

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

5:00 P.M.
Thursday, June 28, 2018
Town of Vail, Council Chambers
AGENDA
REGULAR MEETING

1. Call to Order
2. Changes to Agenda;
3. Approval of Minutes;
 - a. May 24, 2018
4. Public Input (for matters not otherwise on Agenda/3 minute time limit/no disrupting, pursuant to § 18-9-108, C.R.S.);
5. New Business and Special Orders;
 - a. Approval of Preconstruction Services Agreement with Links Land LLC and RA Nelson for Vail Golf Features Project.
 - b. Presentation and Acceptance of 2017 Audit-Mr. Dan Cudahy
6. Unfinished Business;
 - a. Vail Golf Club Course Condition Report-Scott Todd
 - b. Evaluation of Golf Course 2018 Fees-Alice Plain
7. Officers, Committees, Staff, and Professional Consultants;
 - a. May 2018 Financials-Mr. Eric Weaver
 - b. Investment of District Funds-Mr. Eric Weaver
 - c. Executive Director Input
 - d. Board Member Input
8. Adjournment

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RECORD OF PROCEEDINGS

Minutes of the Regular Meeting
Of the Board of Directors

Vail Park and Recreation District
dba Vail Recreation District
May 24, 2018

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on May 24, 2018 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, Kim Newbury Rediker, Roland Kjesbo, Bill Suarez, Jason Plante

2. MEMBERS ABSENT AND EXCUSED

2.1. None

3. STAFF PRESENT

3.1. Mike Ortiz, Jessie Klehfoth, April Heredia, Alice Plain, Scott Todd

4. OTHERS PRESENT

4.1. Dave Chapin, Kristin Olson, Todd Mossa, Kirk Hansen

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. None

8. APPROVAL OF MEETING MINUTES

8.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the May 10, 2018 regular meeting, with Director Saalfeld abstaining due to absence.

9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA

9.1. None

10. OATH OF OFFICE

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- 10.1. Mrs. April Heredia, the Designated Election Official for the Vail Recreation District, swore in Director Saalfeld.

11. ELECTION OF OFFICERS

- 11.1. Mr. Ortiz asked for a nomination for the chairman and secretary/treasurer positions on the Board. Director Suarez nominated Director Saalfeld as chairman. Director Kjesbo seconded. Director Suarez volunteered to continue to serve as secretary/treasurer, with the remaining board members serving as assistant secretary/treasurers. Director Newbury Rediker seconded. Both votes were approved unanimously.

12. ASSIGNMENT OF COUNCIL PEERS

- 12.1. Director Saalfeld explained that each VRD Board Director should be assigned a council member with whom to talk throughout the year on various issues. Director Plante chose Mayor Chapin. Director Suarez chose councilmembers Jen Mason and Jenn Bruno. Director Newbury Rediker will work with councilmembers Greg Moffet and Kevin Foley, Director Kjesbo will work with councilman Travis Coggin and Director Saalfeld chose councilwoman Kim Langmaid.

13. ASSIGNMENT OF RECREATION SUB-COMMITTEE MEMBERS

- 13.1. Directors Suarez and Saalfeld volunteers to continue serving on the recreation sub-committee.

14. VAIL GOLF CLUB COURSE CONDITION REPORT

- 14.1. Mr. Scott Todd, Vail Golf Club superintendent, gave a very detailed and comprehensive overview of the current course conditions at the Vail Golf Club. Due to the unusual weather patterns and snow conditions over the winter, areas of the golf club sustained unique and extensive damage to some greens and fairways. Mr. Todd talked about how they are evaluating the damage and looking for all the reasons, in order to protect against them in the future. Mr. Todd spoke about the different processes and procedures they've been using to recuperate the damaged areas, including aerating, slicing, covering and mowing healthy turf. He said that six greens are now healthy enough for play, and the putting green will go into play tomorrow. The other 13 greens are still under cover and in varying stages of growth and recovery. There is no specific timeline for putting those into play, and they will wait to open them until they are healthy and can sustain health throughout the summer.
- 14.2. Director Saalfeld asked Mr. Todd his golf superintendent history. Mr. Todd said he has been at the Vail Golf Club since October 2011. From 1993-2010, he worked at the Club at Cordillera, and before that he worked for two

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summers and a fall at the Sonnenalp golf course. Mr. Todd has over 20 years of superintendent experience in the Vail Valley, and he said he has never seen anything like this. Mr. Todd also stated that there are other golf courses who have seen similar damage this spring, including Keystone (20 greens damaged), Pole Creek outside of Granby (four greens), Breckenridge (nine greens under cover), and Crested Butte Country Club, who all reported the same kind of damage. Mr. Todd observed that greens that were sodded to bentgrass over the past six years came out much better. Mr. Todd showed some before and current photos of some of the damaged greens and how well they have started to grow back in the past two weeks. Mr. Todd also clarified that the damage had nothing to do with improper application of chemicals. He talked about some future ideas, including transitioning the greens to bentgrass, but this would require regrading the greens for better water drainage. Currently, many greens are under specialized covers, which helps to elevate the temperatures of the greens on sunny days by 15-20 degrees, thus encouraging better growing conditions. Mr. Todd explained their process of uncovering, mowing, top dressing, seeding and recovering groups of greens every few days in an organized rotation.

- 14.3. Mr. Ortiz stated that one of the options when the damage was discovered was to resod the greens, however that would have taken almost the same time to prepare as the seeding and growth, and would have cost significantly more. There also is a limited availability of sod and seed because of all the damage around the state and mountain region. Both are in higher demand than normal.
- 14.4. Director Newbury Rediker expressed her thanks to Mr. Todd and said we're in good hands. She thinks the Board and staff need to do capital planning to prepare for the future and the possibility of similar winter conditions starting to become more of the norm.
- 14.5. Mr. Ortiz thanked Ms. Alice Plain for her research and calling around to other courses to learn about their damage. He thanked Mr. Todd and the golf maintenance staff for working tirelessly.
- 14.6. Mr. Todd thanked the Board and Mr. Ortiz for their support.

15. BOARD APPROVAL OF 2018 ADJUSTED GOLF FEES

- 15.1. Ms. Alice Plain addressed the Board and thanked other local golf courses for their support during this early season. Specifically, she mentioned Eagle Ranch for taking on the state golf tournament that was originally scheduled for the Vail Golf Club and Eagle Vail for taking another event.
- 15.2. Because of the course conditions, Ms. Plain proposed a discounted daily fee rate through June 15 of 40% off the early season rate. That puts an 18-hole round at the rate of \$30 for walkers. She explained that as of tomorrow they will have 15 holes of golf available, with difficulty opening the full course and putting temporary greens on the par 3 holes. The discounted rate for 9 holes

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will be \$21 and the same rate will apply to juniors walking 18 holes. Ms. Plain explained the public cart fees would remain the same, with a discounted cart fee for passholders.

- 15.3. Ms. Plain also addressed the pass rates, and since they are looking at some of the greens being unplayable for one third of the regular season, she proposed a 35% discount on the golf portion of each season pass price. This means the Silver pass goes from \$1,000 to \$650, the gold pass received a \$350 discount (as it also includes cart fees, club storage, range fees and locker access). The young adult pass and eagle county passes were also discounted 35% each. Finally, Ms. Plain stated the punch cards would be offered at a 10% discount, since the daily rate is a better deal in the early season anyway, and players typically save their punches for the peak season.
- 15.4. Ms. Plain stated there will be a significant impact to the golf course financially, as there are not many golfers playing currently. She said they will start running carts tomorrow, with 15 holes available for play and six regulation greens open.
- 15.5. Ms. Plain stated that it's important to have the support of all of our passholders, including punch card holders.
- 15.6. After some discussion, Ms. Plain stated that people who had already purchased passes would be refunded the difference to the new prices.
- 15.7. Mr. Todd Mossa gave public comment and thanked Ms. Plain and the Board for their time and considering the discounts. He asked Ms. Plain if they had considered the end-of-year construction in the discounted time. She explained that there would still be 18 holes available then. He also asked her to consider offering a gold pass with just the cart and greens fees. She said they do offer that as an option. Mr. Mossa commended the staff on doing a great job of getting the greens back and recommended publicizing the good that's happening.
- 15.8. Town of Vail Mayor Dave Chapin gave public input. He thanked Mr. Mossa for his great comments and said he wouldn't want to be in the golf staff or Board's shoes. He agreed more positive information would be good to share. He reiterated the financial implications and understands the meaning of the golf course to the Vail economy and community. He thought the decision to seed the course and not close it down was a good one and was thankful for the discounts. He closed saying the facility and staff are fabulous and expects a quick rebound.

16. APRIL 2018 FINANCIALS

- 16.1. Mr. Weaver talked through the financials and said the cash increase shown is due to residents pre-paying property taxes, this will level out. He talked about how golf is an unknown with the greens damage and expects at least a \$100K hit, probably \$58K on pass and punch sales. On the expense side they've also been

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impacted with having to order covers, seed, sod and changing wages. Mr. Weaver explained that department heads submit variance reports monthly to keep him informed where we are trending throughout the year. The goal is to always be able to finish the year with enough cash on hand until taxes start coming in the spring. Mr. Weaver said other departments are doing well on the revenue side. He said the Nordic Center was down due to rough winter conditions but was pleased overall for a first-year operation. He stated Dobson is doing really well, some is based on timing, plus increased sales and alcohol sales at events. On the expense side, he sees more positives than negatives. Mr. Weaver stated that not having an election saved the district about \$15K. Mr. Weaver estimated the VRD will finish within \$60K of budget by the end of year, but that may change drastically in a month when more golf numbers are known. He believes the VRD can weather the storm without any major financial issues.

17. EXECUTIVE DIRECTOR INPUT

- 17.1. Mr. Ortiz thanked Mr. Todd, Ms. Plain and Mrs. Klehfoth for working through the golf course challenges.
- 17.2. He explained that the sports department is about halfway through the whitewater series and done with the short track mountain bike series. He said the first bike series had 57 kids participate. Next Wednesday will be the first adult bike race – expecting 300 participants at the Battle at Bellyache.
- 17.3. First running race last Saturday – 220 finishers. Doing really well.
- 17.4. Mr. Ortiz said marketing had gotten all the major summer collateral pieces out, including projects for tennis, golf, sports and youth services. He commended marketing for the big summer guide with all the activities, times, costs, and the great photography and job Mrs. Nell Davis does laying it all out. He is very proud of the marketing materials produced. He also talked about how Mrs. Klehfoth is helping Ms. Caitlin Collins get tennis set up on the online registration system and continues to research what else we can do with that system.
- 17.5. Mr. Ortiz shared a bit of sad news that Flip with the lacrosse tournament passed away last week. He said there is going to be a memorial service during this year's tournament.
- 17.6. Mr. Ortiz mentioned that gymnastics hired a new coach - Danielle Salinsky. The girls have been working with her the past few summers, and she just graduated college so they are excited to bring her on full time. Toni Blout will come for a fourth summer, a well-known coach who has coached Olympic athletes.
- 17.7. Mr. Ortiz commended the parks maintenance department who have everything rolling and have taken on more duties at EagleVail to help keep events in Vail. He talked about the big advantage to have more fields to spread out wear

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and tear and also to host bigger events with more fields in play. He said Mr. Joel Rabinowitz has done a great job with building relationships with local schools and other entities. He said Mr. Jim Sanders, parks director, is up and running, with water turned on to the fields and also some covers to fix damage (wear patterns) and help them come back more quickly.

- 17.8. Mr. Ortiz stated traffic at Imagination Station has been good, and Mr. Chad Young has done a ton of work, preparing for the move from after-school to summer camps, and also moving to Maloit Park for after-school next year. Mr. Young has been working tirelessly because the summer day camps are state licensed, and he is shifting everything to Golden Peak with the construction at Red Sandstone Elementary School. Mr. Ortiz thanked Vail Resorts for help with the facility and everything they do for VRD.
- 17.9. Mr. Ortiz said that Dobson is getting a big facelift, there's a new 40th anniversary logo in the ice, and new bleachers being installed. Mr. Ortiz mentioned the MMA event that hosted 877 spectators and was broadcast on national TV. He said it was lots of fun, and the town staff was there and came away impressed. Thanks to Mr. Jared Biniecki for making it all go. He also said they had a Cinco de Mayo public celebration the next day that did quite well.
- 17.10. Mr. Ortiz explained that the Vail Tennis Center is now open and encouraged everyone to come out and enjoy.
- 17.11. He also mentioned that the Golden Peak Pickleball Center is now open. They are working with the school district on a plan to use the Ski & Snowboard Academy over the winter for indoor pickleball.
- 17.12. Finally, Mr. Ortiz stated he is very proud of all the staff – everyone banded together to tighten their belts with the golf issues and making everything go.

18. BOARD MEMBER INPUT

- 18.1. Director Saalfeld thanked Mr. Ortiz and said it's a testimony to his leadership for having retained great directors.
- 18.2. Director Plante thanked Mr. Todd and Ms. Plain for their hard work.
- 18.3. Director Suarez reiterated what Director Plante said and added that the golf staff has the Board's full support and hopes that everyone can appreciate how hard this job is. He's excited for tennis to open and asked if King of the Mountain Volleyball is still happening, to which Mr. Ortiz responded yes.
- 18.4. Director Newbury Rediker asked Mr. Ortiz to please have staff continue to send volunteer opportunities to the Board, as she would like to help when it works with her work schedule. She also stated she will not be at the next meeting.
- 18.5. Director Kjesbo thanked Ms. Plain and Mr. Todd and said they have the Board's support and are doing a great job.

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- 18.6. Director Saalfeld asked if we could schedule site visits during the summer, possibly with town council. Mr. Ortiz said they've been scheduled for the June 19 council session.
- 18.7. Director Saalfeld said he saw in the paper that Governor Hickenlooper signed an extension to the Colorado Lottery funding for recreation.
- 18.8. Director Newbury Rediker closed with thanking the marketing team for great new tennis and pickleball logos.

19. ADJOURNMENT

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

Respectfully Submitted,
Jessie Klehfoth
Secretary to the Meeting

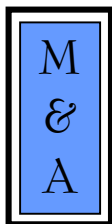


**Financial Statements
December 31, 2017**

**Vail Park and Recreation District
dba Vail Recreation District
Financial Statements
December 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Vail Recreation District (the "District"), as of and for the year ended December 31, 2017, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Member: American Institute of Certified Public Accountants

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vail Recreation District as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information, 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 Management's Discussion and Analysis in Section B 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.

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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparison information found in Section F is presented for purposes of additional analysis and is not a required part of the financial statements. The individual fund budgetary comparison information found in Section F is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

McMahan and Associates, L.L.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Vail Park and Recreation District dba Vail Recreation District

Management's Discussion and Analysis December 31, 2017

As management of the Vail Park and Recreation District dba the Vail Recreation District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include administration, sports programs, gymnastics, community programs, public relations, outdoor programs, park maintenance, and facilities maintenance. The business-type activities of the District include golf, tennis and the ice arena. The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Overview of the Financial Statements (continued)

Governmental funds (continued): The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on page E1 of this report to demonstrate compliance with this budget.

Proprietary fund: The District maintains a proprietary fund commonly known as the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the golf course, Dobson Arena, and tennis.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the District.

The basic proprietary fund financial statements can be found on pages C6 through C8 of this report. The District adopts an annual appropriated budget for its Proprietary Fund. A budgetary comparison statement has been provided for the Proprietary Fund on page F1 of this report to demonstrate compliance with this budget.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page D1 of this report.

Government-wide Financial Analysis

Vail Recreation District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 7,591,261	\$ 6,046,184	897,789	845,682	8,489,050	6,891,866
Capital assets	684,370	556,628	5,009,179	5,560,366	5,693,549	6,116,994
Total Assets	8,275,631	6,602,812	5,906,968	6,406,048	14,182,599	13,008,860
Liabilities & Deferred Inflows:						
Current liab & def inflows	4,328,976	2,928,549	852,170	796,827	5,181,146	3,725,376
Long-term liabilities	-	-	515,000	755,000	515,000	755,000
Total Liab & Def Inflows	4,328,976	2,928,549	1,367,170	1,551,827	5,696,146	4,480,376
Net Position:						
Net investment in capital assets	684,370	556,628	4,206,767	4,527,539	4,891,137	5,084,167
Restricted	235,921	122,140	273,338	276,175	509,259	398,315
Unrestricted	3,026,364	2,995,495	59,693	50,507	3,086,057	3,046,002
Total Net Position	\$ 3,946,655	\$ 3,674,263	4,539,798	4,854,221	8,486,453	8,528,484

The largest portion of the District's assets is reflected as net investment in capital assets (i.e. land, buildings, machinery, and equipment). At the end of 2017, capital assets accounted for 40% of the total assets. The District uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining assets 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

**Vail Recreation District's
Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 1,270,439	\$ 1,102,927	3,098,910	2,116,287	4,369,349	3,219,214
Operating grants & contributions	-	-	28,090	30,901	28,090	30,901
Capital grants & contributions	-	-	-	-	-	-
General revenues:						
Property taxes	2,793,153	2,776,080	274,656	281,086	3,067,809	3,057,166
Other taxes	158,965	146,561	15,209	14,354	174,174	160,915
Interest and other revenue	85,661	45,766	(6,090)	(8,029)	79,571	37,737
Total Revenues	<u>4,308,218</u>	<u>4,071,334</u>	<u>3,410,775</u>	<u>2,434,599</u>	<u>7,718,993</u>	<u>6,505,933</u>
Expenses:						
Administration	903,482	730,084	-	-	903,482	730,084
Sports programs	544,456	520,004	-	-	544,456	520,004
Gymnastics	260,718	252,719	-	-	260,718	252,719
Community programs	512,244	512,297	-	-	512,244	512,297
Public relations	259,681	247,109	-	-	259,681	247,109
Nature center	70,884	75,504	-	-	70,884	75,504
Nordic center	348,763	37,752	-	-	348,763	37,752
Park maintenance	267,786	238,689	-	-	267,786	238,689
Facilities maintenance	144,874	133,828	-	-	144,874	133,828
Interest expense	-	-	42,150	54,138	42,150	54,138
Ice arena	-	-	1,043,902	957,378	1,043,902	957,378
Golf	-	-	3,177,660	2,266,451	3,177,660	2,266,451
Tennis	-	-	176,486	130,054	176,486	130,054
Loss on disposal of fixed assets	7,938	-	-	-	7,938	-
Transfers	715,000	1,130,000	(715,000)	(1,130,000)	-	-
Total Expenses	<u>4,035,826</u>	<u>3,877,986</u>	<u>3,725,198</u>	<u>2,278,021</u>	<u>7,761,024</u>	<u>6,156,007</u>
Change in Net Position	<u>272,392</u>	<u>193,348</u>	<u>(314,423)</u>	<u>156,578</u>	<u>(42,031)</u>	<u>349,926</u>
Net Position - Beginning	<u>3,674,263</u>	<u>3,480,915</u>	<u>4,854,221</u>	<u>4,697,643</u>	<u>8,528,484</u>	<u>8,178,558</u>
Net Position - Ending	<u>\$ 3,946,655</u>	<u>\$ 3,674,263</u>	<u>4,539,798</u>	<u>4,854,221</u>	<u>8,486,453</u>	<u>8,528,484</u>

Governmental activities: Net position of the governmental activities increased by \$272,392 during 2017 after an increase of \$193,348 during 2016. In both years this is largely due to the District accumulating funds for upcoming capital projects.

Business-type activities: Net position of the business-type activities decreased by \$314,423 during 2017 after an increase of \$156,578 during 2016. The decrease in 2017 is largely due to depreciation expense being more than capital additions during the year and the decrease in 2015 was largely due to using property taxes collected to retire long-term debt.

Financial Analysis of the District's Funds

As mentioned early, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The ending fund balance of General Fund increased by \$148,505 during 2016 which is rolled forward for spending in future years.

Financial Analysis of the District's Funds (Continued)

As of the end of the current fiscal year, the District's general fund reported an ending fund balance of \$3,315,385. Of this balance, \$181,176 is nonspendable, \$235,921 is restricted for emergencies as required by TABOR, \$1,450,000 is assigned for future capital projects, and the remaining \$1,448,288 is unassigned.

Proprietary funds: The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

The Enterprise Fund operating revenues of \$3,127,000 only covered 71% of the \$4,398,048 in operational expenses. This deficit, which is made larger by debt service costs, was covered by property taxes collected to pay the debt service as well as a transfer from the General Fund.

As of the end of the current fiscal year, the District's proprietary fund reported an ending net position balance of \$4,539,798; however, \$4,206,767 of this net position is invested in capital assets, net of related debt, \$273,338 is restricted for debt service, leaving the proprietary fund with an unrestricted net position balance of \$59,693.

Budget variances: One budget amendments was required during 2017 to account for the District taking over the operations of the Vail Nordic Center, the purchase of a new snowcat, as well as better than expected operations in golf food and beverage department. Details of the variances by department can be seen on page E1 of this report for the General Fund and page F1 for the Proprietary Fund.

Capital assets: The District 's capital assets decreased by \$423,445 as a result of capital additions being less than depreciation expense and capital deletions. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on pages D13 and D14 of this report.

Long-term debts: During 2017 the District continued to make scheduled payments on its long-term debt. Details of the District's long term obligations are contained on pages D14 to D15 of this report.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vail Recreation District, 700 S. Frontage Road, E., Vail, Colorado 81657, phone (970) 479-2279.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Net Position
December 31, 2017**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents - Unrestricted	3,181,036	222,938	3,403,974
Cash and cash equivalents - Restricted	-	296,656	296,656
Receivables, net	108,555	4,176	112,731
Due from County Treasurer	12,889	-	12,889
Internal balances	54	(54)	-
Deposits and prepaid expenses	1,000	1,338	2,338
Property taxes receivable	4,107,551	285,125	4,392,676
Inventory	180,176	87,610	267,786
Capital assets, net	684,370	5,009,179	5,693,549
Total Assets	<u>8,275,631</u>	<u>5,906,968</u>	<u>14,182,599</u>
Liabilities:			
Accounts payable	148,923	204,700	353,623
Accrued interest payable	-	13,213	13,213
Unearned revenue	19,402	74,933	94,335
Accrued compensated absences:			
Due within one year	53,100	34,199	87,299
Revenue bonds payable:			
Due within one year	-	240,000	240,000
Due in more than one year	-	515,000	515,000
Total Liabilities	<u>221,425</u>	<u>1,082,045</u>	<u>1,303,470</u>
Deferred Inflow of Resources:			
Unavailable property tax revenue	4,107,551	285,125	4,392,676
Total deferred inflow of resources	<u>4,107,551</u>	<u>285,125</u>	<u>4,392,676</u>
Net Position:			
Net investment in capital assets	684,370	4,206,767	4,891,137
Restricted for emergencies	235,921	-	235,921
Restricted for debt service	-	273,338	273,338
Unrestricted	3,026,364	59,693	3,086,057
Total Net Position	<u>3,946,655</u>	<u>4,539,798</u>	<u>8,486,453</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, 2017**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General administration	903,482	-	-	-	(903,482)	-	(903,482)
Sports programs	544,456	412,317	-	-	(132,139)	-	(132,139)
Gymnastics	260,718	188,478	-	-	(72,240)	-	(72,240)
Community programs	512,244	397,965	-	-	(114,279)	-	(114,279)
Public relations	259,681	-	-	-	(259,681)	-	(259,681)
Nature center	70,884	16,374	-	-	(54,510)	-	(54,510)
Nordic center	348,763	255,305	-	-	(93,458)	-	(93,458)
Park maintenance	267,786	-	-	-	(267,786)	-	(267,786)
Facilities maintenance	144,874	-	-	-	(144,874)	-	(144,874)
Total Governmental Activities	3,312,888	1,270,439	-	-	(2,042,449)	-	(2,042,449)
Business-type activities:							
Ice arena	1,043,902	739,876	-	-	-	(304,026)	(304,026)
Golf	3,177,660	2,278,847	28,090	-	-	(870,723)	(870,723)
Tennis	176,486	80,187	-	-	-	(96,299)	(96,299)
Interest on long-term debt	42,150	-	-	-	-	(42,150)	(42,150)
Total Business-type Activities	4,440,198	3,098,910	28,090	-	-	(1,313,198)	(1,313,198)
Total	7,753,086	4,369,349	28,090	-	(2,042,449)	(1,313,198)	(3,355,647)
General Revenues:							
Property taxes					2,793,153	274,656	3,067,809
Specific ownership taxes					154,892	15,209	170,101
Delinquent taxes and interest					4,073	-	4,073
Investment and other income					85,661	2,150	87,811
Miscellaneous					-	(8,240)	(8,240)
Net (loss) gain on the sale of assets					(7,938)	-	(7,938)
Transfers					(715,000)	715,000	-
Total General Revenues					2,314,841	998,775	3,313,616
Change in Net Position					272,392	(314,423)	(42,031)
Net Position - Beginning					3,674,263	4,854,221	8,528,484
Net Position - Ending					3,946,655	4,539,798	8,486,453

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, 2017**

Assets:	
Cash and cash equivalents - Unrestricted	3,181,036
Due from County Treasurer	12,889
Due from Enterprise Fund	54
Accounts receivable	108,555
Property taxes receivable	4,107,551
Inventory	180,176
Deposits and prepaid expenses	1,000
Total Assets	<u><u>7,591,261</u></u>
 Liabilities:	
Accounts payable	148,923
Unearned revenue	19,402
Total Liabilities	<u><u>168,325</u></u>
 Deferred Inflow of Resources:	
Unavailable property tax revenue	4,107,551
Total Deferred Inflow of Resources	<u><u>4,107,551</u></u>
 Fund Balances:	
Nonspendable	181,176
Restricted for emergencies	235,921
Assigned for capital projects	1,450,000
Unassigned	1,448,288
Total Fund Balances	<u><u>3,315,385</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 \$1,428,949 net of accumulated depreciation of \$744,579.	684,370
Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(53,100)</u>
Net Position of Governmental Activities	<u><u>3,946,655</u></u>

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

**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, 2017**

Revenues:	
Property taxes	2,793,153
Specific ownership taxes	154,892
Delinquent interest and taxes	4,073
Sports programs	412,317
Gymnastics	188,478
Nature center	16,374
Nordic center	255,305
Community programs	397,965
Investment and other income	85,661
Total Revenues	<u>4,308,218</u>
Expenditures:	
General administration	801,176
Sports programs	533,068
Gymnastics	254,263
Community programs	487,468
Public relations	258,814
Nature center	67,629
Nordic center	310,419
Park maintenance	220,196
Facilities maintenance	139,786
Treasurer's fees	83,919
Capital outlay	300,275
Total Expenditures	<u>3,457,013</u>
Excess (Deficiency) of Revenues Over Expenditures	851,205
Other Financing Sources (Uses):	
Sale of assets	12,300
Advance repayments	(1,920)
Transfers to other fund	(713,080)
Total Other Financing Sources (Uses)	<u>(702,700)</u>
Change in Fund Balance	148,505
Fund Balance - Beginning	<u>3,166,880</u>
Fund Balance - Ending	<u><u>3,315,385</u></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, 2017**

Net Change in Fund Balance of the Governmental Fund	148,505
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 \$266,325 exceeded current year depreciation of \$118,345 and the net book value of sold assets of \$20,238.	127,742
Decreases in accrued compensated absences do not consume current financial resources and, therefore, are not reported in the funds.	<u>(3,855)</u>
Change in Net Position of Governmental Activities	<u><u>272,392</u></u>

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

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Net Position
Proprietary Fund
December 31, 2017**

Assets:**Current Assets:**

Cash and cash equivalents - Unrestricted	222,938
Cash and cash equivalents - Restricted	296,656
Accounts receivable, net	4,176
Property tax receivable	285,125
Prepaid expense	1,338
Inventory	87,610
Total Current Assets	<u>897,843</u>

Non-current Assets:

Capital assets:	
Property and equipment	13,035,012
Accumulated depreciation	<u>(8,025,833)</u>
Net capital assets	<u>5,009,179</u>
Total Non-current Assets	<u>5,009,179</u>
Total Assets	<u>5,907,022</u>

Liabilities:**Current Liabilities:**

Accounts payable	204,700
Due to General Fund	54
Accrued interest payable	13,213
Accrued compensated absences	34,199
Unearned revenue	74,933
Revenue bonds payable - Current	<u>240,000</u>
Total Current Liabilities	<u>567,099</u>

Non-current Liabilities:

Revenue bonds payable	<u>515,000</u>
Total Non-current Liabilities	<u>515,000</u>

Deferred Inflow of Resources:

Unavailable property tax revenue	<u>285,125</u>
Total Deferred Inflow of Resources	<u>285,125</u>

Net Position:

Net investment in capital assets	4,206,767
Restricted for debt service	273,338
Unrestricted	59,693
Total Net Position	<u>4,539,798</u>

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

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2017**

Operating Revenues:	
Charges for Services:	
Dobson Arena	739,876
Golf	1,236,199
Golf pro shop	258,919
Golf food and beverage	783,729
Tennis	80,187
Total Charges for Services	<u>3,098,910</u>
Intergovernmental:	
Lottery revenue	28,090
Total Intergovernmental	<u>28,090</u>
Total Operating Revenues	<u>3,127,000</u>
Operating Expenses:	
Dobson Arena	1,043,902
Golf	2,145,434
Golf pro shop - cost of goods sold	153,211
Golf food and beverage	649,302
Golf food and beverage - cost of goods sold	229,713
Tennis	176,486
Total Operating Expenses	<u>4,398,048</u>
Operating (Loss)	<u>(1,271,048)</u>
Non-operating Revenues (Expenses):	
Transfer from General Fund	715,000
Property tax revenue	274,656
Specific ownership revenue	15,209
Treasurer's fees	(8,240)
Interest revenue	2,150
Interest expense	(42,150)
Total Non-operating Revenues (Expenses)	<u>956,625</u>
Change in Net Position	(314,423)
Net Position - Beginning	<u>4,854,221</u>
Net Position - Ending	<u><u>4,539,798</u></u>

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

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2017**

Cash Flows From Operating Activities:	
Cash received from customers	3,165,753
Cash received from other governments	28,090
Cash paid to employees and contract labor	(1,142,832)
Cash paid for goods and services	<u>(2,641,067)</u>
Net Cash Provided (Used) by Operating Activities	<u>(590,056)</u>
Cash Flows From Non-Capital Financing Activities:	
Cash received from property taxes	274,656
Cash received from specific ownership taxes	15,209
Cash paid for treasurer's fees	(8,240)
Transfers in	<u>715,000</u>
Net Cash Provided by Non-Capital Financing Activities	<u>996,625</u>
Cash Flows From Capital and Related Financing Activities:	
Cash paid for capital assets	(139,783)
Cash paid for interest on capital debt	(46,175)
Cash paid for principal on capital debt	<u>(230,000)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(415,958)</u>
Cash Flows From Investing Activities:	
Interest received	<u>2,150</u>
Net Cash Provided by Capital and Related Financing Activities	<u>2,150</u>
Net Change in Cash and Cash Equivalents	<u>(7,239)</u>
Cash and Cash Equivalents - Beginning	<u>526,833</u>
Cash and Cash Equivalents - Ending	<u><u>519,594</u></u>
Financial Statement Captions:	
Cash and cash equivalents - unrestricted	222,938
Cash and cash equivalents - restricted	<u>296,656</u>
Cash and Cash Equivalents - Ending	<u><u>519,594</u></u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating (loss)	<u>(1,271,048)</u>
Adjustments to Reconcile:	
Depreciation expense	690,970
(Increase) decrease in accounts receivable	6,911
(Increase) decrease in inventory	(52,425)
(Increase) decrease in prepaid expense	(33)
Increase (decrease) in accounts payable	(26,053)
Increase (decrease) in due to General Fund	(1,920)
Increase (decrease) in unearned revenue	59,932
Increase (decrease) in accrued compensated absences	<u>3,610</u>
Total Adjustments	<u>680,992</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(590,056)</u></u>

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

**Vail Park and Recreation District
dba Vail Recreation District
Statement of Fiduciary Net Position
Youth Recreation Private Purpose Trust Fund
December 31, 2017**

Assets:	
Cash and cash equivalents	99,952
Total Assets	<u>99,952</u>
Net Position:	
Held in trust for future earnings	50,000
Held in trust for scholarships	49,952
Total Net Position	<u><u>99,952</u></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, 2017**

Additions:	
Contributions	16,221
Investment income	<u>689</u>
Total Additions	<u>16,910</u>
Deductions:	
Recreation awards	<u>3,535</u>
Total Deductions	<u>3,535</u>
Change in Net Position	13,375
Net Position - Beginning	<u>86,577</u>
Net Position - Ending	<u><u>99,952</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, 2017**

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 funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

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, park maintenance, and facilities maintenance functions are classified as governmental activities. The District's ice arena, golf, and tennis functions are classified as business-type activities.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2017
(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 and business-type activities. 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 or a business-type activity. 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, park maintenance, and facilities maintenance functions are accounted for in the General Fund.

The District reports the following proprietary fund:

The *Enterprise Fund* accounts for the District's ice arena, golf, and tennis activities.

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, 2017
(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 and business-type activities in the government-wide financial statements, proprietary fund 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's proprietary fund is ice arena, golf, and tennis charges for services. Operating expenses for the proprietary fund includes operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2017
(Continued)**

I. Summary of Significant Accounting Policies (continued)

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.

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, 2017, 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, 2017 are recorded as prepaid expenses.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2017
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due from/to other fund” in the fund financial statements and are reported in the government-wide financial statements as “internal balances”.

6. 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.

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:

Assets	Years
Buildings and improvements	20 - 30
Equipment	10 - 20

7. 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.

8. 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.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2017
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. 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 applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

10. 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, 2017
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. 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, 2017.

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, 2017
(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 2017 budget year:

- (1) For the 2017 budget, prior to August 25, 2016, 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, 2016 only once by a single notification to the District.
- (2) On or before October 15, 2016, 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 2017 budget, prior to December 15, 2016, 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 2016 were collected in 2017 and taxes certified in 2017 will be collected in 2018. 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, 2017
(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, 2017.

The District has reserved a portion of its December 31, 2017 year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$235,921, 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, 2017
(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, 2017 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 \$1,008,374 at year end.

The Investment Pool represents investments in COLOTRUST. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2017, the District's investments in COLOTRUST were 100% of the District's investment portfolio.

The fair value hierarchy does not apply to any of the District's investments at December 31, 2017.

Vail Park and Recreation District
 dba Vail Recreation District
 Notes to the Financial Statements
 December 31, 2017
 (Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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.

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

Type	Rating	Carrying Amount	Maturities	
			Less Than One Year	Less Than Five Years
<i>Deposits:</i>				
Checking and savings		\$ 1,008,374		
<i>Investments:</i>				
COLOTRUST	AAAm	2,692,256	2,692,256	
		<u>\$ 3,700,630</u>		

Financial Statement Captions:

Cash and cash equivalents - unrestricted	\$ 3,403,974
Cash and cash equivalents - restricted	296,656
	<u>\$ 3,700,630</u>

Vail Park and Recreation District
 dba Vail Recreation District
 Notes to the Financial Statements
 December 31, 2017
 (Continued)

IV. Detailed Notes on All Funds (continued)

B. Interfund Receivables, Payables, and Transfers

Transfers for 2017 were as follows:

<u>Transferred from:</u>	<u>Transferred to:</u>	<u>Amount</u>
General Fund	Enterprise Fund	<u>\$ 715,000</u>

The transfer was made to cover an operating and capital project cash shortfall.

Interfund receivables/payables for 2017 were as follows:

<u>Due from:</u>	<u>Due to:</u>	<u>Amount</u>
Enterprise Fund	General Fund	<u>\$ 54</u>

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**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2017
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2017 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	559,718	9,595	-	569,313
Equipment	820,463	256,730	(217,557)	859,636
Total capital assets, being depreciated	<u>1,380,181</u>	<u>266,325</u>	<u>(217,557)</u>	<u>1,428,949</u>
Less accumulated depreciation for:				
Building and improvements	(307,319)	(30,284)	-	(337,603)
Equipment	(516,234)	(88,061)	197,319	(406,976)
Total accumulated depreciation	<u>(823,553)</u>	<u>(118,345)</u>	<u>197,319</u>	<u>(744,579)</u>
Total capital assets, being depreciated, net	<u>556,628</u>	<u>147,980</u>	<u>(20,238)</u>	<u>684,370</u>
Governmental Activities Capital Assets, Net	<u>\$ 556,628</u>	<u>147,980</u>	<u>(20,238)</u>	<u>684,370</u>
Business-type Activities:				
Capital assets, being depreciated:				
Building and improvements	11,390,689	5,651	-	11,396,340
Equipment	1,547,845	134,132	(43,305)	1,638,672
Total capital assets, being depreciated	<u>12,938,534</u>	<u>139,783</u>	<u>(43,305)</u>	<u>13,035,012</u>
Less accumulated depreciation for:				
Building and improvements	(6,517,216)	(464,024)	-	(6,981,240)
Equipment	(860,952)	(226,946)	43,305	(1,044,593)
Total accumulated depreciation	<u>(7,378,168)</u>	<u>(690,970)</u>	<u>43,305</u>	<u>(8,025,833)</u>
Total capital assets, being depreciated, net	<u>5,560,366</u>	<u>(551,187)</u>	<u>-</u>	<u>5,009,179</u>
Business-type Activities Capital Assets, Net	<u>\$ 5,560,366</u>	<u>(551,187)</u>	<u>-</u>	<u>5,009,179</u>

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**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2017
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

Governmental Activities:

General administration	\$	9,322
Sports programs		4,583
Gymnastics		3,905
Community programs		22,483
Outdoor programs		2,255
Nordic center		34,587
Park maintenance		36,392
Facilities maintenance		4,818
Total Depreciation Expense - Governmental Activities	\$	<u>118,345</u>

Business-type Activities:

Ice arena	\$	226,208
Golf		427,264
Tennis		37,498
Total Depreciation - Business-type Activities	\$	<u>690,970</u>

D. Long-term Obligations

At December 31, 2017, the District had the following long-term obligations outstanding:

1. Enterprise Revenue Bonds, Series 2001

On September 25, 2001, the District advance refunded the Series 2000 Notes with Enterprise Revenue Bonds, Series 2001 (the "Bonds") in the principal amount of \$3,445,000. Interest is payable semiannually on March 1 and September 1 at rates varying between 2.7% and 4.75%. Proceeds of \$504,475 were received by the District in excess of the amounts necessary for refunding the Notes, issuance costs, and bond reserves and were used to complete improvements to the John Dobson Ice Arena.

Property tax collections beginning in 2006 from the election question approved by the voters on May 4, 2004 (see note III.B.) have been and will continue to be used to make all debt services payments on these bonds until the bonds are paid in full.

The District is required to maintain a debt service coverage ratio of Net Revenues after payment of expenses of the Park and Recreation Enterprise before depreciation and transfers to the annual debt service requirements of 1.5 times coverage.

The District is required to maintain a Reserve Fund in an amount equal to the least of: i) maximum aggregate annual debt service on the Bonds, ii) 125% of average annual debt service with respect to Outstanding Bonds as of such date, or iii) 10% of the original principal amount of the Bonds. The Reserve Fund requirement is \$273,338 at December 31, 2017.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2017
(Continued)**

IV. Detailed Notes on All Funds (continued)

D. Long-term Obligations (continued)

2. Schedule of Debt Service Requirements

Debt service requirements at December 31, 2017 were as follows:

Business-type activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	240,000	33,338	273,338
2019	250,000	20,475	270,475
2020	265,000	6,956	271,956
Total	<u>\$ 755,000</u>	<u>60,769</u>	<u>815,769</u>

3. Changes in Long-term Obligations

Long-term liability activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:					
Enterprise revenue bonds, Series 2001	\$ 985,000	-	(230,000)	755,000	240,000

V. Other Information

A. 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.

**Vail Park and Recreation District
dba Vail Recreation District
Notes to the Financial Statements
December 31, 2017
(Continued)**

V. Other Information (continued)

B. 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.

C. Conservation Trust

The District received \$28,090 of Colorado lottery funds during 2017 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 2017, the fund expended \$3,535 in recreation awards. At December 31, 2017, the fund had \$49,952 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, 2017
(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, 2017 of \$5,693,600 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 2017, the District contributed \$229,464 to this plan on behalf of participating employees while the District's employees contributed \$87,791.

The District may use the plan's forfeitures and revenue sharing proceeds to pay the costs of the plan or to fund employer contributions. The District's 2017 contributions include the use of \$6,363 in forfeited funds. The forfeitures and revenue sharing proceeds available for spending at December 31, 2017 totaled \$157,523.

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, 2017
(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, 2017.

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

**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, 2017
(With Comparative Actual Amounts for 2016)**

	2017			Final Budget Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Property taxes	2,781,492	2,781,492	2,793,153	11,661	2,776,080
Specific ownership taxes	136,361	136,361	154,892	18,531	142,001
Delinquent taxes and interest	3,500	3,500	4,073	573	4,560
Sports programs	398,336	398,336	412,317	13,981	379,492
Gymnastics	216,320	216,320	188,478	(27,842)	204,671
Nature center	10,750	10,750	16,374	5,624	13,574
Nordic center	98,600	255,529	255,305	(224)	(100,223)
Community programs	399,833	399,833	397,965	(1,868)	404,967
Investment and other income	38,500	38,500	85,661	47,161	45,766
Total Revenues	4,083,692	4,240,621	4,308,218	67,597	3,870,888
Expenditures:					
General administration	681,989	681,989	801,176	(119,187)	632,957
Sports programs	544,567	544,567	533,068	11,499	507,168
Gymnastics	268,111	268,111	254,263	13,848	245,879
Community programs	520,482	520,482	487,468	33,014	482,624
Public relations	271,038	271,038	258,814	12,224	244,159
Nature center	62,660	62,660	67,629	(4,969)	79,206
Nordic center	12,810	287,177	310,419	(23,242)	-
Park maintenance	217,163	217,163	220,196	(3,033)	198,737
Facilities maintenance	136,700	136,700	139,786	(3,086)	131,413
Capital projects	231,299	456,252	300,275	155,977	136,029
Treasurer's fees	83,486	83,486	83,919	(433)	83,441
Contingency	25,000	25,000	-	25,000	-
Total Expenditures	3,055,305	3,554,625	3,457,013	97,612	2,741,613
Excess of Revenues Over Expenditures	1,028,387	685,996	851,205	165,209	1,129,275
Other Financing Sources (Uses):					
Sale of assets	-	-	12,300	12,300	-
Advance repayments	(2,784)	(2,784)	(1,920)	864	2,638
Transfers out	(1,257,216)	(1,257,216)	(713,080)	544,136	(1,132,638)
Total Other Financing (Uses)	(1,260,000)	(1,260,000)	(702,700)	557,300	(1,130,000)
Change in Fund Balance	(231,613)	(574,004)	148,505	722,509	(725)
Fund Balance - Beginning	2,876,507	3,166,880	3,166,880	-	2,967,504
Fund Balance - Ending	2,644,894	2,592,876	3,315,385	722,509	2,966,779

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

SUPPLEMENTARY INFORMATION

**Vail Park and Recreation District
dba Vail Recreation District
Schedule of Revenues, Expenditures and Changes in Fund Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Proprietary Fund - Enterprise Fund
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)**

	2017			Final Budget Variance	2016
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Operating Revenues:					
Charges for Goods and Services:					
Dobson Ice Arena	647,679	647,679	739,876	92,197	671,962
Golf	1,201,000	1,201,000	1,236,199	35,199	1,062,182
Golf pro shop	226,447	226,447	258,919	32,472	178,766
Golf food and beverage	518,888	743,188	783,729	40,541	150,859
Tennis	42,885	42,885	80,187	37,302	52,518
Total Charges for Goods and Services	<u>2,636,899</u>	<u>2,861,199</u>	<u>3,098,910</u>	<u>237,711</u>	<u>2,116,287</u>
Intergovernmental:					
Lottery revenue	26,500	26,500	28,090	1,590	30,901
Total Intergovernmental	<u>26,500</u>	<u>26,500</u>	<u>28,090</u>	<u>1,590</u>	<u>30,901</u>
Total Operating Revenues	<u>2,663,399</u>	<u>2,887,699</u>	<u>3,127,000</u>	<u>239,301</u>	<u>2,147,188</u>
Operating Expenditures:					
Dobson Ice Arena	789,486	789,489	814,884	(25,395)	700,429
Golf	1,554,100	1,554,100	1,570,461	(16,361)	1,480,717
Golf pro shop - cost of goods sold	122,500	122,500	153,211	(30,711)	100,181
Golf food and beverage	487,423	580,995	649,302	(68,307)	156,322
Golf food and beverage - cost of goods sold	144,725	224,115	229,713	(5,598)	55,358
Tennis	97,918	97,918	138,230	(40,312)	93,236
Contingency	75,000	75,000	-	75,000	-
Total Operating Expenditures	<u>3,271,152</u>	<u>3,444,117</u>	<u>3,555,801</u>	<u>(111,684)</u>	<u>2,586,243</u>
Operating Income (Loss)	<u>(607,753)</u>	<u>(556,418)</u>	<u>(428,801)</u>	<u>127,617</u>	<u>(439,055)</u>
Non-operating Revenues (Expenditures):					
Investment and other income	1,545	1,545	2,150	605	406
Property tax revenue	273,460	273,460	274,656	1,196	281,086
Specific ownership tax revenue	13,389	13,389	15,209	1,820	14,354
Treasurer's fees	(8,197)	(8,197)	(8,240)	(43)	(8,435)
Capital outlay	(653,417)	(653,417)	(287,450)	365,967	(695,173)
Debt service on bonds	(276,176)	(276,176)	(276,175)	1	(277,988)
Total Non-operating Revenues (Expenditures)	<u>(649,396)</u>	<u>(649,396)</u>	<u>(279,850)</u>	<u>369,546</u>	<u>(685,750)</u>
Gain (Loss) Before Transfers	<u>(1,257,149)</u>	<u>(1,205,814)</u>	<u>(708,651)</u>	<u>497,163</u>	<u>(1,124,805)</u>
Transfers in	1,257,216	1,257,216	713,080	(544,136)	1,132,638
Advance repayments	2,784	2,784	1,920	(864)	(2,638)
Total Transfers	<u>1,260,000</u>	<u>1,260,000</u>	<u>715,000</u>	<u>(545,000)</u>	<u>1,130,000</u>
Change in Net Position - Budget Basis	<u>2,851</u>	<u>54,186</u>	<u>6,349</u>	<u>(47,837)</u>	<u>5,195</u>
Reconciliation of Budget Basis to GAAP Basis:					
Depreciation			(690,970)		(670,387)
Capitalized expenses			139,783		602,125
Change in accrued compensated absences			(3,610)		(4,205)
Bond principal			230,000		220,000
Change in accrued interest payable			4,025		3,850
Total adjustments to GAAP Basis:			<u>(320,772)</u>		<u>151,383</u>
Change in Net Position - GAAP Basis			<u>(314,423)</u>		<u>156,578</u>
Net Position - Beginning			<u>4,854,221</u>		<u>4,697,643</u>
Net Position - Ending			<u>4,539,798</u>		<u>4,854,221</u>

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

Golf Revenue Summary

Thru June 17, 2018 & June 19, 2017

	2018		2017		Year-To-Date	Year-To-Date
	Year-To-Date		Year-To-Date		Variance	% Variance
					Positive	Positive
					(Negative)	(Negative)
Daily Fee Rounds	720	57%	1,750	55%	(1,030)	-59%
Pass & Punch Rounds	534	43%	1,408	45%	(874)	-62%
Total Rounds	1,254	100%	3,158	100%	(1,904)	-60%
<hr/>						
Greens Fees	22,046		66,225		(44,179)	-67%
Season Pass & Punch Card Sales	111,528		191,600		(80,072)	-42%
Driving Range Revenues	8,213		9,290		(1,077)	-12%
Cart Fees	9,236		22,793		(13,557)	-59%
Club Rentals	3,159		5,921		(2,762)	-47%
Other Golf Revenues	7,128		13,009		(5,881)	-45%
Pro Shop Sales	20,121		26,104		(5,983)	-23%
Less Cost of Sales	(11,707)		(15,361)		3,654	0
Pro Shop, Net	8,414		10,743		(2,329)	-22%
Total Revenues	169,724		319,582		(149,858)	-47%

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**VAIL RECREATION DISTRICT
COMBINED BALANCE SHEET
December 31, 2017 and May 31, 2018**

	12/31/17					05/31/18				
	General Fund	Enter-prise Fund	General Fixed Assets & LTD	Ent. Fund Fixed Assets & LTD	Total	General Fund	Enter-prise Fund	General Fixed Assets & LTD	Ent. Fund Fixed Assets & LTD	Total
ASSETS										
CASH- UNRESTRICTED	3,382,466	11,565			3,394,031	4,949,702	12,065			4,961,767
INVESTMENTS- RESTRICTED		296,656			296,656		297,919			297,919
ACCOUNTS RECEIVABLE	131,388	4,174			135,562	94,193	4,341			98,534
PROPERTY TAXES RECEIVABLE	4,107,551	285,125			4,392,676	1,111,225	77,136			1,188,360
PREPAIDS, DEPOSITS & INVENTORY	181,175	31,385			212,560	90,766	105,859			196,625
DUE (TO) FROM OTHER FUND	(211,373)	211,373			0	698,155	(698,155)			0
LOAN DUE (TO) FROM OTHER FUND	54	(54)			0	54	(54)			0
BUILDINGS			569,313	11,396,340	11,965,653			569,313	11,396,340	11,965,653
EQUIPMENT			859,636	1,638,672	2,498,308			859,636	1,638,672	2,498,308
ACCUM DEPR			(744,579)	(8,025,833)	(8,770,412)			(744,579)	(8,025,833)	(8,770,412)
TOTAL ASSETS	7,591,260	840,225	684,370	5,009,179	14,125,035	6,944,094	(200,889)	684,370	5,009,179	12,436,754
LIABILITIES AND FUND EQUITY										
ACCOUNTS PAYABLE	148,922	204,700			353,622	84,964	90,776			175,739
DEFERRED PROPERTY TAXES	4,107,551	285,125			4,392,676	1,111,225	77,136			1,188,360
DEFERRED REVENUE	19,402	17,369			36,771	717	46,204			46,921
ACCRUED COMPENSATED ABSENCES			53,100	34,199	87,299			53,100	34,199	87,299
ACCRUED INTEREST PAYABLE				13,213	13,213				13,213	13,213
DOBSON BONDS PAYABLE				755,000	755,000				515,000	515,000
TOTAL LIABILITIES	4,275,875	507,195	53,100	802,412	5,638,582	1,196,905	214,115	53,100	562,412	2,026,532
NET ASSETS										
INV IN FIXED ASSETS, NET OF DEBT			631,270	4,206,767	4,838,037			631,270	4,446,767	5,078,037
RESTRICTED	417,095	278,913			696,008	376,029	278,913			654,942
COMMITTED & ASSIGNED FOR CAPITAL	1,450,000	-			1,450,000	3,220,000	-			3,220,000
UNASSIGNED	1,448,290	54,118			1,502,407	2,151,160	(693,917)			1,457,243
TOTAL NET ASSETS	3,315,385	333,031	631,270	4,206,767	8,486,453	5,747,189	(415,004)	631,270	4,446,767	10,410,222
TOTAL LIAB & NET ASSETS	7,591,260	840,225	684,370	5,009,179	14,125,035	6,944,094	(200,889)	684,370	5,009,179	12,436,754
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VAIL RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED

Printed: 06/25/18
 Modified Accrual Basis

	2017 Prelim Actual	2018 Forecast	2018 Adopted Budget	Variance Favorable (Unfavor)	Percentage Variance Favorable (Unfavor)	5 Months Ended 05/31/18 Actual	5 Months Ended 05/31/18 Budget	Variance Favorable (Unfavor)	Percentage Variance Favorable (Unfavor)
COMBINED REVENUES									
PROPERTY AND OTHER TAXES, NET OF FEES	3,149,823	4,311,009	4,289,046	21,963	1%	3,181,583	3,055,719	125,864	4%
OTHER NON-DEPARTMENTALIZED REVENUES	128,197	87,000	51,045	35,955	70%	39,261	11,774	27,487	233%
SPORTS	412,315	423,961	418,896	5,066	1%	206,391	187,680	18,710	10%
GYMNASTICS	188,477	213,085	210,085	3,000	1%	73,473	76,095	(2,622)	-3%
COMMUNITY PROGRAMMING	397,965	402,536	395,573	6,963	2%	239,402	208,322	31,080	15%
NATURE CENTER	16,374	14,750	14,750	-	0%	-	-	-	0%
NORDIC CENTER	255,303	531,550	565,000	(33,450)	-6%	320,987	345,950	(24,963)	-7%
GOLF COURSE	1,341,906	1,173,065	1,344,405	(171,340)	-13%	121,250	183,163	(61,913)	-34%
TENNIS & PICKLEBALL	80,186	91,750	68,750	23,000	33%	12,914	7,341	5,573	76%
DOBSON	739,875	769,588	725,608	43,980	6%	398,295	318,707	79,589	25%
GOLF F&B / BANQUET ROOM, NET OF COGS	554,016	603,897	599,747	4,150	1%	75,092	94,396	(19,305)	-20%
TOTAL REVENUES	7,264,438	8,622,191	8,682,904	(60,713)	-1%	4,668,647	4,489,146	179,501	4%
OPERATING EXPENSES									
ADMINISTRATION	(801,172)	(781,032)	(776,303)	(4,729)	-1%	(374,601)	(397,929)	23,328	6%
PUBLIC RELATIONS/MARKETING	(258,816)	(271,578)	(271,611)	33	0%	(93,561)	(96,768)	3,208	3%
PARK MAINTENANCE	(220,196)	(240,573)	(240,902)	328	0%	(59,975)	(65,313)	5,338	8%
FACILITIES MAINTENANCE	(139,786)	(142,490)	(140,978)	(1,512)	-1%	(63,964)	(62,835)	(1,129)	-2%
SPORTS	(533,064)	(574,033)	(569,918)	(4,115)	-1%	(183,854)	(181,836)	(2,017)	-1%
GYMNASTICS	(254,263)	(276,076)	(283,769)	7,694	3%	(94,071)	(107,865)	13,794	13%
COMMUNITY PROGRAMMING	(487,468)	(549,459)	(541,426)	(8,033)	-1%	(157,757)	(162,815)	5,058	3%
NATURE CENTER	(67,628)	(66,759)	(66,779)	20	0%	(23,522)	(22,952)	(570)	-2%
NORDIC CENTER	(310,420)	(513,771)	(500,968)	(12,803)	-3%	(276,050)	(257,833)	(18,217)	-7%
GOLF OPERATIONS	(731,110)	(711,952)	(716,395)	4,443	1%	(119,440)	(121,653)	2,213	2%
GOLF MAINTENANCE	(839,350)	(890,252)	(897,421)	7,169	1%	(271,208)	(293,701)	22,493	8%
TENNIS & PICKLEBALL	(138,232)	(161,473)	(135,441)	(26,032)	-19%	(55,871)	(46,650)	(9,221)	-20%
DOBSON	(814,882)	(861,863)	(846,809)	(15,054)	-2%	(362,920)	(351,735)	(11,185)	-3%
GOLF F&B / BANQUET ROOM	(649,300)	(702,161)	(693,762)	(8,399)	-1%	(229,770)	(222,258)	(7,513)	-3%
TOTAL EXPENSES	(6,245,686)	(6,743,471)	(6,682,482)	(60,989)	-1%	(2,366,565)	(2,392,143)	25,578	1%
CHANGE IN FUND BAL BEFORE DS & CAP	1,018,752	1,878,721	2,000,422	(121,702)		2,302,082	2,097,003	205,079	
DEBT SERVICE	(276,175)	(273,838)	(273,838)	-	0%	(259,819)	(259,819)	0	0%
CHANGE IN FUND BAL BEFORE CAP	742,577	1,604,883	1,726,584	(121,702)		2,042,264	1,837,184	205,080	
DONATIONS, LOANS, & SALE OF ASSETS	-	-	-	-	0%	-	-	-	0%
CAPITAL EXPENDITURES	(587,724)	(2,743,790)	(2,558,130)	(185,660)	-7%	(358,495)	(495,546)	137,051	28%
LESS UNFUNDED CAPITAL PROJECTS	-	-	-	-	0%	-	-	-	0%
CONTINGENCY	-	(150,000)	(150,000)	-	0%	-	-	-	0%
TOTAL NET CAPITAL EXPENSES	(587,724)	(2,893,790)	(2,708,130)	(185,660)	-7%	(358,495)	(495,546)	137,051	28%
CHANGE IN FUND BALANCE	154,854	(1,288,907)	(981,545)	(307,362)		1,683,769	1,341,638	342,131	
BEGINNING FUND BALANCES	3,493,562	3,648,416	3,303,131	345,285		3,648,416	3,303,131	345,285	
ENDING FUND BALANCES	3,648,416	2,359,509	2,321,586	37,923		5,332,185	4,644,769	687,415	

SUMMARY OF SIGNIFICANT VARIANCES:

PROPERTY TAX REVENUES- Prepayment of taxes by residents caused earlier collection than normal, will balance out by August.
 OTHER REVENUES- Interest earning doing well with increase in rates
 COMMUNITY PROGRAMMING REV- After school doing well and pre-registrations for Camp Vail ahead of budget.
 NORDIC REVENUES- First season operating, service revenues off from budget due to no longer mounting skis and overall poor snow year.
 GOLF REVENUES- Forecasting for revenues to be well below budget due to early season greens conditions
 DOBSON REVENUES- Food & Drink sales doing well at the Yeti games, hockey and other programming revenues off to a great start as well.
 GOLF F&B/ BANQUET REVENUES- Banquets off to a slow start but remainder of year looking positive.
 ADMINISTRATION EXPENSES- Savings from not conducting a May election and contracted services running under budget
 GYMNASTICS EXPENSES- Savings in wages and benefits until new full-time employee started.
 NORDIC EXPENSES- Overages in labor, building maintenance, and many other accounts in first year of operations.
 DOBSON EXPENSES- Cost of sales over budget due to higher than budgeted revenues, remainder of variances mostly timing.
 GOLF BANQUET/ F&B EXPENSES- Additional revenues required additional staffing and operating costs
 CAPITAL- Savings early on will be more than eaten up by budget overages on large projects later in the year.
 FUND BALANCE- Savings at end of 2017 rolled forward to 2018.



Colorado Local Government Liquid Asset Trust



Investment Policies

EFFECTIVE JANUARY 1, 2016

COLOTRUST PRIME Rated S&P AAAM
COLOTRUST PLUS+ Rated S&P AAAM



PRIME Investment Policy:

This Investment Policy restricts the COLOTRUST PRIME portfolio to the following:

Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment.

- **The maximum final maturity per fixed United States Treasury investment is 13 months (397 days)**
- **The maximum final maturity per floating United States Treasury investment is two years (762 days)**

Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, the Federal Land Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Export-Import Bank, the Tennessee Valley Authority, the Government National Mortgage Association, the World Bank, or an entity or organization that is not listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. No subordinated security may be purchased pursuant to this paragraph.

- **The maximum exposure per U.S. government related/guaranteed issuer is 33%**
- **The maximum final maturity per U.S. government related/guaranteed fixed-rate investment is 13 months (397 days)**

The maximum final maturity per U.S. government related/guaranteed floating rate investment is two years (762 days)

Repurchase agreements and tri-party repurchase agreements with member banks of the Federal Reserve System and/or dealers in U.S. Government Securities which have a short term issuer credit rating (actual or imputed) of at least A1 by Standard & Poor's.

No more than 25% of the portfolio may be invested overnight with any one counterparty, unless the counterparty is rated A-1+ by Standard & Poor's, then no more than 50% of the portfolio may be invested

overnight with such a counterparty.

A Master Repurchase Agreement (e.g. The Bond Market Association standard agreement, 1996 version) and applicable COLOTRUST annexes must be signed by all parties and on file prior to executing any transaction.

Tri-party repurchase agreements are permissible with COLOTRUST Board approved counterparties and 3rd party custodians (acting for both the party and the counterparty). These 3rd party custodians are not permitted to hold deposits for COLOTRUST and are therefore not required to meet the Colorado PDPA requirements.

Written Tri-party custodian agreements (in addition to The Bond Market Association 1996 standard repurchase agreement) must be signed by all parties and on file prior to executing any transaction.

Collateral (purchased securities) shall be limited to the following and shall be indicated as such on Schedule 1 'Schedule of Eligible Securities' of the Tri-party custodian agreement: U.S. Treasuries (Bills, Bonds, Notes, Strips) Federal National Mortgage Association (FNMA), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Banks (FFCB), GNMA I/II Single Family, GNMA I/II Others-Fixed Rate, GNMA I/II Others.

Adjust Rate and Agency Mortgage Backed (Pass Through-Fixed Rate and Pass Through-Adjustable Rate)

Term repurchase agreements ("TRA's") are considered eligible investments under the following conditions:

For TRA's between 2 to 5 business days:
A maximum of 10% of the portfolio with any one dealer

For TRA's with maturities of more than 5 business days:
A maximum of 5% of the portfolio.

TRA's shall not exceed 30 calendar days.

TRA's shall fulfill all requirements of the 1996 version of The Bond Market Association master repurchase agreement.

The Repurchase Agreements between COLOTRUST and the various approved counterparties require that the aggregate market value of all Purchased Securities from any particular counterparty be at least 102% (the "Margin") of the aggregate Purchase Price of the Purchased Securities.

The Board recognizes that market fluctuations constantly increase or decrease the value of securities; that there is value in maintaining ongoing positive relationships between COLOTRUST and the various counterparties; that accepted practice in the industry allows minor deviations from strict application of margins; and that there is a cost of changing collateral securing repurchase agreements. For those reasons, the Portfolio Manager may use discretion before directing that a counterparty supply Additional Purchased Securities until such time as the Margin falls below 101.5%. If the aggregate collateral level of the counterparty falls below 101.5%, the Portfolio Manager shall notify the counterparty to provide sufficient Additional Securities to restore the margin to at least 102%. The portfolio manager will require additional collateral to return the margin to at least 102% on the next business day.

*Adopted April 22, 1985
 Revised October 16, 1992
 Revised February 19, 1999
 Revised May 5, 2000
 Revised October 3, 2003
 Revised December 3, 2004
 Revised August 7, 2009
 Revised September 8, 2011
 Revised August 10, 2012
 Revised January 1, 2016*

Any deposit that meets the requirements in the Public Deposit Protection Act. Under CRS 11-10.5-107, et seq.

PLUS+ Investment Policy:

This Investment Policy restricts the COLOTRUST PLUS+ portfolio to the following:

Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment.

- **The maximum final maturity per fixed United States Treasury investment is 13 months (397 days)**
- **The maximum final maturity per floating United States Treasury investment is two years (762 days)**

Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, the Federal Land Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association,

the Export-Import Bank, the Tennessee Valley Authority, the Government National Mortgage Association, the World Bank, or an entity or organization that is not listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. No subordinated security may be purchased pursuant to this paragraph.

- **The maximum exposure per U.S. government related/guaranteed issuer is 33%**
- **The maximum final maturity per U.S. government**

related/guaranteed fixed-rate investment is 13 months (397 days)

- **The maximum final maturity per U.S. government related/guaranteed floating rate investment is two years (762 days)**

Repurchase agreements and tri-party repurchase agreements with member banks of the Federal Reserve System and/or dealers in U.S. Government Securities which have a short term issuer credit rating (actual or imputed) of at least A1 by Standard & Poor's.

No more than 25% of the portfolio may be invested overnight with any one counterparty, unless the counterparty is rated A-1+ by Standard & Poor's, then no more than 50% of the portfolio may be invested overnight with such a counterparty.

A Master Repurchase Agreement (e.g. The Bond Market Association standard agreement, 1996 version) and applicable COLOTRUST annexes must be signed by all parties and on file prior to executing any transaction.

Tri-party repurchase agreements are permissible with COLOTRUST Board approved counterparties and 3rd party custodians (acting for both the party and the counterparty). These 3rd party custodians are not permitted to hold deposits for COLOTRUST and are therefore not required to meet the Colorado PDPA requirements.

Written Tri-party custodian agreements (in addition to The Bond Market Association 1996 standard repurchase agreement) must be signed by all parties and on file prior to executing any transaction.

Collateral (purchased securities) shall be limited to the following and shall be indicated as such on Schedule 1 'Schedule of Eligible Securities' of the Tri-party custodian agreement: U.S. Treasuries (Bills, Bonds, Notes, Strips) Federal National Mortgage Association (FNMA), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Banks (FFCB), GNMA I/II Single Family, GNMA I/II Others-Fixed Rate,

GNMA I/II Others-Adjust Rate and Agency Mortgage Backed (Pass Through-Fixed Rate and Pass Through-Adjustable Rate)

Term repurchase agreements ("TRA's") are considered eligible investments under the following conditions:

For TRA's between 2 to 5 business days:
A maximum of 10% of the portfolio with any one dealer

For TRA's with maturities of more than 5 business days:
A maximum of 5% of the portfolio.

TRA's shall not exceed 30 calendar days.

TRA's shall fulfill all requirements of the 1996 version of The Bond Market Association master repurchase agreement.

The Repurchase Agreements between COLOTRUST and the various approved counterparties require that the aggregate market value of all Purchased Securities from any particular counterparty be at least 102% (the "Margin") of the aggregate Purchase Price of the Purchased Securities.

The Board recognizes that market fluctuations constantly increase or decrease the value of securities; that there is value in maintaining ongoing positive relationships between COLOTRUST and the various counterparties; that the accepted practice in the industry allows minor deviations from strict application of margins; and that there is a cost of changing collateral securing repurchase agreements. For those reasons, the Portfolio Manager may use discretion before directing that a counterparty supply Additional Purchased Securities until such time as the Margin falls below 101.5%. If the aggregate collateral level of the counterparty falls below 101.5%, the Portfolio Manager shall notify the counterparty to provide sufficient Additional Securities to restore the margin to at least 102%. The portfolio manager will require additional collateral to return the margin to at least 102% on the next business day.

Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. At the time of purchase, the security must be rated in one of its two highest rating categories by two or more Nationally Recognized Statistical Rating Originations that regularly rate such obligations.

- **The maximum exposure per municipal issuer is 5%**
- **The maximum final maturity per municipal investment is 13 months (397 days)**

Any corporate or bank security denominated in United States dollars that at the time of purchase carries at least

two credit ratings from any of the Nationally Recognized Statistical Rating Organizations (NRSROs) that is not rated below AA- or Aa3 or their equivalents.

- The maximum exposure per corporate or bank security issuer is 5%
- The maximum final maturity per corporate or bank security fixed or floating rate investment is 13 months (397 days)

Commercial Paper or Bankers' Acceptance denominated in United States dollars that at the time of purchase carries at least two credit ratings from any of the NRSROs and is not rated below A-1, P-1 or F-1.

An "Approved Commercial Paper List" will be maintained by the Investment Advisor designating those commercial paper names which are eligible for investment by COLOTRUST PLUS+. All additions to this list must be approved by the Board of Trustees.

At the time commercial paper is purchased:

- No more than 50% of the portfolio may be invested in A1/P1 issues with maturities beyond seven days.
- No more than 5% of the portfolio may be invested in any single commercial paper issuer.
- The portfolio may not own over 5% of any issuer's total commercial paper program.

- Any deposit that meets the requirements in the Public Deposit Protection Act. Under CRS 11-10.5-107, et seq.
- The maximum final maturity per Commercial Paper or Bankers Acceptance fixed or floating rate investment is one year (365 days or 366 in a leap year)

Adopted November 10, 1994

Revised February 19, 1999

Revised May 7, 1999

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VAIL RECREATION DISTRICT DIRECTOR REPORTS

JUNE 28, 2018

GOLF

- Golf revenues compared to 2017 through Father's Day weekend are down 47%. Season pass sales and punch cards are down 42%. We anticipate selling additional passes after we open 18 regulation greens. The discount will be appealing to people who have not purchased passes as well. The golf course is improving every day! The greens are looking really good and we are excited for our full golf course to open on July 2.
- All our lesson programs are in full swing for the summer. We have hosted two junior golf camps with a total of 36 juniors. Our PGA Junior League started as well. We have 15 juniors on our Vail team. We won our first two matches and have another home match next Monday, June 25. Our Junior Academy is next week with a four-day, all-day camp. Our adult weekly lesson programs have been well attended. We hosted the 5th Annual Women's Golf Yoga Weekend last week. All the ladies were visiting from out of town and stayed at the Antlers Lodge.
- Small Champions Junior Lesson Program at the Vail Golf Club will begin July 13. We are offering five sessions for this year's junior adaptive golf camp.
- Our leagues have started playing with a "social" format. The Senior Club has their season opener on Monday with an 8:30 a.m. shotgun. Our official mens and ladies leagues will start the week of July 9.
- We plan to open all regulation greens on July 2. We will change our daily green fee on this date. We have been continuing to communicate the current course situation, as well as informing golfers of the upcoming opening of all 18 greens.
- Kristin Glesne, one of our summer interns is leading by three shots in a Colorado State Amateur Tournament in Colorado Springs. This is a three-day event with the final round on Friday, June 22.
- We had a golf group of 30 players today. They were given all the information of the current golf course conditions and chose to play. We have another large group next week that have also chosen to stay and play with us.

GOLF MAINTENANCE

- Covered greens are progressing nicely, and will open to play on July 2, giving us all 18 holes to play the remainder of the season. We could potentially offer the 19th green and hole as a bonus hole once it is ready for play, a gift to our golf community for their patience this spring while waiting for our greens to be opened.
 - Covers on greens 1, 3, 5-7, 11, 12, and 13-19 will be removed permanently over the latter part of next week.
 - Those greens will not be perfect, and will have some thin areas on them, similar to the greens already opened to play. They will continue to fill in and improve each week as the summer progresses. There is much more

bentgrass on the greens now, from the seeding procedure, than there was before. This is beneficial going into next winter.

- Today the height of cut was decreased on the covered greens for the first time since we began regular mowings back in early May. We will drop the height again in the next two weeks, but not until they have had multiple rollings to smooth the surfaces to allow the lower cut. Once the height is lowered again, it will match that of the greens currently open.
- Sod patches have been completed on greens 1, 5, and 16 thus far. Next week we have sod coming from Denver that will be laid out on our nursery greens so that as July progresses we can continue patching areas on other greens that require them.
- We began seeding fairway damage this week, following solid tine aeration of the fairways. Expect to see new seedlings establishing in the next couple of weeks with warm soil temperatures in July and August.
- We will also begin sodding some of the approaches that were winter damaged most severely. The ones that are damaged to the front of the greens are priority. Other approaches that are thin but not devastated, or where damage is not to the edge of the green, will be slit-seeded in July with bentgrass. Expect to see those areas fill in as the summer progresses.
- Gore Creek flows are on a steady decline, and I'm expecting to see irrigation restrictions sometime in the next two to four weeks. We will be able to accommodate restrictions without any major issues as long as we receive some rainfall in July and August.
 - Restrictions do not apply to our putting greens and therefore will have no negative impact on them.
- We remain fully staffed as of today but received two week's notice today from Second Assistant Superintendent, Logan Grant, that he will be leaving for a position in Oregon. He has been a valuable member of our team for several years now, and I'm happy for his new opportunity and move up the career ladder. I wish him the best.
 - We will post the opening for Logan's vacated position on our multiple professional association sites, and I'm confident we will find a well-qualified individual.

MARKETING

- Marketing has been working on a number of projects with F&B, including new concessions signs, menus for the Grill on the Gore, an on-course sign to call ahead for the starter building, beverage cart signs and starter building menus. These were all printed and installed over the past few weeks.
- New signs for the Tennis Center were designed, printed and installed in the front desk to liven up the entrance. A new building sign will be installed in the front window this week.
- Numerous emails are going out almost daily for camps, races, golf and more.

- Jessie gave a presentation to the Vail Local Marketing District Advisory Committee last week, reminding the committee and vendors of all the VRD summer offerings that can complement the marketing messages going out to guests. Jessie is meeting with Vail Resorts this week to talk about VRD messaging on Vail.com. Vail Resorts has been a great partner with adding and updating VRD content on their website.
- Digital advertising continues to prove efficiencies in both reaching targeted audiences and being cost effective.
- Jessie and Nell met with the Vail Daily last week to finalize an annual contract and reduce per ad costs. We will also be testing some digital placements with the Daily, targeting their online readers. Look for an “Off the Hill” video and corresponding story on the Vail Golf Club when the regulation greens open.
- Jessie has been assisting tennis in spreading the word about paid parking at Ford Park and created some signs for the Tennis Center to help patrons understand upcoming paid parking dates. Marketing also designed some tennis season passes that passholders can use to gain free access to tennis parking on those dates.
- Marketing is working on a new logo for gymnastics, and has scheduled a professional photo shoot for golf mid-July to get new marketing images.

SPORTS

- The sports department is in full swing and very busy.
- Sports hosted a successful CSU Volleyball Camp and baseball camp in early June and will complete the first session of Mini Hawks Sports Training Camp today. Next up is Britney Brown Volleyball and SkyHawks Lacrosse camps.
- Softball, 8v8 soccer, 2v2 and 4v4 sand volleyball leagues have begun and cornhole league will start next week.
- Lots of action on the fields with King of the Mountain Volleyball Tournament June 15-17, the Foster LAX Tournament June 18-20 and the LAX Shootout running June 25-July 4.
- Sports ran logistics for six trail running and MTB events for the VVF during the GoPro Mountain Games.
- Produced a 5K Fun Run for the Colorado Municipal League’s annual conference on June 21.
- Great turnout for the 36th annual Davos Dash MTB race on June 13. Race was dedicated to the memory of Cortina resident and Davos Dash fan Byron Brown.
 - Special thanks to board member Jason Plante, staff members Alice Plain, Scott Zessin, Jim Sanders and Jessie Klehfoth and former board members Kevin Foley and Ken Wilson who all volunteered to help at the race.
- Next MTB race is Eagle Ranch Classic on June 27. This will be the first MTB race with Dan Timm at the helm as we prepare for Beth’s upcoming maternity leave.
- Trail Running Series continues on June 23 with the Beaver Creek Summer Solstice race benefitting the Vail Valley Charitable Fund. The following race will be the Vail Hill Climb on July 7.

- Sports Department is helping plan the BB&B golf tournament benefiting the Tom Slaughter Jr. Memorial Youth Grant. Please mark your calendars for September 6 and spread the word!
- The VRD's first trail work day on our adopted section of the North Trail is July 27 at 9:30 a.m.

GYMNASTICS

- Danielle Salinsky has begun her position as head gymnastics coach as of May 21. Danielle has been with the VRD for five years as a seasonal employee and will transition to full time with the gymnastics center. Danielle brings a great set of skills to the program and we are excited to have her joining us in her new role as head coach.
- The first of three competitive team camps was successful with 21 participating gymnasts levels 3 through level 10 in our Aloha-themed week.
- The first of four public camps will begin on Monday, June 25 with Rock Stars week.
- The Vail Gymnastics team will be walking/tumbling in the Vail America Days parade on July 4.

NORDIC

- Met with Fischer/Swix rep this week to finalize fall orders.
- Working with sports department on trail running races and mountain bike race series.
- The Eagle Ranch Mountain Bike Race is scheduled for Wednesday, June 27.
- Trail running race #2 is scheduled for Saturday, June 23.
- Any and all volunteers are extremely helpful and appreciated.

PARKS

- We have been getting ready for the start of the summer events, first we had King of the Mountain Volleyball, I think it was 46 years this year. Then right into the Warrior LAX tourney, had a day or so to prep the fields and get ready for the LAX Shootout which goes through July 4. Various camps will follow that event. The VRD leagues have started and are going strong. Overall the fields have been holding up.

COMMUNITY PROGRAMMING

Community Programming

- Traffic is relatively slow still, but we have moved from an off-season pattern to more of a summer pattern with six to 10 families each day. We will continue with the following hours: M-F 10 a.m. to 5 p.m. The entire space including art is open 10 a.m. to 2 p.m. with the front space remaining open from 2-5 p.m. This releases staff in the afternoon to help with chores at camps.

- Summer camps have been making visits to Imagination Station. We have seen Camp Vail many times, Avon camp and Idaho Springs.

Summer Camps

- Camp Vail has been open since June 4. Numbers were just fine for the first week. Numbers were surprisingly high for the second week: 50 and higher with one day near 70.
- Pre Kamp Vail opened June 11. Numbers are much stronger than this time last year. Our capacity will increase in July, and we are sorting out just how to properly staff it.
- Camp Eco Fun staff hosted Camp Vail Champions the week of June 11. Camp Eco Fun opened June 18 with groups on Monday and Wednesday and will completely open June 25.
- We are hired for all positions. Jerrica had two staff who wanted to decrease their hours. We hired Zeke as a late entrant and Jerrica took quite a lot of individual time to get him trained.

KidZone

- VSSA looks like it will work for the 2018-19 school year (through Feb 20 when we move back into the renovated Red Sandstone Elementary School). We have quite a lot of equipment stored there now. Chad will work through licensing and inspections through the summer so we are ready to open September 4 with School's Out Camp.

Marketing/Photos

- We have been taking photos and giving them away to parents at camps.
- Nell will stop by camps to get photos for brochures, etc.

DOBSON

- We finally reached the completion of our bleacher project. The new bleachers look great.
- Dobson hosted a small group of seven skaters from Chicago. The coaches have been bringing kids to Vail for about 20 years or so. It's a nice addition to our daily figure skating ice usage.
- Dobson hosted El Recodo on June 15. They are currently one of the top bands in Mexico. We had 1564 in attendance from Denver to Grand Junction. It was a great event.
- Dobson hosted Weekend Warriors again. They have been running adult camps here for over eight years now. They had 33 skaters and five goalies who have all come from out of town. Adding in coaching staff brings at least 40 adults from outside Vail to stay here for the weekend.
- Adult leagues have been going good this summer.
- Brian, Heivan, and Jared attended NARCE at the end of May. Brian completed his CIT (Certified Ice Technician) certification. This is recognized by the NHL and Brian

becomes the third VRD employee to receive this, along with Jared and Andy. Heivan completed his second of three courses towards his CIT.

PICKLEBALL

- Sixty-five 2017/18 winter season and annual pickleball passes have been purchased. Fifty-seven players purchased 2016/17 annual and winter passes last year. Thirty-four 2018 summer passes have been purchased so far this year.
- Indoor drop-in pickleball play at Red Sandstone Elementary School is over until the construction at the school is completed next February. We are hoping to have indoor drop-in play at VSSA in Minturn next winter, until we are able to return to RSES.
- For most of the winter indoor season, drop-in pickleball at Red Sandstone Elementary School had an average of 35 participants per session.
- Outdoor play has begun at Golden Peak with supervised daily drop-in sessions from 8:30 a.m. until 12:30 p.m. VRD is also currently offering afternoon sessions from 4:00 to 8:00 p.m. on Monday through Friday weather permitting.
- Pickleball clinics with 16-time national champion, Scott Moore, were held at Golden Peak, June 7 and 8. Moore, who recently won an unprecedented five gold medals at the Pickleball US Open, is one of the top pros and coaches in the world. More than 30 players participated in the clinics. Moore will return to offer clinics at Golden Peak August 20-21.
- Pickleball Clinics with Laura Fenton Kovanda were held June 24-26 at Golden Peak. Kovanda was a four-time racquetball world champion, a three-time US Open Pickleball gold medalist, and won national championships in four different sports.
- This summer we offer pickleball to children in Camp Vail from 1 to 2 p.m. on Monday and Wednesday.
- Each week on Tuesday during the summer at Golden Peak, we offer clinics and doubles play for Vail Club 50.
- On Thursdays, we offer afternoon skills and drills for both juniors and adults from 3:00 to 4:00 p.m.
- Each Friday from 12:00 to 1:00 p.m., we offer pickleball to juniors from Beaver Creek Day Camp.
- The Second Annual Vail Western Slope Regional Pickleball Tournament will be held August 15-19 at Golden Peak and some of the top players in the country have already signed up. This year's tournament expands from a three-day tournament to a five-day tournament. We already have more than sixty players from six states registered for the tournament.
- In addition to our demo paddle program, VRD now offers new paddles, balls and accessories for sale at Golden Peak.
- Summer pickleball passes are now available to purchase. The price is unchanged from last summer at \$100 for VRD residents and \$120 for non-residents.
- Pickleball revenue for June will be up substantially over last year.

- The windscreens are up and the bathroom, drinking fountain, and waterbottle-filling station are all operating for the outdoor season at Golden Peak. Now that the water is turned on at the courts, they are being washed regularly and are in great shape for the expected increase in traffic as players return to Vail for the summer season.