

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

5:00 P.M.
Thursday, November 8, 2012
Town of Vail, Council Chambers
AGENDA
REGULAR MEETING

1. Call To Order
2. Executive Session for the purpose(s) of:
 - a. §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.”
3. Approval of October 11th and 25th , 2012 Meeting Minutes
4. Public Input of Items not on the Agenda
5. 2012 Audit Engagement Letter
6. Review and Approval of Proposed 2013 Program Fees
7. Continued Public Hearing, Review and Approval of Proposed 2013 Budget
8. Executive Director Input
9. Board Member Input
10. Adjournment

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District October 11, 2012

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on October 11, 2012, at 5 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. Joe Hanlon, Jeff Wiles, Bill Suarez and Ken Wilson
 - 1.2. Rick Sackbauer attended via conference call.
2. MEMBERS ABSENT AND EXCUSED
 - 2.1. None
3. STAFF PRESENT
 - 3.1. Mike Ortiz and Scott O'Connell
4. OTHERS PRESENT
 - 4.1. Art Abplanalp, Attorney representing homeowners in Vail Golf Club neighborhood.
5. CONSULTANTS PRESENT
 - 5.1. None
6. CALL TO ORDER
 - 6.1. Director Hanlon called the meeting to order.
7. APPROVAL OF THE SEPTEMBER 27 MEETING MINUTES
 - 7.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the September 27, 2012 Regular Board meeting as presented.
8. PUBLIC INPUT OF ITEMS NOT ON THE AGENDA
 - 8.1. None
9. REVIEW OF PRELIMINARY AND DRAFT OPERATIONAL PLAN FOR VAIL GOLF CLUB AND NORDIC CENTER

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- 9.1. Mr. Ortiz explained to the board that VRD staff and Town of Vail staff have reviewed the document. The board is being asked to endorse the document with revisions and it will then be shared with the Vail Town Council for review. The board is not being asked to approve the document, nor will the Vail Town Council during their first review. Mr. Ortiz asked the board if they had questioned or revisions to the document.
- 9.1.1. Director Suarez questioned review of square footages for the proposed renovation including the banquet room and outdoor banquet space. Mr. Ortiz explained the square footage is now planned at approximately 21,800 sq. ft. This still could change. Mr. Ortiz said the current square footage of the building is just over 21,000 sq. ft. The expansion will be about 1,500 sq. ft. which will include a proposed banquet room that will not be shared with the golfers. Director Wilson explained the proposed patio is larger than the existing patio.
- 9.1.2. Mr. Ortiz noted that in the parking section, during peak days the VRD staff will be required to shuttle, arrive by bus or used alternate transportation. Peak days will be managed by the VRD having a dedicated staff member to control the parking lot during big events including golf and event. If they are coming for an event during peak golf days, event attendees will be asked to park in other dedicated areas. There is a plan in the document that will be used.
- 9.1.2.1. Director Hanlon questioned how many days this might be needed. Mr. Ortiz said he will look into this.
- 9.1.2.2. Director Wiles questioned parking approvals during shotgun tournaments in the morning and afternoon. Mr. Ortiz explained the VRD works with the Town of Vail and Vail Police Department for on street parking during these times.
- 9.1.2.3. Director Wilson questioned if he were to book an event in the facility, that in the contract it will state that guest parking may not be allowed during the peak times and that a deposit will be required. Mr. Ortiz explained the wedding party may be allowed to park on site, but all guest will have to use alternate means to get to the clubhouse. It is dependent on the time of year and business at the golf course.
- 9.1.2.4. Director Wilson explained on numerous occasions many guests are brought by hotel shuttles and other transportations even during golf events. It will now be formalized in a contracted event.
- 9.1.2.5. Mr. Ortiz explained that the board is being requested to endorse the document and provide feedback for when the Vail Town Council reviews it.
- 9.1.2.6. Director Wilson said the document is a working document and it is appropriate to provide it to the Council for review.

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- 9.1.2.7. Director Suarez questioned the hours of operations and better clarification regarding conclusion of outdoor space usage. Mr. Ortiz explained that usage of the outdoor space ends at 10 p.m. and the banquet facility at midnight.
- 9.1.3. Mr. Ortiz explained the Town of Vail is not in favor of tents. VRD staff has been working with town staff regarding usage of the banquet area being covered by a tent for inclement weather. He said it would extend out to the end with roll down sides. He questioned whether board would like something in the document regarding this matter.
- 9.1.3.1. Director Wilson explained he is in favor of a non-permanent structure that can be used for inclement weather. Director Suarez expressed concerns about having adequate shade as well.
- 9.1.3.2. Mr. Ortiz said he would relay this information to the architects to review and find what the best solution is.
- 9.1.3.3. Director Hanlon also explained that a covered patio can also help with noise on the outside and would like to see further options.
- 9.1.3.4. Director Sackbauer agreed to leave the options to the architect.
- 9.1.4. Director Suarez questioned noise and amplified sound and no permanent speakers.
- 9.1.4.1. Director Wilson and Wiles encouraged temporary sound systems are to be utilized.
- 9.1.5. Director Wilson questioned when the board endorses the document what happens next. Mr. Ortiz explained the town will review it and staff will then work with the town. It will be reviewed potentially in November by the Vail Town Council. Once revisions are made and both the town and VRD are comfortable with the document, it will be reviewed by the Planning and Environmental Commission.
- 9.1.6. Director Sackbauer questioned the VRD's legal counsel review of certain areas within the document. Mr. Ortiz explained the VRD's legal counsel has not reviewed the document.
- 9.1.7. Director Hanlon opened the topic to public comment.
- 9.1.7.1. Art Abplanalp representing homeowners adjacent to the Vail Golf Club spoke. He expressed appreciation for the staff for working on the document and making concessions from concerns expressed by the neighbors. He questioned who will be operating the clubhouse facility and how it will be structured.
- 9.1.7.2. Director Hanlon explained that currently no decisions have been made.
- 9.1.7.3. Mr. Abplanalp also shared history with the board related to what the facility is supposed to be. He said he reviewed the Council sessions from the past year. He questioned utilizing the existing footprint of the building and comments made by the Vail Town Council. He also

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questioned Director Wilson opposition to the improvements to the building.

- 9.1.7.3.1. Director Wilson explained it he had said he understood it was a compromise to have the facility being built without a tax increase. Director Wilson said that statement was incorrect that Mr. Abplanalp provided.
- 9.1.7.3.2. Mr. Abplanalp questioned whether a conversation had occurred regarding opposition to the facility. The board members explained that the board has not ever opposed the improvements to the facility. Mr. Abplanalp said these comments were made while the ballot language was being written.
- 9.1.7.3.3. Mr. Abplanalp said the improvements can be made within the current improvements. A different architectural plan has been submitted that would accommodate the neighbors.
- 9.1.7.3.4. Director Suarez said he reviewed that proposal and without tearing down the structure, there is no appropriate plumbing that would make that architectural plan practical. Mr. Abplanalp disagreed with Director Suarez and that it would take advantage of the existing foundation and go up. He said it is worth observing that nowhere during the timeframe of the writing the ballot language, safety concerns regarding the 18th hole was mentioned.
- 9.1.7.3.5. Director Wilson questioned Mr. Abplanalp if he is telling the board, that if the architecture rendering he provided were to be adopted, everything would move forward with the remodel. Mr. Abplanalp said he could not make that commitment and the board has a responsibility to mitigate impacts to the community.
- 9.1.7.3.6. Director Wilson explained the board has not reviewed the impending litigation.
- 9.1.7.3.7. Mr. Abplanalp explained he can't comment on the impending litigation, but he can speak to the impacts of the 18th green. He said he has provided the board with comments from those who are not in favor of the changes to the 18th green, including 100 pages and 80 comments.
- 9.1.7.3.8. Director Wilson commented, making note that the initial plans included renovations to the 18th hole, included a parking lot. This has changed. Since Director Wiles presented the 18th hole reconfiguration plan to the league members, the VRD has not heard from the golfing community at a board meeting since the change was made. Many have a better understanding of the plan. The board has worked with the golfing community diligently to come up with the best plan feasible. The board continues to work

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on how to move forward through the neighborhood concerns. For the most part, the golfing community has accepted the plan.

9.1.7.3.9. Mr. Abplanalp explained that he has told the community to save their energy for important meetings regarding the Town of Vail's process. He encouraged the VRD respect the neighbors and commitments of the Pulis Agreement.

9.1.7.4. Mr. Abplanalp questioned a banquet lawn next to the building and intentions of having functions located near residential areas. He also questioned parking on Sunburst drive and temporary sound. All of which he clarified as significant. He said the program has made progress but he encouraged improvements be focused back within the clubhouse.

9.1.8. Upon a motion duly made and seconded it was unanimously RESOLVED to endorse the document following requested revisions, review of tenting and for VRD legal counsel review and to then be shared with Counsel.

10. EXECUTIVE DIRECTOR INPUT

- 10.1. Mr. Ortiz explained the Kids Adventure Race is will be expanded. Jamie Gunion, Beth Pappas and Joel Rabinowitz have been meeting with community members to move forward with this. Staff will look to expand to four days including two days of clinics and two days of racing. It is exciting as the event continues to grow and the momentum keeps building. Director Wiles questioned time constraints and dates. Mr. Ortiz explained that is all being looked at now.
- 10.2. Mr. Ortiz said staff is moving through the budget process including operational budgets and capital planning. Proposed fees will be online as well. This will be reviewed at the Oct. 25 meeting.
- 10.3. Director Wiles said the greens have been aerified and the golf course is in good shape. Mr. Ortiz said staff continues to do a great job out there.

11. BOARD MEMBER INPUT

- 11.1. Director Wiles was absent the last meeting and thanked the board for continuing to do a great job.
- 11.2. Director Sackbauer went to the gymnastics facility last week and there were four coaches and 30 kids having a blast and complemented the program.
- 11.3. Director Suarez explained Director Sackbauer and himself were contacted by the Senior Golf Association who expressed concerns and offered suggestions for tee time changes and other improvements. Mr. Ortiz explained staff has met with them and are working on the concerns.
- 11.4. Director Suarez expressed concerns about vegetation needs around the tennis courts during the construction.

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11.5. Director Wilson said he has also heard the same concerns regarding buffering and screening during and following the improvements to Ford Park. He explained he will be gone at the Oct. 25 meeting.

11.6. Director Hanlon said registration is underway for youth indoor sports programs. He thanked the Vail Valley Foundation for trees that were transplanted to the golf course. Sidney Crosby and company were back at Dobson for a second time to practice and train during the NHL lockout. Dobson did a great job.

12. ADJOURNMENT

12.1. 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,

Jamie Gunion
Secretary to the Meeting

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Minutes of the Special Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District October 25, 2012

A Special Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on October 25, 2012, at 4:30 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. Bill Suarez, Jeff Wiles, Joe Hanlon and Rick Sackbauer
2. MEMBERS ABSENT AND EXCUSED
 - 2.1. Ken Wilson
3. STAFF PRESENT
 - 3.1. Mike Ortiz, Jamie Gunion, Chad Young
4. OTHERS PRESENT
 - 4.1. None
5. CONSULTANTS PRESENT
 - 5.1. Eric Weaver, Robertson & Marchetti, P.C. and Jim Collins, Collins, Cockrel & Cole.
6. CALL TO ORDER
 - 6.1. Director Hanlon called the meeting to order.
7. EXECUTIVE SESSION
 - 7.1. Upon a motion duly made and seconded it was unanimously RESOLVED to enter into executive session for the purpose(s) of: §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.”
 - 7.2. During the discussion, the VRD’s legal counsel was present and the executive session was not recorded.
 - 7.3. Upon returning from executive session, Mr. Collins exited the meeting.
8. PUBLIC INPUT OF ITEMS NOT ON THE AGENDA
 - 8.1. None

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9. SEPTEMBER 2012 FINANCIAL REPORT

- 9.1. Mr. Eric Weaver provided a 2012 financial report and explained that things are continuing to go well for the year. There have not been many changes since the August report.

10. PROPOSED 2013 PROGRAM FEES

- 10.1. Mr. Ortiz explained the fees should be reviewed at today's meeting and approved at the final budget hearing, allowing time for public comment on the fees.
- 10.2. Mr. Ortiz explained the philosophy of planning for fees is to keep them affordable, without compromising quality. Guest fees are higher than resident fees and continue to allow staff to operate their programs at a high level of quality. Most programs are proposed to stay at the same cost or have a minimal increase for 2013. However, with the decline in property tax valuations, the VRD will need to consider a large increase in 2014 to offset the continued decline in property tax revenues. The VRD will also be considering other options including a mil levy increase, reductions to programming, and several other avenues to counter the estimated \$750,000 annual decrease in taxes since 2010.
- 10.3. Director Wiles commented that he didn't see many fee increases in programming and questioned whether there are any specifics that need to be discussed.
- 10.3.1. Mr. Ortiz explained staff reviews programming fees across the valley and state as a gauge and most are already competitive and therefore were not adjusted.
- 10.4. Director Suarez commented about when the tennis center fees were raised greatly and there was a loss in participation. He agrees that there isn't a need for a quantum leap, but questioned whether there are more areas of fees that maybe should be raised.
- 10.5. Director Sackbauer questioned percentage increases in staff salaries for the past four years. Mr. Ortiz explained it has been zero.
- 10.6. Director Sackbauer commented the town of Vail is researching a study of salary increases in the public and private sector. With an increase in cost of living, the board needs to review a salary increase and how that relates to the program fees and a need to increase where appropriate. He requested staff to go back and look at fees and areas where increases can be made to appropriately increase staff salaries so that it will not be five years since the last salary increase.
- 10.6.1. Mr. Weaver explained for a 3 percent increase for full-time staff salaries, the VRD would need to find a little more than \$30,000.
- 10.7. Director Sackbauer also suggested looking a bonus or merit program and how that also can be found within the budget. He said staff for the past six years has

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gotten the VRD to where it is and it's important to recognize that. Moving forward the VRD is going to need continued dedication from this staff.

11. PUBLIC HEARING AND REVIEW OF PROPOSED 2013 BUDGET

- 11.1. Upon a motion duly made and seconded it was unanimously RESOLVED to open the public hearing to review the 2013 budget.
- 11.2. Mr. Weaver explained this is not a reevaluation year for 2013, meaning property tax revenues will remain consistent. Moving into 2014, the VRD will be looking at an additional 10 percent decline in property valuations, equaling a \$250,000 loss in revenue, in addition to the \$500,000 loss in the past few years from property tax declines.
- 11.3. Mr. Weaver stated that the capital budget included is a planning document and will be fine tuned in the next two weeks. A five-year budget has also been included for capital planning. Under long-term planning, the VRD, between 2014 and 2016 has about \$4.5 million in capital needs including new golf carts, golf course master planning items, remodel of the starter facility at the golf course, cart path and bridges, maintenance needs at Dobson and other departmental needs. This is also continued maintenance of the assets the VRD has. At \$4.5 million in needs, only \$2.5 million will be available without an increase in revenues, leaving the VRD short about \$500,000 per year for capital upkeep through 2017. To generate that money, the VRD will need to research a mill levy increase of roughly 0.7 mills, resulting in an average increase of \$81 for a home valued at \$1.5 million. Without the mill levy increase, it would take an 18 percent fee increase to make up the shortfall. Staff has made appropriate cuts and cannot operate programs at lower staffing level without eliminating programs. The VRD is operating very lean.
- 11.4. Director Sackbauer expressed the choice will be which programs need to be looked in the future that the VRD will operate. Mr. Weaver explained a lot of programs are vital to what the VRD does.
- 11.5. Director Suarez questioned deferred maintenance. Mr. Weaver explained deferring can work for a few years but it can end up costing the VRD more in the future and better planning can alleviate this.
- 11.6. Director Sackbauer explained when looking at the five-year plan, the board is going to have to make tough decisions. In two weeks, he requested staff to come back and explain which programs are drains to the VRD so the board can have the discussion.
- 11.7. Director Wiles clarified if the VRD were to increase .7 mils, the VRD would maintain status quo. If the mil levy is not raised, fees would have to be raised 18 percent to allow the VRD to operate as is.
- 11.8. Director Sackbauer requested a plan be created with staff for an understanding that if "this happens" than "this happens." If the board decides a mil levy increase is the best decision, than money needs to be funded for that. The VRD

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needs to share with the public the five-year plan that looks at 2013 to 2017. These are hard stories to tell and it might be helpful to get help in sharing the story.

- 11.9. Director Suarez said many people don't understand the shortfall the organization will have in the future, even when looking at the current golf course clubhouse renovation. The information needs to start flowing.
- 11.10. Director Sackbauer asked the best way to share the information knowing that the VRD's revenues come from a different source than the Town of Vail's.
- 11.11. Director Hanlon also suggested making sure the partners at the town understand this shortfall as they are having some of the best sales tax collection in years.
- 11.12. Mr. Weaver clarified that the current discussion is for 2014 and the board is planning a year out. Property revenues have gone from \$2.03 million in 2006, up to \$3.19 million in 2011 and are forecasted be \$2.46 million in 2014.
- 11.13. Director Sackbauer requested a range for the mil levy increase for a variety of housing valuations. The VRD has been able to operate seamlessly, but for how many years can the VRD operate with out having to reinvest.
- 11.14. Mr. Weaver asked for questions on the budget.
 - 11.14.1. Director Sackbauer said staff has done an amazing job managing capital. He questioned what the fortifier account is. Mr. Weaver explained that when an employee leaves the District before completing 5 years a portion of the contributions made by the District towards their retirement are forfeited back to the District. This separate account has accumulated a balance over a number of years and some of the accumulated funds could be used to fund a portion of the Districts 2014 retirement plan contributions.
 - 11.14.2. Director Sackbauer questioned the legal budget. Mr. Weaver explained due to the lawsuit that has been filed regarding the Vail Golf Club renovation, the VRD's legal counsel has recommended a \$100,000 increase to the legal budget for 2014.
 - 11.14.3. Director Hanlon questioned the concessions at Ford Park at \$100,000. Mr. Weaver explained the VRD is in charge of interior items for the buildings under the lease with the Town and therefore will be funding the costs of equipment for the new facility.
 - 11.14.4. Director Sackbauer noticed in the Vail Golf Course budget, driving range mats have been budgeted. He questioned whether now is the time to put in driving range matting with the potential for construction at the golf course. Mr. Ortiz explained staff is researching whether they can be installed temporarily and then put in place permanently following completion of the clubhouse.
 - 11.14.5. Director Wiles questioned the repurposing of the Booth Falls courts. Mr. Ortiz explained staff will be discussing with the town on whose responsibility it is.

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- 11.14.6. Mr. Weaver explained there are quite a few changes to be made and these will be discussed at the next meeting.
- 11.14.7. Director Sackbauer commented that in the 69 pages of the budget document, you can see the work that has been done. Both Director Hanlon and Sackbauer thanked Mr. Weaver, Mr. Ortiz and staff for their work.
- 11.14.8. Hearing no public comment, upon a motion duly made and seconded it was unanimously RESOLVED to continue the public hearing for the budget to the Regular Meeting of the Vail Recreation District Board of Directors on Nov. 8.
- 11.14.9. Mr. Weaver will certify the mill levy on Nov. 6.

12. EXECUTIVE DIRECTOR INPUT

- 12.1. Mr. Ortiz offered to answer any questions on the Directors report.
- 12.2. Director Sackbauer commented the Vail Gymnastics Center has been packed the past few times he has been in the building. He requested a review of the schematic designs for the improvements to the gymnastics facility at an upcoming board meeting.

13. BOARD MEMBER INPUT

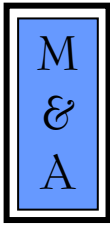
- 13.1. Director Wiles commented he heard Beth Pappas and Jamie Gunion were on the radio and speaking about the Trick or Treat Trot.
- 13.2. Director Suarez reiterated the fact of keeping the public informed of where the VRD stands with the upcoming budget shortfall and what that means for the VRD.

14. ADJOURNAMENT

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

Respectfully Submitted,

Jamie Gunion
Secretary to the Meeting



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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October 31, 2012

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, 2012. 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, 2012. 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.

Performing services for local governments throughout Colorado

*D. Jerry McMahan, C.P.A.
Paul J. Backes, C.P.A.*

*Daniel R. Cudahy, C.P.A.
Michael N. Jenkins, C.A., C.P.A.*

Members: American Institute of Certified Public Accountants/Colorado Society of Certified Public Accountants
National and Colorado Government Finance Officers Association/Colorado Municipal League

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also 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 \$11,100 for year ending December 31, 2012. 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.

RESPONSE:

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

By: _____

Title: _____

Date: _____

VAIL RECREATION DISTRICT 2013 FEES

The following 2013 rates will be reviewed by the Vail Recreation District Board of Directors on Thursday, Oct. 25 at its regularly scheduled board meeting.

DEPARTMENT	PAGE
Vail Nature Center	2
Vail Nordic Center	2
Vail Gymnastics Center	2
Vail Golf Club	3,4
Dobson Ice Arena	5
Sports Department	
Leagues	6
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Youth Sports Camps	6
Facility Rentals	7
Ford Park Tennis Center	8
Community Programming	
Imagination Station	9
Pre School Programs	9
Single Day Programs	9
Kid Zone	9
Pre Kamp Vail	9
Camp Vail, Camp Eco Fun	9
Community Room	9

VAIL NATURE CENTER

	<u>2012 RATES</u>	<u>2012 RESIDENT DISCOUNT</u>	<u>2013 RATES</u>	<u>2013 RESIDENT DISCOUNT</u>
HIKING				
ADULT FULL DAY	\$50	\$45	\$50	\$45
HALF DAY HIKES	\$35	\$30	\$35	\$30
HIKING CLUB	\$250	\$230	\$250	\$230
<u>WALKS/TOURS/PROGRAMS</u>				
WILDFLOWER	\$3	\$2	\$5/ children 12 an	\$3
BIRD	\$3	\$2	\$5/ children 12 an	\$3
BEAVER POND	\$5 CHILD, \$10 ADULT, \$30 FAMILY		\$6 CHILD, \$12 ADULT, \$35 FAMILY OF FIVE	
S'MORES AND MORE	\$5 CHILD, \$10 ADULT, \$30 FAMILY		\$6 CHILD, \$12 ADULT, \$35 FAMILY OF FIVE	
STORIES IN THE SKY	\$5 CHILD, \$10 ADULT, \$30 FAMILY		\$6 CHILD, \$12 ADULT, \$35 FAMILY OF FIVE	
GUEST SPEAKER SERIES	\$5 CHILD, \$10 ADULT, \$30 FAMILY		\$6 CHILD, \$12 ADULT, \$35 FAMILY OF FIVE	

VAIL NORDIC CENTER

	<u>2012 RATES</u>	<u>2013 RATES</u>
DAY PASS	\$8	\$8
SEASON PASS	\$90	\$90
TOV SEASON PASS	\$80	\$80
STUDENT PASS	\$50	\$50

VAIL GYMNASTICS CENTER

	<u>JAN. - AUG. 2012 RATES</u>	<u>JAN. - AUG. 2013 RATES</u>
45 MINUTE CLASS	\$45 PER MONTH	\$45 PER MONTH
60 MINUTECLASS	\$50 PER MONTH	\$55 PER MONTH
90 MINUTE CLASS	\$70 PER MONTH	\$75 PER MONTH
BOYS TEAM, 5 HOURS PER WEEK	\$130	\$130
USGA 4, 5 HOURS PER WEEK	\$140	\$140
PRE-TEAM, 4 HOURS PER WEEK	\$130	\$130
	<u>SEPT. - DEC. 2012 RATES</u>	<u>SEPT. - DEC. 2013 RATES</u>
45 MINUTE CLASS	\$45 PER MONTH	\$45 PER MONTH
60 MINUTECLASS	\$50 PER MONTH	\$55 PER MONTH
90 MINUTE CLASS	\$70 PER MONTH	\$75 PER MONTH
BOYS TEAM, 6 HOURS PER WEEK	\$160	\$160
USGA 4/EAGLES TEAM, 6 HOURS PER WEEK	\$160	\$160
PRE-TEAM, 4 HOURS PER WEEK	\$140	\$140
EAGLES TEAM, 4 HOURS PER WEEK	\$150	\$150
USGA Level 5/6, 9 HOURS PER WEEK	\$180	\$180
USGA Level 7+, 11.5 HOURS PER WEEK	\$180	\$190
ADVANCED BOYS TEAM 9 HOURS PER WEEK	\$180	\$180

VAIL GOLF CLUB

<u>GREEN FEES PEAK SEASON</u>	<u>2012 Rates</u>	<u>Proposed</u> <u>2013 Rates</u>
GUEST 18	\$88	\$90
GUEST 9	\$55	\$55
GUEST TWILIGHT/ 3:30 PM	\$55	\$55
GUEST JUNIOR 18	\$55	\$55
GUEST JUNIOR 9 & TWI	\$35	\$35

<u>GREEN FEES RESIDENTS PEAK SEASON</u>	<u>2012 Rates</u>	<u>Proposed</u> <u>2013 Rates</u>
COUNTY 18	\$68	\$68
COUNTY 9	\$45	\$45
COUNTY TWILIGHT	\$45	\$45
COUNTY JUNIOR 18	\$45	\$45
COUNTY JUNIOR 9 & TWI	\$30	\$30
VRD 18	\$58	\$58
VRD 9	\$40	\$40
VRD TWILIGHT/3:30 PM	\$40	\$40
VRD JUNIOR 18	\$40	\$40
VRD JUNIOR 9 & TWI	\$30	\$30

GREEN FEES EARLY SEASON

EARLY SEASON RATES Opening day - June 27

GUEST/cty/vrd 18	\$45	\$45
GUEST 9	\$30	\$30
GUEST TWILIGHT/ 3:30 PM	\$30	\$30
Junior 18	\$35	\$35
Junior 9 and TWI	\$25	\$25

FALL SEASON RATES

SEPT 5TH - OCT 6

GUEST/cty/vrd 18	\$50	\$50
GUEST 9	\$35	\$35
GUEST TWILIGHT/ 3:30 PM	\$35	\$35
Junior 18	\$35	\$35
Junior 9 and TWI	\$25	\$25

OCT

AERIFICATION RATE

OCT 7TH - OCT 31ST

Guest/Cty/VRD 18	\$35	\$35
9 hole	\$25	\$25
Cart 18	\$15	\$15
Cart 9	\$10	\$10

LEAGUE Early&Fall SEASON	\$45	\$45
LEAGUE PEAK SEASON	\$45	\$45

SEASON PASS SALES/MAY15TH!!

VRD GOLD PRIOR TO MAY 15	\$1,750	\$1,750	5 day advance reservation window
VRD GOLD AFTER MAY 15	\$1,800	\$1,800	5 day advance reservation window
VRD SILVER PRIOR TO MAY 15	\$925	\$925	5 day advance reservation window
VRD SILVER AFTER MAY 15	\$975	\$975	5 day advance reservation window
EAGLE COUNTY RESIDENT	\$1,325	\$1,325	5 day advance reservation window
10 PUNCH VRD PRIOR TO MAY 15	\$450	\$450	5 day advance reservation window
10 PUNCH VRD AFTER MAY 15	\$500	\$500	5 day advance reservation window
20 PUNCH VRD PRIOR TO MAY 15	\$500	\$500	5 day advance reservation window
20 PUNCH VRD AFTER MAY 15	\$550	\$550	5 day advance reservation window
10 PUNCH EAGLE COUNTY Prior to May 15	\$500	\$500	5 day advance reservation window
10 PUNCH EAGLE COUNTY Aft to May 15	\$550	\$550	5 day advance reservation window
20 PUNCH EAGLE COUNTY Prior May 15	\$600	\$600	5 day advance reservation window
20 PUNCH EAGLE COUNTY Aft May 15	\$650	\$650	5 day advance reservation window
COMBO Evail & Vail Punch card	\$600	\$600	5 day advance reservation window
10 ROUND PUNCH W/CART VAIL	\$625	\$625	5 day advance reservation window
VRD JUNIOR GOLD PASS	\$300	\$300	5 day advance reservation window
Young Adult Pass-- 18yrs-24yrs	\$300	\$300	5 day advance reservation window
JUNIOR SILVER PASS	\$150	\$150	5 day advance reservation window
ADULT - JUNIOR PASS VRD	\$250	\$250	5 day advance reservation window
ADULT - JR CTY	\$275	\$275	5 day advance reservation window
MERCHANT PASS- VAIL	\$925	\$925	5 day advance reservation window

	<u>2012 Rates</u>	Proposed <u>2013 Rates</u>
<u>CART RENTALS</u>		
18 HOLES	\$19	\$19
9 HOLES	\$12	\$12
LEAGUE	\$17	\$17
PULL CART		
PULL CART 9 Holes	\$5	\$5
PULL CART 18 Holes	\$8	\$8
<u>RENTAL CLUBS</u>		
18 HOLES	\$42	\$42
9 HOLES	\$30	\$30
<u>RANGE</u>		
Small	\$6	\$6
Large	\$10	\$10
<u>OTHER AMENITIES</u>		
CLUB STORAGE ONLY	\$89	\$89
CLUB STORAGE WITH PULL CART	\$89	\$89
STORAGE/PULL CART/ LOCKER	\$99	\$99

DOBSON ICE ARENA

<u>MISC.</u>	<u>2012 RATES</u>	<u>2013 RATES</u>
1 Hr.. ICE RENTAL-FULL RATE	\$200	\$200
1 Hr. ICE RENTAL-ADULTS	\$175	\$175
1 Hr. ICE RENTAL- Skating Club and Vail Eagle Hockey	\$175	\$175
1 Hr. ICE RENTAL- HOCKEY Non Prime-Time	\$100	\$100
1 Hr. ICE RENT BEFORE Non Prime-Time	\$85	\$85
DAILY RENTAL/ICE ONLY	\$2,500	\$2,500
<u>PUBLIC SESSION FEES</u>		
ADULTS (13+)	\$6	\$6
YOUTH (5-12)	\$5	\$5
CHILD (4 & under)	\$3	\$3
SKATE RENTAL	\$3	\$3
SKATE SHARP (overnight)	\$5	\$5
SKATE SHARP (day of)	\$10	\$10
<u>SEASON SKATING PASS</u>		
VRD FREESTYLE SESSIONS	\$10	\$10
10 PUNCH FREESTYLE CARD	\$90	\$90
10 PUNCH SKATE SHARPENING	\$45	\$45
10 PUNCH DROP-IN HOCKEY	N/A	N/A
10 PUNCH PUBLIC SKATING CARD (YOUTH)	N/A	N/A
10 PUNCH PUBLIC SKATING CARD (ADULT) (Now all ages)	\$45	\$45
<i>*BUY 9 AND GET 1 FREE</i>		
<u>VRD LEARN TO SKATE</u>		
10 WEEK SESSION	\$15 PER CLASS	\$15 PER CLASS
STORY TIME (toddler skate)	\$10 PER CLASS	\$10 PER CLASS
VRD Squirt Rec. Hockey (16 weeks)	\$250	\$250
VRD MITE/MINI (fall season) 8 weeks	\$150	\$150
VRD MITE/MINI (winter season if registered for fall) 8 weeks	\$150	\$150
HOCKEY EQUIPMENT RENTAL (both seasons)	\$50	\$50
VRD MITE/MINI (Pre-register both sessions)	\$250	\$250
<u>LOCKER RENTALS</u>		
FULL SIZE-SEASON	\$95	\$95
HALF SIZE SEASON	\$70	\$70
THIRD SIZE-SEASON	\$50	\$50
FULL SIZE 6MO.	\$50	\$50
HALF SIZE-6MO.	\$40	\$40
THIRD SIZE-6MO	\$30	\$30
SPECIAL EVENT DAILY	\$3,500	\$3,500
<u>HOUSE SERVICES</u>		
FORKLIFT-1 HOUR	\$50	\$50
MAN LIFT- 1 HOUR	\$60	\$60
CURTAIN/BACKDROP	\$50	\$50
ELECTRICAL OUTLETS	\$50	\$50
SPOTLIGHT/DAILY	\$80	\$80
<u>CONCESSION RENTAL/MONTH</u>		
Base rent	30% OF GROSS SALES \$500 PER MONTH	30% OF GROSS SALES \$500 PER MONTH

SPORTS DEPARTMENT LEAGUE FEES

	<u>2012 RATES</u>	<u>2012 RESIDENT DISCOUNT</u>	<u>2013 RATES</u>	<u>2013 RESIDENT DISCOUNT</u>
<u>LEAGUES</u>				
SUMMER SOFTBALL	\$575	\$525	\$595	\$545
FALL CO-REC SOFTBALL	\$290	\$250		
FALL FOOTBALL	\$340	\$310	\$360	\$330
8V8 SUMMER SOCCER		\$500	\$500	
8V8 FALL SOCCER		\$250	\$250	
SAND VOLLEYBALL	\$80		\$90	
<u>RED SANDSTONE ACTIVITIES</u>				
OPEN GYM		\$3 DROP-IN	\$3 DROP IN	
WINTER VOLLEYBALL	\$225	\$200	\$225	\$200
FALL VOLLEYBALL	\$225	\$200	\$225	\$200
BASKETBALL	\$390	\$360	\$410	\$380
INDOOR SOCCER	\$250	\$225	\$270	\$245

SPORTS DEPARTMENT RACE SERIES

<u>RUNNING RACES</u>				
<u>2012 RATES</u>				
INDIVIDUAL RACE	\$28 PRE-REG	\$38 DAY OF	\$29 Pre-Reg	\$39 day-of
RACE SERIES		\$175		\$180
<u>MOUNTAIN BIKE RACES</u>				
<u>2012 RATES</u>				
ADULT	\$25 PRE-REG	\$35 DAY OF	\$25 PRE-REG	\$35 DAY OF
YOUTH	\$10 PRE-REG	\$15 DAY OF	\$10 PRE-REG	\$15 DAY OF
SERIES ADULT		\$150		\$150
SERIES YOUTH		\$60		\$60
TEAM FEE		\$100		\$100
<u>Short TrackRace Series</u>				
Adult	\$12		\$12 PRE-REG	\$15 DAY OF
Youth	\$5		\$5 PRE-REG	\$ 7 DAY OF
Adult Series	\$40		\$40	
Youth Series	\$15		\$15	
<u>CYCLOCROSS</u>				
ADULT	\$15 PRE-REG	\$20 DAY OF	\$17 PRE-REG	\$22 DAY-OF
YOUTH	\$5 DAY OF	\$10 DAY OF	\$10 PRE-REG	\$15 DAY OF
<u>KIDS ADVENTURE RACE</u>				
TEAM	\$150		\$150	
CLINICS	\$25		\$50	

YOUTH SPORTS

LEAGUES

SOCCER:

MICRO
U8
U10
U12 & U14
HIGH COUNTRY HOOPS
YOUTH VOLLEYBALL
T-Ball

2011 RATES

\$55
\$55
\$60
\$60
\$45
\$60
\$60

2013 RATES

\$60
\$60
\$65
\$65
\$55
\$75
\$60

2012 RATES

CAMPS	\$130 HALF DAY	\$160 FULL DAY
BASEBALL	\$145 HALF DAY	\$180 FULL DAY
BRITISH SOCCER	\$130 HALF DAY	\$160 FULL DAY
GIRL'S SOCCER ACADEMY		\$145
BASKETBALL		\$155
LACROSSE		\$135
MINI-HAWK	\$80 GRADES 6-8	\$130 Grades 9-12
BEACH VOLLEYBALL		\$160
CSU VOLLEYBALL	\$158 HALF DAY	\$203 FULL DAY
TETRA BRAZIL		\$150
FLAG FOOTBALL		

2013 RATES

\$135 HALF DAY	\$165 FULL DAY
\$150 HALF DAY	\$190 FULL DAY
\$135 HALF DAY	\$165 FULL DAY
	\$150
	\$165
	\$135
\$80 GRADES 6-8	\$130 Grades 9-12
	\$160
\$163 HALF DAY	\$206 FULL DAY
	\$165

'S DEPARTMENT FACILITY RENTAL

	<u>2012 RATES</u>	<u>2012 RESIDENT DISCOUNT</u>	<u>2013 RATES</u>	<u>2013 RESIDENT DISCOUNT</u>
<u>SOFTBALL</u>	\$20 PER HOUR	\$15 PER HOUR	\$30 PER HOUR	\$20 PER HOUR
1 DIAMOND	\$100 PER DAY	\$60 PER DAY	\$120 PER DAY	\$80 PER DAY
OVER 4 HOURS	\$300 PER DAY	\$180 PER DAY	\$350 PER DAY	\$240 PER DAY
3 DIAMONDS	\$500 PER DAY		\$500 PER DAY	
NATIONAL EVENT/TOURNAMENT	\$100		\$100	
FIELD MARKING				
<u>ATHLETIC FIELD</u>	\$40 PER HOUR	\$25 PER HOUR	\$50 PER HOUR	\$25 PER HOUR
HOURLY	\$160 PER DAY	\$100 PER DAY	\$200 PER DAY	\$100 PER DAY
OVER 4 HOURS	\$500/DAY		\$500/DAY	
NATIONAL EVENT/TOURNAMENT	\$150		\$150	
FIELD MARKING				
<u>SPECIAL EVENTS</u>	\$1,000 PER DAY		\$1,000 PER DAY	
FOR NON-ATHLETIC EVENTS CAUSING STRESS TO FIELDS				
<u>GYM RENTALS</u>	\$25 PER HOUR	\$15 PER HOUR	\$40 PER HOUR	\$20 PER HOUR
HOURLY	\$100 PER DAY	\$60 PER DAY	\$160 PER DAY	\$80 PER DAY
OVER 4 HOURS				
<u>VOLLEYBALL COURTS (SAND)</u>	\$20 PER HOUR	\$10 PER HOUR	\$30 PER HOUR	\$20 PER HOUR
RENTAL	\$80 PER DAY	\$40 PER DAY	\$120 PER DAY	\$80 PER DAY
OVER FOUR HOURS - 1 COURT	\$200 PER DAY	\$100 PER DAY	\$280 PER DAY	\$180 PER DAY
3 COURTS				
<u>TIMING SERVICES</u>	Minimum \$250 or \$2/runner which ever is greater			
Non Profit	Minimum \$500 or \$3/runner which ever is greater			
For Profit				

FORD PARK TENNIS CENTER

<u>PASSES</u>	<u>2011 RATES</u>	<u>2012 RATES</u>	<u>2013 RATES</u>
TAX PAYER	\$125	\$125	\$125
NON-TAX PAYER	\$150	\$150	\$150
<u>COURT FEES</u>			
1 HOUR	\$15	\$15	\$15
90 MINUTES	\$20	\$20	\$20
<u>LESSONS</u>			
PRIVATE			
Hour	\$65	\$65	\$65
1/2 Hour	\$45	\$45	\$45
SEMI-PRIVATE LESSONS			
Hour	\$80	\$80	\$80
1/2 Hour	\$55	\$55	\$55
3 PEOPLE			
Hour	\$90	\$90	\$90
1/2 Hour	\$60	\$60	\$60
<u>RAQUET</u>			
STRINGING	\$15 PLUS STRING	\$15 PLUS STRING	\$15 PLUS STRING
RENTAL	\$5 PER DAY	\$5 PER DAY	\$5 PER DAY
<u>TENNIS ACTIVITIES COSTS</u>			
ALL PLAY DOUBLES	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
SR. MEN DOUBLES	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
LADIES' DAY	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
MEN'S NIGHT	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
CLUB 50	PART OF MEMBERSHIP	PART OF MEMBERSHIP	PART OF MEMBERSHIP
MEN'S DOUBLES	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
MEN'S SINGLE LADDER	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
MIXED DOUBLES	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
LADIES' DOUBLES	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
SUNDAY MORNING DOUBLES	\$8 PER PERSON	\$8 PER PERSON	\$9 PER PERSON
<u>BILL WRIGHT CHAMPIONSHIPS</u>	TBD	TBD	TBD
<u>JUNIOR LESSONS</u>			
ONE WEEK	\$60 PER WEEK/2 WEEKS	\$60 PER WEEK/2 WEEKS	\$60 PER WEEK/2 WEEKS
TWO WEEKS	\$65 PER WEEK	\$65 PER WEEK	\$65 PER WEEK
<u>TENNIS CAMPS</u>	\$175 VAIL RESIDENTS \$195 ALL OTHERS	\$175 VAIL RESIDENTS \$195 ALL OTHERS	\$175 VAIL RESIDENTS \$195 ALL OTHERS

YOUTH SERVICES

IMAGINATION STATION

	<u>2012 RATES</u>	<u>2013 Rates</u>
DAILY ADMISSION	\$5 PER CHILD	\$5 PER CHILD
10 PUNCH CARD	\$35	\$35
ANNUAL MEMBERSHIP	\$50	\$10/child/week, \$20/month, \$40/year
DROP OFF	\$10 PER HOUR	\$10 PER HOUR
PARTIES (2 HOURS)		
Up to 10 Children	\$100	see below
Additional Children Beyond 10	\$5	

PRE SCHOOL PROGRAM

	<u>2012 RATES</u>	<u>2013 Rates</u>
DISCOVERY BUNCH		
4 Week Session - 18 Hours	\$120	see below
Drop-In Session	\$35	

SINGLE DAY PROGRAMS

	<u>2012 RATE</u>	<u>2012 RESIDENT DISCOUNT</u>	<u>2013 RATE</u>	<u>2013 RESIDENT DISCOUNT</u>
ARTS, CRAFTS, COOKING (2 TO 3 HOURS) 5 or More Sessions	\$18 PER SESSION	\$15 PER SESSION	see below	
Fitness (1 hr)				
Drop In	\$25	\$20		

KIDZONE AFTER SCHOOL PROGRAM

	<u>12 RSES RATE</u>	<u>13 RSES RATE</u>
REGISTRATION PER FAMILY	\$20	\$20
AFTERNOON DROP-IN	\$18	\$18
AFTERNOON PRE-PAY	\$13	\$14
SCHOOL'S OUT CAMP		
Rate	\$47	\$45
Eagle County Student Rate	\$37	\$38

	<u>2012 Rates</u>	<u>2012 Eagle County Student Rate</u>	<u>2012 RESIDENT DISCOUNT</u>	<u>2013 Rates</u>	<u>2013 Eagle County Student Rate</u>	<u>2013 RESIDENT DISCOUNT</u>
<u>PRE KAMP VAIL</u>						
REGISTRATION (INCLUDES T-SHIRT)	\$10	\$10		\$10	\$10	
DAILY	\$67	\$49		\$67	\$50	
5 DAY PASS	\$320	\$235		\$320	\$240	
5 DAY PASS - SECOND CHILD	\$295	\$210		\$295	\$210	
10 DAY PASS	\$590	\$420		\$590	\$430	
10 DAY PASS - SECOND CHILD	\$520	\$365		\$520	\$365	
VAIL RESIDENTS	\$2 off every day reserved and paid by 5/31. \$3 off every day reserved and paid by 5/31 One day free for every 10 days purchased. \$4 off every day reserved and paid by 5/31					
<u>CAMP VAIL</u>						
REGISTRATION (INCLUDES T-SHIRT)	\$10	\$10		\$10	\$10	
DAILY	\$64	\$47		\$64	\$48	
FOURTH OF JULY PARADE	\$10	\$10		\$10	\$10	
5 DAY PASS	\$310	\$220		\$310	\$225	
5 DAY PASS - SECOND CHILD	\$290	\$200		\$290	\$200	
10 DAY PASS	\$570	\$390		\$570	\$400	
10 DAY PASS - SECOND CHILD	\$520	\$345		\$520	\$345	
VAIL RESIDENTS	\$2 off every day reserved and paid by 5/31. \$3 off every day reserved and paid by 5/31 One day free for every 10 days purchased. \$4 off every day reserved and paid by 5/31					
<u>CAMP ECO FUN</u>						
REGISTRATION (INCLUDES T-SHIRT)	\$10	\$10	\$10	\$10	\$10	
2 DAY SESSION	\$100	\$80		\$100	\$85	
5 OR MORE SESSIONS (Rates if purchased by May 1)	\$90	\$75	\$70	\$90	\$80	\$75

COMMUNITY ROOM

	<u>2012 Rates</u>	<u>2013 Rates</u>
FITNESS: YOGA, TRX		
Drop-in	\$12	\$12
Punch Card/Session	\$200 per 20	\$100 per 10 punch or \$8 per class for session
Membership		\$50/month
ART		
Session	\$200	\$15 per class
Punch Card	\$200	\$20
Children's Art Drop-In		\$5
PAINT YOUR OWN POTTERY		\$5 studio + \$5 to \$20 for pottery
BIRTHDAY PARTIES	\$125 for 10 Children	\$125 for 10 +\$5/child up to 15

Nature Center

As illustrated in the attached spreadsheet, the Nature Center has raised certain fees for the 2013 season. We have consistently raised other fees over the last few years, and believe that we are attaining a level that is competitive and acceptable to our clients. Other nonprofits in the area that provide similar programs do not charge a fee, or simply request a donation.

Programs such as Art in Nature, Photography, and Fly-Fishing, which are usually contract, are priced to reflect a positive cash flow. Participation continues to grow, and we intend to build upon this momentum. We will continue to review our fees relative to participation rates and client feedback to ensure that our fees are appropriate.

Gymnastics

Rate Review For 2012

Most of the rate increases happen in September not at the beginning of the year. I do this because most kids take the summer off and it is a better time to implement an increase as my program is the busiest during the school year. I have done rate changes and January before and seem to have a more negative response. I will look at doing a rate increase towards next fall.

I have held the classes at the same rate based on what is being offered by our competitor WECMRD, we are already more expensive by a few dollars per class. As the kids progress and show a little more interest in the sport, the parents are willing to pay a little more for the higher level coaching which we have increased over the past few years.

2010 Toddler class \$45 for 45 min. for 1 month

2011 Toddler Class (tried a special to increase participation at \$35 for the month)

2012 Toddler Class \$45 for 45 min. for 1 month

(I just see an increase here being a benefit as we are competing with WECMRD and already have a decrease in participation due to the lack of convenience/location to many young families.

Super Bears:

2010 \$45

2011 \$45

2012 \$45 (same issue with Toddler's not as many young families and competing with WECMRD)

Level 1 Classe

2010 \$50 for 60 min. class for 1 month

2011 \$50 for 60 min. class for 1 month

2012 \$55 for 60 min. class for 1 month

Level 2

2010 \$50 for 60 min. class for 1 month

2011 \$70 for 90 min. class for 1 month

2012 \$75 for 90 min. class for 1 month

Pre-team

2010 \$120 for 4 hours per week for 1 month

2011 \$130 for 4 hours per week for 1 month

2012 (implemented January) \$140 for 4 hours per week for 1 month

Level 4

2010 \$130 for 5 hours per week for 1 month

2011 \$140 for 6 hours per week for 1 month

2012 \$160 for 6 hours per week for 1 month (this was implemented in January)

Level 5/6 girls team and Boys Team

2010 \$160 for 9 hours per week for 1 month

2011 \$165 for 9 hours per week for 1 month

2012 \$ 180 for 9 hours per week for 1 month

Level 7+

2010 \$160 for 9 hours per week for 1 month

2011 \$180 for 11.5 hours per week for 1 month

2012 \$190 for 11.5 hours per week for 1 month

Community Programming (Youth Services)

General philosophy: We are increasing (or already increased in the case of After School and School's Out Camp) all camp rates, but allowing local families that lock in their summer dates to get the same rate they have for the past two years. This takes care of our local school children and VRD taxpayers that act early. If they do not act early, they pay a higher price.

Out of town guests have been paying a high price for quite a while, and the incremental increase makes this fee non-competitive; therefore, these rates are staying the same. In the case of School's Out Camp, this rate actually went down in the hope of attracting some out-of-town customers – we have had zero in the last 5 years.

Golf

For Vail GC golf rates, I suggest we keep the prices the same as 2012. With a \$2 increase in Guest 18 Hole Rate. We did raise prices from 2011 to 2012.

We typically sell 75 passes each year. The price has been \$925 for the season. If we were to raise this price to \$1000, we would bring in an additional \$5625 for the year. If we were to raise the price to \$1200, we would bring in an additional \$20,625. I do not suggest raising the pass at this point. There is a breaking point for many of our locals on pass price as well. However, I believe we should offer the season pass to anyone who wants to buy one at the cost of \$975. Right now the cost for an Eagle County or Summit County Resident is \$1325.00. We typically sell 3 to 4 of these passes. There is room to grow in this category.

Our punch card sales are strong. However, we do have several dissatisfied customers who struggle getting a morning tee time. The only mornings that are available on this pass is Tue and Thursday during the Peak Season. With league play on Monday and Wednesday and restrictions on Fri, Sat, Su it is challenging to get on the course in the morning. I would not suggest raising the punch card price.

If we are unable to pass a bond issue next November, it will be vital to look at alternatives to our pass program.

Dobson

I took a hard look at the rates and we are not in a position to raise rates at this time. I think we can table my rates until later as I cannot put them into action until August anyways.

I feel raising participation is the key to increasing revenue at Dobson.

Vail Recreation District 2013 Preliminary Budget Overview

General Overview

The following is a brief summary of the condensed preliminary budget found on page 2 of the September 30, 2012 financial report. Supporting details for the amounts on pages 3 and 4 can be found on the corresponding detail pages which can be provided if requested.

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Revenues

- **Tax Revenues-** The assessed valuation of the District remains relatively consistent due to this not being a revaluation year. The operation mill levy of the District cannot increase without voter approval so will remain at 2.76 mills and the mill levy dedicated to payment of the Dobson bonds automatically fluctuates from .319 mills to an estimated .327 mills for 2013. Specific ownership taxes on motor vehicles are also included in the tax amounts, which are estimated to be 4% of property taxes. Deducted from these revenues is the 3% fee for collections withheld by the Eagle County treasurer.
- **Other Non-Departmentalized Revenues-** Interest revenues, which are budgeted to be 0.5% of our cash balances and funds received from lottery ticket sales. The District will transfer \$30,000 of the \$220,000 of funds available from the forfeiture of non-vested former employee retirement contributions made to them by the District. This account has been growing for many years and can be used to cover a portion of the District's 2013 retirement contributions to current employees.
- **Sports Revenues-** Most items are consistent with 2012 forecast except for an increase in the scope of the Kids Adventure Race and concessions at Ford Park have been added with the new facility.
- **Gymnastics Revenues-** This program continues to feel the effects of the Edwards field house and the programming has changed accordingly moving towards more camps and team programs.
- **Youth Services Revenues-** Continued changes as we complete our first full year in the new space at Lionshead and continue to build new programs for all ages out of the space.
- **Outdoor Branch Revenues-** Operations and related revenues are expected to mirror 2012.
- **Golf Revenues-** Overall revenues are expected to be in line with the 2012 budget because 2012 actual results were higher due to the early start to the season. Revenues are not expected to be affected significantly by construction as the clubhouse is likely now a fall 2013 start and the construction of the 19th hole will minimize impacts when the 18th hole is reconstructed.
- **Tennis Revenues-** Programs and revenues are expected to remain consistent.
- **Dobson Revenue-** Revenues are expected to remain consistent with 2012 with the exception that the District will plan to begin providing food and beverage for both programming and special events once the facility reopens in June.

Financial Management Provided By Robertson & Marchetti, P.C.

28 Second Street, Suite 213, Edwards, CO 81632; Phone (970) 926-6060; Fax (970) 926-6040

Operating Expenses

- The Denver-Boulder CPI is estimated to be 2.9% for 2012 and therefore a 2.9% pay increase has been included in the department budgets for the majority of the year-round employees. It is proposed that higher paid employees be eligible for a bonus rather than a raise which is expected to be funded from the amounts shown in contingency if the District is able to operate within the overall budget. Additional merit bonuses for outstanding performance, if given, would also be funded through the contingency in the same manner.
- **Administration-** At the advice of counsel, the 2013 budget includes \$100,000 in additional legal fees to defend the suit related to the golf clubhouse. Costs are decreased in other areas as no change in personnel is expected as happened in 2012. The 2013 budget also includes expense for a potential November 2013 election to ask the voters for additional funding which is discussed further under the long-range planning section of this summary.
- **Public Relations-** Overall 2013 budget is consistent with the 2012 budget and forecast.
- **Park Maintenance Expenses-** 2012 budget shows a decrease due to the new agreement to receive reduced water rates after paying off the costs of the raw water system to ERWSD.
- **Facilities Maintenance Expenses-** 2013 budget is consistent with 2012 as there is little room for change due to the majority of expense being payroll and benefit driven.
- **Sports Expenses-** 2013 programs and related expenses are consistent with 2012 except for the Kids Adventure race and concessions as discussed under the sports revenues section above.
- **Gymnastics Expenses-** Personnel costs increase over 2013 budget based on breakout of classes which continue to grow slightly after being changed after the opening of the Edwards facility.
- **Youth Services** – 2013 programs and related expenses are consistent with 2012.
- **Outdoor Branch** – 2013 programs and related expenses are consistent with 2012.
- **Golf Operations** – 2013 programs and related expenses are consistent with 2012.
- **Golf Maintenance-** Increase over 2012 forecast largely due to additional tree spraying to address scales infection.
- **Tennis** - 2013 programs and related expenses are consistent with 2012.
- **Dobson** – 2013 programs and related expenses are consistent with 2012 except for now having costs of concessions which are offset by revenues.

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Debt Service and Capital

- **Loan and Lease Proceeds-** No new loans or leases anticipated but the budget does include the final installment from #5 net donation from the remaining neighbor.
- **Debt Service-** Debt service costs consist of the Dobson bonds (paid for through the offsetting property tax mill levy) and the Gymnastics and Dobson loan from the Town, both of which will be paid off in 2014.
- **Capital-** See accompanying schedule. 2013 will be higher than normal as the District intends to spend \$1.15M on the clubhouse as well as regular ongoing capital projects.

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Long-Term Planning

Included as part of the budget is a summary of financial results from 2006 through 2012 as well as projections for the next 5 years through 2017. Key elements and findings are as follows:

- **Fund Balance-** The 2013 preliminary budget calls for ending fund balance to be roughly at the goal of \$1.5M. \$300K of this is restricted for the Dobson Bonds, \$100K is restricted for emergencies by TABOR, and the remaining \$1.1M is equal to roughly 3 months of operating expenses.
- **Property Taxes Revenue-** Preliminary estimates show property values within the District declining an additional 10% for the 2014 and 2015 budgets based on real estate sales between January 2011 and June of 2012. This will result in an additional decrease in taxes of approximately \$250K, which is in addition to the \$500K reduction experienced in 2012.
- **Construction Impacts-** As planned, construction of the clubhouse and Ford Park are anticipated to impact the revenues of the Golf and Sports departments, although those impacts are now anticipated for 2014 rather than 2013 due to delays in the projects.
- **Other Operating Revenues and Expenses-** Net revenues from the operation of the banquet room will produce an estimated \$150K annually beginning in 2015. Other revenues and expenses are forecasted to remain consistent with 2013.
- **Debt Service-** The loans to the Town of Vail for the Gymnastics and Dobson facilities are paid on in 2014 which result in annual savings of \$50K.
- **Capital-** Between 2014 and 2017, capital expenses for routine replacements and maintenance are projected to total \$4.75M, however only \$2.6M is projected to be available, meaning that more than half of the projects will go unfunded. A short breakdown of the \$4.75M in projects is:
 - Routine replacements of department vehicles and machinery (\$900K over 4 years)
 - Golf Course master plan (\$3.7m over 10 years equates to \$1.5M over 4 years)
 - Required golf course work including remodel of starter facility, cart paths, bridges, creek restoration, etc (\$1.15M over 4 years)
 - Ongoing maintenance to Dobson Arena (\$600K over 4 years)
 - Other capital items throughout departments (\$600K over 4 years)
- **Shortfall-** In order to fund the shortfall, which at this point is anticipated to continue after the four year period projected through 2017, the District will have to consider one or a combination of the following:
 - Increase the operating mill levy by roughly 0.7 mills, which would result in a tax increase of \$84 dollars on an average home value of \$1.5M
 - Increase the average user fees by 18%
 - Leave projects unfunded
 - Decrease programming

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ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

Accountant's Compilation Report

November 5, 2012

Board of Directors
Vail Recreation District
Vail, Colorado

I have compiled the accompanying balance sheet of Vail Recreation District as of September 30, 2012 and the related statement of revenues, expenditures and changes in fund balance with budgets for the nine month period then ended. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2012 and the preliminary 2013 through 2017 budgets in accordance with standards established by the American Institute of Certified Public Accountants.

I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, I participate in the financial management of the District. Management (with my participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. I have prepared these financial statements in my capacity as consulting financial managers for the District.

My responsibilities include conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with my participation) has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for calendar year 2011 is presented for comparative purposes only. Such information is taken from the financial statements for the District for the year ended December 31, 2011, which have been audited by McMahan and Associates, L.L.C. and upon which they expressed an unqualified opinion in their report dated July 27, 2012.

I am not independent from an accounting and auditing perspective with respect to Vail Recreation District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.



Eric Weaver, CPA
Vice-President

**VAIL RECREATION DISTRICT
COMBINED BALANCE SHEET
December 31, 2011 and September 30, 2012**

	12/31/11					09/30/12				
	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	1,926,825	-			1,926,825	3,330,057	731			3,330,788
INVESTMENTS- RESTRICTED		286,522			286,522		288,209			288,209
ACCOUNTS RECEIVABLE	328,686	29,495			358,181	158,116	(10,124)			147,992
PROPERTY TAXES RECEIVABLE	2,402,903	277,727			2,680,630	90,321	10,439			100,760
PREPAIDS, DEPOSITS & INVENTORY	0	91,964			91,964	1,500	118,514			120,014
DUE (TO) FROM OTHER FUND	(21,379)	21,379			0	(77,400)	77,400			0
LOAN DUE (TO) FROM OTHER FUND	841	(841)			0	841	(841)			0
LAND & BUILDINGS			580,661	11,895,364	12,476,025			580,661	11,895,364	12,476,025
EQUIPMENT			739,599	1,658,746	2,398,345			739,599	1,658,746	2,398,345
ACCUM DEPR			(688,257)	(6,914,960)	(7,603,217)			(688,257)	(6,914,960)	(7,603,217)
COST OF BOND ISSUANCE, NET				261,332	261,332				261,332	261,332
TOTAL ASSETS	4,637,876	706,245	632,003	6,900,482	12,876,606	3,503,434	484,329	632,003	6,900,482	11,520,249
LIABILITIES AND FUND EQUITY										
ACCOUNTS PAYABLE	66,557	84,959			151,516	54,206	10,712			64,917
DEFERRED PROPERTY TAXES	2,402,903	277,727			2,680,630	90,321	10,439			100,760
DEFERRED REVENUE	14,590	10,282			24,872	12,090	27,890			39,980
ACCRUED COMPENSATED ABSENCES			37,146	16,176	53,322			37,146	16,176	53,322
ACCRUED INTEREST PAYABLE			1,250	33,543	34,793			1,250	33,543	34,793
GOLF EQUIPMENT LEASES PAYABLE				0	0				0	0
DUE TO TOV- DOBSON IMPROVEMENTS				15,920	15,920				10,613	10,613
DUE TO TOV-GYMNASTICS			120,000		120,000			120,000		120,000
DUE TO TOV-IRRIGATION SYSTEM				0	0				0	0
DUE TO ERWSD- WEATHER STATION				0	0				0	0
DOBSON BONDS PAYABLE				1,980,000	1,980,000				1,800,000	1,800,000
IMPUTED INTEREST			(4,646)	(617)	(5,263)			(4,646)	(310)	(4,956)
TOTAL LIABILITIES	2,484,050	372,969	153,750	2,045,022	5,055,791	156,616	49,041	153,750	1,860,022	2,219,429
NET ASSETS										
INV IN FIXED ASSETS, NET OF DEBT FUND BALANCE	2,153,826	333,277	478,253	4,855,460	5,333,713	3,346,819	435,288	478,253	5,040,460	5,518,713
TOTAL NET ASSETS	2,153,826	333,277	478,253	4,855,460	7,820,816	3,346,819	435,288	478,253	5,040,460	9,300,819
TOTAL LIAB & NET ASSETS	4,637,876	706,245	632,003	6,900,482	12,876,606	3,503,435	484,329	632,003	6,900,482	11,520,249

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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: 11/05/12

Modified Accrual Basis

	2011 Audited Actual	2012 Forecast	2012 Adopted Budget	Variance Favorable (Unfavor)	9 Months Ended 09/30/12 Actual	9 Months Ended 09/30/12 Budget	Variance Favorable (Unfavor)	2013 Prelim Budget	Cal Yr 2014 Forecast	Cal Yr 2015 Forecast	Cal Yr 2016 Forecast	Cal Yr 2017 Forecast
COMBINED REVENUES												
PROPERTY AND OTHER TAXES, NET OF FEES	3,192,781	2,669,949	2,718,888	(48,939)	2,576,803	2,617,776	(40,973)	2,706,031	2,460,572	2,455,377	2,459,269	2,457,434
OTHER NON-DEPARTMENTALIZED REVENUES	38,402	35,750	67,495	(31,745)	27,526	29,372	(1,846)	63,500	63,500	63,500	63,500	63,500
BANQUET ROOM OPERATIONS, NET	-	-	-	-	-	-	-	-	-	147,782	147,782	147,782
SPORTS	327,022	359,725	333,264	26,461	341,644	313,294	28,350	424,539	335,539	439,539	439,539	439,539
GYMNASTICS	180,197	184,040	180,835	3,205	139,628	138,379	1,249	191,590	191,590	191,590	191,590	191,590
YOUTH SERVICES	352,697	349,462	363,900	(14,438)	324,138	316,939	7,199	338,738	338,738	338,738	338,738	338,738
OUTDOOR & NORDIC PROGRAM	102,806	104,354	100,250	4,104	76,874	69,846	7,028	103,287	103,287	103,287	103,287	103,287
GOLF COURSE	1,258,063	1,432,642	1,336,263	96,379	1,410,441	1,309,942	100,499	1,336,163	1,026,963	1,424,219	1,424,219	1,424,219
TENNIS	36,409	35,433	35,237	196	35,431	35,176	255	35,475	35,475	35,475	35,475	35,475
DOBSON	462,565	493,530	467,313	26,217	374,091	350,181	23,910	508,386	522,388	522,388	522,388	522,388
TOTAL REVENUES	5,950,942	5,664,884	5,603,445	61,440	5,306,575	5,180,904	125,671	5,707,709	5,078,053	5,721,895	5,725,787	5,723,952
OPERATING EXPENSES												
ADMINISTRATION	(549,696)	(674,420)	(550,171)	(124,250)	(522,936)	(439,422)	(83,514)	(722,527)	(622,527)	(622,527)	(622,527)	(622,527)
PUBLIC RELATIONS/MARKETING	(230,497)	(234,210)	(237,237)	3,027	(184,719)	(197,103)	12,384	(234,503)	(234,503)	(234,503)	(234,503)	(234,503)
PARK MAINTENANCE	(165,330)	(182,731)	(173,271)	(9,460)	(142,391)	(144,875)	2,485	(175,430)	(175,430)	(175,430)	(175,430)	(175,430)
FACILITIES MAINTENANCE	(103,398)	(102,369)	(105,635)	3,266	(73,528)	(77,885)	4,357	(104,195)	(104,195)	(104,195)	(104,195)	(104,195)
SPORTS	(430,219)	(449,600)	(434,763)	(14,837)	(359,276)	(364,311)	5,035	(517,073)	(464,171)	(518,923)	(518,923)	(518,923)
GYMNASTICS	(191,281)	(203,505)	(194,481)	(9,024)	(152,108)	(143,958)	(8,150)	(217,843)	(217,843)	(217,843)	(217,843)	(217,843)
YOUTH SERVICES	(379,549)	(409,142)	(440,049)	30,907	(336,045)	(361,876)	25,831	(412,170)	(412,170)	(412,171)	(412,171)	(412,172)
OUTDOOR & NORDIC PROGRAM	(119,286)	(121,293)	(122,827)	1,534	(96,466)	(95,329)	(1,137)	(124,701)	(124,701)	(124,701)	(124,701)	(124,701)
GOLF OPERATIONS	(651,741)	(657,516)	(671,376)	13,860	(439,557)	(466,071)	26,514	(658,582)	(658,582)	(856,167)	(856,167)	(856,167)
GOLF MAINTENANCE	(745,123)	(744,064)	(755,293)	11,229	(590,128)	(609,180)	19,052	(769,508)	(765,708)	(765,708)	(765,708)	(765,708)
TENNIS	(75,069)	(78,925)	(71,402)	(7,524)	(72,382)	(67,938)	(4,444)	(72,704)	(72,704)	(72,704)	(72,704)	(72,704)
DOBSON	(550,426)	(545,434)	(558,591)	13,157	(397,271)	(412,085)	14,813	(577,115)	(589,064)	(589,064)	(589,064)	(589,064)
TOTAL EXPENSES	(4,191,615)	(4,403,210)	(4,315,096)	(88,114)	(3,366,808)	(3,380,033)	13,225	(4,586,350)	(4,441,597)	(4,693,934)	(4,693,935)	(4,693,935)
CHANGE IN FUND BAL BEFORE DS & CAP	1,759,326	1,261,674	1,288,348	(26,674)	1,939,767	1,800,871	138,897	1,121,359	636,456	1,027,961	1,031,853	1,030,017
DEBT SERVICE	(320,139)	(322,262)	(322,264)	2	(321,762)	(321,764)	2	(323,750)	(324,582)	(274,145)	(277,989)	(276,176)
CHANGE IN FUND BAL BEFORE CAP	1,439,187	939,413	966,085	(26,672)	1,618,005	1,479,107	138,899	797,609	311,874	753,816	753,864	753,841
DONATIONS, LOANS, & SALE OF ASSETS	88,720	23,000	-	23,000	3,000	-	3,000	10,000	-	-	-	-
CAPITAL EXPENDITURES	(533,937)	(764,344)	(1,668,874)	904,530	(326,001)	(717,824)	391,822	(1,837,794)	(1,655,511)	(1,262,578)	(744,056)	(1,079,511)
LESS UNFUNDED AMOUNTS	-	-	-	-	-	-	-	-	1,338,649	508,762	(9,808)	325,670
CONTINGENCY	-	(25,000)	(100,000)	75,000	-	(100,000)	100,000	(125,000)	-	-	-	-
TOTAL NET CAPITAL EXPENSES	(445,217)	(766,344)	(1,768,874)	1,002,530	(323,001)	(817,824)	494,822	(1,952,794)	(316,861)	(753,816)	(753,864)	(753,841)
CHANGE IN FUND BALANCE	993,970	173,069	(802,789)	975,858	1,295,004	661,283	633,721	(1,155,184)	(4,987)	-	-	-
BEGINNING FUND BALANCES	1,493,133	2,487,103	2,297,800	189,302	2,487,103	2,297,800	189,302	2,660,172	1,504,987	1,500,000	1,500,000	1,500,000
ENDING FUND BALANCES	2,487,103	2,660,172	1,495,011	1,165,160	3,782,107	2,959,084	823,023	1,504,987	1,500,000	1,500,000	1,500,000	1,500,000

PROPERTY & OTHER TAXES- County has abataed \$42K of taxes
OTHER REVENUES- Delayed receipt of lottery funds
SPORTS REVENUES- Participant numbers running high in almost every program.
GOLF & REVENUES- Early start to season and higher daily fee prices producing good revenues.
DOBSON REVENUES- Jared says this is the best summer he has ever had.
ADMINISTRATION EXPENSES- Primarily changes in personnel
YOUTH SERVICES EXPENSES- Savings from delayed opening of facility, offset by lost revenues
GOLF OPERATIONS EXPENSES- Savings in building maintenance from pending clubhouse renovation
GOLF MAINTENANCE EXPENSES- Vehicle & course repairs running favorable, remainder is timing from delayed chemical order.
CAPITAL PROJECTS DONATIONS- Final installment from #3 shelter & #5 fence donations.
CAPITAL- Planning to roll clubhouse funds to be paid to Town in 2013 once project underway.
FUND BALANCE- Savings at end of 2011 in operations (\$105,000) as well as roll-forward of uncompleted capital projects (85,000).

Total Unfunded Amounts Per Above	2,163,273
Average Per Year over 4 Years	540,818
% Increase in User Fees to Cover Deficit	18%
Annual Additional Mill Levy to Cover Defici	0.69
Total Mill Levy with Increase	3.81
Additional Cost for \$1.5M Home	\$83
Total Cost for \$1.5M Home	\$455

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

Printed: 11/05/12

Modified Accrual Basis

	2011 Audited Actual	2012 Forecast	2012 Adopted Budget	Variance Favorable (Unfavor)	9 Months Ended 09/30/12 Actual	9 Months Ended 09/30/12 Budget	Variance Favorable (Unfavor)	2013 Prelim Budget	Cal Yr 2014 Forecast	Cal Yr 2015 Forecast	Cal Yr 2016 Forecast	Cal Yr 2017 Forecast
GENERAL FUND SUMMARY												
TAX REVENUES - PG 22	3,001,542	2,464,441	2,509,526	(45,085)	2,379,745	2,417,090	(37,345)	2,490,724	2,242,102	2,242,102	2,242,102	2,242,102
MISC REVENUES - PG 22	13,538	8,000	42,000	(34,000)	5,937	9,617	(3,680)	38,000	38,000	38,000	38,000	38,000
ADMIN OPERATIONS EXP - PG 24	(549,696)	(674,420)	(550,171)	(124,250)	(522,936)	(439,422)	(83,514)	(722,527)	(622,527)	(622,527)	(622,527)	(622,527)
PUBLIC RELATIONS EXPENSES - PG 25	(230,497)	(234,210)	(237,237)	3,027	(184,719)	(197,103)	12,384	(234,503)	(234,503)	(234,503)	(234,503)	(234,503)
PARK MAINTENANCE EXP PG 26	(165,330)	(182,731)	(173,271)	(9,460)	(142,391)	(144,875)	2,485	(175,430)	(175,430)	(175,430)	(175,430)	(175,430)
FACILITIES MAINTENANCE EXP PG 27	(103,398)	(102,369)	(105,635)	3,266	(73,528)	(77,885)	4,357	(104,195)	(104,195)	(104,195)	(104,195)	(104,195)
TAX EXPENSES - PG 23	(87,496)	(70,960)	(72,087)	1,127	(69,912)	(70,398)	486	(71,718)	(64,546)	(64,546)	(64,546)	(64,546)
ADMIN AND GENERAL CAPITAL EXP- PG 30	(45,284)	(18,003)	(22,990)	4,987	(1,003)	(22,990)	21,987	(55,617)	(3,480)	(990)	(14,090)	(38,480)
PARK MAINTENANCE CAPITAL EXP PG 29	(13,596)	(185,490)	(231,190)	45,700	(8,497)	(231,190)	222,693	(172,370)	(56,650)	(90,370)	(30,477)	(74,836)
FACILITIES MAINTENANCE CAPITAL EXP PG 30	(954)	-	-	-	-	-	-	(870)	-	-	-	-
TAX ANT. NOTE FEES & INT - PG 30	-	-	-	-	-	-	-	-	-	-	-	-
LEASE-PURCHASE FINANCING	-	-	-	-	-	-	-	-	-	-	-	-
OPERATIONS CONTINGENCY	-	(25,000)	-	(25,000)	-	-	-	(25,000)	-	-	-	-
TOTAL NON-DEPT INCOME (EXP)	1,818,828	979,258	1,158,945	(179,688)	1,382,695	1,242,843	139,852	966,495	1,018,771	987,542	1,034,334	965,585
SPORTS TOTAL REVENUES - PG 6	327,022	359,725	333,264	26,461	341,644	313,294	28,350	424,539	335,539	439,539	439,539	439,539
SPORTS TOTAL EXPENSES - PG 12	(430,219)	(449,600)	(434,763)	(14,837)	(359,276)	(364,311)	5,035	(517,073)	(464,171)	(518,923)	(518,923)	(518,923)
SPORTS CAPITAL EXPENSES- PG 28	(14,082)	(11,920)	(15,220)	3,300	(8,001)	(15,220)	7,219	(4,740)	(6,740)	(6,220)	(34,740)	(21,740)
SPORTS NET INCOME (EXP)	(117,279)	(101,795)	(116,719)	14,924	(25,633)	(66,237)	40,604	(97,274)	(135,372)	(85,604)	(114,124)	(101,124)
GYMNASTICS TOTAL REVENUES - PG 13	180,197	184,040	180,835	3,205	139,628	138,379	1,249	191,590	191,590	191,590	191,590	191,590
GYMNASTICS TOTAL EXPENSES - PG 15	(191,281)	(203,505)	(194,481)	(9,024)	(152,108)	(143,958)	(8,150)	(217,843)	(217,843)	(217,843)	(217,843)	(217,843)
GYMNASTICS DEBT SVC EXPENSES - PG 27	(40,000)	(40,000)	(40,000)	-	(40,000)	(40,000)	(0)	(40,000)	(40,000)	-	-	-
GYMNASTICS CAPITAL EXPENSES- PG 28	(1,324)	(23,800)	(15,000)	(8,800)	(2,638)	(15,000)	12,362	(16,817)	(6,549)	(26,865)	(41,886)	(49,030)
GYMNASTICS NET INCOME (EXP)	(52,409)	(83,265)	(68,646)	(14,619)	(55,118)	(60,579)	5,461	(83,070)	(72,802)	(53,118)	(68,139)	(75,283)
YOUTH SERVICES TOTAL REV - PG 16	352,697	349,462	363,900	(14,438)	324,138	316,939	7,199	338,738	338,738	338,738	338,738	338,738
YOUTH SERVICES TOTAL EXP - PG 20	(379,549)	(409,142)	(440,049)	30,907	(336,045)	(361,876)	25,831	(412,170)	(412,170)	(412,171)	(412,171)	(412,172)
YOUTH SERVICES CAPITAL EXPENSES - PG 28	(38,438)	(81,221)	(350)	(80,871)	(77,453)	(350)	(77,103)	(9,700)	(55,000)	(20,350)	(4,700)	(70,000)
YOUTH SERVICES NET INCOME (EXP)	(65,290)	(140,900)	(76,499)	(64,401)	(89,360)	(45,287)	(44,073)	(83,132)	(128,432)	(93,783)	(78,133)	(143,434)
OUTDOOR BRANCH TOT REV - PG 21	102,806	104,354	100,250	4,104	76,874	69,846	7,028	103,287	103,287	103,287	103,287	103,287
OUTDOOR BRANCH TOT EXP - PG 22	(119,286)	(121,293)	(122,827)	1,534	(96,466)	(95,329)	(1,137)	(124,701)	(124,701)	(124,701)	(124,701)	(124,701)
OUTDOOR BRANCH CAPITAL EXPENSES - PG 29	(6,500)	(29,000)	(29,000)	-	-	(29,000)	29,000	(10,242)	(10,985)	(2,370)	(6,536)	(28,112)
OUTDOOR BRANCH NET INCOME (EXP)	(22,980)	(45,940)	(51,577)	5,638	(19,592)	(54,484)	34,891	(31,656)	(32,399)	(23,784)	(27,950)	(49,526)
GEN FND INC (EXP) AFTER CAP	1,560,871	607,358	845,504	(238,147)	1,192,993	1,016,257	176,736	671,363	649,765	731,253	745,988	596,218
				=			=					

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

Printed: 11/05/12

Modified Accrual Basis

	2011 Audited Actual	2012 Forecast	2012 Adopted Budget	Variance Favorable (Unfavor)	9 Months Ended 09/30/12 Actual	9 Months Ended 09/30/12 Budget	Variance Favorable (Unfavor)	2013 Prelim Budget	Cal Yr 2014 Forecast	Cal Yr 2015 Forecast	Cal Yr 2016 Forecast	Cal Yr 2017 Forecast
ENTERPRISE FUND SUMMARY												
GOLF REVENUES - PG 31	1,161,700	1,323,242	1,241,703	81,539	1,294,644	1,214,414	80,230	1,241,703	991,703	1,235,203	1,235,203	1,235,203
PRO SHOP REVENUES- PG 31	203,983	241,300	210,060	31,240	229,464	197,728	31,736	210,060	60,060	210,060	210,060	210,060
PRO SHOP COGS- PG 31	(107,620)	(131,900)	(115,500)	(16,400)	(113,667)	(102,200)	(11,467)	(115,600)	(24,800)	(115,600)	(115,600)	(115,600)
FOOD & BEV REVENUES- PG 31	-	-	-	-	-	-	-	-	-	161,240	161,240	161,240
FOOD & BEV COGS- PG 31	-	-	-	-	-	-	-	-	-	(66,684)	(66,684)	(66,684)
GOLF OPERATIONS EXP - PG 32	(651,741)	(657,516)	(671,376)	13,860	(439,557)	(466,071)	26,514	(658,582)	(658,582)	(658,582)	(658,582)	(658,582)
GOLF MAINTENANCE EXP - PG 34	(745,123)	(744,064)	(755,293)	11,229	(590,128)	(609,180)	19,052	(769,508)	(765,708)	(765,708)	(765,708)	(765,708)
F & B OPERATIONS EXP - PG 33	-	-	-	-	-	-	-	-	-	(197,585)	(197,585)	(197,585)
GOLF OPERATIONS INCOME (EXP)	(138,801)	31,062	(90,406)	121,468	380,756	234,691	146,065	(91,926)	(397,326)	(197,655)	(197,655)	(197,655)
GOLF LOAN PROCEEDS & DONATIONS- PG 43	88,720	23,000	-	23,000	3,000	-	3,000	10,000	-	-	-	-
GOLF CAPITAL EXP- PG 46	(385,732)	(362,149)	(1,297,638)	935,489	(176,699)	(347,638)	170,939	(1,521,710)	(1,080,607)	(1,008,782)	(588,759)	(610,977)
GOLF DEBT SERVICE EXP- PG 48	-	-	-	-	-	-	-	-	-	-	-	-
GOLF NET INCOME (EXP)	(435,813)	(308,087)	(1,388,044)	1,079,957	207,057	(112,947)	320,004	(1,603,636)	(1,477,933)	(1,206,437)	(786,415)	(808,632)
TENNIS REVENUES - PG 35	36,409	35,433	35,237	196	35,431	35,176	255	35,475	35,475	35,475	35,475	35,475
TENNIS EXPENSES - PG 36	(75,069)	(78,925)	(71,402)	(7,524)	(72,382)	(67,938)	(4,444)	(72,704)	(72,704)	(72,704)	(72,704)	(72,704)
TENNIS CAPITAL EXP- PG 47	(3,580)	(3,845)	(9,500)	5,655	(3,845)	(9,500)	5,655	(9,990)	(84,244)	(36,526)	(5,646)	(7,401)
TENNIS NET INCOME (EXP)	(42,240)	(47,337)	(45,665)	(1,673)	(40,797)	(42,262)	1,466	(47,219)	(121,472)	(73,755)	(42,875)	(44,630)
DOBSON ARENA REV - PG 38	462,565	493,530	467,313	26,217	374,091	350,181	23,910	508,386	522,388	522,388	522,388	522,388
DOBSON ARENA EXP - PG 41	(550,426)	(545,434)	(558,591)	13,157	(397,271)	(412,085)	14,813	(577,115)	(589,064)	(589,064)	(589,064)	(589,064)
DOBSON CAPITAL EXP- PG 47	(24,447)	(48,916)	(47,986)	(930)	(47,866)	(46,936)	(930)	(35,738)	(351,257)	(70,105)	(17,222)	(178,935)
DOBSON NET INCOME (EXP)	(112,307)	(100,820)	(139,264)	38,444	(71,047)	(108,840)	37,793	(104,467)	(417,932)	(136,781)	(83,898)	(245,611)
PROPERTY TAXES - PG 42	287,104	284,669	289,780	(5,111)	275,050	279,220	(4,170)	295,522	291,395	286,046	290,054	288,163
TAX EXPENSES - PG 42	(8,369)	(8,202)	(8,332)	130	(8,080)	(8,137)	56	(8,497)	(8,378)	(8,224)	(8,340)	(8,285)
BANQUET ROOM REVENUES- PG 31	-	-	-	-	-	-	-	-	-	398,672	398,672	398,672
BANQUET ROOM COGS- PG 31	-	-	-	-	-	-	-	-	-	(61,461)	(61,461)	(61,461)
BANQUET ROOM OPERATIONS EXP - PG 33	-	-	-	-	-	-	-	-	-	(189,429)	(189,429)	(189,429)
OTHER MISCELLANEOUS REV - PG 42	24,864	27,750	25,495	2,255	21,589	19,756	1,834	25,500	25,500	25,500	25,500	25,500
LESS UNFUNDED AMOUNTS									1,338,649	508,762	(9,808)	325,670
OPERATIONS CONTINGENCY	-	-	(100,000)	100,000	-	(100,000)	100,000	(100,000)	-	-	-	-
TOTAL OTHER REVENUE (EXP)	303,599	304,218	206,943	97,274	288,559	190,839	97,720	212,525	1,647,166	959,865	445,188	778,830
DEBT SERVICE (BONDS AND TOV) - PG 42	(280,139)	(282,262)	(282,264)	2	(281,762)	(281,764)	2	(283,750)	(284,582)	(274,145)	(277,989)	(276,176)
TOT ENT FND INC (EXP) AFTR DS & CAP	(566,901)	(434,289)	(1,648,293)	1,214,005	102,011	(354,974)	456,985	(1,826,547)	(654,753)	(731,253)	(745,988)	(596,218)
COMBINED INCOME (EXP) AFTR CAPITAL	993,970	173,069	(802,789)	975,858	1,295,004	661,283	633,721	(1,155,184)	(4,987)	-	-	-
TRANSFER FR GEN FND - PG 27	(570,000)	(440,000)	(1,650,000)	1,210,000	-	-	-	(1,830,000)	(660,000)	(740,000)	(750,000)	(600,000)
TRANSFER TO ENT FND - PG 41	570,000	440,000	1,650,000	(1,210,000)	-	-	-	1,830,000	660,000	740,000	750,000	600,000
BEGIN GEN FND BAL (DEFICIT)	1,162,955	2,153,826	1,963,807	190,019	2,153,826	1,963,807	190,019	2,321,184	1,162,547	1,152,312	1,143,565	1,139,553
BEGIN ENT FUND BAL (DEFICIT)	330,178	333,277	333,993	(717)	333,277	333,993	(717)	338,988	342,441	347,688	356,435	360,447
END GEN FUND BAL (DEFICIT)	2,153,826	2,321,184	1,159,312	1,161,872	3,346,819	2,980,064	366,755	1,162,547	1,152,312	1,143,565	1,139,553	1,135,771
END ENT FUND BAL (DEFICIT)	333,277	338,988	335,700	3,288	435,288	(20,980)	456,268	342,441	347,688	356,435	360,447	364,229
COMBINED ENDING FUND BALANCES	2,487,103	2,660,172	1,495,011	1,165,160	3,782,107	2,959,084	823,023	1,504,987	1,500,000	1,500,000	1,500,000	1,500,000
COMPONENTS OF COMBINED FUND BALANCE	=	=	=	=	=	=	=	=	=	=	=	=
Reserved for Emergencies	119,334	104,101	105,893	(1,793)	104,101	105,893	(1,793)	107,606	97,478	100,598	100,598	100,598
Reserved for Prepays	-	-	-	-	-	-	-	-	-	-	-	-
Bond Reserve Fund	278,913	278,913	278,913	-	278,913	278,913	-	278,913	278,913	278,913	278,913	278,913
Unrestricted	2,088,856	2,277,158	1,110,205	1,166,953	3,399,093	2,574,277	824,816	1,118,468	1,123,609	1,120,489	1,120,489	1,120,489
Total	2,487,103	2,660,172	1,495,011	1,165,160	3,782,107	2,959,084	823,023	1,504,987	1,500,000	1,500,000	1,500,000	1,500,000

VAIL RECREATION DISTRICT

PRELIMINARY 2013 CAPITAL BUDGET

Line Item	Amount	Comments
Sports		
Trailer leveling system	3,000	Address safety concerns
Computers	1,740	Routine replacement
Gymnastics		
Computers	870	Routine replacement
Canopy Treatment	7,247	Preventative maintenance
Flooring	2,200	Minor repairs
Equipment	6,500	Beam, vault trainer, and tumble track
Youth Services		
Computers	4,700	Routine replacement
Red Sandstone Improvements	5,000	Minor improvements
Outdoor Program		
Interior	7,242	Flooring
Signage	2,000	Routine replacements
Benches & Tables	1,000	Routine replacements
Parks		
Spreader	24,000	To be shared with Golf
Truck toolbox	1,000	Protect from theft
Computers	870	Routine replacement
Disc Golf Course	7,100	New course install
Athletic Field Building Planning	10,000	Plan to work with Town for repurposing of bldg
Tables & BBQ Grill for volleyball	3,000	New additions
Chain Link Fencing	10,000	Replace split rail to keep balls out of creek
Concessions Equipment	100,000	New Ford Park concessions
New facility interior furnishings	10,000	New Ford Park maint building
Irrigation system computer	3,000	New Ford Park maint building
Volleyball safety netting	3,400	Net to protect from Lacrosse balls
Facilities Maintenance		
Computers	870	Routine replacement
Administration		
Computers	1,770	Routine replacement
Phones	35,000	Upgrade to tie into Town system
Tennis Center Walls	9,869	Routine painting
Kitchenette	8,977	Routine upgrade

VAIL RECREATION DISTRICT

PRELIMINARY 2013 CAPITAL BUDGET

Line Item	Amount	Comments
Golf		
Greens Tarps	7,000	Year 1 of 3 year program
Ball Machine	6,000	New control panel, contemplating full replacement
Toro Workman	29,000	Maintenance Equipment
Bunker Rake	18,000	Maintenance Equipment
Fairway Mower	50,000	Maintenance Equipment
Sweeper	11,000	Maintenance Equipment
Computers	5,220	Routine replacement
Driving Range Mats	20,000	Artificial turf line
Clubhouse Project Manager (5 Months)	41,667	\$100K over 12 months
Planning Costs	10,000	Additional funds for clubhouse project
Completion of Hole #19	50,000	Combine with \$75K from 2012
Level Tees (3 year project)	20,333	Year 1 of 3 year program
Clubhouse Contribution	1,154,250	Committed amount
Kitchen Equipment	5,000	Contingency for breakdowns
Cart paths	55,000	Continued overlays and repairs
#5 Net pullies	3,000	Reduce damage to net
Maintenance building restrooms	3,000	Roll forward from 2012
Maintenance building parking lot crack seal	6,542	Crack fill
5th hole tee box retaining wall	12,500	Roll forward from 2012
1st Hole bridge repairs	2,738	Planking replacement (shared with TOV)
2nd Hole bridge repairs	2,860	Planking replacement (shared with TOV)
Weater Station	2,600	Repairs to East-Vail Station
Irrigation System	6,000	Renew multi-year service program
Dobson		
Steel Gate painting	1,338	Preventative maintenance
Forklift	20,248	Replacement
Washer & Dryer	2,925	Replacement
Crowd control dividers	3,228	Replacement
Scrubber	8,000	Replacement of old equipment
Tennis		
Computers	870	Routine replacement
Gold Peak court crack fill	4,120	Annual work
Patio furniture	5,000	Replace in conjunction with Ford Park
Total Capital Budget	<u>1,837,794</u>	

RESOLUTIONS OF VAIL PARK AND RECREATION DISTRICT

TO ADOPT 2013 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE VAIL PARK AND RECREATION DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2013 AND ENDING ON THE LAST DAY OF DECEMBER 2013.

WHEREAS, the Board of Directors of the Vail Park and Recreation District has appointed a budget committee to prepare and submit a proposed 2013 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 25, 2012 and continued to November 8, 2012 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Vail Park and Recreation District, Eagle County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Vail Park and Recreation District for the year stated above.

Section 2. That the budget hereby approved and adopted shall be certified by any officer, the District Administrator, or Finance Director of the District and made a part of the public records of the District.

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RESOLUTIONS OF VAIL PARK AND RECREATION DISTRICT (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2012, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE VAIL PARK AND RECREATION DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2013 BUDGET YEAR.

WHEREAS, the Board of Directors of the Vail Park and Recreation District, has adopted the annual budget in accordance with the Local Government Budget Law, on November 8, 2012 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$2,390,600 and;

WHEREAS, the Vail Park and Recreation District finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and debt service expenditure purposes from property tax revenue from the special levy approved at election in May 2004 is \$283,234 and;

WHEREAS, the 2012 net valuation for assessment after removal of TIF valuation for assessment for the Vail Park and Recreation District, as certified by the County Assessor is \$866,159,250.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the VAIL PARK AND RECREATION DISTRICT, EAGLE COUNTY, COLORADO:

Section 1. That for the purposes of meeting all general operating expenses of the Vail Park and Recreation District during the 2013 budget year, there is hereby levied a tax of 2.760 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2012.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2013 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.

Section 3. That for the purpose of meeting all capital expenditures of the Vail Park and Recreation District during the 2013 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2012.

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RESOLUTIONS OF VAIL PARK AND RECREATION DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 4. That for the purpose of meeting all payments for bonds and interest of the Vail Park and Recreation District during the 2013 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2012.
- Section 5. That for the purposes of meeting general operating expenses of the Vail Park and Recreation District during the 2013 budget year, there is hereby levied a special tax of 0.327 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2012.
- Section 6. That any officer or the District Administrator or Finance Director is hereby authorized and directed to either immediately certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Vail Park and Recreation District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Vail Park and Recreation District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF VAIL PARK AND RECREATION DISTRICT (CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE VAIL PARK AND RECREATION DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2013 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 8, 2012, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VAIL PARK AND RECREATION DISTRICT, EAGLE COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

Current Operating Expenditures	\$ 2,580,159
Capital Expenditures	270,356
Debt Service Expenditures	40,000
Contingency	25,000
Fund transfers	<u>1,830,000</u>

TOTAL GENERAL FUND: \$ 4,745,515

ENTERPRISE FUND:

Current Operating Expenditures	\$ 2,202,005
Capital Expenditures	1,567,438
Debt Service Expenditures	283,750
Contingency	<u>100,000</u>

TOTAL ENTERPRISE FUND: \$ 4,153,193

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RESOLUTIONS OF VAIL PARK AND RECREATION DISTRICT (CONTINUED)

**TO ADOPT 2013 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2013 budget, set the mill levies and to appropriate sums of money were adopted this 8th day of November, 2012.

Attest: _____

Title: _____

VAIL RECREATION DISTRICT DIRECTOR REPORT
November 8, 2012

GOLF MAINTENANCE

- Golf course winterization is complete as of 10/31: Fall fertilizer applications and all snowmold fungicide applications completed. Irrigation system winterized.
- Golf course is still playable, but with holes/greens on 5 and 14 still holding snow, or frozen and not seeing much sun, we have closed loops of 3-7, and 12-16. Construction of hole 19 has taken out holes 12 and 16 from play even though they are playable, due to volume of construction traffic. Holes open for walk play remain, with 1, 2, 8-11, and 17, 18 playable.
- Work on the 19th hole is progressing. Rough grading of tee complex and greens complex is nearing completion as of 10/31. Irrigation installation and topsoil placement in progress on the tee complex, will commence on green complex as week progresses. If weather cooperates through end of week of 11/5, Landscapes could approach our goal of completion of project with exception of grassing to be done next spring.
- Coal Bucket Classic will be played at a date yet to be determined, when threat of a shutdown storm is on the horizon.
- Gore Creek stream bank stabilization project on #7 in progress.
- Asphalt spurs on 9 and 11 completed last week.
- 11/2 is last day for our remaining seasonal staff, so last minute winter prep items such as staking and roping of greens, and take down of range net are taking place before end of this week.

GOLF OPERATIONS

- Pro Shop and Driving Range are now closed. We have 8 holes open for play until the weather does not allow. Play is complimentary.
- Coal Bucket will take place in November at some point. Steve Simonett and Scott Todd are coordinating the event. The event happens in November and typically takes place just before a winter storm that closes the course for the season.
- Shane and Mia are moving into the retail space. Nordic Passes will be on sale within the next week.
- We finished the official season with over 25,000 rounds of golf this year. This is the record number of golfers in the past 6 seasons.
- Retail Sales were up as well this season. Much improved over the last 3 years.
- We have conducted several PGM Intern interviews. We anticipate hiring a gal from Penn State who would be a Level 3 intern as well as two men from Ferris State University. We plan to interview additional interns at the PGA Show in January.
- Great golf season this year! With amazing course conditions, good weather, awesome marketing, an early start and exceptional staff, we had a successful year.

SPORTS REPORT

- Beth and Jamie met with East West Resorts and renewed East West and the Athletic Club at the Westin as title sponsor of the Mountain Bike Series
- Staff met with Vail Resorts on our calendar of events for Trail Running Series, Mountain Bike Series, Kids Adventure Race and a potential 50 mile mountain bike race in September. Although there will be challenges with construction on the mountain, Vail Resorts continues to be a giant supporter and partner in our events.

- Youth Volleyball clinics begin next week with 3rd-5th graders on Monday and 6th-8th graders on Wednesday. This program is done with the help of the Volleyball Club coaches so that kids get a quality introduction to the sport
- High Country Hoops begins next week with 1st and 2nd graders on Tuesday and 3rd-5th graders on Thursday. Program reached its capacity because of our space limitations with only one gym
- Congratulations to the BMHS Boys Soccer team for making the state semi-final for the first time.
- Again this year we have partnered with the Vail Valley Soccer Club and Vail Volleyball Club to rent them time in the Homestake Peak School gym to maximize its usage. Between our program and theirs the gym is being used from 4:00-9:30 during the weekdays and in the evenings on the weekends.

DOBSON

- Dobson hosted the Free Family Fun Fair a few weeks ago which was well attended.
- Dobson hosted the annual SSCV Ski Swap last weekend. Everything went well. They extended the hours and the line to get in at 3pm on Friday was up to the parking structure.
- We are hosting the first of 3 weekends of the Vail Sportsmanship Tournament this weekend. The ice rink will be running from 5am-10pm all three day of the tourney.
- Our LTS numbers slowly rose to around 50 kids taking our basic skills classes.
- Our youth hockey numbers are stable at 40 boys and 20 girls. We are lacking in the lower age groups and are looking to focus on recruiting some “never evers” for our January session.

MARKETING

- Full focus on Web site redo, a very large project. New site will be more user friendly for both visitors and staff.
- Working on 2013 media buys for winter publications and early summer ad buys.
- Working with staff on the 2012 Year in Review and to begin communicating 2014 budget shortfall.
- Working with Beth and meeting with sponsors to renew contracts. Beginning to plan for Outdoor Retailer and Ski Industry Association tradeshow to set up meetings with media and partnership recruitment.
- Planning, planning and planning for 2013.

GYMNASTICS

- USAG Compulsory Teams doing well. Level 4's took 1st place at their meet this weekend in Centennial at Adrenaline Gymnastics. We had many top placements throughout with the following in the all-around. Kaitlin Keane 2nd overall child division, Morgan Petrowski 2nd overall in the Jr. division, and Scout Mattison 2nd and Davis Page 1st in the Senior division (crazy that a 10 year old is in the senior division).
- Level 5's took 3rd as a team and we had several top placements as well. We had 5 kids place in the top 10 in the all-around.
- Classes are still going strong
- Adult/Teen drop in has continued to be popular and have added additional day on Thursdays
- Boys will have a practice meet Nov. 3 at our gym.

YOUTH SERVICES

Community Programming

- Traffic is slow in Imagination Station now that traffic in town is generally slow. People are willing and ready to pay when staff is present to ask; the self-pay station is not yet ready.
- Paint-Your-Own-Pottery continues with some rather busy days and some not so busy.
- TRX is growing with the back-to-school crowd (moms). The release sent out regarding winter/ski conditioning brought in 3 new TRX customers. Gentle Yoga remains steady. Folks are excited about the addition of Cardio Kickboxing.
- We are looking to build the fitness offerings this fall and especially winter. There seems to be more response to fitness than art. Still, we plan to offer a couple evenings of art studio; and we will be able to introduce glass fusing both coming in December.

KidZone

- We did a special celebration of Shawn with some of the children that have been participating in Little Chefs. We took a couple small lasagnas to Worth, Shawn's husband. This thought and the food was well-received by Worth.
- We host three days of School's Out Camp M-W of Thanksgiving week, then we are closed over Thanksgiving weekend – including Imagination Station and Community Programming.

Other

- We hosted the Trick or Treat Trot on Halloween. All went smoothly and participation was strong on such a sunny day. We estimate 400 children participated.

BUILDING MAINTENANCE

Vail Golf Course

- #7 stream bank stabilization
 - Diversion is set
 - Previous materials stored now installed
 - Additional material arriving from Ford Park daily
 - Anticipated completion of Nov. 15th
- Asphalt repairs complete
 - Short cut from #11 black tee
 - #9 stay lock replaced
 - Access road to pump house from bridge installed
- Hole 19 material storage
 - All fill material has arrived and is rough shaped
 - Gravel and sand arriving next week
 - Once all material is shaped it will be covered for the winter
 - Anticipated completion of material storage is Nov. 15
- Starter building water is shut off and will be winterized next week

Ford Park and Athletic Fields Renovation

- Excavation in front of tennis center scheduled for next two weeks for utility install

Gymnastics

- Pierce Architects completed schematic design for gym renovations
- Work anticipated to start Thanksgiving week

#18 Relocation Project

- We need new plans from Phelps / Atkinson for review submittals
- Installation window for #19 install is closing rapidly for a fall project, many details to be finalized.

Nature Center

- Paint prep work complete, painting start Thursday Nov. 2nd
- New signs being designed

PARKS UPDATE

- Parks has wrapped up the season and fields have been prepped for winter/spring. Tony is now moving on to golf course maintenance and Nordic preparation.

NATURE CENTER

- Following the success of the first Sylvan Lake winter trip, the Nature Center is planning another “winter cabin trip” for March 2013.
- The Interpretive Center building is in the middle of getting its exterior painted.

VAIL TENNIS CENTER

- Closed