We continue to pull weeds, pick rocks and check sand depths as needed.
- **Irrigation:**
 - The irrigation system is running smoothly, and continual maintenance is done as needed.

FOOD & BEVERAGE

- **Grill on the Gore:**
 - We are proud that we were able to open the restaurant at the same time as the golf course this season.
 - The guests who have come in have been pleased that we are up and running.
 - We will be rolling out our full menu on Friday, June 24 in addition to extending to our full summer hours (11 a.m. to 7:30 p.m.).
- **Starter Haus:**
 - Has been open since the driving range opened.
 - We are proud that we have brought back the breakfast burritos this season.
 - We have collaborated with the golf team and just rolled out the ability for guests to order food through the Visage GPS units in the golf carts. We are still working through some kinks but feel excited that we are up and running, and should be fully functional with promotional ads for the restaurant in the coming days.
- **Events:**
 - We have hit full stride in the month of June and are extremely busy.
 - We would like to shout out to our culinary team for executing two big events at the same time on Thursday, June 16, in addition to continuing to produce excellent food and running upwards of five or more events/plate ups per week.
 - I also want to mention that our event coordinator Kaleigh has jumped in and is continuing to learn more about our operation and is growing her knowledge daily.
 - Lastly, I am happy to introduce our new VRD Banquet and Events Manager Adrienne Chavez. She will be joining our team in the coming weeks, and we look forward to getting her immediately involved in our operation.

COMMUNITY PROGRAMMING

- LEGO camp ran the week of June 6 with Play-Well contractors leading activities. Two VRD staff assisted. We were able to open extra spaces in this camp bringing our capacity to 38. Children loved this camp!
- We trained new and returning staff the week of June 6.
- Camp Vail opened June 13. We also ran Camp Vail Champions the week of June 13. Camp Vail is operating on a capacity of 56 because we have many staff on vacations for the month of June. We will be up to a capacity of 75 to 80 on July 1.
- Pre Kamp Vail opened June 13. Pre Kamp Vail is fully staffed and at full capacity. Many spaces were not accepted for the week of June 13 because we were not able to offer them until late the week prior, due to uncertainties about staffing qualifications (state licensing rules). We expect to get up to full capacity soon.
- While staffing for Camp Vail was difficult, this staff is highly qualified, experienced and very dependable.
- Camp Eco Fun is closed for the summer of 2022.
- We are well on our way to being fully staffed for Mountain Bike Camps. We are still recruiting one experienced coach for this camp.
- Imagination Station has been busy, although not necessarily steady. We anticipate more traffic as town gets busier later in June and into July.
- Registration Prioritization:
 - Camp Vail and Pre Kamp Vail (and Camp Eco Fun) opened for registration on Monday, March 7 with a demand far greater than our supply. We open camps with a conservative estimate of our staffing capacity. We then open additional spaces as we get a clearer picture of our staffing for the summer. We had many local workforce families that did not have spaces in camp until May. We still have some (although few) families that want/need more days.
 - Staff recommends prioritizing registration for the summer of 2023 and future years. We recommend giving first priority to families that live and work in Eagle County full time. We recommend second priority go to families that live in Eagle County full time. Third priority goes any VRD taxpayers that live less than full time in Vail. Last priority goes to anyone that does not pay VRD taxes and is not part of the Eagle County workforce. We already have a tool to gather this information: our "Eagle County Student" membership would become "Eagle County Workforce" where we gather information about where a child goes to school and where the parent(s) work. We would use this information to give families the appropriate access to registration (and perhaps pricing).

PARKS

- Marc Thomas joined our team full-time on June 6, and will split his time with Parks in the summer and Nordic in the winter.
- All fields have been aerated and top-dressed. Fertilizer applications and soil surfactants have also been applied.
- The stadium field at Homestake Peak School is now in great shape. All the work with turf covers paid off. Also, the school district has done some irrigation repairs which has helped. However, there are still some spacing issues that will begin to show up as the temperatures get warmer and we go longer without rain.
- Events are beginning with King of the Mountain followed directly by lacrosse tournaments.

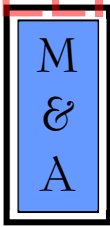


Financial Statements
December 31, 2021

Vail Park and Recreation District
dba Vail Recreation District
Financial Statements
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Vail Recreation District**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the general fund, and aggregate remaining fund information of Vail Recreation District (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and aggregate remaining fund information of Vail Recreation District, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Vail Recreation District**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis in section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PRELIMINARY DRAFT

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Vail Recreation District

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PRELIMINARY DRAFT

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PRELIMINARY DRAFT

Vail Park and Recreation District
dba Vail Recreation District
Statement of Net Position
December 31, 2021

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents - Unrestricted	8,019,467
Receivables, net	243,763
Due from County Treasurer	22,877
Property taxes receivable	4,690,238
Inventory	199,215
Capital assets, net	6,662,195
Total Assets	<u>19,837,755</u>
Liabilities:	
Accounts payable	178,763
Unearned revenue	203,244
Accrued compensated absences	127,465
Total Liabilities	<u>509,472</u>
Deferred Inflow of Resources:	
Unavailable property tax revenue	4,690,238
Total deferred inflow of resources	<u>4,690,238</u>
Net Position:	
Net investment in capital assets	6,662,195
Restricted for emergencies	325,149
Unrestricted	7,650,701
Total Net Position	<u>14,638,045</u>

The accompanying notes are an integral part of these financial statements.

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Activities
For the Year Ended December 31, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Functions/Programs:				
Governmental activities:				
General administration	1,021,180	-	-	(1,021,180)
Sports programs	535,092	396,577	-	(138,515)
Gymnastics	328,434	241,367	-	(87,067)
Community programs	625,231	451,017	-	(174,214)
Public relations	339,486	-	-	(339,486)
Nordic center	629,991	887,371	-	257,380
Dobson Arena	1,003,009	690,535	-	(312,474)
Golf	2,668,393	1,221,883	-	(1,412,270)
Golf pro shop - cost of goods sold	203,646	446,339	-	242,693
Golf food and beverage	808,328	1,296,446	-	488,118
Golf food and beverage - cost of goods sold	307,467	212,472	-	(94,995)
Tennis and pickleball	231,653	-	-	(231,653)
Park maintenance	337,520	-	-	(337,520)
Facilities maintenance	148,113	-	-	(148,113)
Total Governmental Activities	<u>9,187,543</u>	<u>5,844,007</u>	<u>-</u>	<u>34,240</u>
General Revenues:				
Property taxes				4,670,123
Specific ownership taxes				261,318
Delinquent taxes and interest				4,366
Investment and other income				24,236
Gain on the sale of assets				5,000
Total General Revenues				<u>4,965,043</u>
Change in Net Position				<u>1,655,747</u>
Net Position - Beginning				<u>12,982,298</u>
Net Position - Ending				<u><u>14,638,045</u></u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

**Vail Park and Recreation District
dba Vail Recreation District
Balance Sheet
Governmental Fund -- General Fund
December 31, 2021**

Assets:	
Cash and cash equivalents - Unrestricted	8,019,467
Due from County Treasurer	22,877
Accounts receivable	243,763
Property taxes receivable	4,690,238
Inventory	199,215
Total Assets	<u><u>13,175,560</u></u>
 Liabilities:	
Accounts payable	178,763
Unearned revenue	203,244
Total Liabilities	<u><u>382,007</u></u>
 Deferred Inflow of Resources:	
Unavailable property tax revenue	4,690,238
Total Deferred Inflow of Resources	<u><u>4,690,238</u></u>
 Fund Balances:	
Nonspendable	199,215
Restricted for emergencies	325,149
Assigned for capital projects	3,640,000
Unassigned	3,938,951
Total Fund Balances	<u><u>8,103,315</u></u>
 Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds. Net capital assets represents capitalized costs of \$17,541,446 net of accumulated depreciation of \$10,879,251.	6,662,195
Accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(127,465)</u>
Net Position of Governmental Activities	<u><u>14,638,045</u></u>

The accompanying notes are an integral part of these financial statements.

PRELIMINARY DRAFT

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund -- General Fund
For the Year Ended December 31, 2021**

Revenues:	
Property taxes	4,670,123
Specific ownership taxes	261,318
Delinquent interest and taxes	4,366
Sports programs	396,577
Gymnastics	241,367
Nordic center	887,371
Community programs	451,017
Dobson Arena	690,535
Golf	1,221,883
Golf pro shop	446,339
Golf food and beverage	1,296,446
Tennis and pickleball	212,472
Lottery revenue	34,240
Investment and other income	24,236
Total Revenues	<u>10,838,290</u>
Expenditures:	
General administration	856,999
Sports programs	511,724
Gymnastics	318,718
Community programs	595,874
Public relations	333,669
Nordic center	597,276
Dobson Arena	822,954
Golf	2,006,984
Golf pro shop - cost of goods sold	203,646
Golf food and beverage	793,650
Golf food and beverage - cost of goods sold	307,467
Tennis and pickleball	219,498
Park maintenance	291,378
Facilities maintenance	142,810
Treasurer's fees	139,665
Capital outlay	829,575
Total Expenditures	<u>8,971,887</u>
Excess (Deficiency) of Revenues Over Expenditures	1,866,403
Other Financing Sources (Uses):	
Sale of assets	5,000
Total Other Financing Sources (Uses)	<u>5,000</u>
Change in Fund Balance	1,871,403
Fund Balance - Beginning	<u>6,231,912</u>
Fund Balance - Ending	<u>8,103,315</u>

The accompanying notes are an integral part of these financial statements.

**Vail Park and Recreation District
dba Vail Recreation District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2021**

Net Change in Fund Balance of the Governmental Fund	1,871,403
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Amounts reported for Governmental Activities
in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which current year capital outlay of \$665,393 was exceeded by current year depreciation of \$886,786	(221,393)
--	-----------

Changes in accrued compensated absences do not consume current financial resources and, therefore, are not reported in the funds.	<u>5,737</u>
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Change in Net Position of Governmental Activities	<u><u>1,655,747</u></u>
--	-------------------------

The accompanying notes are an integral part of these financial statements.

PRELIMINARY DRAFT

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Fiduciary Net Position
Youth Recreation Private Purpose Trust Fund
December 31, 2021**

Assets:	
Cash and cash equivalents	185,470
Total Assets	<u>185,470</u>
Net Position:	
Held in trust for future earnings	50,000
Held in trust for scholarships	135,470
Total Net Position	<u>185,470</u>

The accompanying notes are an integral part of these financial statements.

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Changes in Fiduciary Net Position
Youth Recreation Private Purpose Trust Fund
For the Year Ended December 31, 2021**

Additions:	
Contributions	71,787
Investment income	<u>64</u>
Total Additions	<u>71,851</u>
Deductions:	
Recreation awards	<u>16,818</u>
Total Deductions	<u>16,818</u>
Change in Net Position	55,033
Net Position - Beginning	<u>130,437</u>
Net Position - Ending	<u><u>185,470</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021**

I. Summary of Significant Accounting Policies

The Vail Park and Recreation District, dba Vail Recreation District (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide recreational facilities and services within its boundaries. The District is located in Eagle County, Colorado.

On February 13, 1991, the Board of Vail Metropolitan Recreation District passed a resolution to change the name of the District to the Vail Park and Recreation District. On the same date, the Board passed a resolution for the District to do business as the Vail Recreation District.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The District has no component units, and it is not a component unit of any other entity.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major fund).

1. Government-wide Financial Statements

Government-wide financial statements report on information of all of the non-fiduciary activities of the District. The District's general administration, sports programs, gymnastics, community programs, public relations, outdoor programs, Nordic center operations, golf operations, Dobson Arena, tennis and pickleball, park maintenance, and facilities maintenance functions are classified as governmental activities.

Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's governmental functions. The governmental functions are also supported by general government revenues (property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the governmental function. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants while the capital grants and contributions column reflects capital-specific grants and contributions received.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following governmental fund:

The *General Fund* accounts for all financial resources not required to be accounted for in another fund. The District's general administration, sports programs, gymnastics, community programs, public relations, outdoor programs, Nordic center operations, golf operations, Dobson Arena, tennis and pickleball, park maintenance, and facilities maintenance functions are accounted for in the General Fund.

Additionally, the District reports the following fiduciary fund which is not included in the government-wide statements since the resources of the fund are not available to the District:

The *Youth Recreation Private-Purpose Trust Fund* is used to account for a trust established that stipulates only earnings, and not principal, may be spent for youth recreation purposes.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

Restricted cash and cash equivalents represent amounts restricted by bond indentures.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents and Investments (continued)

The District generally limits investments to the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 60 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance was established at December 31, 2021, as the District considered all receivables to be collectible.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as unavailable revenue.

4. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2021 are recorded as prepaid expenses.

5. Capital Assets

Capital assets, which include land, buildings, improvements, and equipment, are reported in the proprietary fund and the government-wide financial statements. Capital assets are defined by the District as assets and leasehold improvements with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets and leasehold improvements are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets (continued)

Capital expenditures for leasehold improvement projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

As stated in Note V.B., the Town of Vail owns the facilities maintained and operated by the District. The District capitalizes expenditures on the facilities that meet the cost and useful life criteria above as leasehold improvements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 30
Equipment	10 - 20

6. Inventory

Inventory is valued a cost, which approximates market, using the first-in/first-out (FIFO) method. The cost of inventory is recorded as an expense when consumed rather than when purchased.

7. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

8. Long-term Obligations

In the government-wide and proprietary fund financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities.

Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Fund Balance

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of targeted reserve positions and management calculates targets and reports them annually to Board of Directors.

Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category at December 31, 2021.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The District has one type of item which qualifies for reporting in this category. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resource in the period that the amounts become available and earned.

E. Other Significant Policies

1. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental funds Balance Sheet and the government-wide Statement of Net Position

The governmental funds Balance Sheet includes a reconciliation between *fund balance – governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

Annually the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental fund is adopted on a basis consistent with U.S. GAAP.

As required by Colorado statutes, the District follows required timetables in preparing, approving, and enacting its budget for the ensuing year. The following is a summary of the budget calendar for the 2021 budget year:

- (1) For the 2021 budget, prior to August 25, 2020, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2020 only once by a single notification to the District.
- (2) On or before October 15, 2020, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) For the 2021 budget, prior to December 15, 2020, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service) for the fiscal year ended December 31, 2021.

The District has reserved a portion of its December 31, 2021 year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$325,149, which is the approximate required reserve.

On May 7, 1996, the District's voters approved the following ballot question: "Shall Vail Park and Recreation District be authorized to collect, retain and spend all revenues and other funds collected from any source, effective January 1, 1996 and continuing thereafter; provided that the District's general property tax levy shall not be increased without voter approval; and shall the revenues be spent for recreational services as a voter-approved revenue change and an exception to the limits which would otherwise apply?"

On May 7, 2002, the District's voters approved the following ballot question: "Shall Vail Park and Recreation District be authorized to collect, retain, and spend all revenues and other funds, received from all sources, including without limitation the District's existing general operating property tax rate of 2.76 mills, which rate shall not be increased without voter approval, commencing January 1, 2002 and continuing thereafter until repealed, to be spent for general operations and capital improvements as a voter-approved revenue change, offset and exception to the limits with would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law, and as a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.?"

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

On May 4, 2004, the District's voters approved the following ballot question: "Shall Vail Park and Recreation District taxes be increased \$282,000 annually in the first full fiscal year, or by such amount as may be raised by the imposition of an additional ad valorem property tax rate of 0.527 mills commencing with the collection year beginning January 1, 2005 and continuing for a limited time thereafter for operating purposes restricted to the debt service on the District's enterprise revenue bond, series 2001, payable through the District's 2020 fiscal year at which time this additional mill levy authorization shall terminate; and shall the district be authorized to collect, retain and spend all tax revenue collected from such incremental property tax rate as a voter-approved revenue change, off-set and exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law and as a permanent waiver of the 5.5% limitation under section 29-1-301, C.R.S.?"

On November 7, 2017, the District's voters approved the following ballot question: "Shall Vail Park and Recreation District ("VRD") taxes be increased by \$1,093,026 in 2018, and by such amounts as may be collected annually thereafter from a total levy of 3.760 mills (an increase of 1.000 mills, resulting in an expected 2018 annual tax increase of \$36 for a house worth \$500,000) for operating and capital expenses, including:

- To reduce the need for VRD to raise fees,
- To address the current major repair backlog to facilities and equipment, and
- To make VRD operations and facilities more environmentally friendly;

With VRD's entire operating mill levy rate subject to adjustment to offset refunds, abatement and changes to the percentage of actual valuation used to determine assessed valuation?"

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

At December 31, 2021 the District had no authorized but unissued debt.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was at year end.

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2021, the District had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	
COLOTRUST	7,910,238
	7,910,238
Total Investments	\$7,910,238

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. The District's investment policy limits investments to those authorized by State statutes as listed in Note 1C. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Local Government Investment Pool – At December 31, 2021, the District had invested \$7,910,238 in the Colorado Government Liquid Asset Trust (“COLOTRUST”), referred to as the Trust. The Trust is an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds for investment purposes, and is registered with the State Securities Commissioner. It operates similarly to money market funds and each share is equal in value to \$1. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by the Trust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify investments owned by the Trust. The Trust investments consist of U.S. Treasury and U.S. agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. agency securities. These investments are not categorized because the underlying securities cannot be determined.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

IV. Detailed Notes of All Funds (continued)

A. Deposits and Investments (continued)

The District had the following cash and investments with the following maturities:

<u>Type</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Checking and savings	Not Rated	\$ 294,699	\$ 294,699	\$ -
<i>Investments:</i>				
COLOTRUST	AAAm	7,910,238	7,910,238	-
		<u>\$ 8,204,937</u>	<u>\$ 8,204,937</u>	<u>\$ -</u>

Financial Statement Captions:

Cash and cash equivalents - unrestricted	\$ 8,019,467
Fiduciary cash and cash equivalents	185,470
	<u>\$ 8,204,937</u>

B. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Building and improvements	\$ 14,112,183	\$ 342,674	\$ -	\$ 14,454,857
Equipment	2,928,403	322,719	(164,532)	3,086,590
Total capital assets, being depreciated	<u>17,040,586</u>	<u>665,393</u>	<u>(164,532)</u>	<u>17,541,447</u>
Less accumulated depreciation for:				
Building and improvements	(8,388,112)	(528,627)	-	(8,916,739)
Equipment	(1,768,886)	(358,159)	164,532	(1,962,513)
Total accumulated depreciation	<u>(10,156,998)</u>	<u>(886,786)</u>	<u>164,532</u>	<u>(10,879,252)</u>
Total capital assets, being depreciated, net	<u>6,883,588</u>	<u>(221,393)</u>	<u>-</u>	<u>6,662,195</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,883,588</u>	<u>\$ (221,393)</u>	<u>\$ -</u>	<u>\$ 6,662,195</u>

Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Capital Assets (continued)

Depreciation expense was charged to functions of the District as follows:

Governmental Activities:

General administration	\$	10,149
Sports programs		8,523
Gymnastics		6,185
Community programs		22,293
Marketing		3,149
Nordic center		31,142
Dobson Arena		177,428
Golf		557,100
Tennis and pickleball		8,151
Food and beverage		10,665
Park maintenance		42,366
Facilities maintenance		9,635
Total Depreciation Expense - Governmental Activities	\$	886,786

V. Other Information

A. Management Agreement

On January 24, 1989, the Town of Vail (the "Town") transferred management and the related revenue and operating costs of operations of all recreational services of the Town to the District. The agreement includes a license for the District to use the recreational facilities owned by the Town. The District is to pay all operating costs of the facilities. The agreement also provides that the Town transfer all personal property and vehicles for use during the lease. The District is to maintain this equipment. The Town is responsible for the debt service on the facilities. This agreement was amended on July 18, 2008 to better define the responsibilities for operations and cost sharing of deferred capital maintenance.

On May 3, 1994, the District's voters approved an increase in the District's mill levy and an equal decrease in the Town's mill levy by an amount approximately equal to the amount paid to the District by the Town in 1994.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

V. Other Information (continued)

B. Risk Management

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. In addition, the District is exposed in the ordinary course of business to the risk of injury to persons attending or operating its recreational facilities and events. The District has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

C. Conservation Trust

The District received \$34,240 of Colorado lottery funds during 2021 based upon a formula considering population within the District. The funds are restricted under the State Conservation Trust Fund statutes to acquisition, development and maintenance of parks and recreation facilities. This revenue and the related expenditures are accounted for in the Enterprise Fund.

D. Youth Recreation Private-Purpose Trust Fund

In August 1997, the Slaughter family donated \$50,000 principal to remain invested in a trust fund. The income earned on the principal is to be used to provide financial aid to youth to influence the constructive development of leisure and recreation skills. The principal and income are being accounted for in a private-purpose trust fund. During 2021, the fund expended \$16,818 in recreation awards. At December 31, 2021, the fund had \$135,470 in investment and other earnings available for awards.

E. Retirement Plans

1. Defined Contribution Pension Plan

The District offers a defined contribution pension plan which covers all permanent paid employees for the District. The District established this qualified money purchase plan under IRC Section 401(a) and may amend all plan provisions.

Employees are eligible to participate in the plan from the date of employment or the effective date of the plan, January 1, 1983, whichever is later. For full-time regular employees hired prior to June 1, 1986, the plan provides for contributions to be made by the District of 17.6% of regular compensation. For employees hired after June 1, 1986, the District's contribution is 11.15% of regular compensation for the first year, and 16.15% thereafter. For full-time regular employees hired on or after January 1, 2003, the District will contribute 7.5% and match 100% of voluntary after-tax employee contributions by employees up to a maximum match of 5%.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

V. Other Information (continued)

E. Retirement Plans (continued)

1. Defined Contribution Pension Plan (continued)

In the event of long-term disability of an employee, the District's disability insurance will continue to make contributions for the employee through age 60 at the rate on the date of disability.

For employees hired before July 1, 1986, vesting of the District's contributions to the employees is 77.5% after the first year of employment, with an additional vesting of 7.5% per year through the fourth year, when vesting is 100%. For employees hired after June 30, 1986, vesting of the District's contributions to the employees is 20% after the first year of employment, with additional vesting of 20% per year through the fifth year, when vesting is 100%. If an employee dies, becomes disabled, or attains age 60, their entire interest in the fund becomes vested; normal retirement age is 60 with early retirement at age 50 and four years of service.

The annual pension cost is the District's contributions less forfeitures from the prior year. The District's plan investments at December 31, 2021 of \$9,240,462 are stated at market value. All earnings, losses, expenses and changes in the fair market value of the trust fund will be apportioned at least annually among the participants in proportion to each participant's current share of the Trust Investment Fund. The District has no liability for unfunded future vested employee benefits.

The trustees and administrators of the plan are the Retirement Board. The Retirement Board determines how the plan's assets are to be invested in adherence to an adopted investment policy statement.

For 2021, the District contributed \$266,741 to this plan on behalf of participating employees while the District's employees contributed \$102,750.

The District may use the plan's forfeitures and administrator allocation to pay the costs of the plan or to fund employer contributions. The District's 2021 contributions include an increase of \$32,647 to forfeited and administrator allowance funds. The forfeitures and administrator allowance available for spending at December 31, 2021 totaled \$214,620.

2. Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2021
(Continued)**

V. Other Information (continued)

E. Retirement Plans (continued)

2. Deferred Compensation Plan (continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants.

The District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

F. Commitments and Contingencies - Legal Claims

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2021.

G. Vail Gymnastics Center - Town of Vail

On March 27, 2005, the District entered into an agreement with the Town of Vail (the "Town") whereby the District will lease and operate Vail Gymnastics Center ("VGC"). The term of the agreement is for 10 years, commencing January 17, 2005 and terminating March 27, 2015. The agreement was renewed during 2015 for an additional 5 year term and can be renewed for additional 5 year terms upon written notice to the Town by the District.

The District will pay the Town an annual rental fee of \$10 for the first two terms of the agreement. In addition, the District will pay the Town \$500 monthly for a Capital Maintenance Fund to help offset the cost of major capital improvements for the VGC. The District is responsible for non-structural, non-capital repair and maintenance of the VGC. The Town is responsible for structural and major capital improvements.

REQUIRED SUPPLEMENTARY INFORMATION

PRELIMINARY DRAFT

**Vail Park and Recreation District
dba Vail Recreation District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Fund - General Fund
For the Year Ended December 31, 2021**

	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:			
Property taxes	4,625,955	4,670,123	44,168
Specific ownership taxes	255,643	261,318	5,675
Delinquent taxes and interest	2,000	4,366	2,366
Sports programs	243,670	396,577	152,907
Gymnastics	244,720	241,367	(3,353)
Nordic center	671,185	887,371	216,186
Community programs	373,500	451,017	77,517
Dobson Arena	512,419	690,535	178,116
Golf	1,304,000	1,221,883	(82,117)
Golf pro shop	305,650	446,339	140,689
Golf food and beverage	468,175	1,296,446	828,271
Tennis and pickleball	155,335	212,472	57,137
Lottery revenue	28,000	34,240	6,240
Investment and other income	15,000	24,236	9,236
Total Revenues	9,205,252	10,838,290	1,633,038
Expenditures:			
General administration	876,350	856,999	19,351
Sports programs	471,698	511,724	(40,026)
Gymnastics	355,368	318,718	36,650
Community programs	573,882	595,874	(21,992)
Public relations	407,620	333,669	73,951
Nordic center	612,237	597,276	14,961
Dobson Arena	732,743	822,954	(90,211)
Golf	1,818,228	2,006,984	(188,756)
Golf pro shop - cost of goods sold	146,000	203,646	(57,646)
Golf food and beverage	712,105	793,650	(81,545)
Golf food and beverage - cost of goods sold	169,028	307,467	(138,439)
Tennis and pickleball	209,692	219,498	(9,806)
Park maintenance	502,400	291,378	211,022
Facilities maintenance	142,002	142,810	(808)
Capital projects	1,196,513	829,575	366,938
Treasurer's fees	139,912	139,665	247
Contingency	300,000	-	300,000
Total Expenditures	9,365,778	8,971,887	393,891
Excess of Revenues Over Expenditures	(160,526)	1,866,403	2,026,929
Other Financing Sources (Uses):			
Sale of assets	-	5,000	5,000
Total Other Financing (Uses)	-	5,000	5,000
Change in Fund Balance	(160,526)	1,871,403	2,031,929
Fund Balance - Beginning	5,211,677	6,231,912	1,020,235
Fund Balance - Ending	5,051,151	8,103,315	3,052,164

The accompanying notes are an integral part of these financial statements.