

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

5:00 P.M.

Thursday, December 8, 2016
Town of Vail, Council Chambers

AGENDA
REGULAR MEETING

1. Call to Order
2. Changes to Agenda;
3. Approval of Minutes;
 - a. November 10, 2016
4. Public Input (for matters not otherwise on Agenda/3 minute time limit/no disrupting, pursuant to § 18-9-108, C.R.S.);
5. Executive Session for the purpose(s):
 1. §24-6-402(4) (b), C.R.S., "Conferences with an attorney for the public entity for the purposes of receiving legal advice on specific legal questions."
§24-6-402(4) (e), C.R.S., "Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators."- Negotiations for proposed lease with Town of Vail for Vail Golf Club.
 2. §24-6-402(4) (b), C.R.S., "Conferences with an attorney for the public entity for the purposes of receiving legal advice on specific legal questions."-Related to a potential claim.
 3. §24-6-402(4) (e), C.R.S., "Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators."- Related to the Nordic Center Lease.
6. New Business and Special Orders;
 - a. Full Time Hourly Employee Benefits to Become Effective 1/1/2017
 - i. Amendment of VRD 401(a) and 457 (b) Pension Plans
 - b. 2016 Audit Engagement Letter
7. Unfinished Business;
8. Officers, Committees, Staff, and Professional Consultants;
 - a. October Financials-Mr. Eric Weaver
 - b. Executive Director Input
 - c. Board Member Input
9. Adjournment

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District November 10, 2016

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on November 10, 2016 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, Bill Suarez, Kevin Foley, Kim Newbury Rediker, Roland Kjesbo

2. MEMBERS ABSENT AND EXCUSED

2.1. None

3. STAFF PRESENT

3.1. Mike Ortiz, Jessie Klehfoth, Scott O'Connell, Emmy Cardoza, David Sanchez, Dave Root, Scott Zessin, Jerry Stevens, Chad Young, Joel Rabinowitz

4. OTHERS PRESENT

4.1. Kelli McDonald, Ernest Saeger, Laura Waniuk

5. CONSULTANTS PRESENT

5.1. Eric Weaver, Marchetti & Weaver, LLC

6. CALL TO ORDER

6.1. Director Saalfeld called the meeting to order at 5:02 p.m.

7. CHANGES TO AGENDA

7.1. Director Saalfeld stated that the executive directors' and board input would move to be the last two items of the meeting and that Mr. James Deighan will not be presenting tonight as he withdrew his event application. The rest of the agenda will remain the same as published.

8. APPROVAL OF MEETING MINUTES

8.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the October 27, 2016 meeting.

9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA

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Vail Recreation District November 10, 2016 Meeting Minutes

- 9.1. Mrs. Laura Waniuk, Event Liaison Specialist for the Town of Vail, provided an update on the Commission on Special Events funding process for 2017 events. She stated that there were 54 applications and CSE funded 38 events. Mrs. Waniuk stated that the process was improved over last year with more communication with VRD, and she thanked Mr. Rabinowitz for being available at CSE meetings to answer questions and provide insight. She also stated that the CSE would like to have a joint meeting with the VRD board, as they do with the VLMDAC and VEAC.
 - 9.2. Mr. Ernest Saeger, Special Events Coordinator with the Town of Vail walked the board through the CSE's proposed 2017 event schedule and highlighted events that would be occurring at VRD facilities. He stated that there were some events that had asked for funding and to use the athletic fields but that were not funded by CSE.
 - 9.3. Mr. Ortiz stated that it is important to put together an event process so that event producers come before the VRD board for support before approaching CSE for funding.
 - 9.4. Director Saalfeld asked if we could have the attorneys draft a document for this process to review at a December meeting.
 - 9.5. Director Newbury Rediker stated that there were four new events that wanted to use the athletic fields.
 - 9.6. Director Foley reiterated the importance that event producers wishing to use VRD facilities should approach the VRD for support first.
 - 9.7. Mr. Ortiz thanked Mrs. Waniuk and Mr. Saeger for coming and also thanked Mrs. McDonald for her collaboration with the VRD on marketing the new Vail Golf & Nordic Clubhouse.
10. PRESENTATION OF NEW FOOD & BEVERAGE STAFF
- 10.1. Mr. Scott O'Connell presented the new VRD F&B team. He introduced Mr. Scott Zessin, concessions manager at Dobson Ice Arena, Ms. Emmy Cardoza, events coordinator for the Vail Golf & Nordic Clubhouse, Mr. Dave Root, new general manager of F&B for VRD, and Mr. David Sanchez, the new executive chef. Mr. O'Connell also talked about the F&B plan at the clubhouse for the Nordic season and said they plan to provide a soup buffet on Mondays-Thursdays from 10:30 a.m. to 2:30 p.m., with an expanded menu and après offerings on Friday through Sundays. The restaurant should open concurrently with the opening of the ski and snowshoe track. After some discussion, Director Saalfeld congratulated Mr. O'Connell for his hard work and assembling a wonderful team.
11. PUBLIC HEARING AND ADOPTION OF PROPOSED 2017 BUDGET
- 11.1. Mr. Weaver stated there was little change to the budget from the last presentation beyond going through the F&B budget more closely with the new

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staff. He reiterated that the expected property taxes will remain similar to 2016. Golf revenue is expected to be up from 2016, and budget changes are expected due to new F&B programs, adjusting several staff member salaries to meet the new federal minimums and the additional of a few hourly employees to the benefits plan. Capital for 2017 includes planning dollars, vehicle replacements, cart path repairs, and a redo of the driving range. The VRD still has reserves on hand for a new starter building and other projects.

- 11.2. After some discussion, Mr. Weaver noted that the meeting had been published as the public hearing on the budget.
 - 11.2.1. Upon a motion duly made and seconded it was unanimously RESOLVED to open the public hearing for the adoption of the 2017 proposed budget.
 - 11.2.2. Hearing no public comment, upon a motion duly made and seconded it was unanimously RESOLVED to close the public hearing for the adoption of the 2017 proposed budget.
 - 11.2.3. Upon a motion duly made and seconded it was unanimously RESOLVED to approve the resolution to adopt the 2017 budget as presented, to approve the resolution to certify the mill levy at 2.760 mills for operations and 0.271 mills for a special mill levy approved at the 2004 election, and to approve the resolution to appropriate funds for spending in 2017, all of which are subject to minor adjustments which may result from the final certification of assessed values.

12. GOLDEN PEAK PICKLEBALL

- 12.1. Mr. Jerry Stevens gave a presentation on the new Golden Peak Pickleball Center. The reception from the community has been extremely positive with players filling the new outdoor courts every day. Mr. Stevens spoke about the VRD-coordinated indoor and outdoor pickleball opportunities and how well the program has been doing. He also talked about the different pass types and pricing. After some discussion, the Board thanked Mr. Stevens for all of his work.

13. VAIL GOLF CLUB UPDATE

- 13.1. Mr. Ortiz stated that the Nordic Center operators have now moved in to the new clubhouse building, and they are having their first team fitting today. He stated the building still has a little more work to be done, but the project is beautiful, including the new pro shop and Nordic lodge area. He said that people who have come in to buy Nordic passes already have been awed by the facility.
 - 13.1.1. Director Saalfeld commented that he went on a tour of the clubhouse today and that it is truly a beautiful facility. He stated that it is going to be a very exciting future for VRD.
- 13.2. Mr. Ortiz thanked everyone on the Town of Vail staff and town council for putting their trust in VRD to operate this building, and said this wouldn't be

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possible without the excellent quality of programming produced by the VRD. He also thanked Mr. O'Connell for all of his work on this project.

14. APPROVAL OF 2017 FEES

- 14.1. Mr. Ortiz stated that nothing had changed with the fees since the last meeting, with the exception of updating the golf pass pricing per the direction of the Board.
- 14.2. After some discussion, and upon a motion duly made and seconded it was RESOLVED to approve the 2017 program fees. Director Kjesbo was not present for this vote.

15. EXECUTIVE DIRECTOR INPUT

- 15.1. Mr. Ortiz stated that Ms. Alice Plain is in New York attending the annual PGA meeting program. He also stated that we expect all of the 2016 Vail Golf Club PGA staff to return next year.
- 15.2. Mr. Ortiz stated that all fungicide applications have been applied to the golf course greens, which may need to be watered if we don't get more precipitation. He alerted past golf guests to look for an email regarding the upcoming Coal Bucket Classic, which is traditionally played before first big snowfall, possibly next Thursday. Mr. Ortiz stated that past winner Steve Simonett will call the shots for the day.
- 15.3. Mr. Ortiz stated that the sports department has all of their winter open gyms going, including basketball, indoor soccer, pickleball and volleyball. He also stated that the youth volleyball program is starting Nov. 18 and will run until the end of Jan.
- 15.4. Mrs. Klehfoth talked about her recent trip to attend the Adobe Max creative conference in San Diego. She was energized to take classes on a number of creative topics, and is excited to use some of these new learning at the VRD.
- 15.5. Mr. Ortiz mentioned that the parks department has finalized winter preparation on all the fields.
- 15.6. Mr. Ortiz talked about the community programming department's recent cocktails and canvas art program that was very successful and previewed the upcoming lantern painting workshop, being put on in conjunction with the Town of Vail. He also mentioned the upcoming parents' night out tomorrow night during the Red Sandstone Elementary School fundraiser, and the next school's out camp over Thanksgiving break.
- 15.7. Mr. Young spoke about the recent Trick or Treat Trot where over 400 kids Trick or Treated throughout Lionshead and Vail Village. He stated that it went very well and even shared a comment from Town Councilman Greg Moffet who loved the buzz around town. He stated this was really a fun event for locals and a great time for both kids and parents.

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15.8. Mr. Ortiz stated that he and Mrs. Klehfoth recently met with Mr. Stan Zemler, Mrs. Kelli McDonald and Ms. Patty McKenny with the Town of Vail to discuss collaborating on marketing for the clubhouse. He thanked them for their willingness to help and stated it will be great to work with the other town venues to share leads and referrals as well.

16. BOARD MEMBER INPUT

- 16.1. Director Foley wished to remind the public of the Red Sandstone Elementary School fundraiser on Friday evening.
- 16.2. Mr. Ortiz mentioned to the Board that the Battle Mountain High School boys' soccer team is going to the state finals.
- 16.3. Director Foley also congratulated the BMHS girls' cross country team who won the state championship.
- 16.4. Finally, there will be no meeting in two weeks due to the Thanksgiving holiday but reminded the Board of a Dec. 20 meeting with full board and town council.

17. ADJOURNMENT

- 17.1. 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

**FIRST AMENDMENT
TO THE
2016 RESTATEMENT OF THE
VAIL RECREATION DISTRICT EMPLOYEES' PENSION PLAN**

WHEREAS, the Vail Recreation District adopted, effective January 1, 1989, a qualified money purchase pension plan known as the Vail Recreation District Employees' Pension Plan (the "Plan"), for the purpose of providing retirement benefits for certain of its employees; and

WHEREAS, the Vail Recreation District restated the Plan in its entirety effective January 1, 2016; and

WHEREAS, the Vail Recreation District desires to amend the Plan to permit full-time hourly employees to participate in the Plan effective January 1, 2017.

NOW THEREFORE, the Plan is hereby amended, effective January 1, 2017, as follows:

1. ARTICLE II., DEFINITIONS, Section 2.11 shall be amended in its entirety to read as follows:

Section 2.11 "Full-Time Regular Employee" means (a) a salaried Employee who is classified on the records of the Employer as a full-time, year-round Employee; and (b) effective January 1, 2017, an hourly paid Employee who is classified on the records of the Employer as a full-time, hourly Employee.

2. All other terms and provisions of the Plan shall remain unchanged and in full force and effect.

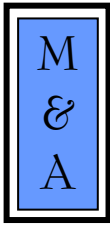
IN WITNESS WHEREOF, the undersigned, being authorized by the Board of Directors of Vail Recreation District, has executed this Amendment on the date set forth below.

VAIL RECREATION DISTRICT

By: _____

Its: _____

Date: _____, 2016



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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November 23, 2016

Board of Directors Vail Recreation District

We are pleased to confirm our understanding of the services we are to provide the Vail Recreation District (the "District") for the year ended December 31, 2016. We will audit the financial statements of the governmental activities, business-type activities, and the individual fund statements which collectively comprise the entity's basic financial statements, of the District as of and for the year ended December 31, 2016. Accounting standards generally accepted in the United States provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the District's 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. As part of the engagement, we will apply certain limited procedures to the MD&A in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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.

RSI other than MD&A, such as the budgetary schedule for the General Fund and supplementary information other than RSI, such as the budgetary schedule for the Enterprise Fund, also accompany the District's financial statements. We will subject the following RSI and supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Budgetary schedules for the General Fund (RSI)
- 2) Budgetary schedules for the Enterprise Fund (SI)

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of any additional information presented in supporting schedules when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of our engagement, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of the financial statements and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the individual fund statements, and the remaining fund information of the District, and the respective changes in financial position, and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Audit Procedures – General (continued)

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Compliance with Laws Regarding Illegal Aliens (Section 8-17.5-102(2)(a), C.R.S.)

We hereby certify to Vail Recreation District that as of the date of this engagement letter, we do not knowingly employ or contract with an illegal alien and we participate or are attempting to participate in the "E-Verify Program or Department Program" in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services.

Audit Administration, Fees, and Other Matters

We understand that your employees will prepare all account reconciliations and work papers requested, and will locate all invoices selected by our staff for testing. Our fees for these services will be based on the actual time spent at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. We estimate that the audit fee will not exceed \$11,600 for year ending December 31, 2016. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Audit Administration, Fees, and Other Matters (continued)

Please note that our fee quotations represent all costs for completion of the audit of the District's financial statements; including all relevant telephone conferences or other such meetings as may be required to complete the audit and present the required reports within the agreed-upon time frame. It does not however, include account reconciliation or other requested financial statement work. If account reconciliation or other financial statement work is required, we will discuss the specific circumstances with you prior to performing such additional work.

We appreciate the opportunity to be of service to the Vail Recreation District and believe this letter accurately summarizes the significant terms of our engagement. We are committed to assisting you and providing to the District quality audited financial statements at a reasonable fee. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.

RESPONSE:

This letter correctly sets forth the understanding of Vail Recreation District.

By: _____
Title: _____
Date: _____

VAIL RECREATION DISTRICT
 COMBINED BALANCE SHEET
 December 31, 2015 and October 31, 2016

	12/31/15					10/31/16				
	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	2,970,513	865			2,971,378	4,158,188	7,965			4,166,153
INVESTMENTS- RESTRICTED		294,096			294,096		294,210			294,210
ACCOUNTS RECEIVABLE	78,351	24,032			102,383	13,656	910			14,566
PROPERTY TAXES RECEIVABLE	2,787,408	281,771			3,069,179	17,534	1,773			19,307
PREPAIDS, DEPOSITS & INVENTORY	1,884	33,659			35,543	(9,532)	39,833			30,301
DUE (TO) FROM OTHER FUND	10,534	(10,534)			0	447,500	(447,500)			0
LOAN DUE (TO) FROM OTHER FUND	(664)	664			0	(664)	664			0
LAND & BUILDINGS			530,080	11,266,334	11,796,414			530,080	11,266,334	11,796,414
EQUIPMENT			754,717	1,455,882	2,210,599			754,717	1,455,882	2,210,599
ACCUM DEPR			(738,753)	(7,093,588)	(7,832,341)			(738,753)	(7,093,588)	(7,832,341)
TOTAL ASSETS	5,848,025	624,554	546,044	5,628,628	12,647,251	4,626,682	(102,145)	546,044	5,628,628	10,699,209
LIABILITIES AND FUND EQUITY										
ACCOUNTS PAYABLE	64,490	18,121			82,610	60,197	17,081			77,278
DEFERRED PROPERTY TAXES	2,787,408	281,771			3,069,179	17,534	1,773			19,307
DEFERRED REVENUE	28,623	3,175			31,799	6,955	24,989			31,944
ACCRUED COMPENSATED ABSENCES			32,633	26,384	59,017			32,633	26,384	59,017
ACCRUED INTEREST PAYABLE			0	21,088	21,088			0	21,088	21,088
DUE TO TOV- DOBSON IMPROVEMENTS				0	0				0	0
DUE TO TOV-GYMNASTICS			0		0			0		0
DOBSON BONDS PAYABLE				1,205,000	1,205,000				985,000	985,000
IMPUTED INTEREST			0	0	0			0	0	0
TOTAL LIABILITIES	2,880,521	303,066	32,633	1,252,472	4,468,693	84,686	43,843	32,633	1,032,472	1,193,634
NET ASSETS										
INV IN FIXED ASSETS, NET OF DEBT			513,411	4,376,156	4,889,567			513,411	4,596,156	5,109,567
RESTRICTED	108,798	278,913			387,711	120,614	278,913			399,527
COMMITTED & ASSIGNED FOR CAPITAL	1,800,000	-			1,800,000	1,350,000	-			1,350,000
UNASSIGNED	1,058,706	42,574			1,101,280	3,071,381	(424,900)			2,646,480
TOTAL NET ASSETS	2,967,504	321,487	513,411	4,376,156	8,178,558	4,541,995	(145,987)	513,411	4,596,156	9,505,575
TOTAL LIAB & NET ASSETS	5,848,025	624,554	546,044	5,628,628	12,647,251	4,626,682	(102,145)	546,044	5,628,628	10,699,209
	=	=	=	=	=	=	=	=	=	=

No assurance is provided on these financial statements;
 substantially all disclosures required by GAAP omitted.

VAIL RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED

Printed: 12/02/16

Modified Accrual Basis

	2015 Audited Actual	2016 Forecast	2016 Adopted Budget	Variance Favorable (Unfavor)	Percentage Variance Favorable (Unfavor)	10 Months Ended 10/31/16 Actual	10 Months Ended 10/31/16 Budget	Variance Favorable (Unfavor)	Percentage Variance Favorable (Unfavor)	2017 Prelim Budget
COMBINED REVENUES										
PROPERTY AND OTHER TAXES, NET OF FEES	2,784,881	3,127,707	3,111,370	16,337	1%	3,076,416	3,064,375	12,040	0%	3,116,518
OTHER NON-DEPARTMENTALIZED REVENUES	67,812	70,690	61,995	8,695	14%	67,246	53,836	13,410	25%	66,545
SPORTS	377,836	375,815	395,075	(19,260)	-5%	341,464	384,244	(42,780)	-11%	398,336
GYMNASTICS	167,230	197,691	184,031	13,660	7%	174,791	163,996	10,795	7%	216,320
COMMUNITY PROGRAMMING	357,392	389,643	373,189	16,454	4%	379,623	349,605	30,018	9%	399,833
NATURE CENTER & NORDIC	88,324	90,500	84,750	5,750	7%	39,669	38,840	829	2%	109,350
GOLF COURSE	1,244,066	1,107,035	1,048,740	58,295	6%	1,133,855	1,048,282	85,573	8%	1,304,947
TENNIS	43,082	43,640	44,671	(1,031)	-2%	49,959	44,595	5,364	12%	42,885
DOBSON	644,492	658,268	584,895	73,373	13%	583,508	496,805	86,703	17%	647,679
GOLF F&B / BANQUET ROOM, NET OF COGS	153,985	123,353	131,675	(8,323)	-6%	90,092	114,132	(24,040)	2%	370,663
TOTAL REVENUES	5,929,101	6,184,341	6,020,390	163,951	3%	5,936,621	5,758,709	177,912	3%	6,673,076
OPERATING EXPENSES										
ADMINISTRATION	(627,662)	(664,928)	(659,190)	(5,738)	-1%	(550,435)	(570,087)	19,652	3%	(682,007)
PUBLIC RELATIONS/MARKETING	(246,240)	(251,383)	(259,361)	7,977	3%	(183,957)	(220,196)	36,239	16%	(271,038)
PARK MAINTENANCE	(195,196)	(197,287)	(211,298)	14,011	7%	(169,918)	(191,314)	21,396	11%	(217,163)
FACILITIES MAINTENANCE	(126,377)	(129,765)	(129,404)	(361)	0%	(102,531)	(105,566)	3,036	3%	(136,700)
SPORTS	(470,067)	(515,615)	(522,637)	7,022	1%	(442,297)	(460,057)	17,760	4%	(544,567)
GYMNASTICS	(203,707)	(240,701)	(238,887)	(1,814)	-1%	(192,995)	(196,573)	3,577	2%	(268,111)
COMMUNITY PROGRAMMING	(441,037)	(486,942)	(478,716)	(8,227)	-2%	(416,122)	(419,418)	3,296	1%	(520,482)
NATURE CENTER & NORDIC	(73,129)	(75,567)	(77,490)	1,923	2%	(56,370)	(70,281)	13,911	20%	(75,470)
GOLF OPERATIONS	(649,322)	(640,487)	(660,902)	20,415	3%	(455,674)	(494,681)	39,007	8%	(694,872)
GOLF MAINTENANCE	(767,580)	(828,181)	(823,432)	(4,749)	-1%	(716,801)	(738,333)	21,532	3%	(859,228)
TENNIS	(66,863)	(87,738)	(87,585)	(153)	0%	(89,283)	(87,244)	(2,039)	-2%	(97,918)
DOBSON	(619,034)	(688,899)	(691,287)	2,388	0%	(580,232)	(569,064)	(11,168)	-2%	(789,486)
GOLF F&B / BANQUET ROOM	(173,732)	(181,117)	(278,382)	97,265	35%	(90,322)	(222,875)	132,552	59%	(483,923)
ADDITIONAL OPERATING COSTS	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	(4,659,945)	(4,988,610)	(5,118,570)	129,960	3%	(4,046,937)	(4,345,688)	298,752	7%	(5,640,963)
CHANGE IN FUND BAL BEFORE DS & CAP	1,269,155	1,195,731	901,820	293,911		1,889,685	1,413,021	476,664		1,032,112
DEBT SERVICE	(274,144)	(277,989)	(277,989)	-	0%	(277,988)	(277,989)	2	0%	(276,176)
CHANGE IN FUND BAL BEFORE CAP	995,012	917,742	623,831	293,911		1,611,697	1,135,032	476,665		755,936
DONATIONS, LOANS, & SALE OF ASSETS	-	-	-	-	0%	-	-	-	0%	-
CAPITAL EXPENDITURES	(1,773,037)	(1,008,557)	(1,158,122)	149,565	13%	(504,681)	(837,715)	333,034	40%	(783,242)
LESS UNFUNDED CAPITAL PROJECTS	-	-	-	-	-	-	-	-	-	-
CONTINGENCY	-	(100,000)	(200,000)	100,000	50%	-	(200,000)	200,000	100%	(100,000)
TOTAL NET CAPITAL EXPENSES	(1,773,037)	(1,108,557)	(1,358,122)	249,565	18%	(504,681)	(1,037,715)	533,034	51%	(883,242)
CHANGE IN FUND BALANCE	(778,025)	(190,815)	(734,292)	543,476		1,107,017	97,317	1,009,699		(127,305)
BEGINNING FUND BALANCES	4,067,016	3,288,991	2,981,787	307,204		3,288,991	2,981,787	307,204		3,098,176
ENDING FUND BALANCES	3,288,991	3,098,176	2,247,495	850,680		4,396,008	3,079,105	1,316,903		2,970,870

SUMMARY OF SIGNIFICANT VARIANCES:

- SPORTS REVENUES- Facility rental, some camp programs, and especially the running series lagging.
- DOBSON REVENUES- Programs, Food& Beverage, and programs all doing well.
- GOLF REVENUES- Down from last year but ahead of budget.
- GOLF/ BANQUET ROOM F&B REVENUES- Delay in facility opening causing revenues to be lower than budget. More than offset with expense savings though.
- PUBLIC RELATIONS EXPENSES- Changeover of personnel and timing of expenses.
- PARKS MAINTENANCE EXPENSES- Savings in seasonal staffing costs
- GOLF/ BANQUET ROOM F&B REVENUES- Delay in facility opening caused delay in hiring staff and other operating costs.
- CAPITAL- Projects to date under budget but additional clubhouse costs not yet billed by TOV.
- FUND BALANCE- Savings at end of 2015 rolled forward to 2016.

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

VAIL RECREATION DISTRICT DIRECTOR REPORTS

December 8, 2016

GOLF

- Alice attended the 100th Anniversary PGA Annual Meeting in New York City last week. As part of the PGA LEAD Group for Diversity and Inclusion, Alice could attend all functions at the annual meeting. This included three days of meetings, presentations and celebrations of the PGA this year, including our USA Ryder Cup victory. The PGA of America owns and runs the PGA Tour Major tournament each year as well as the Ryder Cup. On Wednesday, we listened to a presentation on generations in the workforce, including our newest generation the “Centennials” (ages 1-19 years). Alice was able to meet the top executives in the PGA; our outgoing president Derek Sprague, now president Paul Levy and vice president Suzy Whaley. This was an election year for national officers. The meeting was unforgettable and a fantastic professional growth and learning experience. The LEAD group will meet again in Orlando at the end of January during our PGA merchandise show.
- The Coal Bucket Classic took place on Wednesday, Nov. 16. We had a great turnout of about 30 golfers. Steve Simonett worked with Scott Todd on organizing the event. For the first time in history, we had a female winner! Kristin Olson won the 9-hole event this year! She will help organize the 2017 event. The weather cooperated with temperatures in the 60's. This event has taken place since 1968 when Ben Krueger started the tradition. Rod Slifer played and won back in the early 70's.
- Working on the 2017 season. We have a good majority of staff planning on returning for next summer. Nathan Mead, our head professional has the mountain bug and plans to stay for the long term. He was able to hike five 14,000 foot peaks on his one day off this fall. We are thrilled to have him on staff as he is a terrific teacher, player and manager and is willing to learn and improve.
- Nathan and I are meeting on Nov. 17 to discuss this past year as well as planning for next year. This includes our staffing, programming, customer service plan and operating in our new clubhouse.

GOLF MAINTENANCE

- Golf course shut down Oct. 23, and held up well through a warm, dry period that had us monitoring greens for possible watering requirement from tanks with pumps and hoses. An absence of excessively windy days kept us from having to do that and they went under snow in good condition.
- The Coal Bucket Classic, held on Nov. 16, was a success with around 36 players and a relatively nice day, followed by a shutdown, permanent snow the following day. Congratulations to our first ever woman champion, Kristen Olson! Thanks to Steve Simonett as the past winner that assisted in coordinating, and to Jessie Klehfoth and Nell Davis for coordinating

announcements and taking photos, and to Dave Root for taking care of our thirsty competitors.

- Nordic season is underway! Currently setting Nordic trails with JD tracked, utility vehicle and roller/ginzu combo. Not enough snow yet to take out our snowcat, with 11" settled base at our snow station next to 3 green, after we received 17" total snow in November. There's less snow out on east end of track, and the pans set with the ginzu are down to grass or cart paths in several places. Despite that, conditions are very good for skiing, and compliments from skiers and snowshoers have been frequent.
- Vail Mountain is at 30% of average snowpack for December 1. Colorado River basin is at 60%. The snow is coming, too early to be concerned. Storms on the way next week, forecasting good chances for snow through mid-December.
- Waiting on delivery of new equipment ordered in the last month.
 - We are getting a second triplex greens mower outfitted with groomers to match the new unit used last season. The groomers allow us to keep green speed and smoothness at our high standards without having to lower the height of cut drastically and stress greens during the summer.
 - The second piece of equipment is a new riding mower/snow blower from John Deere that will be used to clear snow at the new Nordic Center this winter, clear greens in March, and mow areas on the course in the summer. Other implements such as brushes can be attached to it as well.

SPORTS REPORT

- Met with the USFS regarding 2017 events and had very positive response to a proposal for a new trail running course on Meadow Mountain and West Grouse. If approved, we will look to host this race on Sept. 16 instead of the Evergold. We will need to support the aid stations with horses, mules or llamas as there is no motorized vehicle access. Kip has been discussing a partnership with Paragon Guides to utilize their fleet of llamas for this purpose.
- Met with the Town of Minturn. They are interested in sponsoring VRD events to bring more to their town.
- Planning a focus group on Dec. 8 with 10-12 trail running participants to gain insight for our ongoing trail running series audit.
- Met with Vail Resorts. They have agreed to let us hold all on-mountain trail running events on Saturdays (moving forward all TR races will be held on Saturdays based on survey results). They will not let us host the HillClimb on 4th of July weekend, so that race will take place on July 8. We will not have a MTB event on Vail Mountain this year.
- Working with Summit Mountain Challenge on 2017 race dates to avoid overlap. Discussing the possibility of a joint race at Copper Mountain this summer.

- Met with Mike MacCormick to discuss VRD sports timing races during Eagle Outside Festival and Vail Outlier Festival.
- Youth volleyball started on Nov. 18 and will run through the end of January for youth in grades 3-6. Great turnout with 26 kids signed up.
- Fall adult volleyball will end on Dec. 14. Winter league will start Jan. 18.
- Adult basketball league registration opened and there are currently three teams signed up. League starts in January.
- Continue to meet with strategic partners and sponsors to finish off this year and start preparing for 2017.
- Fixed the tailgate of the old sports truck because it was driving Mike nuts.
- Sports department rang the Salvation Army bell at Vail City Market on Dec. 1.

MARKETING

- Press releases and emails were created for the Coal Bucket Classic, Santa's Workshop, upcoming Cocktails & Canvas lantern making workshop, Thanksgiving break kids' camps, Kids' Night Out, youth volleyball registration and youth futsal.
- Summer advertising for 2017 is already starting, with ads and dates for the trail running series going out in upcoming running guides.
- Jessie and Nell are finalizing a new Nordic Center map and brochure and have been consulting on a new outside map for the Nordic Center.
- Jessie has been working on creating a new website for the Vail Golf & Nordic Clubhouse. This website houses information on weddings and events at the clubhouse, and will also serve as the website for the Grill on the Gore restaurant, and include information on Nordic and golf rates and programs. It can be found at vailclubhouse.com and will be an evolving site as more photos and information become available. Jessie, Nell and Emmy are also working closely together on clubhouse marketing, including a new collateral piece for weddings and events at the clubhouse and some online advertising opportunities.
- The VRD was featured in the Vail Daily recently including a frontpage photo of the Coal Bucket Classic. We also have daily calendar events running. Jessie continues to do weekly interviews live on KZYR radio during the morning show promoting all things VRD.
- Jessie is working with Suzanne Silverthorn and the Town of Vail to announce the clubhouse opening. She is also preparing for professional photos and videos to be taken of the clubhouse once construction is complete, to compliment all current and future marketing efforts. Finally, she and Nell are working on in-house displays for the new A/V monitors and wedding reception area.
- Jessie and Nell recently attended the Town of Vail TIPS training so that they may assist at VRD special events if needed, and Nell attended a PIO training class provided by the state of Colorado to learn more about writing effective press releases and media relations.

PARKS

- We (I) are in winter mode. Fields are put to bed, now setting track, snowshoe, snow removal, general cleanup.

DOBSON

- The Powder Hounds have suspended operations for this season.
- The Vail Yeti have 18 home games scheduled starting Dec. 2 against Breckenridge. We anticipate a good season as the talent level for that team is at a high for their three-year existence.
- The Vail Sportsmanship Tournaments were a success and went smoothly in November.
- We have a full December on tap with a lot of youth games the first couple weekends.
- Staff has been working with event coordinators for events taking place this upcoming spring and summer. We have the Burton after party, Project Funway by EFEC, FBLA, a roller derby, and hopefully CMC's graduation and eight Hispanic shows scheduled for the year.