

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
General Manager

FROM: Paul Navazio
Director of Finance

SUBJECT: Workshop: Punch Card Utilization and Accounting

DATE: September 1, 2020

I. RECOMMENDATION

That the Board of Trustees hold a workshop on Punch Card utilization and accounting and provide direction to staff for both short-term and long-term modifications to current practices.

II. BACKGROUND

Following a June 30, 2020 presentation on current Punch Card utilization and accounting practices, the Board has scheduled a workshop to discuss issues and concerns, and provide direction to staff on both short-term and long-term modifications to existing practices.

Punch Card Utilization

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 - non-transferable photo identification passes issued by the District that entitles holders to beach access (if so entitled) as well as resident rates for access to other facilities and programs.
- Recreation Punch Card - is a transferable punch card issued by the District to property owners and/or assignees that can be used to pay guest fees to Incline Beaches as well as to buy down venue rates for guests to access various District facilities. 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.

Budgeting and Accounting

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:

- budget for the sources of funds supporting District operations, capital and debt;

- accurately reflect the utilization of Recreation Passes and Punch Cards used by property owners, their assignees and guests; and
- 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.

Issues and Concerns Related to Punch Card Utilization and Accounting

The presentation prepared for the Board meeting of June 30, 2020 was intended to provide background information (see Attachment 1) related to the budgeting, utilization and accounting for Punch Cards so as to inform a future. More in-depth discussion of these topics 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.

The following table summarizes the issues and concerns identified in the earlier Board presentation:

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 Non-Resident Rate (“Rack Rate”) Resident Rate (Discounted)	Drives Budgeting and Accounting
Limitation of 3 rd -Party Point of Sale Software; lack integration with Parcel Master Database	PC Tracking

Options for Improving Budgeting and Accounting Practices

Long-Term Policy Objectives:

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

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

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

- *Track Value/Use for CS Facilities SEPARATE from Value/Use for Beach Facilities*
 - *Community Services “value” based on CS Facility Fee*
 - *Beach Value based on Beach Facility Fee (Beach Access only)*
- *Alternatively, Provide Two Punch Cards for Residents*

Short-term Modifications:

C) Eliminate Punch Card “Contra – Revenue” Accounting

- *Addresses concerns related to “allocation” of revenues based on funding source instead of utilization*
- Does not address concern related to punch card utilization inconsistent with Facility Fee collected to acquire Punch Cards

Workshop Outline

- Background / Review:
 - Ordinance 7 – Recreation Passes & Punch Cards
 - Recreation Facility Fee and Beach Facility Fee
 - Budgeting/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
 - Long-Term:
 - Re-evaluate Punch Cards as “Form of Payment”
 - “Split” value of Punch Cards to Align with Facility Fee(s)
 - Short-Term:
 - Eliminating Punch Card Contra-Revenue Accounting

Attachments:

- 1) Presentation: Modifying Punch Card Utilization and Accounting
- 2) Background Information - copy of June 30, 2020 Board presentation



PUNCH CARD UTILIZATION AND ACCOUNTING WORKSHOP

Board of Trustees - September 9, 2020
Director of Finance Paul Navazio

Outline

- Background / Review
 - Ordinance 7 –Access to District Facilities and Programs
 - Recreation Facility Fee and Beach Facility Fee
 - Budgeting / Accounting for Recreation Passes and Punch Cards
- Issues and Concerns Related to Current Practices
- Options for Addressing Issues/Concerns & Improving Budgeting and Accounting Practices
 - Long-Term
 - Short-Term

Ordinance 7 *(as amended March 1998)*

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)

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

FY 2020/21	# PARCELS ASSESSED		
	WITH Beach Access	NO Beach Access	IVGID
<i># of Parcels</i>	7748	455	8203
Recreation Facility Fee	\$330	\$330	\$ 2,708,990
Beach Facility Fee	<u>\$500</u>	<u>N/A</u>	<u>\$ 3,874,400</u>
	\$830	\$330	\$ 6,580,990

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 “Buy Down” 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

** 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

Annually, the District budgets for the revenues collected from:

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

★ ** 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

FY 2020/21 Facility Fee Revenues By FUND

Budget for 2020-2021			320	330	340	350	360	370	380	Roll-up	390
Facility Fee charged to # Parcels:	8,203	7,748	GOLF	Facilities	Ski	Recreation	CS Admin	Parks	Tennis	Total Comm. Svcs	Beach
Golf - Championship	\$ 4		254,293							254,293	
Golf - Mountain	27									-	
Facilities	5			41,015						41,015	
Diamond Peak Ski	(200)				(1,640,600)					(1,640,600)	
Youth & Family Programming	26					213,278				213,278	
Senior Programming	23					188,669				188,669	
Recreation Center	100					820,300				820,300	
Comm. Services Administration	127						1,041,781			1,041,781	
Parks	89							730,067		730,067	
Tennis	14								114,842	114,842	
Beach		85								-	658,580
Per Parcel Operating Component	215	85	\$ 254,293	\$ 41,015	\$ (1,640,600)	\$1,222,247	\$ 1,041,781	\$ 730,067	\$ 114,842	1,763,645	658,580
Per Parcel Capital Exp. Component	65	414				443,195	90,000			533,195	3,207,672
Per Parcel Debt Service Component	50	1					410,150			410,150	7,748
Total Facility Fee Per Parcel	\$ 330	\$ 500	\$ 254,293	\$ 41,015	\$ (1,640,600)	\$1,665,442	\$ 1,541,931	\$ 730,067	\$ 114,842	\$ 2,706,990	\$ 3,874,000
TOTAL FY2020/21 FACILITY FEE REVENUE											\$ 6,580,990

Note: Diamond Peak revenues supplement Facility Fee "available" to all other Community Services venues/ programs

Accounting for Recreation Passes and Punch Cards

Accounting for Punch Cards

Punch Card Values

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	



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)	-	(100)
925	00	00	0101	Cash	75				
					175		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	40	(40)	(40)		(40)
390	39	990	4295	Punch Card Utilization	60			(60)	(60)
925	00	00	0101	Cash	75				
					175	(40)	135	(60)	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)		(100)
390	39	990	4295	Punch Card Utilization					-
925	00	00	0101	Cash	75				
					175	(100)	75	-	75

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

Example 5 Resident Accesses Beach with Punch Card (WITH Beach Access)					Golf	CS Admin	Comm	Beach	ALL
					Fund 320	Fund 360	Services	Fund 390	FUNDS
					Total				
					Golf	CS Admin	Comm	Beach	ALL
					Fund 320	Fund 360	Services	Fund 390	FUNDS
				Debit	Credit	Operating Sources and Uses			
390	39	400	4205	Admissions and Fees				12	12
320	31	400	4240	Parcel Owner Allowance					
360	49	490	4295	Punch Card Utilization	4.80	(4.80)	(4.80)		(4.80)
360	39	990	4295	Punch Card Utilization	7.20			(7.20)	(7.20)
925	00	00	0101	Cash					
					12		(4.80)	4.80	-

Example 6 Resident Accesses Beach with Punch Card (NO Beach Access)					Golf	CS Admin	Comm	Beach	ALL
					Fund 320	Fund 360	Services	Fund 390	FUNDS
					Total				
					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					
320	31	400	4240	Parcel Owner Allowance					
360	49	490	4295	Punch Card Utilization					
360	39	990	4295	Punch Card Utilization					
925	00	00	0101	Cash					

Accounting for Punch Cards

Contra-Revenue Adjustments

(FY2018/19)

Fund Venue	Community Services									Beaches	Combined
	320 Golf-Champ	320 Golf -Mtn	330 Facilities	340 Ski	350 Rec	360 Admin	370 Parks	380 Tennis	TOTAL CS	390 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)	

Punch Cards Purchases by Venue	7/1-6/30/18		7/1-6/30/19	
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%
Total Community Services Fund	232,647.48	25.18%	288,637.10	31.24%
Beach Fund	691,304.12	74.82%	590,356.73	63.89%
Total Punch Card Purchases	923,951.60	100%	878,993.83	95%
Comm Srv Fund				
85% of Comm Serv Fund Purchases	197,750.36		245,341.54	
85% of Beach Fund Purchases	587,608.50		501,803.22	
	785,358.86		747,144.76	
Beach Fund	34,897.12		43,295.57	
15% of Comm Serv Fund Purchases	103,695.62		88,553.51	
15% of Beach Fund Purchases	138,592.74		131,849.07	
	923,951.60		878,993.83	



Punch Cards Purchases by Venue	7/1-6/30/18		7/1-6/30/19		FY2020/21 (SAMPLE)	
Diamond Peak Ski	109,352.41	11.84%	200,380.00	21.69%	200,380.00	21.69%
Golf Champ	26,188.90	2.83%	24,812.03	2.69%	24,812.03	2.69%
Golf Mountain	96,487.10	10.44%	55,644.64	6.02%	55,644.64	6.02%
Recreation	605.92	0.07%	1,127.98	0.12%	1,127.98	0.12%
Tennis	13.15	0.00%	6,672.45	0.72%	6,672.45	0.72%
Total Community Services Fund	232,647.48	25.18%	288,637.10	31.24%	288,637.10	31.24%
Beach Fund	691,304.12	74.82%	590,356.73	63.89%	590,356.73	63.89%
Total Punch Card Purchases	923,951.60	100%	878,993.83	95%	878,993.83	95%
<hr/>						
Comm Srv Fund						
85% of Comm Serv Fund Purchases	197,750.36		245,341.54		115,454.84	40% of Comm Serv Fund Purchases
85% of Beach Fund Purchases	587,608.50		501,803.22		236,142.69	40% of Beach Fund Purchases
	785,358.86		747,144.76		351,597.53	
Beach Fund						
15% of Comm Serv Fund Purchases	34,897.12		43,295.57		173,182.26	60% of Comm Serv Fund Purchases
15% of Beach Fund Purchases	103,695.62		88,553.51		354,214.04	60% of Beach Fund Purchases
	138,592.74		131,849.07		527,396.30	
	923,951.60		878,993.83		878,993.83	

Note: The closer Punch Card UTILIZATION "matches" split between Community Services and Beach Fee, the impact of Contra-revenue Accounting approaches ZERO.

Issues & Concerns Related to Current Practices

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 Non-Resident Rate ("Rack Rate") Resident Rate (Discounted)	Drives Budgeting and Accounting
Limitation of 3 rd -Party Point of Sale Software; lack integration with Parcel Master Database	PC Tracking

Options for Modifying Punch Card Utilization, Budgeting and Accounting

Options for Modifying Punch Card Utilization, Budgeting and Accounting

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

- *Charges for Services to be Reflective of Different Rate “categories”*
 - *Resident / Guest / Non-Resident*
- *Consider establishing uniform “discount” between Resident and Guest Rate*

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*

Simplify Punch Card Utilization – Pre-paid Card for Use at Facilities

- *Holder of Punch Card charged Non-resident “Rack” Rate*
- *Can use value to pay for FULL ACCESS to District facilities*
- *Facilitates Customer Service and Explanation of Punch Card*

Options for Modifying Punch Card Utilization, Budgeting and Accounting

Track Punch Card Valuation based on Allocation of Facility Fee Paid 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 Card “Contra – Revenue” Accounting

- *Addresses concerns over “transfers” of “offsets” between Community Services and Beach Funds*
- *Does not address underlying issue of value of Punch Card utilization regardless of funding used to acquire Punch Cards*
 - *(Punch Card utilization does not match how Facility Fee is set by Board)*

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

IVGID Picture Pass Holder Rates - Championship Course

2020 Championship Course Rates

All Championship Course rates include a golf cart. 9 hole rates available after 5:30 p.m. Dress Code: no denim; collared shirts required

June 15 - Sept. 27	Mon-Thurs	Fri-Sun & holidays
7am-2pm (prime time)	\$90	\$95
2pm-4pm (twilight)	\$65	\$75
After 4pm (super twilight)	\$45	\$55
After 5:30pm - 9 holes	\$30	\$37

Guest Rates - Championship Course

2020 Championship Course Rates

All Championship Course rates include a golf cart. 9 hole rates available after 5:30 p.m. Dress Code: no denim; collared shirts required

June 15 - Sept. 27	Mon-Thurs	Fri-Sun & holidays
7am-2pm (prime time)	\$115	\$120
2pm-4pm (twilight)	\$90	\$100
After 4pm (super twilight)	\$75	\$80
After 5:30pm- 9 holes	\$45	\$52

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

IVGID Picture Pass Holder Rates - Mountain Course

2020 IVGID Mountain Course 18 Hole Rates

All Mountain Course rates include a golf cart. Dress Code: no midriiffs, no frayed or holey denim or clothing, shorts must be mid-thigh length, no tank tops (sleeveless polos are permitted)

June 15 - Sept. 13	Mon-Thurs	Fri-Sun & holidays
7am-12pm (prime time)	\$44	\$48
12pm-4pm (midday)	\$44	\$48
After 4pm (twilight)	\$26	\$29

Guest Rates - Mountain Course

2020 Guest Mountain Course 18 Hole Rates

All Mountain Course rates include a golf cart. Dress Code: no midriiffs, no frayed or holey denim or clothing, shorts must be mid-thigh length, no tank tops (sleeveless polos are permitted)

June 15 - Sept. 13	Mon-Thurs	Fri-Sun & holidays
7am-12pm (prime time)	\$54	\$58
12pm-4pm (midday)	\$47	\$53
After 4pm (twilight)	\$26	\$29

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

Diamond Peak Daily Lift Tickets

2019/2020	IVGID Picture Pass Holder Rates			Non Picture Pass Holder Rates			Punchcard out of pocket expense on ticket products			Deduct from Punchcard on purchase of the ticket products		
Ticket Products	Value	Weekend	Peak	Value	Weekend	Peak	Value	Weekend	Peak	Value	Weekend	Peak
Adult (24-64)	\$25	\$25	\$35	\$94	\$104	\$114	\$25	\$25	\$35	\$69	\$79	\$79
Youth (13-23)	\$20	\$20	\$30	\$74	\$84	\$94	\$20	\$20	\$30	\$54	\$64	\$64
Senior (65-79)	\$20	\$20	\$30	\$74	\$84	\$94	\$20	\$20	\$30	\$54	\$64	\$64
Child (7-12)	\$15	\$15	\$25	\$39	\$44	\$49	\$15	\$15	\$25	\$24	\$29	\$29
Beginner	\$18	\$18	\$28	\$49	\$59	\$69	\$18	\$18	\$28	\$31	\$41	\$41
6 & under / 80+	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free

- * A Punchcard may be used to buy down the price of a ticket product from the non resident rack rate
- * During Resident appreciation week a Punchcard allows for one free daily lift
- * Punchcards can NOT be applied to Season Passes, Rentals or Lessons

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

BEACH PRICING			
	Picture Pass Holder	Punch Card Holder	Daily Guest *
DAILY ADMISSION	FREE ADMISSION	$\$12.00$ PUNCH CARD DEDUCT $-\underline{12.00}$ NET ADMISSION FEE $\rightarrow \$0.00$	$\$12.00$ <i>* MUST BE ACCOMPANIED BY PICTURE PASS HOLDER</i>

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

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

	<i>Golf</i>	<i>Ski</i>	<i>Beach</i>	<i>Rec Center</i>	<i>Tennis</i>
◦ <i>Resident (Rec Pass)</i>	\$ 90	\$ 35	Free		
◦ <i>Guest (Punch Card)</i>	\$ 90	\$ 35	\$12.00		
◦ <i>Non-Resident (General Public)</i>	\$115	\$114	N/A		

- *Modified Pricing Structure with built-in “discounts” eliminates the need for Punch Cards OTHER than a form of Identification for access to facilities at specified GUEST rate(s).*
- *Requires mechanism for draw-down of Punch Card values – Need to avoid use as “transferable” Recreation Picture Pass*
- *Eliminates Budgeting and Accounting for:*
 - *Gross Revenue at “Rack” Rate (Non-Resident)*
 - *Parcel Owner Allowances*
 - *Punch Card Utilization CREDIT*
 - *Punch Card Contra-Revenue Accounting*

Eliminate Punch Cards as “Form of Payment”

This Option can be implemented WITHOUT modifying pricing structure(s)

Punch Card becomes a form of ID/ACCESS card for discounted rates

Continue to Track Pass and Punch Card Utilization via Point-of-Sale (POS) Sub-systems

Requires mechanism for draw-down of Punch Card values – Need to avoid use as “transferable” Recreation Picture Pass

Eliminates Budgeting and Accounting For:

- *Guest Charge at “Rack Rate”*
- *Punch Card Utilization CREDIT*
- *Net (CASH) Payment*
- *Punch Card Contra-Revenue Accounting*

Simplify Punch Card Utilization – Pre-paid Card for Use at Facilities

This option transforms Punch Cards to equivalent of “gift cards”

Punch Cards could be used for access to venues and used to pay for access to venues

Punch Card holders are charged Non-Resident Rate, but can use Punch Cards as form of payment

Could be implemented without modifying pricing


Facilitates Customer Service and Explanation of Punch Cards

Potential to allow for Punch Cards to be used for ANY product (or with limitations)

Punch Card “expires” when value is spent down to ZERO

MAY require Punch Cards to be accounted for as DEFERRED REVENUE when acquired and, if so:

Eliminates Budgeting and Accounting For:

- *Guest Charge at “Rack Rate”*
 - *Punch Card Utilization CREDIT*
 - *Punch Card Contra-Revenue Accounting*
- 

Track Punch Card Valuation based on Allocation of Facility Fee Paid 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

Cumbersome and Not User Friendly

May pose challenge with programming Point-of-Sale Software and Tracking

BUT

Eliminates Budgeting and Accounting For:

- *Punch Card Contra-Revenue Accounting*

Eliminate Punch Card “Contra – Revenue” Accounting

- *No Change to Pricing Structure*
- *No Change in Punch Card Utilization*
- *No Change to Budgeting and Accounting For*
 - *Gross Revenue at “Rack” Rate (Non-Resident)*
 - *Parcel Owner Allowances*
 - *Punch Card Utilization CREDIT*

BUT

DOES Eliminate Budgeting and Accounting for:

- *Punch Card Contra-Revenue Accounting !!!*

Eliminate Punch Card “Contra – Revenue” Accounting

	FY2020/21 Budget		IMPACT OF ELIMINATING PUNCH CARD ACCOUNTING					
	Punch Card Utilization		<i>Example 1: Usage = 2017/18</i>			<i>Example 2: Usage = 2018/19</i>		
Community Services Fund	\$344,830	40%	25%	\$216,825	\$<128,005>	33%	\$286,209	\$<58,671>
Beach Fund	\$522,470	60%	75%	\$650,475	\$ 128,005	67%	\$581,091	\$ 58,671
TOTALS	\$867,300			\$867,300	\$ 0.00		\$867,300	\$ 0.00

Board Discussion & Next Steps

1) Board Discussion of ISSUES / OPTIONS

- Pricing Policy
- Punch Card Utilization
- Budgeting and Accounting Practices

2) Consider Timing of Follow-Up Board Workshops:

- Ordinance 7 (To Include Punch Card Utilization)
- Review of District Pricing Policy

Resident vs Non-Resident Pricing

“Allowances” vs. “Discounts”

3) Consideration of Eliminating Punch Card “Contra-Revenue Accounting”

- Expected to have MODEST impact on year-end financial statements in FY2020/21
- *IF Concern relates to “Generally-Accepted Accounting Principles” (GAAP), consider deferring any Board decision pending upcoming review by Outside Consultant (per Audit Committee)*



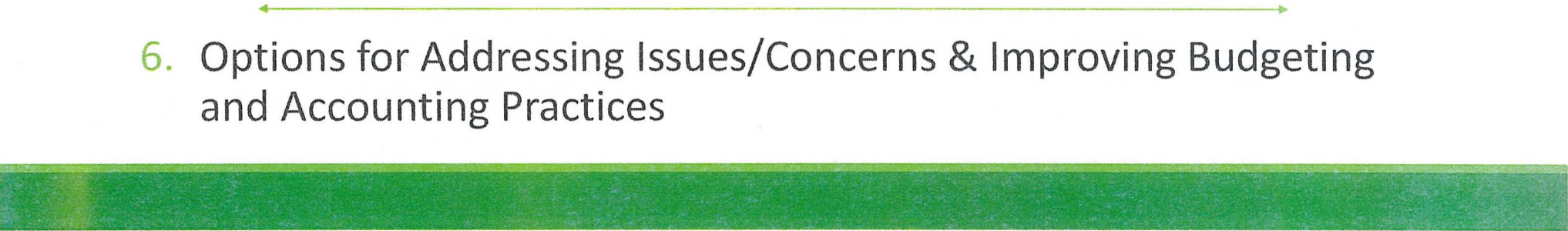
Punch Cards

UTILIZATION AND ACCOUNTING

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



Outline

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
 6. Options for Addressing Issues/Concerns & Improving Budgeting and Accounting Practices
- 

Ordinance 7 *(as amended March 1998)*

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)

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)*

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

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										Beach Facility Fee
\$ 705										\$ 125
Fund	320	320	330	340	350	360	370	380	TOTAL CS	390
Venue	Golf-Champ	Golf -Mtn	Facilities	Ski	Rec	Admin	Parks	Tennis		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

Fund Venue	FACILITY FEE									390 Beaches
	Community Services									
	Recreation Facility Fee					Beach Facility Fee				
	320 Golf-Champ	320 Golf -Mtn	330 Facilities	340 Ski	350 Rec	360 Admin	370 Parks	380 Tennis	TOTAL CS	\$ 125
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	172,263	328,120	131,248	(1,640,600)	1,173,029	4,774,146	730,067	114,842	5,783,115	
Adjustments/Transfers*	803,894	360,932	393,744	1,304,277	401,947	(3,609,320)	262,496	82,030	-	
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

* 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	
Vermont	233,324.00	156,378.50	61,071.00	3,374.00	99.00	208.00	15.00	60.00	60.00	25,856.89	114,913.84	181,652.00	777,012.23	
RTP						Dec	Jan	Feb	Mar	Apr			RTP	
						51,545.00	47,715.00	33,922.00	51,009.00	16,263.00			200,454.00	
Total POS	233,324.00	156,378.50	61,071.00	3,374.00	99.00	51,753.00	47,730.00	33,982.00	51,069.00	42,119.89	114,913.84	181,652.00	977,466.23	
													<i>Less Addt'l. PC</i>	<i>(10,979.00)</i>
													<i>Mtn / Tennis Credits</i>	<i>(87,505.40)</i>
														878,981.83



Annual Punch Card Utilization (FY2018/19)

Fund Venue	Community Services									Beaches	Combined
	320 Golf-Champ	320 Golf -Mtn	330 Facilities	340 Ski	350 Rec	360 Admin	370 Parks	380 Tennis	TOTAL CS	390 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

FISCAL YEAR 2019-20

	NO Beach	Beach	
Facility Fee - Community Services	705	705	85%
Facility Fee - Beach		125	15%
	<u>\$ 705</u>	<u>\$ 830</u>	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%
	<u>\$ 330</u>	<u>\$ 830</u>	100%
Punch Card Value	\$ 66	\$ 166	
5 x Punch Cards	\$ 330	\$ 830	

Accounting for Recreation Passes and Punch Cards

				Total				
				Golf	CS Admin	Comm	Beach	ALL
				Fund 320	Fund 360	Services	Fund 390	FUNDS
				Operating Sources and Uses				
320	31	400	4205 Admissions and Fees			175	-	175
320	31	400	4240 Parcel Owner Allowance	100		(100)	-	(100)
925	00	00	0101 Cash	75				
				175		75		75
				Charges for Service				
				75		75		75



				Total				
				Golf	CS Admin	Comm	Beach	ALL
				Fund 320	Fund 360	Services	Fund 390	FUNDS
				Operating Sources and Uses				
320	31	400	4205 Admissions and Fees			175		175
320	31	400	4240 Parcel Owner Allowance					
360	49	490	4295 Punch Card Utilization	85	(85)	(85)		(85)
390	39	990	4295 Punch Card Utilization	15			(15)	(15)
925	00	00	0101 Cash	75				
				175	(85)	90	(15)	75
				Charges for Service				
				175	(85)	90	(15)	75



				Total				
				Golf	CS Admin	Comm	Beach	ALL
				Fund 320	Fund 360	Services	Fund 390	FUNDS
				Operating Sources and Uses				
320	31	400	4205 Admissions and Fees			175		175
320	31	400	4240 Parcel Owner Allowance					
360	49	490	4295 Punch Card Utilization	100	(100)	(100)		(100)
390	39	990	4295 Punch Card Utilization					
925	00	00	0101 Cash	75				
				175	(100)	75	-	75
				Charges for Service				
				175	(100)	75	-	75



Example 4 Resident Accesses Beach with Picture Pass

				Debit	Credit
390	31	400	4205 Admissions and Fees		12
390	31	400	4240 Parcel Owner Allowance	12	
925	00	00	0101 Cash		
				<u>12</u>	<u>12</u>

Operating Sources and Uses
Admissions & Fees
Parcel Owner Allowance
Charges for Service

Golf	CS Admin	Comm	Beach	ALL
Fund 320	Fund 360	Services	Fund 390	FUNDS
			12	12
		-	(12)	(12)
		-		
-	-	-		-

Example 5 Resident Accesses Beach with Punch Card (WITH Beach Access)

				Debit	Credit
390	39	400	4205 Admissions and Fees		12
320	31	400	4240 Parcel Owner Allowance		
360	49	490	4295 Punch Card Utilization	10.20	
360	39	990	4295 Punch Card Utilization	1.80	
925	00	00	0101 Cash		
				<u>12</u>	<u>12</u>

Operating Sources and Uses
Admissions & Fees
Punch Card Utilization
Punch Card Utilization
Charges for Service

Golf	CS Admin	Comm	Beach	ALL
Fund 320	Fund 360	Services	Fund 390	FUNDS
			12	12
		-		
	(10.20)	(10.20)		(10.20)
			(1.80)	(1.80)
-	(10.20)	(10.20)	10.20	-

Example 6 Resident Accesses Beach with Punch Card (NO Beach Access)

				Debit	Credit
320	31	400	4205 Admissions and Fees		
320	31	400	4240 Parcel Owner Allowance		
360	49	490	4295 Punch Card Utilization		
360	39	990	4295 Punch Card Utilization		
925	00	00	0101 Cash		
				<u>-</u>	<u>-</u>

Operating Sources and Uses
Admissions & Fees
Punch Card Utilization
Punch Card Utilization
Charges for Service

Golf	CS Admin	Comm	Beach	ALL
Fund 320	Fund 360	Services	Fund 390	FUNDS
-	-	-	-	-

Fund Venue	Community Services									Beaches	Combined
	320 Golf-Champ	320 Golf -Mtn	330 Facilities	340 Ski	350 Rec	360 Admin	370 Parks	380 Tennis	TOTAL CS	390 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)	

Punch Cards Purchases by Venue	7/1-6/30/18		7/1-6/30/19	
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%
Total Community Services Fund	232,647.48	25.18%	288,637.10	31.24%
Beach Fund	691,304.12	74.82%	590,356.73	63.89%
Total Punch Card Purchases	923,951.60	100%	878,993.83	95%
Comm Srv Fund				
85% of Comm Serv Fund Purchases	197,750.36		245,341.54	
85% of Beach Fund Purchases	587,608.50		501,803.22	
	785,358.86		747,144.76	
Beach Fund	34,897.12		43,295.57	
15% of Comm Serv Fund Purchases	103,695.62		88,553.51	
15% of Beach Fund Purchases	138,592.74		131,849.07	
	923,951.60		878,993.83	



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 Non-Resident Rate ("Rack Rate") Resident Rate (Discounted)	Drives Budgeting and Accounting
Limitation of 3 rd -Party Point of Sale Software; lack integration with Parcel Master Database	PC Tracking

Options for Improving Budgeting and Accounting Practices

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

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