

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Indra Winqest  
Interim General Manager

**FROM:** Paul Navazio  
Director of Finance

**SUBJECT:** Discussion about Punch Card Utilization and Accounting – Laying the foundation for a special meeting of the Board of Trustees at a future date

**DATE:** June 25, 2020

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### **I. RECOMMENDATION**

That the Board of Trustees make a motion to:

- 1) Receive a presentation related to Punch Card utilization and accounting, and
- 2) Set a timeframe for a future Special Meeting of the Board of Trustees to review, discuss and provide direction on possible modifications to current practices related to Punch Card utilization and accounting.

### **II. BACKGROUND**

Ordinance No. 7, last amended on March 25, 1998, establishes rates, rules and regulations for Recreation Passes and Recreation Punch Cards utilized by the District to provide recreation privileges, recreation access or special rates to property owners and/or their assignees, as defined.

The District utilizes two primary vehicles for parcel owners (and/or their assignees) to access recreational facilities as well as access to special rates or discounts for District-owned facilities and programs. These are defined as Recreation Passes (or Picture Passes) and Recreation Punch Cards (Punch Cards).

Parcel owners are assessed an annual Recreation Fee (or Recreation Standby and Service Charge) to finance recreation programs and facilities via separate

Recreation Facility Fee and Beach Facility Fee. Parcels within the District who enjoy beach privileges are assessed annually for both the Recreation Facility Fee and the Beach Facility Fee. Those parcels within the District that are not entitled to beach access are assessed annually for the Recreation Facility Fee only.

In turn, each year, property owners (and/or their assignees) are afforded up to five Recreation (Picture) Passes, five Recreation Punch Cards, or any combination thereof. Picture Passes are non-transferable photo identification passes issued by the District that entitles holders to free beach access (if so entitled) as well as discounted rates for access to other facilities and programs. A Recreation Punch Card is a transferable punch card issued by the District to property owners and/or assignees that can be used to pay the difference between the resident rate and the nonresident rate for access to various District facilities and programs. Punch Cards bear a face value established by the Board, and is currently 1/5 (one-fifth) of the Recreation Facility Fee and, if applicable, Beach Facility Fee.

Each year, the District budgets for the revenues collected from Facility Fees collected from all property owners within the District (as a funding source for the original allocation of five Picture Passes and/or Punch Cards), revenues collected from the sale of additional Picture Passes and Punch Cards, and revenues from Charges for Services paid by customers accessing District facilities and programs. These funding sources (along with use of available fund balances) are used to support annual District expenditures for operations, capital projects and debt.

The District's annual budget also includes estimates of the anticipated level of utilization of Picture Passes and Punch Cards and the District's accounting system and practices is designed to track actual utilization in the form of Property Owner Allowances (for Picture Passes) and Punch Card Utilization (for Punch Cards).

The goal of the District's budget, accounting and financial reporting practices is to a) budget for the sources of funds supporting District operations, capital and debt; b) accurately reflect the utilization of Recreation Passes and Punch Cards used by property owners, their assignees and guests; and c) ensure proper alignment between revenues budgeted and collected from the "purchase" of punch cards with the revenues recorded at the time that punch cards are utilized.

At the request of the Board of Trustees, a presentation has been prepared for tonight's meeting to provide background information related to the budgeting, utilization and accounting for Punch Cards so as to inform a future Special

Meeting required to cover these topics in more detail and, in turn, inform Board direction to Staff related to any desired modifications to the District's current practices related to implementation of Ordinance 7.

### **Presentation Outline**

- Ordinance 7 – Access to District Facilities and Programs
  - Recreation Passes & Punch Cards
  - Passes / Cards WITH Beach Access and WITHOUT Beach Access
  - Other Methods of Accessing District Facilities and Programs
- Recreation Facility Fee and Beach Facility Fee
- Budgeting for Recreation Passes and Punch Cards
- Accounting for Recreation Passes and Punch Cards
- Issues and Concerns related to Current Practices
- Options for Addressing Issues/Concerns and Improving Budgeting and Accounting practices

Attachment:

Presentation: Punch Card Utilization and Accounting



# Punch Cards

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UTILIZATION AND ACCOUNTING

*Board of Trustees - June 30, 2020*  
*Presented by Director of Finance Paul Navazio*

# Outline

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1. Ordinance 7 – Access to District Facilities and Programs
  2. Recreation Facility Fee and Beach Facility Fee
  3. Budgeting for Recreation Passes and Punch Cards
  4. Accounting for Recreation Passes and Punch Cards
  5. Issues and Concerns Related to Current Practices
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6. Options for Addressing Issues/Concerns & Improving Budgeting and Accounting Practices

# Ordinance 7 *(as amended March 1998)*

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Ordinance 7 (last amended March, 1998) establishes rates, rules and regulations established by the District to provide recreation privileges, recreation access or special rates to property owners and/or their assignees and guests.

Ordinance 7 provides for two PRIMARY vehicles for parcel owners (and/or their assignees) to access recreational facilities as well as access special rates or discounts for District-owned facilities and programs:

Recreation Passes (Picture Passes)

Recreation Punch Cards (Punch Cards)

# Ordinance 7 (as amended March 1998)

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Property Owners are Assessed an Annual Recreation Fee (or **Recreation Standby and Service Charge** to finance recreation programs and facilities via separate fees:

| FY 2019/20              | # PARCELS ASSESSED |                 |                   |
|-------------------------|--------------------|-----------------|-------------------|
|                         | WITH Beach Access  | NO Beach Access | IVGID             |
| <i># of Parcels</i>     | 7748               | 455             | 8203              |
| Recreation Facility Fee | \$705              | \$705           | \$ 5,783,115      |
| Beach Facility Fee      | <u>\$125</u>       | <u>N/A</u>      | <u>\$ 968,500</u> |
|                         | \$830              | \$705           | \$ 6,808,490      |

# Ordinance 7 *(as amended March 1998)*

In “exchange” for payment of Recreation Facility Fees and Beach Facility Fees. Property owners (and/or their assignees) are afforded the opportunity to receive UP TO FIVE Recreation (Picture Passes), Recreation Punch Cards (Punch Cards), *OR ANY COMBINATION THEROF.*

## **Picture Passes -**

*Non-Transferable Picture Identification*

*Provides for Beach Access at No Charge*

*Discounted Rates at District Facilities and Programs*

## **Recreation Punch Cards -**

*Transferable Punch Card*

★ *Used to Pay DIFFERENCE Between Resident Rate(s) and Non-Resident Rate(s)*

*Bear a FACE VALUE established by the Board (currently 1/5 for Recreation Facility Fee and (if applicable) Beach Facility Fee*



# Ordinance 7 *(as amended March 1998)*

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Other methods available to property owners, their assignees and guests to access District Facilities and programs include:

**Additional Recreation Picture Passes\***

- ✦ **Additional Recreation Punch Cards\* - NOT VALID FOR USE AT GOLF FACILITIES**
- ✦ **Day Passes**

*\* Additional Picture Passes and Punch Cards can be purchased for 1/5 of applicable Recreation Facility Fee and Beach Facility Fee and are distinguished between BEACH ACCESS and NO BEACH ACCESS*



# Recreation Facility Fee and Beach Facility Fee

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Annually, the District budgets for the revenues collected from:

- Facility Fees\* collected from all property owners
- Revenues collected from the sale of Additional Picture Passes and Punch Cards
- Revenues from Charges for Services paid by customers accessing District Facilities and programs.

*\* The Facility Fee(s) paid represent the funding source for the original allocation of Picture Pass and Punch Cards* ✦

Combined, these funding sources are used to support annual District expenditures for operations, capital projects and debt service.



# Budgeting for Recreation Passes and Punch Cards

| FACILITY FEE            |            |           |            |      |        |       |       |        |          |                    |         |        |
|-------------------------|------------|-----------|------------|------|--------|-------|-------|--------|----------|--------------------|---------|--------|
| Community Services      |            |           |            |      |        |       |       |        |          | Beaches            |         |        |
| Recreation Facility Fee |            |           |            |      | \$ 705 |       |       |        |          | Beach Facility Fee |         | \$ 125 |
| Fund                    | 320        | 320       | 330        | 340  | 350    | 360   | 370   | 380    | TOTAL CS |                    | 390     |        |
| Venue                   | Golf-Champ | Golf -Mtn | Facilities | Ski  | Rec    | Admin | Parks | Tennis | TOTAL CS |                    | Beaches |        |
| Budget Allocation       |            |           |            |      |        |       |       |        |          |                    |         |        |
| Operations              | 21         | 40        | 16         | -200 | 143    | 127   | 89    | 14     | \$       | 250                | \$ 85   |        |
| Capital                 |            |           |            |      |        | 405   |       |        |          | 405                | 39      |        |
| Debt                    |            |           |            |      |        | 50    |       |        |          | 50                 | 1       |        |
|                         | 21         | 40        | 16         | -200 | 143    | 582   | 89    | 14     | \$       | 705                | \$ 125  |        |



# Budgeting for Recreation Passes and Punch Cards

| FACILITY FEE                 |                   |                   |                   |                     |                     |                     |                   |                   |                     |                    |
|------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|--------------------|
| Community Services           |                   |                   |                   |                     |                     |                     |                   |                   |                     | Beaches            |
| Recreation Facility Fee      |                   |                   |                   |                     |                     |                     |                   |                   |                     | Beach Facility Fee |
| \$ 705                       |                   |                   |                   |                     |                     |                     |                   |                   |                     | \$ 125             |
| Fund Venue                   | 320<br>Golf-Champ | 320<br>Golf -Mtn  | 330<br>Facilities | 340<br>Ski          | 350<br>Rec          | 360<br>Admin        | 370<br>Parks      | 380<br>Tennis     | TOTAL CS            | 390<br>Beaches     |
| Facility Fee Revenues        | 976,157           | 689,052           | 524,992           | (336,323)           | 1,574,976           | 1,164,826           | 992,563           | 196,872           | 5,783,115           | 968,500            |
| Allocation of Fees           | <b>172,263</b>    | <b>328,120</b>    | <b>131,248</b>    | <b>(1,640,600)</b>  | <b>1,173,029</b>    | <b>4,774,146</b>    | <b>730,067</b>    | <b>114,842</b>    | <b>5,783,115</b>    |                    |
| Adjustments/Transfers*       | 803,894           | 360,932           | 393,744           | 1,304,277           | 401,947             | (3,609,320)         | 262,496           | 82,030            | -                   |                    |
| <b>BUDGETED FEE REVENUES</b> | <b>\$ 976,157</b> | <b>\$ 689,052</b> | <b>\$ 524,992</b> | <b>\$ (336,323)</b> | <b>\$ 1,574,976</b> | <b>\$ 1,164,826</b> | <b>\$ 992,563</b> | <b>\$ 196,872</b> | <b>\$ 5,783,115</b> | <b>\$ 968,500</b>  |

\* Represent re-allocation of Recreation Facility Fee Revenues for:  
 Ski Venue Fee and Charges for Services Re-Allocated to Other Venues   
 Transfers IN/OUT for Community Services Administration (Fund 360) for Capital Project and Debt Service 

# Annual Punch Card Utilization (FY2018/19)

| Sum of Net Amt   | Posting Date      |                   |                  |                 |              |                  |                  |                  |                  |                  |                   |                   | POS Sub-System       |                   |
|------------------|-------------------|-------------------|------------------|-----------------|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|----------------------|-------------------|
|                  | 2018              |                   |                  |                 |              |                  | 2019             |                  |                  |                  |                   |                   | Vermont              |                   |
| Venue            | Jul               | Aug               | Sep              | Oct             | Nov          | Dec              | Jan              | Feb              | Mar              | Apr              | May               | Jun               | Vermont              |                   |
| Beach            | 223,877.00        | 145,762.00        | 55,118.00        | 926.00          |              |                  | (94.00)          |                  |                  |                  | 5,723.00          | 178,410.00        | 609,722.00           |                   |
| Golf Champ       | 7,068.00          | 8,466.50          | 4,541.00         | 2,117.00        |              |                  |                  |                  |                  |                  | 210.00            | 2,757.00          | 25,159.50            |                   |
| Golf Merchandise | 5.00              |                   |                  |                 |              |                  |                  |                  |                  |                  |                   |                   | 5.00                 |                   |
| Golf Mountain    | 2,290.00          | 2,031.00          | 1,297.00         | 261.00          |              |                  |                  |                  |                  | 23,120.29        | 96,514.04         | 371.00            | 125,884.33           |                   |
| Recreation       | 79.00             | 119.00            | 115.00           | 70.00           | 99.00        | 208.00           | 109.00           | 60.00            | 60.00            | 85.00            | 51.00             | 89.00             | 1,144.00             |                   |
| Tennis           | 5.00              |                   |                  |                 |              |                  |                  |                  |                  | 2,651.60         | 12,415.80         | 25.00             | 15,097.40            |                   |
| <b>Vermont</b>   | <b>233,324.00</b> | <b>156,378.50</b> | <b>61,071.00</b> | <b>3,374.00</b> | <b>99.00</b> | <b>208.00</b>    | <b>15.00</b>     | <b>60.00</b>     | <b>60.00</b>     | <b>25,856.89</b> | <b>114,913.84</b> | <b>181,652.00</b> | <b>777,012.23</b>    |                   |
| <b>RTP</b>       |                   |                   |                  |                 |              | <b>Dec</b>       | <b>Jan</b>       | <b>Feb</b>       | <b>Mar</b>       | <b>Apr</b>       |                   |                   | <b>RTP</b>           |                   |
|                  |                   |                   |                  |                 |              | 51,545.00        | 47,715.00        | 33,922.00        | 51,009.00        | 16,263.00        |                   |                   | 200,454.00           |                   |
| <b>Total POS</b> | <b>233,324.00</b> | <b>156,378.50</b> | <b>61,071.00</b> | <b>3,374.00</b> | <b>99.00</b> | <b>51,753.00</b> | <b>47,730.00</b> | <b>33,982.00</b> | <b>51,069.00</b> | <b>42,119.89</b> | <b>114,913.84</b> | <b>181,652.00</b> | <b>977,466.23</b>    |                   |
|                  |                   |                   |                  |                 |              |                  |                  |                  |                  |                  |                   |                   | Less Addt'l. PC      | (10,979.00)       |
|                  |                   |                   |                  |                 |              |                  |                  |                  |                  |                  |                   |                   | Mtn / Tennis Credits | (87,505.40)       |
|                  |                   |                   |                  |                 |              |                  |                  |                  |                  |                  |                   |                   |                      | <b>878,981.83</b> |

# Annual Punch Card Utilization (FY2018/19)

| Fund<br>Venue                  | Community Services |                  |                   |              |              |              |              |               |              | Beaches        | Combined     |
|--------------------------------|--------------------|------------------|-------------------|--------------|--------------|--------------|--------------|---------------|--------------|----------------|--------------|
|                                | 320<br>Golf-Champ  | 320<br>Golf -Mtn | 330<br>Facilities | 340<br>Ski   | 350<br>Rec   | 360<br>Admin | 370<br>Parks | 380<br>Tennis | TOTAL CS     | 390<br>Beaches |              |
| BUDGETED FEE REVENUES          | \$ 976,157         | \$ 689,052       | \$ 524,992        | \$ (336,323) | \$ 1,574,976 | \$ 1,164,826 | \$ 992,563   | \$ 196,872    | \$ 5,783,115 | \$ 968,500     | \$ 6,751,615 |
| Punch Card Utilization         |                    |                  |                   |              |              |              |              |               |              |                |              |
| Charges for Services           | \$ 24,812          | \$ 55,644        |                   | \$ 200,380   | \$ 1,128     |              |              | \$ 6,662      | \$ 288,626   | \$ 590,356     | \$ 878,982   |
| Equivalent # of Cards (\$/166) | 149.5              | 335.2            |                   | 1207.1       | 6.8          |              |              | 40.1          | 1738.7       | 3556.4         | 5295.1       |



# Accounting for Recreation Passes and Punch Cards

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| FISCAL YEAR 2019-20               |          |        |      |
|-----------------------------------|----------|--------|------|
|                                   | NO Beach | Beach  |      |
| Facility Fee - Community Services | 705      | 705    | 85%  |
| Facility Fee - Beach              |          | 125    | 15%  |
|                                   | \$ 705   | \$ 830 | 100% |
| Punch Card Value                  | \$ 141   | \$ 166 |      |
| 5 x Punch Cards                   | \$ 705   | \$ 830 |      |

| FISCAL YEAR 2020-21               |          |        |      |
|-----------------------------------|----------|--------|------|
|                                   | NO Beach | Beach  |      |
| Facility Fee - Community Services | 330      | 330    | 40%  |
| Facility Fee - Beach              |          | 500    | 60%  |
|                                   | \$ 330   | \$ 830 | 100% |
| Punch Card Value                  | \$ 66    | \$ 166 |      |
| 5 x Punch Cards                   | \$ 330   | \$ 830 |      |

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# Accounting for Recreation Passes and Punch Cards



|  |    |     |      |                        | Total               |          |                            |          |       |
|--|----|-----|------|------------------------|---------------------|----------|----------------------------|----------|-------|
| Example 1 Resident purchases round of golf with Picture Pass                   |    |     |      |                        | Golf                | CS Admin | Comm                       | Beach    | ALL   |
|  |    |     |      |                        | Fund 320            | Fund 360 | Services                   | Fund 390 | FUNDS |
|  |    |     |      |                        | Debit               | Credit   | Operating Sources and Uses |          |       |
| 320  | 31 | 400 | 4205 | Admissions and Fees    |                     | 175      | 175                        | -        | 175   |
| 320  | 31 | 400 | 4240 | Parcel Owner Allowance | 100                 |          | (100)                      | -        | (100) |
| 925  | 00 | 00  | 0101 | Cash                   | 75                  |          |                            |          |       |
|  |    |     |      |                        | 175                 | 175      | 75                         | 75       | 75    |
|  |    |     |      |                        | Charges for Service |          |                            |          |       |
|  |    |     |      |                        | 75                  |          | 75                         |          | 75    |
|  |    |     |      |                        |                     |          |                            |          |       |
| Example 2 Resident purchases round of golf with Punch Card (WITH Beach Access) |    |     |      |                        | Golf                | CS Admin | Comm                       | Beach    | ALL   |
|  |    |     |      |                        | Fund 320            | Fund 360 | Services                   | Fund 390 | FUNDS |
|  |    |     |      |                        | Debit               | Credit   | Operating Sources and Uses |          |       |
| 320  | 31 | 400 | 4205 | Admissions and Fees    |                     | 175      | 175                        |          | 175   |
| 320  | 31 | 400 | 4240 | Parcel Owner Allowance |                     |          |                            |          |       |
| 360  | 49 | 490 | 4295 | Punch Card Utilization | 85                  |          | (85)                       |          | (85)  |
| 390  | 39 | 990 | 4295 | Punch Card Utilization | 15                  |          |                            | (15)     | (15)  |
| 925  | 00 | 00  | 0101 | Cash                   | 75                  |          |                            |          |       |
|  |    |     |      |                        | 175                 | 175      | 90                         | (15)     | 75    |
|  |    |     |      |                        | Charges for Service |          |                            |          |       |
|  |    |     |      |                        | 175                 | (85)     | 90                         | (15)     | 75    |
|  |    |     |      |                        |                     |          |                            |          |       |
| Example 3 Resident purchases round of golf with Punch Card (NO Beach Access)   |    |     |      |                        | Golf                | CS Admin | Comm                       | Beach    | ALL   |
|  |    |     |      |                        | Fund 320            | Fund 360 | Services                   | Fund 390 | FUNDS |
|  |    |     |      |                        | Debit               | Credit   | Operating Sources and Uses |          |       |
| 320  | 31 | 400 | 4205 | Admissions and Fees    |                     | 175      | 175                        |          | 175   |
| 320  | 31 | 400 | 4240 | Parcel Owner Allowance |                     |          |                            |          |       |
| 360  | 49 | 490 | 4295 | Punch Card Utilization | 100                 |          | (100)                      |          | (100) |
| 390  | 39 | 990 | 4295 | Punch Card Utilization |                     |          |                            |          | -     |
| 925  | 00 | 00  | 0101 | Cash                   | 75                  |          |                            |          |       |
|  |    |     |      |                        | 175                 | 175      | 75                         | -        | 75    |
|  |    |     |      |                        | Charges for Service |          |                            |          |       |
|  |    |     |      |                        | 175                 | (100)    | 75                         | -        | 75    |



| Example 4 Resident Accesses Beach with Picture Pass |    |     |      |                        | Debit | Credit | Operating Sources and Uses | Golf     | CS Admin | Comm     | Beach    | ALL   |
|---|----|-----|------|------------------------|-------|--------|----------------------------|----------|----------|----------|----------|-------|
|   |    |     |      |                        |       |        |                            | Fund 320 | Fund 360 | Services | Fund 390 | FUNDS |
| 390   | 31 | 400 | 4205 | Admissions and Fees    |       | 12     | Admissions & Fees          |          |          | -        | 12       | 12    |
| 390   | 31 | 400 | 4240 | Parcel Owner Allowance | 12    |        | Parcel Owner Allowance     |          |          | -        | (12)     | (12)  |
| 925   | 00 | 00  | 0101 | Cash                   |       |        | Charges for Service        |          |          |          |          |       |
|   |    |     |      |                        | 12    | 12     |                            | -        |          | -        |          | -     |



| Example 5 Resident Accesses Beach with Punch Card (WITH Beach Access) |    |     |      |                        | Debit | Credit | Operating Sources and Uses | Total |          |          |          |          |          |       |         |         |
|---|----|-----|------|------------------------|-------|--------|----------------------------|-------|----------|----------|----------|----------|----------|-------|---------|---------|
|   |    |     |      |                        |       |        |                            | Golf  | CS Admin | Comm     | Beach    | ALL      |          |       |         |         |
|   |    |     |      |                        |       |        |                            |       |          | Fund 320 | Fund 360 | Services | Fund 390 | FUNDS |         |         |
| 390   | 39 | 400 | 4205 | Admissions and Fees    |       | 12     | Admissions & Fees          |       |          |          |          |          |          |       | 12      | 12      |
| 320   | 31 | 400 | 4240 | Parcel Owner Allowance |       |        |                            |       |          |          |          |          |          |       |         |         |
| 360   | 49 | 490 | 4295 | Punch Card Utilization | 10.20 |        | Punch Card Utilization     |       | (10.20)  | (10.20)  |          |          |          |       | (10.20) | (10.20) |
| 360   | 39 | 990 | 4295 | Punch Card Utilization | 1.80  |        | Punch Card Utilization     |       |          |          |          | (1.80)   |          |       | (1.80)  | (1.80)  |
| 925   | 00 | 00  | 0101 | Cash                   |       |        | Charges for Service        |       | (10.20)  | (10.20)  | 10.20    |          |          |       |         | -       |
|   |    |     |      |                        | 12    | 12     |                            | -     | (10.20)  | (10.20)  | 10.20    |          |          |       |         | -       |



| Example 6 Resident Accesses Beach with Punch Card (NO Beach Access) |    |     |      |                        | Debit | Credit | Operating Sources and Uses | Total |          |          |          |          |          |       |   |   |
|---|----|-----|------|------------------------|-------|--------|----------------------------|-------|----------|----------|----------|----------|----------|-------|---|---|
|   |    |     |      |                        |       |        |                            | Golf  | CS Admin | Comm     | Beach    | ALL      |          |       |   |   |
|   |    |     |      |                        |       |        |                            |       |          | Fund 320 | Fund 360 | Services | Fund 390 | FUNDS |   |   |
| 320   | 31 | 400 | 4205 | Admissions and Fees    |       |        | Admissions & Fees          |       |          |          |          |          |          |       |   |   |
| 320   | 31 | 400 | 4240 | Parcel Owner Allowance |       |        |                            |       |          |          |          |          |          |       |   |   |
| 360   | 49 | 490 | 4295 | Punch Card Utilization |       |        | Punch Card Utilization     |       |          |          |          |          |          |       |   |   |
| 360   | 39 | 990 | 4295 | Punch Card Utilization |       |        | Punch Card Utilization     |       |          |          |          |          |          |       |   |   |
| 925   | 00 | 00  | 0101 | Cash                   |       |        | Charges for Service        |       |          |          |          |          |          |       |   |   |
|   |    |     |      |                        | -     | -      |                            | -     | -        | -        | -        | -        | -        | -     | - | - |

| Fund<br>Venue                  | Community Services |                  |                   |              |              |                    |               |               |              | Beaches        | Combined   |
|--------------------------------|--------------------|------------------|-------------------|--------------|--------------|--------------------|---------------|---------------|--------------|----------------|------------|
|                                | 320<br>Golf-Champ  | 320<br>Golf -Mtn | 330<br>Facilities | 340<br>Ski   | 350<br>Rec   | 360<br>Admin       | 370<br>Parks  | 380<br>Tennis | TOTAL CS     | 390<br>Beaches |            |
| BUDGETED FEE REVENUES          | \$ 976,157         | \$ 689,052       | \$ 524,992        | \$ (336,323) | \$ 1,574,976 | \$ 1,164,826       | \$ 992,563    | \$ 196,872    | \$ 5,783,115 | \$ 968,500     |            |
| Punch Card Utilization         |                    |                  |                   |              |              |                    |               |               |              |                |            |
| Charges for Services           | \$ 24,812          | \$ 55,644        |                   | \$ 200,380   | \$ 1,128     |                    |               | \$ 6,662      | \$ 288,626   | \$ 590,356     | \$ 878,982 |
| Equivalent # of Cards (\$/166) | 149.5              | 335.2            |                   | 1207.1       | 6.8          |                    |               | 40.1          | 1738.7       | 3556.4         | 5295.1     |
|                                |                    |                  |                   |              |              | Punch Card Offsets |               | \$ (288,626)  |              | \$ (590,356)   |            |
|                                |                    |                  |                   |              |              | Contra Accounts    |               | (245,332) 85% |              | (43,294) 15%   |            |
|                                |                    |                  |                   |              |              |                    | (501,803) 85% |               | (88,553) 15% |                |            |
|                                |                    |                  |                   |              |              |                    |               | (747,135)     |              | (131,847)      |            |



| <b>Punch Cards Purchases by Venue</b> | <b>7/1-6/30/18</b> |               | <b>7/1-6/30/19</b> |               |
|---------------------------------------|--------------------|---------------|--------------------|---------------|
| Diamond Peak Ski                      | 109,352.41         | 11.84%        | 200,380.00         | 21.69%        |
| Golf Champ                            | 26,188.90          | 2.83%         | 24,812.03          | 2.69%         |
| Golf Mountain                         | 96,487.10          | 10.44%        | 55,644.64          | 6.02%         |
| Recreation                            | 605.92             | 0.07%         | 1,127.98           | 0.12%         |
| Tennis                                | 13.15              | 0.00%         | 6,672.45           | 0.72%         |
| <b>Total Community Services Fund</b>  | <b>232,647.48</b>  | <b>25.18%</b> | <b>288,637.10</b>  | <b>31.24%</b> |
| <b>Beach Fund</b>                     | <b>691,304.12</b>  | <b>74.82%</b> | <b>590,356.73</b>  | <b>63.89%</b> |
| <b>Total Punch Card Purchases</b>     | <b>923,951.60</b>  | <b>100%</b>   | <b>878,993.83</b>  | <b>95%</b>    |
| <b>Comm Srv Fund</b>                  |                    |               |                    |               |
| 85% of Comm Serv Fund Purchases       | 197,750.36         |               | 245,341.54         |               |
| 85% of Beach Fund Purchases           | 587,608.50         |               | 501,803.22         |               |
|                                       | <b>785,358.86</b>  |               | <b>747,144.76</b>  |               |
| <b>Beach Fund</b>                     | <b>34,897.12</b>   |               | <b>43,295.57</b>   |               |
| 15% of Comm Serv Fund Purchases       | 103,695.62         |               | 88,553.51          |               |
| 15% of Beach Fund Purchases           | 138,592.74         |               | 131,849.07         |               |
|                                       | <b>923,951.60</b>  |               | <b>878,993.83</b>  |               |



# Issues & Concerns Related to Current Practices - (Selected)

| TOPIC   | Comments                        |
|---|---------------------------------|
| Different Treatment of Picture Passes and Punch Cards (Re - Valuation)  | Ord. 7                          |
| Different Accounting for Punch Cards WITH Beach Access vs NO Beach Access   | POS Systems                     |
| Different Accounting for ORIGINAL Punch Cards vs ADDITIONAL Punch Cards   | Timing / Acct.                  |
| Punch Cards Allowed for Use at Venues WITHOUT REGARD to Funding Used to Acquire   | Fund Transfer                   |
| Punch Card Accounting (Contra-Revenues) Seen as Fund Transfer btw CS and Beach Funds  | Correct Above                   |
| Timing of Recording Revenues from ORIGINAL Punch Cards (w/Facility Fee or at "Use?")  | Pre-paid or Defer               |
| Are Picture Passes and Punch Cards a "Form of Payment" ( <i>Cash Equivalent</i> ) or Merely Entitle Holder to Discounts?  | Policy                          |
| Relates To Existing District Pricing Structure re "Property Owner Allowances" / PC Utilization<br>Non-Resident Rate ("Rack Rate")<br>Resident Rate (Discounted) | Drives Budgeting and Accounting |
| Limitation of 3 <sup>rd</sup> -Party Point of Sale Software; lack integration with Parcel Master Database   | PC Tracking                     |

# Options for Improving Budgeting and Accounting Practices

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Modify District Pricing Structure to Establish Base Resident and Non-Resident Rates

- *Charges for Services to be Reflective of Different Rate “categories”*

Track Punch Card Valuation based on Allocation of Facility Fee Used to Acquire

- *Provide TWO Punch Cards for Residents WITH Beach Access with Restricted Use (CS vs Beach) – OR*
- *Track Value/Use for CS Facilities SEPARATE from Value / Use for Beach Facilities*

Eliminate Punch Cards as a “Form of Payment” – Transition to ID/ELEGIBILITY for Access at Resident Rates

- *Continue to Track Pass and Punch Card Utilization via Point-of-Sale (POS) Sub-systems*
- *NOT in General Ledger*

Eliminate Punch Card “Contra – Revenue” Accounting

- *Addresses a perceived “problem” without regard to rationale for current practice*

# Next Steps

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Consider Scheduling of Special Board of Trustees Meeting

Consider Timing relative to pending Review / Update of Ordinance 7

- Budgeting and Accounting FLOWS FROM how Picture Passes / Punch Cards are Acquired and Utilized

Consider Incorporating Review of District Pricing Structure

Resident vs Non-Resident Pricing

“Allowances” vs. “Discounts”

Preserve ability to document “value” of Facility Recreation and Facility Beach Fee to Residents