TOWN OF VAIL

Financial Statements
December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Town Council
Town of Vail, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Vail, Colorado (the "Town"), as of and for the year ended December 31, 2020, and related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Vail, Colorado as of December 31, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing procedures generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. This required supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements taken as a whole. The accompanying supplementary information in section F (including individual fund budgetary schedules, combining internal service fund statements, budgetary schedules for project expenditures, and the *Local Highway Finance Report*) and section G (the Town's *Undertaking to Provide Continuing Disclosure*) is presented for the purpose of additional analysis and are not a required part of the Town's basic financial statements. The supplementary information in sections F and G is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in section F has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in section F is fairly stated in all material aspects in relation to the financial statements as a whole. The information included in the Town's *Undertaking to Provide Continuing Disclosure* in section G has not been subjected to the auditing procedures applied in the audit of the Town's basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for the purpose of additional analysis, as required by Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and are not a required part of the Town's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
To the Mayor and Members of Town Council
Town of Vail, Colorado
Vail, Colorado

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2021 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 26, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Town of Vail, Colorado (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020.

Overview of the Financial Statements

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

Financial Highlights:

- The assets of the Town exceeded its liabilities at the close of the 2020 fiscal year by $338,448,083 (net position). Of this amount, $2,440,000 is restricted for TABOR emergency reserves and $95,774 is restricted by enabling legislation.
- The Town's total net position increased in the 2020 fiscal year by $17,531,125 which was attributable to an increase from governmental activities of $16,565,728 and an increase of $965,397 from business-type activities.
- At December 31, 2020, the fund balance of the General Fund was $38,547,757. Of that amount, $2,436,774 was restricted for TABOR emergency reserves.

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) and those that are supported by external revenues (business-type activities). The governmental activities of the Town include general government, public safety, public works, transportation, culture and recreation, and economic development. The business-type activities of the Town consist of housing conducted through Timber Ridge Apartments, and dispatch services, conducted through Vail Public Safety Communications (both enterprise funds of the Town).

The government-wide financial statements include not only the Town itself (known as the primary government), but also a legally separate marketing district (Vail Local Marketing District) and a legally separate urban renewal authority (Vail Reinvestment Authority). Because these component units function for all practical purposes as departments of the Town, their financial position and activities have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Overview of the Financial Statements (continued)

Fund Financial Statements: A fund is an accounting entity that has a set of self-balancing accounts that records all financial transactions for specific activities or governmental functions. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governments' near-term financing decisions. Both the governmental fund Balance Sheet and the governmental Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town's governmental funds include the General Fund and the Debt Service Fund, three Special Revenue Funds (Capital Projects Fund, Real Estate Transfer Tax Fund, and Vail Marketing Fund), as well as the Vail Local Marketing District and the Vail Reinvestment Authority, which are component units of the Town.

The Town adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the state budget statute.

The basic governmental fund financial statements can be found on pages C3 and C4 of this report.

Proprietary Funds: The Town reports two categories of proprietary funds – Internal Service and Enterprise. The Heavy Equipment Fund and Health Insurance Fund are internal service funds, while Timber Ridge and the Dispatch Services Fund are reported as enterprise funds. As their name implies, the internal service funds provide services to the Town's governmental activities. Timber Ridge provides affordable rental housing to people who work in Vail and the Dispatch Services Fund provides dispatch services to emergencies service agencies throughout Eagle County. Enterprise fund functions are presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages C5 through C7 of this report. The Town also presents a budgetary comparison for its proprietary funds.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements, for the Town's pension plan, can be found on pages C8 and C9 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D27 of this report.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: As previously mentioned, the government-wide financial statements are designed to provide readers with a broad overview and long-term analysis of the Town's finances, in a manner similar to a private-sector business.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, governmental assets exceeded liabilities by $329,838,041 at the close of the most recent fiscal year. Approximately 62% of the Town's net position are invested in capital assets (land, buildings, equipment), less related outstanding debt. Since the Town uses these capital assets to provide services to citizens, these assets are not available for future spending, including provision of resources to repay the debt.

The table below shows the Town's net position for 2020 and 2019.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 138,765,293	$ 124,781,876	$ (1,734,041)	$ (2,572,791)	$ 137,031,252	$ 122,209,085
Capital assets(net)	210,788,979	210,383,094	10,702,659	10,530,086	221,491,638	220,913,180
Total assets	349,554,272	335,164,970	8,968,618	7,957,295	358,522,890	343,122,265
Long-term liabilities outstanding	7,005,639	8,214,565	91,238	62,975	7,096,877	8,277,540
Other liabilities	7,022,441	7,997,893	267,338	249,675	7,289,779	8,247,568
Total liabilities	14,028,080	16,212,458	358,576	312,650	14,386,656	16,525,108
Deferred inflows	5,688,151	5,680,199	-	-	5,688,151	5,680,199
Net Position:						
Invested in capital assets, net of related debt	204,402,979	202,668,094	4,236,166	3,685,299	208,639,145	206,353,393
Restricted	3,496,696	3,729,416	-	95,000	3,496,696	3,824,416
Unrestricted	121,938,366	106,874,803	4,373,876	3,864,346	126,312,242	110,739,149
Total net position	$ 329,838,041	$ 313,272,313	$ 8,610,042	$ 7,644,645	$ 338,448,083	$ 320,916,958

The Town's current assets from governmental activities and capital assets increased mainly due to an increase in cash and investments however investments in capital assets also increased over prior year. Major construction projects and asset additions during 2020 included the planning and design of a new public works facility, continued construction of an offsite secondary data center at the West Vail Fire Station, bus replacements, and Gore Creek water quality improvements.

The Town's long-term liabilities from governmental activities decreased due to the refunding of the Vail Reinvestment Authority Tax Increment Revenue Bonds, Series 2010B. In June 2020, these bonds were refunded and the Authority issued a $6,386,000 Tax Increment Refunding Loan. By taking advantage of favorable interest rates, the Town was able to realize $1,115,124 of net present value savings. The interest rate on this loan is 1.19% and the loan will mature in June 2030.

The Timber Ridge Enterprise Fund notes payable to the Town mature in 2032 and 2033. They are reported as "internal balances" in the government-wide presentation on page C1. Details of the promissory notes due from the Timber Ridge Enterprise Fund are found in note IV.F of this report.

Overview of the Financial Statements (continued)

The chart below provides financial information from the Town's Statement of Activities for the years 2020 and 2019.

Town of Vail's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue:						
Program Revenue						
Charges for services	$ 9,311,518	$ 11,989,923	$ 3,733,375	$ 3,760,862	$ 13,044,893	$ 15,750,785
Operating grants	5,460,373	2,101,474	888,198	816,452	6,348,571	2,917,926
Capital grants	239,620	1,237,015	-	-	239,620	1,237,015
General Revenue						
Property and ownership tax	12,798,822	11,200,165	-	-	12,798,822	11,200,165
Sales and lodging tax	31,493,497	36,752,908	-	-	31,493,497	36,752,908
Other taxes	16,360,699	13,867,113	-	-	16,360,699	13,867,113
Interest and other revenue	2,467,780	5,035,965	34,528	93,204	2,502,308	5,129,169
Total Revenue	78,132,309	82,184,563	4,656,101	4,670,518	82,788,410	86,855,081
Expenses:						
General government	9,081,904	9,149,615	-	-	9,081,904	9,149,615
Public safety	12,547,484	12,306,909	2,722,565	2,664,551	15,270,049	14,971,460
Public works and transportation	22,869,246	22,714,499	-	-	22,869,246	22,714,499
Culture and recreation	9,234,985	9,668,125	-	-	9,234,985	9,668,125
Economic development	7,538,908	8,281,002	-	-	7,538,908	8,281,002
Housing	-	-	968,139	954,647	968,139	954,647
Interest	294,054	500,258	-	-	294,054	500,258
Total Expenses	61,566,581	62,620,408	3,690,704	3,619,198	65,257,285	66,239,606
Change in Net Position	16,565,728	19,564,155	965,397	1,051,320	17,531,125	20,615,475
Net Position January 1	313,272,313	293,708,158	7,644,645	6,593,325	320,916,958	300,301,483
Net Position December 31	$ 329,838,041	$ 313,272,313	$ 8,610,042	$ 7,644,645	$ 338,448,083	$ 320,916,958

Governmental Activities: Governmental activities increased the Town's net position by $16,565,728. During 2020, Town revenues were significantly impacted by the COVID-19 pandemic. This included large decreases in annual revenues from some of the Town's major revenue sources including sales tax, lift tax, parking revenues, lodging tax and use tax. Federal transit and CARES grants, along with record-breaking real estate transfer tax collections, as well as reductions to operating expenditures and the decision to delay some capital projects helped to offset financial impacts from the pandemic. The following items represent significant governmental activities during 2020:

- Sales tax collections decreased 14.6% or $4,277,287 compared to 2019. After a steady start to the year, sales tax collections were hit hardest in March and April 2020, down a combined $3M or 53%. Into the summer, the Town began to see sales tax collections recover; however, collections still lagged compared to prior year and were down 19.2% or $1.4 million between the months of May and August. By September, the Town was experiencing record-breaking collections and sales tax collections increased $473K, or 11.6%, between the months of September and November. December sales tax were impacted by the pandemic with increased cases of the virus, as collections were down $595,700 or 14.1%.
- Lodging tax was also impacted by the pandemic and decreased $448,447 or 12.1% compared to 2019.
- Construction use tax revenues for 2020 decreased by 15.8%, or $389,101.

Overview of the Financial Statements (continued)

- Lift tax revenues decreased 23.3% or $1,245,557 over the prior year, due the closure of Vail Mountain in March and April, and then decreased skier visitation in December.
- Parking revenue were negatively impacted by the pandemic, with revenues were down 27.2%, or $1,829,856 over prior year.
- With office closures and an increase in remote work, the Town experienced record-breaking Real Estate Transfer Tax collections. The Town collected $10.5 million in real estate transfer tax; an increase $3.2 million or 44.6% over the prior year.
- During the 2019 election, Vail residents passed a new tobacco tax. The town collected tobacco tax revenues of $531,913 in 2020.
- The Town was awarded $1.45 million in Federal CARES funding during 2020. $1.3M of this has been used towards community grants programs, COVID-related expenditures, and economic relief and recovery initiatives.
- The Town was also awarded $1.5 million in Federal transit grants, which was used to offset the Town's transit operating expenditures.

Business-type Activities: Business-type activities are comprised of Timber Ridge Enterprise Fund – a fund providing affordable housing to people working in Vail – and Vail Public Safety Communications Center, an enterprise fund providing dispatch services to emergency service agencies throughout Eagle County.

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $120,127,312 an increase of $14,717,622 from the prior year's ending fund balances primarily due to increased real estate transfer tax collections and Federal grant funding combined with a reductions in summer marketing expenditures, reductions in operating expenditures, and the postponement of some large construction projects in the Capital Project and Real Estate Transfer Tax funds as compared to the prior year. The following details ending fund balances for the past five years:

Fund	2016	2017	2018	2019	2020
General Fund	$27,300,260	$29,289,331	$33,888,140	$36,306,665	$38,547,757
Capital Projects Fund	44,836,870	32,761,887	46,845,813	50,099,177	53,843,487
Real Estate Transfer Tax	11,256,285	11,142,914	12,957,553	14,684,013	20,353,072
Vail Marketing Fund	259,452	323,606	303,241	386,835	387,124
Vail Local Marketing District	1,590,734	1,260,297	1,270,453	1,350,108	2,078,809
Vail Reinvestment Authority	4,312,149	3,064,772	2,259,307	2,582,892	4,917,063
Total	$75,823,574	$89,161,687	$89,555,750	$105,409,690	$120,127,312

The Town's reserves continue to be strong allowing for the cash funding on many recent capital projects. In 2016, the General Fund balance increased by $3.7 million from prior year; in part due to increases in sales tax, parking revenue, property taxes, and lift tax. Expenditure savings of $2.4 million also contributed to the increase in reserves. In 2017, the General Fund reserves increased by $2.0 million, primarily due to expenditure savings from staffing vacancies and department operational savings, while overall revenue collections remained flat. During 2018, General Fund reserves increased by $4.6 million, primarily due increased sales tax collections, revenues related to construction activity, as well as expenditure savings due to staffing vacancies and department operations savings.

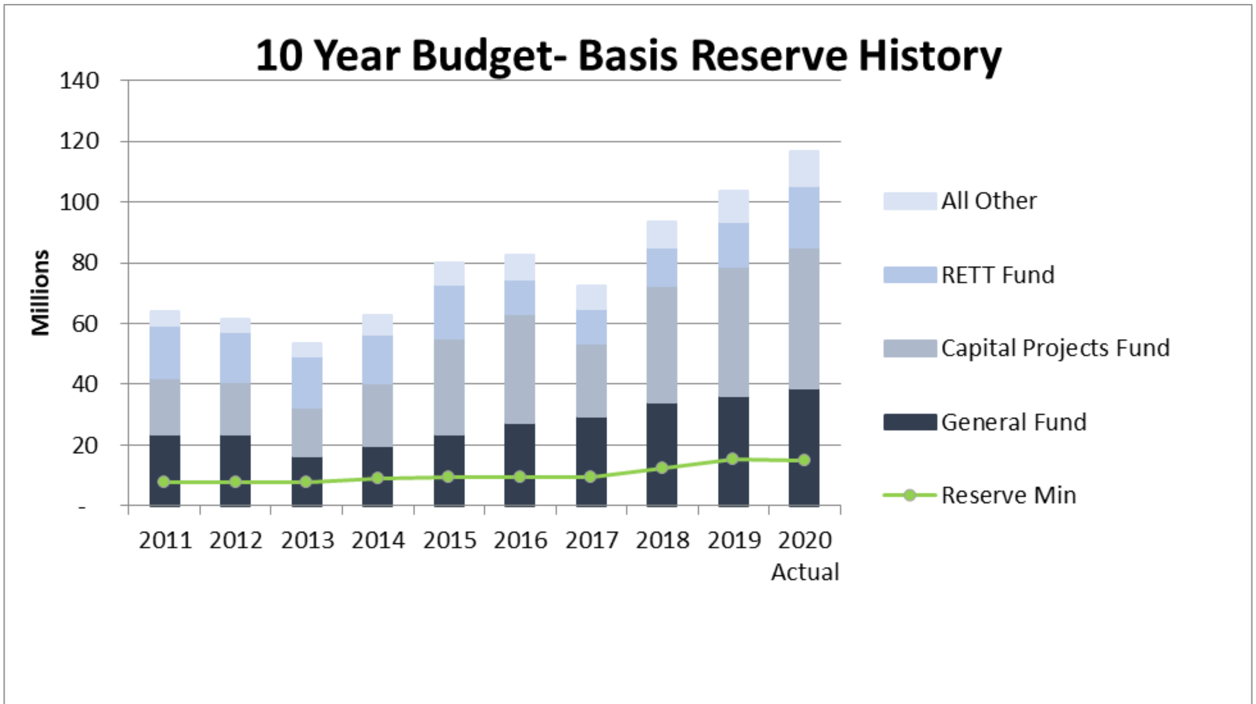
Financial Analysis of the Town's Funds (continued)

In 2019, General Fund reserves increased by $2.4 million due to an increase in sales tax collections, parking sales, and lift tax collections, as well as expenditures savings due to vacancies.

Despite significant reductions in annual sales tax collections, lift tax, parking sales, and construction use tax, reserves across all funds increased $14.7 million in 2020. The majority of that increase ($11.7 million) was the result of record-breaking real estate transfer tax collections of $10.4 million, combined with delayed timing in capital projects in the Real Estate Transfer Tax, Capital Projects, and Vail Reinvestments Authority funds. General Fund reserves increased $2.2 million in 2020. This was primarily due to Federal CARES and transit grants, combined with reductions in operating expenditures. Better than expected sales tax collections during the months of September, October, and November also contributed to the increase.

The Vail Reinvestment Authority (VRA) was added in 2004 to administer an urban renewal authority established in the Lionshead area of the Town. The incremental property taxes generated $6.9 million in 2020, providing a funding mechanism for capital improvements within the district by covering annual debt service payments of $555 thousand relating to $11.9 million in bonds issued in 2010. The bonds funded several projects including the Red Sandstone parking structure, the Sandstone underpass, Zeke M. Pierce Skate Parks, and a new Transit and Welcome Center. In June 2020, the Town took advantage of favorable interest rates and the bonds were refunded with a Tax Increment Revenue Refunding Loan. The loan will mature June 1, 2030.

Over the last five years the town's strong reserve levels have enabled Town Council to cash-fund all capital projects. While budget basis reserves at the end of 2020 were at $116.6M, they are expected to decrease to $83.7M in 2021 with current ongoing projects.



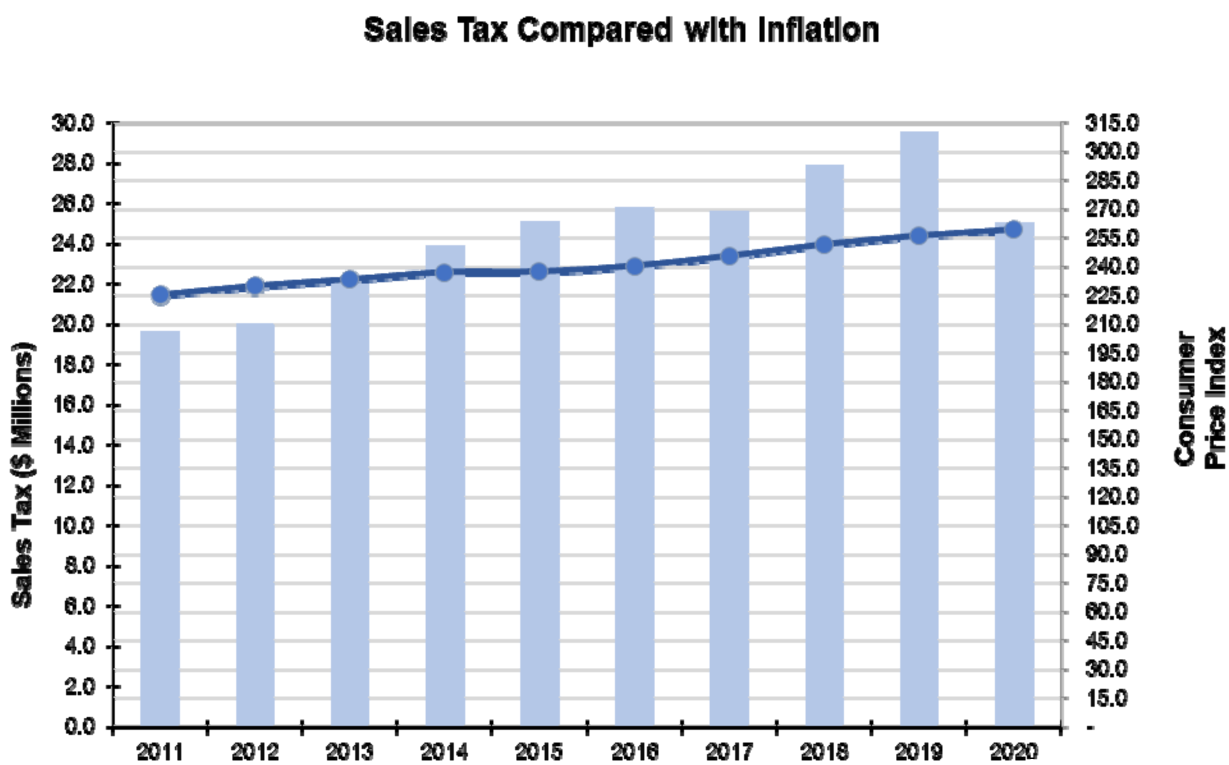
Proprietary Funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In January 2014, the Town added the Timber Ridge Enterprise Fund to reflect the transfer of all assets and liabilities of the Timber Ridge Affordable Housing Corporation (the "Corporation"). Operations of the Timber Ridge housing project are now reported within this enterprise fund of the Town. In September 2014, the Corporation was administratively dissolved.

Financial Analysis of the Town's Funds (continued)

Capital Assets: The Town's government-wide capital assets, net of accumulated depreciation, increased by $405,887 in 2020. Capital additions included six new electric buses, planning and design for the reconstruction of a new public works and streets buildings, electric bus charging infrastructure, a new public safety records management system, and major structural repairs at both the Vail Village and Lionshead parking structures. The Town also invested $1.5 million in the Town's Vail InDeed program and added 22 new deed restricted units for the community.

Long-term Debt: As of the end of the current fiscal year, the Vail Reinvestment Authority had $6,386,000 of tax increment revenue refunding loan outstanding, of which $618,000 of bond principal is due within one year. Additional information regarding the Authority's debt can be found in the Notes to the Financial Statements in footnote IV.G of this report.

Sales Tax: During 2020, the Town had a 4% general sales tax to support governmental operations, including capital expenditures. The following chart shows changes in the general sales tax for the past ten years. The Town experienced a 14.6% decline in sales tax collections in 2020, when compared to the prior year.



Next Year's Budget and Rates: The Town's General Fund balance at the end of the current fiscal year was $38,547,757, representing 88% of annual revenue compared to Town Council's directive of a minimum of 35%.

Additional information, as well as a detailed classification of the Town's net capital assets, can be found in the Notes to the Financial Statements in footnote IV.C of this report.

Request for information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Town of Vail, Finance Director, 75 South Frontage Road, Vail, Colorado 81657.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Vail, Colorado
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	107,042,952	2,305,990	109,348,942
Unrestricted cash and investments	8,305,336	2,183,974	10,489,310
Cash - Restricted	406,821	88,685	495,506
Receivables (net of allowance for uncollectible accounts):			
Property taxes assessed	5,688,151	-	5,688,151
Other taxes	6,067,581	-	6,067,581
Other governments	1,361,355	-	1,361,355
Other	736,334	83,925	820,259
Inventory	343,504	-	343,504
Prepaid expenses	410,650	207	410,857
Interest receivable	34,165	-	34,165
Internal balances	7,366,493	(7,366,493)	-
Rent receivable	-	969,671	969,671
Loans receivable:			
Collectible in more than one year	1,001,951	-	1,001,951
Deferred debt refunding costs	-	-	-
Capital assets not being depreciated	51,650,020	4,399,500	56,049,520
Capital assets being depreciated, net of accumulated depreciation	159,138,959	6,303,159	165,442,118
Total Assets	349,554,272	8,968,618	358,522,890
Liabilities:			
Accounts payable	2,161,457	55,965	2,217,422
Due to other governments	175,041	-	175,041
Retainage payable	163,754	-	163,754
Accrued salaries and wages	959,007	50,041	1,009,048
Interest payable	6,263	34,166	40,429
Other unearned revenue	2,113,053	237	2,113,290
Deposits payable	295,449	88,684	384,133
Compensated absences:			
Due within one year	530,417	38,245	568,662
Due in more than one year	1,237,639	91,238	1,328,877
Bonds payable:			
Due within one year	618,000	-	618,000
Due in more than one year	5,768,000	-	5,768,000
Total Liabilities	14,028,080	358,576	14,386,656
Deferred Inflow of Resources:			
Unavailable property taxes	5,688,151	-	5,688,151
Net Position:			
Net investment in capital assets	204,402,979	4,236,166	208,639,145
Restricted for:			
Debt service	960,922	-	960,922
Emergencies	2,440,000	-	2,440,000
Other purposes	95,774	-	95,774
Unrestricted	121,938,366	4,373,876	126,312,242
Total Net Position	329,838,041	8,610,042	338,448,083

Town of Vail, Colorado
Statement of Activities
For the Year Ended December 31, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	9,081,904	3,263,714	4,634,279	-	(1,183,911)		(1,183,911)
Public safety	12,542,636	379,542	-	-	(12,163,094)		(12,163,094)
Public works and transportation	22,869,246	5,112,171	539,644	139,522	(17,077,909)		(17,077,909)
Culture and recreation	9,234,985	212,189	286,450	-	(8,736,346)		(8,736,346)
Economic development	7,538,908	343,902	-	100,098	(7,094,908)		(7,094,908)
Interest on long-term debt	294,054	-	-	-	(294,054)		(294,054)
Total - Governmental Activities	61,561,733	9,311,518	5,460,373	239,620	(46,550,222)		(46,550,222)
Business-type Activities:							
Dispatch services	2,722,564	1,991,146	888,198	-		156,780	156,780
Housing (Timber Ridge)	968,140	1,742,229	-	-		774,089	774,089
Total - Business-type Activities	3,690,704	3,733,375	888,198	-		930,869	930,869
Totals	65,252,437	13,044,893	6,348,571	239,620	(46,550,222)	930,869	(45,619,353)
General Revenues:							
Taxes:							
Sales and use taxes					28,230,236	-	28,230,236
Real estate transfer taxes					10,448,526	-	10,448,526
Lodging taxes					3,263,261	-	3,263,261
Property and specific ownership taxes					12,798,822	-	12,798,822
Ski area lift ticket admissions tax					4,095,812	-	4,095,812
Franchise taxes					1,284,448	-	1,284,448
Tobacco taxes					531,913	-	531,913
Investment earnings					894,127	16,358	910,485
Gain on disposal of capital assets					365,056	-	365,056
Miscellaneous					1,208,597	13,322	1,221,919
Transfers					(4,848)	4,848	-
Total - General Revenues and Transfers					63,115,950	34,528	63,150,478
Change in Net Position					16,565,728	965,397	17,531,125
Net Position - January 1					313,272,313	7,644,645	320,916,958
Net Position - December 31					329,838,041	8,610,042	338,448,083

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

FUND FINANCIAL STATEMENTS

Town of Vail, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

		Special Revenue Funds			Capital Projects Funds		
	General Fund	Vail Marketing Fund	Vail Local Marketing District	Vail Reinvestment Authority	Capital Projects Fund	Real Estate Transfer Tax Fund	Total Governmental Funds
Assets:							
Equity in pooled cash and investments	32,908,931	602,016	-	-	46,522,476	20,069,622	100,103,045
Cash and cash equivalents - Unrestricted	13,892	-	1,438,493	6,852,951	-	-	8,305,336
Cash and cash equivalents - Restricted	-	-	-	-	-	-	-
Receivables, net:							
Property taxes assessed	5,688,151	-	-	-	-	-	5,688,151
Other taxes	4,954,555	28,110	641,080	-	-	471,946	6,095,691
Other governments	1,301,434	4,290	-	-	16,547	36,018	1,358,289
Other	624,513	-	-	-	-	6,635	631,148
Due from other funds	-	-	-	-	1,809,400	-	1,809,400
Loans receivable	1,001,951	-	-	-	7,366,493	-	8,368,444
Prepaid expenses	120,719	79,790	-	-	200,091	9,550	410,150
Total Assets	46,614,146	714,206	2,079,573	6,852,951	55,915,007	20,593,771	132,769,654
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable	796,323	223,166	764	126,488	379,591	55,878	1,582,210
Due to other governments	110,948	-	-	-	555	63,538	175,041
Due to other funds	-	-	-	1,809,400	-	-	1,809,400
Retainage payable	-	-	-	-	152,046	11,708	163,754
Accrued payroll and related liabilities	815,284	-	-	-	-	-	815,284
Unearned revenue	360,234	103,916	-	-	1,539,328	109,575	2,113,053
Deposits payable	295,449	-	-	-	-	-	295,449
Total Liabilities	2,378,238	327,082	764	1,935,888	2,071,520	240,699	6,954,191
Deferred Inflows of Resources:							
Property taxes	5,688,151	-	-	-	-	-	5,688,151
Fund Balances:							
Non-spendable	1,122,670	79,790	-	-	7,566,584	9,550	8,778,594
Restricted	2,436,774	-	99,000	-	-	-	2,535,774
Committed	10,663,298	307,334	1,979,809	-	42,241,050	20,343,522	75,535,013
Assigned	-	-	-	4,917,063	4,035,853	-	8,952,916
Unassigned	24,325,015	-	-	-	-	-	24,325,015
Total Fund Balances	38,547,757	387,124	2,078,809	4,917,063	53,843,487	20,353,072	120,127,312
Total Liabilities and Fund Balances	46,614,146	714,206	2,079,573	6,852,951	55,915,007	20,593,771	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	205,249,544
Other long-term assets and unearned charges are not available as current financial resources and, therefore, are not reported in the funds.	440,986
Internal service funds are used by management to charge the costs of heavy equipment and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	12,247,170
Long-term liabilities, including bonds payable, interest payable, capital leases, and compensated absences within governmental activities are not due and payable in the current period and, therefore, are not reported in the funds.	(8,226,971)
Net Position of Governmental Activities	329,838,041

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

Town of Vail, Colorado
Statement of Revenues, Expenditures Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Special Revenue Funds: Vail Marketing Fund	Special Revenue Funds: Vail Local Marketing District	Special Revenue Funds: Vail Reinvestment Authority	Capital Projects Funds: Capital Projects Fund	Capital Projects Funds: Real Estate Transfer Tax Fund	Total Governmental Funds
Revenues:							
Taxes	27,010,358	-	3,263,261	6,851,562	12,189,932	10,448,526	59,763,639
Permits and licenses	2,071,460	343,902	-	-	76,053	-	2,491,415
Intergovernmental revenue	5,331,226	-	-	-	139,522	215,216	5,685,964
Charges for services	7,234,964	-	-	-	163,909	181,237	7,580,110
Investment income	309,551	1,997	272	21,328	401,257	111,326	845,731
Interest subsidy	-	-	-	100,098	-	-	100,098
Miscellaneous	247,829	-	3,174	-	510,443	109,565	871,011
Total Revenues	42,205,388	345,899	3,266,707	6,972,988	13,481,116	11,065,870	77,337,968
Expenditures:							
General government	8,180,976	-	-	-	-	-	8,180,976
Public safety	11,565,991	-	-	-	-	223,419	11,789,410
Public works and transportation	15,582,001	-	-	-	12,669,368	2,298,893	30,550,262
Culture and recreation	1,184,840	-	-	-	-	2,877,499	4,062,339
Economic development	1,799,673	1,998,788	2,538,006	1,067,143	-	-	7,403,610
Debt service:							
Principal	-	-	-	7,715,000	-	-	7,715,000
Interest	-	-	-	327,914	-	-	327,914
Total Expenditures	38,313,481	1,998,788	2,538,006	9,110,057	12,669,368	5,399,811	70,029,511
Excess (Deficiency) of Revenues Over Expenditures	3,891,907	(1,652,889)	728,701	(2,137,069)	811,748	5,666,059	7,308,457
Other Financing Sources (Uses):							
Sale of assets	7,211	-	-	-	1,126,162	-	1,133,373
Debt proceeds, net	-	-	-	6,280,640	-	-	6,280,640
Transfers in	-	1,653,178	-	-	1,809,400	3,000	3,465,578
Transfers (out)	(1,658,026)	-	-	(1,809,400)	(3,000)	-	(3,470,426)
Total Other Financing Sources (Uses)	(1,650,815)	1,653,178	-	4,471,240	2,932,562	3,000	7,409,165
Net Change in Fund Balances	2,241,092	289	728,701	2,334,171	3,744,310	5,669,059	14,717,622
Fund Balances - January 1	36,306,665	386,835	1,350,108	2,582,892	50,099,177	14,684,013	105,409,690
Fund Balances - December 31	38,547,757	387,124	2,078,809	4,917,063	53,843,487	20,353,072	120,127,312

Net Change in Fund Balances of Governmental Funds	14,717,622
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense, net of disposals, for the year.	103,517
Internal service funds are used by management to charge the cost of heavy equipment and health insurance to individual funds. This is the amount of internal service fund change in net position for the year.	709,376
Repayment of bond and lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal repayments.	7,715,000
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. By contrast, debt proceeds provide current financial resources to governmental funds, but has no effect on net position.	(6,467,716)
Some expenses reported in the Statement of Activities - such as changes in accrued interest and compensated absences - do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(212,071)
Change in Net Position of Governmental Activities	16,565,728

Town of Vail, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2020

	Business-type Activities			
	Enterprise Funds			Governmental Activities - Internal Service Funds
	Timber Ridge	Dispatch Services Fund	TOTAL	
Assets:				
Current Assets:				
Equity in pooled cash and investments	-	2,305,990	2,305,990	6,939,907
Cash and cash equivalents - Unrestricted	2,183,974	-	2,183,974	-
Accounts receivable, net of allowance for uncollectibles	80,827	3,098	83,925	80,142
Inventory	-	-	-	343,504
Prepaid expenses	207	-	207	500
Total - Current Assets	2,265,008	2,309,088	4,574,096	7,364,053
Non-current Assets:				
Cash and cash equivalents - Restricted	88,685	-	88,685	-
Rent receivable	969,671	-	969,671	-
Property, plant, and equipment, net of accumulated depreciation	9,698,879	1,003,780	10,702,659	5,539,435
Total - Non-current Assets	10,757,235	1,003,780	11,761,015	5,539,435
Total Assets	13,022,243	3,312,868	16,335,111	12,903,488
Liabilities:				
Current Liabilities:				
Accounts payable	26,727	29,238	55,965	579,247
Accrued salaries and wages	-	50,041	50,041	24,723
Interest payable	34,166	-	34,166	-
Unearned revenue	237	-	237	-
Deposits payable	88,684	-	88,684	-
Current portion of notes payable	383,969	-	383,969	-
Current portion of compensated absences	-	38,245	38,245	15,704
Total - Current Liabilities	533,783	117,524	651,307	619,674
Non-current Liabilities:				
Notes payable, net of current portion	6,982,524	-	6,982,524	-
Compensated absences, net of current portion	-	91,238	91,238	36,644
Total - Non-current Liabilities	6,982,524	91,238	7,073,762	36,644
Total Liabilities	7,516,307	208,762	7,725,069	656,318
Net Position:				
Net investment in capital assets	3,232,386	1,003,780	4,236,166	5,539,435
Unrestricted	2,273,550	2,100,326	4,373,876	6,707,735
Total Net Position	5,505,936	3,104,106	8,610,042	12,247,170

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

Town of Vail, Colorado
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2020

	Business-type Activities			
	Enterprise Funds			Governmental Activities - Internal Service Funds
	Timber Ridge	Dispatch Services Fund	TOTAL	
Operating Revenues:				
Charges for services - Internal	-	661,194	661,194	7,001,136
Charges for services - External	-	1,329,952	1,329,952	858,159
Rents	1,587,080	-	1,587,080	-
Ground lease	155,149	-	155,149	-
Insurance reimbursements	-	-	-	1,430
Other	13,322	-	13,322	13,277
Total Operating Revenues	1,755,551	1,991,146	3,746,697	7,874,002
Operating Expenses:				
Operations	501,688	2,590,495	3,092,183	2,263,277
Health claims and premiums	-	-	-	4,414,183
Depreciation	355,481	132,069	487,550	798,321
Total Operating Expenses	857,169	2,722,564	3,579,733	7,475,781
Operating Income (Loss)	898,382	(731,418)	166,964	398,221
Non-Operating Revenues (Expenses):				
Intergovernmental revenues	-	888,198	888,198	29,492
Gain (loss) on disposal of assets	-	-	-	158,044
Investment income	4,664	11,694	16,358	50,761
Interest expense	(110,971)	-	(110,971)	-
Total Non-Operating Revenues (Expenses)	(106,307)	899,892	793,585	238,297
Income (Loss) Before Transfers and Capital Contributions	792,075	168,474	960,549	636,518
Transfers, net	-	4,848	4,848	-
Capital Contributions, net	-	-	-	72,858
Change in Net Position	792,075	173,322	965,397	709,376
Net Position - January 1	4,713,861	2,930,784	7,644,645	11,537,794
Net Position - December 31	5,505,936	3,104,106	8,610,042	12,247,170

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

Town of Vail, Colorado
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2020

	Business-type Activities			
	Enterprise Funds			Governmental Activities - Internal Service Funds
	Timber Ridge	Dispatch Services Fund	TOTAL	
Cash Flows From Operating Activities:				
Cash received from other funds	-	661,194	661,194	7,001,136
Cash received from tenants for rent	1,505,983	-	1,505,983	-
Other cash receipts	13,322	1,629,670	1,642,992	820,616
Cash paid for goods and services	(526,789)	(459,032)	(985,821)	(5,664,061)
Cash paid to employees	-	(2,056,605)	(2,056,605)	(1,074,635)
Net Cash Provided (Used) by Operating Activities	992,516	(224,773)	767,743	1,083,056
Cash Flows From Non-Capital Financing Activities:				
Transfer (to) other funds	(378,294)	-	(378,294)	-
Transfer from other funds	-	4,848	4,848	-
Cash received from operating grants	-	888,198	888,198	29,492
Net Cash Provided (Used) by Non-Capital Financing Activities	(378,294)	893,046	514,752	29,492
Cash Flows From Capital and Related Financing Activities:				
Cash received on disposal of fixed assets	-	-	-	158,570
Interest paid	(113,335)	-	(113,335)	-
Acquisition and construction of capital assets	(389,498)	(270,625)	(660,123)	(1,028,360)
Net Cash Provided (Used) by Capital and Related Financing Activities	(502,833)	(270,625)	(773,458)	(869,790)
Cash Flows From Investing Activities:				
Interest on investments	4,664	11,694	16,358	50,761
Net Cash Provided (Used) by Investing Activities	4,664	11,694	16,358	50,761
Net Increase (Decrease) in Cash and Cash Equivalents	116,053	409,342	525,395	293,519
Cash and Cash Equivalents - January 1	2,156,606	1,896,648	4,053,254	6,646,388
Cash and Cash Equivalents - December 31	2,272,659	2,305,990	4,578,649	6,939,907
Cash and Cash Equivalents at December 31 is Comprised of:				
Equity in pooled cash and investments	-	2,305,990	2,305,990	6,939,907
Cash and cash equivalents - Unrestricted	2,183,974	-	2,183,974	-
Cash and cash equivalents - Restricted	88,685	-	88,685	-
Total - Cash and Cash Equivalents	2,272,659	2,305,990	4,578,649	6,939,907
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income/(Loss)	898,382	(731,418)	166,964	398,221
Adjustments:				
Depreciation	355,480	132,069	487,549	798,321
(Increase) decrease in accounts receivable	-	299,718	299,718	(52,250)
(Increase) decrease in rent receivable	(234,783)	-	(234,783)	-
(Increase) decrease in prepaid expenses	5	-	5	-
Increase (decrease) in accounts payable	(25,101)	16,775	(8,326)	(12,910)
Increase (decrease) in tenant security deposits	(1,618)	-	(1,618)	-
Increase (decrease) in prepaid rent	151	-	151	-
Increase (decrease) in accrued wages and benefits	-	58,083	58,083	4,492
Total Adjustments	94,134	506,645	600,779	684,835
Net Cash Provided (Used) by Operating Activities	992,516	(224,773)	767,743	1,083,056
Non-cash Investing, Capital and Financing Activities:				
Assets contributed by Capital Projects Fund	-	-	-	72,858

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

Town of Vail, Colorado
Pension Trust Funds
Statement of Fiduciary Net Position
December 31, 2020

	Pension Trust	Deferred Compensation Plan
Assets:		
Cash and investments - Restricted	86,441,599	22,672,292
Loans to participants	500,417	-
Total Assets	86,942,016	22,672,292
Net Position:		
Held in trust for pension benefits and other purposes	86,942,016	22,672,292
Total Net Position	86,942,016	22,672,292

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

Town of Vail, Colorado
Pension Trust Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020

	Pension Trust	Deferred Compensation Plan
Additions:		
Contributions:		
Contributions	3,408,130	1,380,075
Net investment earnings:		
Investment earnings	9,796,773	2,509,783
Investment expenses	(90,367)	(22,184)
Net investment earnings	9,706,406	2,487,599
Total Additions	13,114,536	3,867,674
Deductions:		
Benefits paid	4,567,039	1,035,150
Total Deductions	4,567,039	1,035,150
Change in Net Position	8,547,497	2,832,524
Net Position - January 1	78,394,519	19,839,768
Net Position - December 31	86,942,016	22,672,292

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

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The Town of Vail, Colorado (the "Town") was incorporated in 1972, under the provisions of Article XX of the Colorado Constitution and Municipal Home Rule Act of 1971. The Town operates under a Council-Manager form of government. The Town's major operations include public safety, public works and transportation, culture and recreation, economic development, administration (general government), and housing.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The accompanying financial statements present the primary government and its component units; entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. There are two blended component units reported in the Town's financial statements: Vail Local Marketing District ("VLMD"), and Vail Reinvestment Authority ("VRA"). The financial statements of these entities can be obtained from the Town's administrative offices. A third blended component unit, Town of Vail General Improvement District No. 1, is a dormant entity and, therefore, has no financial statements to report.

1. Vail Local Marketing District

VLMD was authorized on November 2, 1999 by a general election that established a 1.4% tax on lodging within the Town's boundaries, beginning January 1, 2000. Proceeds from the tax are to be used for organization, management, promotion, and marketing of public events, for business recruitment, and for tourism promotion. Town Council members also act as VLMD's Board of Directors. VLMD is reported as a special revenue fund.

2. Vail Reinvestment Authority

VRA was created on November 4, 2003 pursuant to the Colorado Urban Renewal Law (C.R.S. 31-25-1) to oversee development and redevelopment of identified blighted areas within the Town. The Town Council approved the formation of VRA at a public hearing, and filed applicable certification of compliance with the Division of Local Government. Its operations are governed by a Board of Commissioners comprised solely of members of the Town Council. VRA is reported as a special revenue fund.

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

3. Town of Vail General Improvement District No. 1

On October 3, 2006, the Town Council accepted a petition requesting formation of Town of Vail General Improvement District No. 1. The District is a public, or quasi-municipal, subdivision of the state of Colorado and a body corporate with the powers set forth in Part 6, Article 25, Title 31 of the Colorado Revised Statutes. The Town Council is the ex-officio Board of Directors of the District. Services provided by the District include (a) programming, regulating, and generally administering public functions to be conducted on the public plaza which will be constructed as part of the Solaris redevelopment project and (b) maintaining the plaza to the extent that the Solaris Metropolitan District fails to do so.

At a special election on November 7, 2006, the eligible electors of the District authorized imposition of a mill levy of not more than fifteen mills in any year for the purpose of funding the administration, operation, and maintenance of the District's facilities should the Solaris Metropolitan District fail to do so.

As of December 31, 2020, the District had not begun operations or imposed a mill levy, resulting in no financial statements to be reported.

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Government-wide financial statements report on information of all of the non-fiduciary activities of the Town and its component units. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public safety, public works and transportation, culture and recreation, economic development, and administration functions are classified as governmental activities. Timber Ridge and emergency dispatch services of the Town are classified as business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (sales taxes, property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues must be directly associated with the governmental function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures / expenses.

The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. Resources restricted within this fund relate to TABOR reserve requirements (see Note III.C) and Police Confiscation funds.

The *Vail Marketing Fund* accounts for the collection of business license fees which are specifically restricted for expenditures related to the marketing of the Town.

The *Vail Local Marketing District* accounts for collection of lodging taxes, which are restricted for VLMD's activities.

The *Vail Reinvestment Authority* accounts for the collection of Tax Increment Financing revenues which are restricted for use for the activities of VRA.

The *Capital Projects Fund* accounts for and reports financial resources that are restricted by outside parties (i.e., a portion of the Town's sales tax as well as restricted intergovernmental grants and awards received) as well as amounts committed by Council for expenditures of capital outlay, including the acquisition or construction of capital facilities and other capital assets. It excludes those types of capital-related cash outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The *Real Estate Transfer Tax Fund* is used to account for the collection of a real estate transfer tax which is specifically restricted per Town ordinance for acquiring, maintaining, and improving real property for parks, recreation, open space, and for supporting sustainable environmental practices.

The Town reports the following major proprietary or business-type funds:

The *Timber Ridge Enterprise Fund* ("Timber Ridge") accounts for the activities of the 198-unit rental housing project located in the Town (the "Project").

The *Dispatch Services Fund* accounts for the emergency dispatch services provided by the Town within Eagle County, Colorado.

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

Additionally, the Town reports the following fund types:

Internal service funds account for the repair and maintenance costs and purchase of Town vehicles and equipment, excluding buses and fire trucks. In addition, internal service funds are used to account for the health insurance plan provided to Town employees.

Fiduciary funds are used to account for the accumulation of resources for pension benefit payments to qualified Town employees and to account for assets held for employees in accordance with the provisions of Internal Revenue Code section 457. No budget is adopted for the Town's fiduciary trust funds.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. The Town considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

3. Financial Statement Presentation

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided and other charges between the various functions of the Town. Elimination of these charges would distort the direct costs and program revenues are reported.

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the Town’s enterprise funds are rents from individuals employed in the Town and charges for services related to emergency dispatch. Operating expenses for the enterprise fund includes operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Financial Statement Accounts Presentation

1. Equity in Pooled Cash and Investments

The Town has a policy of central cash management whereby cash balances of each of the Town’s funds are pooled in and invested in certain investments for all funds except the Pension Trust Fund and the Deferred Compensation Plan Fund. Additionally, the component units do not participate in the Town’s central cash management.

Equity in pooled cash and investments include demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and long-term investments in U.S. government obligations. Investments are stated at fair market value.

2. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand and investments with original maturities of three months or less from the date of acquisition.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts Presentation (continued)

2. Cash, Cash Equivalents, and Investments (continued)

Cash equivalents are both readily convertible to cash and are so near their maturity that they present insignificant risk of change in value due to interest rate changes.

Restricted cash and cash equivalents represent certain proceeds of debt issuances, as well as certain resources set aside for their repayments because their use is limited by the applicable covenants. Restricted assets also include certain deposits that have been limited as to usage pursuant to escrow and similar agreements.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Town's investment policy permits investments in the following types of obligations:

- U.S. Treasury Obligations
- Government Agency Securities
- FDIC-insured Certificates of Deposit
- Colorado Investment Pools
- Money Market Mutual Funds
- Taxable Municipal Securities

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

Loans receivable in governmental funds consist of housing and other loans that are generally not expected or scheduled to be collected in the subsequent year.

4. Inventory

Inventory is valued at cost using the first-in / first-out ("FIFO") method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

5. Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts Presentation (continued)

6. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as "due from other funds" or "due to other funds" on the balance sheet when they are expected to be liquidated within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

7. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, vehicles and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of $5,000 or more and an estimated useful life exceeding one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at the acquisition value as of the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Costs related to the construction of assets include interest, engineering, legal, surveying and landscaping that were incurred from the beginning of construction until the assets were substantially complete are capitalized.

Capital assets (excluding land and art) are depreciated using the straight-line method, over the estimated useful life.

Assets under capital leases are recorded at the present value of future minimum lease payments and amortized over the shorter of the lease term or the estimated useful life of the asset.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts Presentation (continued)

8. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences,* no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

9. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town has no items that qualify for reporting under this category on the government-wide Statement of Net Position.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one item that qualifies for reporting in this category, unavailable revenue from property taxes, reported in the governmental balance sheet and on the Statement of Net Position. Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. Therefore, these amounts are deferred and recognized as an inflow from resources in the period that amounts become available.

10. Unearned Revenue

For governmental funds, unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. For proprietary funds, unearned revenues arise when potential revenue is unearned. In subsequent periods, when revenue recognition criteria are met, or when the Town has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts Presentation (continued)

11. Fund Balance Classifications

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note IV.K.

	General Fund	Vail Marketing Fund	Vail Local Marketing Disctict	Vail Reinvestment Authority	Capital Projects Fund	Real Esate Transfer Tax Fund
Nonspendable:						
Non-current receivables	$ 1,001,951	$ -	$ -	$ -	$ -	$ -
Loans to other funds	-	-	-	-	7,366,493	-
Prepaid items	120,719	79,790	-	-	200,091	9,550
Total - Nonspendable	$ 1,122,670	$ 79,790	$ -	$ -	$ 7,566,584	$ 9,550
Restricted:						
Emergency reserve	$ 2,341,000	$ -	$ 99,000	$ -	$ -	$ -
Police Funds	95,774	-	-	-	-	-
Total - Restricted	$ 2,436,774	$ -	$ 99,000	$ -	$ -	$ -
Committed:						
Employee housing ownership program	$ 111,951	$ -	$ -	$ -	$ -	$ -
Capital projects	-	-	-	-	37,017,628	-
Parks and recreation	-	-	-	-	-	20,343,522
Housing	-	-	-	-	5,223,422	-
Operating reserve	10,551,347	-	-	-	-	-
Destination marketing	-	307,334	1,979,809	-	-	-
Total - Committed	$ 10,663,298	$ 307,334	$ 1,979,809	$ -	$ 42,241,050	$ 20,343,522
Assigned:						
Capital maintenance	$ -	$ -	$ -	$ -	$ 4,035,853	$ -
Debt service	-	-	-	4,917,063	-	-
Total - Assigned	$ -	$ -	$ -	$ 4,917,063	$ 4,035,853	$ -

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Town's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Credit Risk

The receivables of the various funds of the Town are primarily due from other governments. Management believes that the credit risk related to the receivables is minimal.

3. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund Balance Sheet includes a reconciliation between the total fund balances of governmental funds and net position of governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains "*Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.*" This $205,249,544 difference is related to property, plant and equipment of $375,652,970 less accumulated depreciation of $170,403,426.

Another element of that reconciliation explains "*Other long-term assets and unearned charges are not available as current financial resources and, therefore, are not reported in the funds.*" This $440,986 difference is comprised of pension forfeitures of $406,821 and interest receivable of $34,165.

Net position totaling $12,247,170 for internal service funds used by management to charge the costs of heavy equipment and health insurance to individual funds is included in the governmental activities in the Statement of Net Position.

Additionally, the reconciliation states that "*Long-term liabilities, including bonds payable, interest payable, capital leases, and compensated absences within governmental activities are not due and payable in the current period and, therefore, are not reported in the funds.*" This $8,226,971 difference is related to bonds and notes payable of $6,386,000; accrued compensated absences of $1,715,708; retirement bonus payable of $119,000; and interest payable of $6,263.

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between the net change in fund balances of governmental funds and the change in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains "*Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.*" This $103,517 difference is comprised of capital outlay of $11,500,180 less depreciation expense of $10,470,302; and net book value of disposed assets of $926,361.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

An annual budget and appropriation ordinance is adopted by Town Council in accordance with the Town's Home Rule Charter.

Budgets are prepared on the basis of GAAP for all funds, except the Heavy Equipment Fund, Timber Ridge Enterprise Fund, and Dispatch Services Fund. As required by Colorado statutes, all funds have legally adopted budgets and appropriations. Total expenditures for each fund may not exceed the amounts appropriated. Appropriations for a fund may be increased if offset by unanticipated revenues. All appropriations lapse at year-end.

The budgets for these funds have been adopted on a non-GAAP budget and are reconciled to GAAP below:

	Timber Ridge Enterprise Fund	Dispatch Services Fund	Heavy Equipment Fund
Change in Net Position - Budget Basis	$ 379,764	$ 74,284	$ 107,892
add/(less):			
Contribution from Capital Projects Fund	-	-	72,858
Loan principal repayment to Capital Projects Fund	378,294	-	-
Change in accrued compensated absences	-	(39,519)	(51)
Capitalized assets	389,498	270,626	1,091,461
Net book value of disposed assets	-	-	(527)
Depreciation	(355,481)	(132,069)	(798,321)
Change in Net Position - GAAP Basis	$ 792,075	$ 173,322	$ 473,312

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

The Town followed these procedures in preparing, approving, and enacting its budget for 2020:

(1) For the 2020 budget year, prior to August 25, 2019, the County Assessor sent the Town a certified assessed valuation of all taxable property within the Town's boundaries.
(2) Prior to the end of the 2019 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
(3) Prior to December 15, 2019, the Town computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.
(4) After a required publication of "Notice of Proposed Budget", the Town adopted the proposed budget and an appropriation ordinance which legally appropriated expenditures for the upcoming year.
(5) After adoption of the budget ordinance, the Town may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of those estimated in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Property taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2019 were collected in 2020 and taxes certified in 2020 will be collected in 2021. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

VLMD's budget timetable varies from the Town's. VLMD followed these procedures in preparing, approving, and enacting its budget for 2020:

(1) On or before September 30, 2019, VLMD must submit to the Board a recommended budget that details the revenues necessary to meet VLMD's operating requirements. This was done on September 15, 2019.
(2) After appropriate public notice and a required public hearing, the Board must adopt the proposed budget and a resolution that legally appropriated expenditures for the upcoming year on or before December 5, 2019. The Board adopted the 2020 budget on December 1, 2019.
(3) After adoption of the initial budget resolution, VLMD may make the following changes: a) approve supplemental appropriations to the extent of revenues in excess of those estimated in the budget; b) approve emergency appropriations; and c) reduce appropriations for which originally estimated revenues are insufficient.

During the year, supplemental appropriations were necessary for certain of the funds of Town, VLMD, and VRA. The budgetary comparison schedules reflect the original budget and the final budget after legally authorized revisions were made.

III. Stewardship, Compliance, and Accountability (continued)

C. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (“TABOR”). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved a portion of the December 31, 2020 fund balance in the General Fund for this purpose in the amount of $2,341,000, which is the approximate required reserve.

The initial base for local government spending and revenue limits is December 31, 1992 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

On November 16, 1993, voters of the Town approved the collection and expenditure of all revenues generated, including reduction in debt service during 1993 and each subsequent year (not including revenue generated from ad valorem property taxes) without any increase in such tax rates and the expenditure of such revenues for debt service, municipal operations, and capital projects, effective January 1, 1994.

On November 7, 2000, the Town’s electorate approved the collection and expenditure of all revenues received from ad valorem property taxes levied in 2000 and each year thereafter.

The remaining restrictions of the TABOR Amendment apply, which are:

- Voter approval of all new taxes and tax rate increases;
- Voter approval for new or additional Town debt;
- No increase or imposition of a new real estate transfer tax; and,
- All election requirements remain in effect.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

III. Stewardship, Compliance, and Accountability (continued)

D. TABOR Amendment – Vail Local Marketing District

As required by TABOR, VLMD has reserved $99,000 of its fund balance for emergencies, which is the approximate required reserve at December 31, 2020.

The ballot question approved by VLMD voters on November 2, 1999, which established the 1.4% tax on lodging within the Town's boundaries, also authorized VLMD to collect and spend the proceeds of the lodging tax, investment income, and all other revenues, without regard to the limitations imposed by TABOR, effective January 1, 2000.

VLMD's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

IV. Detailed Notes on all Funds

A. Deposit and Investments

Pursuant to its charter, the Town has adopted, by ordinance, an investment policy governing the types of institutions and investments with which it may deposit funds and transact business. Under this policy, the Town may invest in federally insured banks, debt obligations of the U.S. Government, its agencies and instrumentalities, governmental mutual funds and pools including 2a7-like pools, and repurchase agreements subject to policy requirements.

The Town also accounts for the operations of the employees' pension plans that are administered by select employees acting as trustees who are governed by a trust agreement. The trust agreement gives the trustees considerable latitude with investment alternatives. As a result, all pension investments are considered legal under the trust agreement.

The Town's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the Town's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. As of year-end, the bank balance of the Town's deposits was $24,058,065. The difference between the bank balance and book balance is primarily due to deposits in transit or outstanding checks at December 31, 2020.

Fair Value of Investments: The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

IV. Detailed Notes on all Funds (continued)

A. Deposit and Investments (continued)

At December 31, 2020, the Town had the following recurring fair value measurements:

		Fair Value Measurements Using		
Investments Measured at Fair Value:	**Total**	**Level 1**	**Level 2**	**Level 3**
Certificates of deposit	$ 9,315,039	$ -	$ 9,315,039	$ -
Government agency securities	550,605	-	550,605	-
Mortgage pools	11,594,448	-	-	11,594,448
Total	$ 21,460,092	$ -	$ 9,865,644	$ 11,594,448
Investments Measured at Net Asset Value:				
COLOTRUST	$ 63,795,233			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: matrix pricing based on the securities relationship to benchmark quoted prices;

Debt securities, namely mortgage pools, classified in Level 3 are valued using an appraisal service.

Pools: The Town has invested in the Colorado Government Liquid Asset Trust ("COLOTRUST"), which is an investment vehicle established for local government entities in Colorado to pool surplus funds. They operate similarly to a money market fund and each share is equal in value to $1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST is rated AAAm by Standard and Poor's.

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The Town coordinates its investments maturities to closely match cash flow needs and invests primarily in securities with a maximum investment term less than five years from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

Credit Risk: The Town's general investment policy is to apply the prudent-person rule; investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk: The Town diversifies its investments by security type and institution. Credit quality distribution for investments, with credit exposure as a percentage of total investments, are as follows at year end:

Investment Type	Rating	Percentage
COLOTRUST	AAAm	34%

IV. Detailed Notes on all Funds (continued)

A. Deposit and Investments (continued)

At year end, the Town had the following investments and maturities:

Type	Rating	Maturities	Carrying Value
Deposits:			
Cash on hand			$ 1,980
Demand deposits			35,076,453
Certificates of deposit		<1 year	3,548,167
Certificates of deposit		<5 years	5,766,872
Total - Deposits			$ 44,393,472
Investments:			
US agencies - FHLMC, FHLB, FNMA	AA+	<5 years	$ 550,605
Mortgage pools	AA+	N/A	11,594,448
COLOTRUST	AAAm	N/A	63,795,233
Pension and Section 457 investments	N/A	N/A	109,614,308
Total - Investments			$ 185,554,594
Total deposits and investments			$ 229,948,066

Reconciliation to Statement of Net Position:	
Equity in pooled cash and investments	$ 109,348,942
Cash and cash equivalents - Unrestricted	10,489,310
Cash and cash equivalents - Restricted	495,506
Fiduciary funds	109,614,308
Total	$ 229,948,066

Investments in the Deferred Compensation Plan and the Pension Trust funds are held by trustees and are not categorized because they are not evidenced by specific securities that exist in physical or book form.

IV. Detailed Notes on all Funds (continued)

B. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Vail Marketing Fund	Vail Local Marketing District	Vail Reinvestment Authority	Capital Projects Fund	Real Estate Transfer Tax Fund
Receivables:						
Property taxes	$ 5,688,151	$ -	$ -	$ -	$ -	$ -
Other taxes	4,954,555	28,110	641,080	-	-	471,946
Other governments	1,301,434	4,290	-	-	16,547	36,018
Other	625,513	-	-	-	-	6,635
Receivables - Gross	12,569,653	32,400	641,080	-	16,547	514,599
Less: Allowance for uncollectibles	(1,000)	-	-	-	-	-
Receivables, net	$ 12,568,653	$ 32,400	$ 641,080	$ -	$ 16,547	$ 514,599

	Timber Ridge	Dispatch Services Fund	Heavy Equipment Fund	Health Insurance Fund	Total
Receivables:					
Property taxes	$ -	$ -	$ -	$ -	$ 5,688,151
Other taxes	-	-	-	-	6,095,691
Other governments	-	-	-	-	1,358,289
Other	80,827	3,098	74,077	6,065	796,215
Receivables - Gross	80,827	3,098	74,077	6,065	13,938,346
Less: Allowance for uncollectibles	-	-	-	-	(1,000)
Receivables, net	$ 80,827	$ 3,098	$ 74,077	$ 6,065	$ 13,937,346

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Total unearned revenue for governmental activities totaled $2,113,053 and is comprised of the following:

	General Fund	Vail Marketing Fund	Capital Projects Fund	Real Estate Transfer Tax Fund	Total
Unearned revenues:					
Business licenses	$ -	$ 103,916	$ -	$ -	$ 103,916
Art projects	-	-	-	35,781	35,781
Environmental programs	-	-	-	73,794	73,794
Federal grants	135,964	-	-	-	135,964
Library grants	142,255	-	-	-	142,255
Police programs	68,587	-	-	-	68,587
EHOP interest payment payoff	13,428	-	-	-	13,428
Construction projects	-	-	1,539,328	-	1,539,328
	$ 360,234	$ 103,916	$ 1,539,328	$ 109,575	$ 2,113,053

IV. Detailed Notes on all Funds (continued)

B. Receivables (continued)

Unearned revenue for construction projects in the Capital Projects Fund includes $347,885 collected from Holy Cross Energy for community enhancement to place utilities underground. The other $1,191,443 was collected from developers for road improvements. The revenue will be recognized in the year the money is spent.

Loans receivable at December 31, 2020 are comprised of amounts due under the Town's EHOP Program, which assists qualified full-time Town employees with the purchase of a primary residence within certain geographic boundaries, by providing secured, non-interest bearing loans. Repayment of loans made under the EHOP Program is over a maximum 15-year term, including the principal balance plus a portion of any recognized appreciation in the value of the underlying property. All such advances may be repaid at any time by the borrower-employee. The balance of EHOP Program loans receivable at December 31, 2020 was $1,001,951.

C. Capital Assets

Capital asset activity for the Town's governmental activities during 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 25,236,381	$ -	$ (251,172)	$ 24,985,209
Art	3,012,864	7,000	-	3,019,864
Construction in Process	21,133,302	3,249,860	(15,233,157)	9,150,005
Intangibles	12,892,927	1,602,015	-	14,494,942
Total Capital Assets, Not Being Depreciated	62,275,474	4,858,875	(15,484,329)	51,650,020
Capital Assets, Being Depreciated:				
Buildings and improvements	113,928,956	673,698	(1,641,908)	112,960,746
Infrastructure and improvements	156,036,072	16,569,961	(37,529)	172,568,504
Equipment and vehicles	48,111,330	5,722,170	(1,244,686)	52,588,814
Total Capital Assets Being Depreciated	318,076,358	22,965,829	(2,924,123)	338,118,064
Less Accumulated Depreciation For:				
Buildings and improvements	(60,590,198)	(2,625,643)	1,099,875	(62,115,966)
Infrastructure and improvements	(79,604,435)	(5,597,899)	30,769	(85,171,565)
Equipment and vehicles	(29,774,107)	(3,045,081)	1,127,614	(31,691,574)
Total Accumulated Depreciation	(169,968,740)	(11,268,623)	2,258,258	(178,979,105)
Total Capital Assets Being Depreciated, Net	148,107,618	11,697,206	(665,865)	159,138,959
Governmental Activities Capital Assets, Net	$ 210,383,092	$ 16,556,081	$ (16,150,194)	$ 210,788,979

IV. Detailed Notes on all Funds (continued)

C. Capital Assets

Capital asset activity for the Town's business-type activities during 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 4,399,500	$ -	$ -	$ 4,399,500
Total Capital Assets, Not Being Depreciated	4,399,500	-	-	4,399,500
Capital Assets, Being Depreciated:				
Buildings and improvements	9,047,262	381,898	-	9,429,160
Infrastructure and improvements	867,096	7,600	-	874,696
Equipment	2,564,574	270,625	(339,550)	2,495,649
Total Capital Assets Being Depreciated	12,478,932	660,123	(339,550)	12,799,505
Less Accumulated Depreciation For:				
Buildings and improvements	(4,422,091)	(309,221)	-	(4,731,312)
Infrastructure and improvements	(226,905)	(46,260)	-	(273,165)
Equipment	(1,699,350)	(132,069)	339,550	(1,491,869)
Total Accumulated Depreciation	(6,348,346)	(487,550)	339,550	(6,496,346)
Total Capital Assets Being Depreciated, Net	6,130,586	172,573	-	6,303,159
Business-type Activities Capital Assets, Net	$ 10,530,086	$ 172,573	$ -	$ 10,702,659

Depreciation expense for 2020 was charged to functions of the Town as follows:

Governmental Activities:	
General government	$ 589,627
Public safety	507,382
Public works and transportation	7,916,029
Culture and recreation	2,255,585
Total Depreciation Expense - Governmental Activities	$ 11,268,623
Business-type Activities:	
Dispatch services	$ 132,069
Housing	355,481
Total Depreciation - Business-type Activities	$ 487,550

Depreciation on capital assets is recorded using the following estimated useful lives:

	Years
Buildings	25 - 40
Building improvements	7 - 25
Infrastructure	5 - 50
Vehicles	5 - 15
Equipment	5 - 25

At December 31, 2020, the Town had $74,694,208 of fully-depreciated assets.

IV. Detailed Notes on all Funds (continued)

D. Operating Leases

The Town is committed under various leases for buildings, office space, and equipment. For accounting purposes, these leases are considered to be operating leases, and therefore, the liability and the related assets have not been recorded in these financial statements.

E. Long-term Asset – Rent Receivable (Ground Lease)

In September, 2014, the Town executed a Ground Lease and a Development Agreement with Lion's Ridge Apartment Homes, LLC ("Lion's Ridge") with respect to the eastern half of the Timber Ridge development. Under the terms of the Ground Lease, the Town leases the new development property to Lion's Ridge for a 50-year term, during which Lion's Ridge will construct and lease deed-restricted apartments on the newly developed property. The amount of rent payable over the 50 year term has been averaged on a straight-line basis for an annual amount of $155,149. As of December 31, 2020, rent receivable accrued in the Timber Ridge Enterprise Fund was $969,671. No payments are due from Lion's Ridge until 2025.

F. Interfund Receivables, Payables, and Transfers

At December 31, 2020, VRA owed the Capital Projects Fund $1,809,400 in connection with construction projects within the Lionshead district of the Town, including the construction of a roundabout on South Frontage Road near the Lionshead Parking Structure, the Red Sandstone Parking Structure, West Lionshead Circle Crosswalk, and repairs to the Lionshead Parking Structure.

The following promissory notes payable from the Timber Ridge Enterprise Fund to the Town – which aggregate to $7,366,493 as of December 31, 2020 – are reflected as internal balances between the governmental activities and business-type activities categories on the Statement of Net Position:

- Promissory notes with principal balances totaling $1.9 million, bearing interest at 1.5% per annum, and maturing in December 2032. These notes are payable to the extent that Timber Ridge has determined the availability of excess net revenues of the Project, after provision for necessary operating or capital reserves, but may be repaid at any time without penalty. Timber Ridge paid $28,500 in interest relating to the $1.9 million notes during 2020.

  $900,000 of the proceeds was not used for capital acquisitions and, therefore, is excluded from Timber Ridge's calculation of net investment in capital assets.

  In January 2021, the balance of the $1.9 million notes, together with all accrued interest, was paid in full.

- A promissory note with an original principal balance of $8 million, which bears interest at 1.5% per annum, with blended annual payments, and maturing in December 2033. Timber Ridge remitted $82,470 in interest to the Town during 2020 and, as of December 31, 2020, had accrued a total of $34,166 in interest payable to the Town relating to the $8 million note.

IV. Detailed Notes on all Funds (continued)

F. Interfund Receivables, Payables, and Transfers (continued)

Debt service requirements for the $1.9 million and $8 million promissory notes are as follows:

	Principal	Interest	Total
2021	$ 2,283,969	$ 79,352	$ 2,363,321
2022	389,728	73,315	463,043
2023	395,574	67,425	462,999
2024	401,508	61,447	462,955
2025	407,530	55,379	462,909
2026 - 2030	2,131,201	182,646	2,313,847
2031 - 2033	1,356,983	30,734	1,387,717
Totals	$ 7,366,493	$ 550,298	$ 7,916,791

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and, 3) provide additional resources for current operations or debt service.

All transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

G. Long-term Liabilities – Governmental Activities

The Town has the following long-term debt outstanding for governmental activities:

1. Vail Reinvestment Authority Tax Increment Revenue Bonds, Series 2010B

VRA issued $8,270,000 of Taxable Tax Increment Revenue Bonds (Direct Pay Build America Bonds) dated November 4, 2010 (the “2010B Bonds”). Proceeds from the 2010B Bonds will be used to finance the acquisition, construction and installation of an urban renewal project(s).

The interest rate on the 2010B Bonds ranges from 5.269% to 6.659% per annum, and is payable June 1 and December 1 annually from June 1, 2011 through June 1, 2030. Principal payments are payable June 1 and December 1 annually from June 1, 2019 through June 1, 2030.

VRA receives a federal subsidy known as the “BAB Credit” equal to 35% of corresponding interest as provided under the American Recovery and Reinvestment Act of 2009. This “BAB Credit” decreased by 8.7% beginning December 1, 2013 due to federal budget reductions. As of June 1, 2014 the “BAB Credit” decreased by 7.3% due to federal budget reductions. As of October 1, 2015, the refundable credit decreased by 6.8%, and as of October 1, 2016 reduced by 6.8%.

The 2010B Bonds are special limited obligations of VRA, equitably and ratably secured by an irrevocable pledge of the Trust Estate, funded by pledged incremental property tax revenues.

IV. Detailed Notes on all Funds (continued)

G. Long-term Liabilities – Governmental Activities (continued)

1. Vail Reinvestment Authority Tax Increment Revenue Bonds, Series 2010B (continued)

2010B Bonds maturing on or before June 1, 2020 are not subject to optional redemption prior to their respective maturity dates. The 2010B Bonds maturing on and after June 1, 2021 are subject to redemption prior to their respective maturity dates at the option of VRA at a price equal to the principal amount plus accrued interest to the redemption date without a premium. All 2010B Bonds are subject to mandatory sinking fund redemption.

During June 2020, the 2010B Bonds were refunded through the Refunding Loan, Series 2020.

2. Vail Reinvestment Authority Tax Increment Revenue Refunding Loan, Series 2020

VRA issued a $6,386,000 Tax Increment Revenue Refunding Loan, Series 2020 (the "Series 2020 Refunding Loan"), the proceeds of which were used to refund all outstanding 2010B Bonds. The Series 2020 Refunding Loan, which is secured by a pledge of VRA's property tax revenues, is a special limited obligation of VRA and not the Town. The interest rate on the Series 2020 Refunding Loan is 1.19% per annum, and is payable June 1 and December 1 annually from December 1, 2020 through maturity on June 1, 2030. Principal payments are due annually, beginning in June 2021, through maturity in June 2030. The Series 2020 Refunding Loan is not subject to prepayment at the Town's option.

The Town realized a net present value savings of $1,115,124 on the refunding of the 2010B Bonds.

H. Long-term Liabilities – Compensated Absences

The Town has a policy allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the Town's approximate liability for vacation pay earned by employees at December 31, 2020 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. Accumulated sick pay of approximately $4,262,123 at December 31, 2020 has not been reflected in the Town's financial statements as the amount is partially insured by an independent insurance company and the amounts are not payable at termination.

I. Long-term Liabilities – Refunded

In prior years, the Town defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The bonds intended to be refunded by the refunding issues remain a contingent liability of the Town until retired; however, they are not included for the purposes of calculating debt limits of the Town. The amount of debt considered defeased cannot be readily determined as of December 31, 2020.

IV. Detailed Notes on all Funds (continued)

J. Long-term Liabilities - Activity and Debt Service Schedules

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Tax-Increment Bonds, Series 2010B	$ 7,715,000	$ -	$ (7,715,000)	$ -	$ -
Tax Increment Revenue Refunding Loan, Series 2020	-	6,386,000	-	6,386,000	618,000
Compensated absences	1,535,093	232,963	-	1,768,056	530,417
Total Governmental Activities Long-term Liabilities	$ 9,250,093	$ 6,618,963	$ (7,715,000)	$ 8,154,056	$ 1,148,417
Business-type Activities:					
Compensated absences	$ 89,965	$ 39,518	$ -	$ 129,483	$ 38,245
Total Business-type Activities Long-term Liabilities	$ 89,965	$ 39,518	$ -	$ 129,483	$ 38,245

Debt service requirements at December 31, 2020 were as follows:

	Principal	Interest	Total
Governmental Activities:			
2021	$ 618,000	$ 72,316	$ 690,316
2022	612,000	64,998	676,998
2023	620,000	57,667	677,667
2024	626,000	50,254	676,254
2025	636,000	42,745	678,745
2026-2030	3,274,000	98,270	3,372,270
Total Governmental Activities	$ 6,386,000	$ 386,250	$ 6,772,250

General obligation bonds issued for governmental activity purposes are liquidated by the Debt Service Fund, whereas general obligation bonds issued for component unit purposes are liquidated by the component unit.

IV. Detailed Notes on all Funds (continued)

K. Fund Balance Disclosures

The Town classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, and long-term portions of loans receivable.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Town Council. The Town's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Town's platform to review, and/or make changes to each department's budget. The budget is formally presented to the Town Council via an advertised public process for review, revisions and final approval by year-end. All subsequent budget requests made during the year, after Town Council approval, must be presented via a public process and again approved by Town Council.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by Town Council or its management designees.

Unassigned – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town's restricted amounts are to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

The Town has a minimum fund balance policy of 35% of annual General Fund revenues.

V. Other Information

A. Pension Plans

The Town offers two defined contribution pension plans to cover all permanent paid employees of the Town. The Town established these qualified money purchase pension plans under Internal Revenue Code section 401(a), and may amend all of the plan provisions. The first plan covers all full time and qualified seasonal employees other than sworn police officers and firefighters; the second plan covers all full time and qualified seasonal employees of the Town's Police and Fire departments. The plan provisions are the same for both plans.

V. Other Information (continued)

A. Pension Plans (continued)

In defined contribution plans, benefits depend solely on amounts contributed to the plans plus investment earnings. Employees are eligible to participate in the plans from the date of employment or the effective date of the plans, January 1, 1983, whichever is later. The plans provide for contributions to be made by the Town of 12.6% of regular compensation for the first year of employment and 17.6% thereafter. For employees hired after April 1, 1986, the Town's contribution is 11.15% of regular compensation for the first year, and 16.15% thereafter.

Employees have the option to make voluntary contributions of up to 10% of their compensation. In the event of continued long-term disability of an employee, the Town's disability insurance will continue to make contributions to the plan for the employee through age 60 at the rate on the date of disability.

For employees hired before July 1, 1986, vesting of the Town's contributions is 77.5% after the first year of employment with an additional vesting of 7.5% per year through the fourth year, when vesting is 100%. For employees hired after June 30, 1986, vesting of the Town's contributions to the employees is 20% after the first year of employment with additional vesting of 20% per year through the fifth year, when vesting is 100%. If an employee dies, becomes disabled, or attains the age of 60, their entire interest in the plans becomes vested; normal retirement age is 60 with early retirement at age 50 and four years of service.

In 1991, the Town established a defined contribution pension plan for seasonal employees who work for the Town longer than 6 weeks. Seasonal employees are required to contribute 6% of regular compensation to the plan and the Town contributes 1.5%. Seasonal employees are 100% vested after their first contribution.

Employees covered under the regular and seasonal pension plans do not participate in the Social Security system.

The annual pension cost is the Town's contributions less forfeitures from the prior year. The plans' invested assets at December 31, 2020 of $86,441,599 are stated at market value. All earnings, losses, expenses and changes in the fair market value of the trust fund will be apportioned at least annually among the participants in proportion to each participant's current share of the Trust Investment Fund. The Town has no liability for unfunded future vested employee benefits.

The trustees and administrators of the plans are the Retirement Board. The Retirement Board determines investment options made available to participants, in adherence with an adopted investment policy statement.

The total amount of the Town's 2020 covered payroll was $22,504,968 of which $19,698,128 was for permanent employees and $2,806,839 was for seasonal staff. Total 2020 payroll for all Town employees was $22,987,160.

B. Retirement Savings Plan – Deferred Compensation Plan – IRC 457

The Town offers its employees a deferred compensation plan (the "457 Plan") created in accordance with Internal Revenue Code section 457. The 457 Plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

V. Other Information (continued)

B. Retirement Savings Plan – Deferred Compensation Plan – IRC 457 (continued)

All amounts of compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the 457 Plan participants and their beneficiaries.

The modified accrual basis of accounting is used for the 457 Plan.

The trustees and administrators of the 457 Plan are the Retirement Board, which comprises members of the Town's administration. The Retirement Board determines investment options made available to participants, in adherence to an adopted investment policy statement.

The Town has no liability for losses under the 457 Plan but does have the duty of due care that would be required of an ordinary prudent investor.

The total assets of the 457 Plan were $22,672,292 at December 31, 2020. The assets were invested in mutual funds, as previously described.

Pursuant to the Town's adoption of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the 457 Plan has been included in these financial statements as an expendable trust fund.

C. Cafeteria Plan

The Town offers a cafeteria compensation plan organized under section 125 of the Internal Revenue Code, which includes dependent care and health expense reimbursement. No cost to the Town is recognized as the plan is a salary reduction plan.

D. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

The Town offers health insurance to certain employees through the Town's self-funded health plan with excess coverage underwritten by a commercial carrier. Liabilities for retained risk claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNR").

The following is a summary of the changes in the balances of the claims liability during 2020:

Claims liability, beginning of year	$ 502,160
Current year claims	(3,145,796)
Claims payments	3,082,692
Claims liability, end of year	$ 439,056

V. Other Information (continued)

E. Commitments and Contingencies

1. Legal Claims

During the normal course of business, the Town may incur claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2020.

2. Federal Funds

Funds received from Federal grants and programs are subject to audit and disallowance on ineligible costs. Management of the Town feels any potential questioned or disallowed costs would not materially affect the fairness of the presentation of the financial statements at December 31, 2020.

F. Conduit Debt – Town of Vail, Colorado Multifamily Housing Revenue Bonds (Middle Creek Village Apartments Project), Series 2003A, 2003B and 2003-T

These bonds were issued in 2003 in an aggregate principal amount of $16,850,000 to finance construction of multi-family housing projects within the Town. The bonds mature in 2038. The bonds are solely payable from, and are secured by, a pledge of revenue from loan agreements between the Town and Middle Creek Village, LLC (as borrower). The borrower's obligation is secured by Deeds of Trust, Security Agreements, Financing Statements and assignment of rents and leases. The bonds are a special limited obligation of the Town, payable solely from the specified revenues of the projects, and do not constitute debt or indebtedness of the Town.

G. Change in Accounting Principle

During 2020, the Town implemented GASB Statement No. 84*, Fiduciary Activities* ("GASB 84"). The objective of GASSB 84 is to improve financial reporting for fiduciary activities by establishing criteria for identifying fiduciary activities of state and local governments. The focus of the criteria generally is on 1) whether a government controls the assets of the fiduciary activity and, 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The presentation of the Town's pension trust funds was not changed from prior years upon implementation of GASB 84 in 2020, as the Town continues to recognize the pension trust funds as fiduciary activities.

H. Subsequent Event

In February 2021, the Town entered into a Site and Improvement Lease and a Lease Purchase Agreement with Truist Bank (""Truist"), a North Carolina Banking Corporation, to finance the construction of additions and renovations to the respect to property currently utilized as the Town's Public Works facility (the "Site"). Under the agreements, the Town will be responsible for repaying a principal balance of $15,190,000 to Truist, together with interest at 1.76% per annum, beginning in 2021 and continuing to maturity in December 2035.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Vail, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General sales taxes	17,685,000	15,300,000	15,300,000	-	16,790,000
Property and ownership taxes	5,900,000	5,900,000	5,941,710	41,710	5,369,376
Ski area lift ticket admissions tax	5,300,000	3,880,000	4,095,812	215,812	5,341,369
Franchise tax	1,127,500	1,127,500	1,084,277	(43,223)	1,161,503
Tobacco tax	65,000	465,000	531,913	66,913	62,336
Penalties and interest on delinquent taxes	47,940	47,940	56,646	8,706	40,036
Total - Taxes	30,125,440	26,720,440	27,010,358	289,918	28,764,620
Permits and Licenses:					
Construction fees	1,352,424	1,000,000	945,636	(54,364)	1,151,414
Contractors' licenses	50,000	50,000	95,559	45,559	55,144
Other permits and licenses	997,575	871,366	1,030,265	158,899	1,001,360
Total - Permits and Licenses	2,399,999	1,921,366	2,071,460	150,094	2,207,918
Intergovernmental:					
County sales tax	912,768	757,600	889,379	131,779	1,029,600
County road and bridge	720,120	700,000	788,409	88,409	709,513
Additional motor vehicle registration fees	26,000	26,000	27,356	1,356	27,746
Highway users tax	250,000	260,000	195,131	(64,869)	260,384
Other county sources	87,500	87,500	87,950	450	89,162
Other state sources	13,700	875,246	858,891	(16,355)	116,887
Federal sources	-	2,964,177	2,484,110	(480,067)	2,241
Total - Intergovernmental	2,010,088	5,670,523	5,331,226	(339,297)	2,235,533
Charges for Services:					
Management fees - Vail Local Marketing District	145,000	130,500	130,500	-	145,000
Internal service charge	537,612	666,712	761,153	94,441	584,638
Out of district fire response	40,800	68,000	62,709	(5,291)	69,869
Alarm monitoring fees	-	-	-	-	15,920
Parking	6,360,000	5,100,000	4,891,998	(208,002)	6,720,873
Fines and forfeitures	250,475	250,475	342,285	91,810	211,089
Rents	1,093,180	875,260	787,907	(87,353)	1,139,700
Other charges, services, and sales	302,506	233,375	258,412	25,037	329,231
Total - Charges for Services	8,729,573	7,324,322	7,234,964	(89,358)	9,216,320
Investment Income:					
Earnings on investments	500,000	200,000	309,551	109,551	866,059
Miscellaneous:					
Miscellaneous	251,000	194,040	247,829	53,789	377,097
Total Revenues	44,016,100	42,030,691	42,205,388	174,697	43,667,547

(Continuing)

Town of Vail, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019
(Continued)

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Town officials	1,812,110	1,572,337	1,391,724	180,613	1,634,077
Administrative	5,244,266	5,054,951	4,596,194	458,757	4,795,163
Community development	3,176,068	2,735,518	2,193,058	542,460	2,344,854
Total - General Government	10,232,444	9,362,806	8,180,976	1,181,830	8,774,094
Public Safety:					
Police department	6,469,937	6,522,362	6,623,230	(100,868)	6,513,205
Fire department	5,083,596	5,407,013	4,942,761	464,252	4,859,806
Total - Public Safety	11,553,533	11,929,375	11,565,991	363,384	11,373,011
Public Works and Transportation:					
Highways and streets	5,632,108	5,274,262	5,210,865	63,397	5,039,692
Transportation	5,653,817	5,233,035	5,051,201	181,834	5,553,226
Parking operations	1,762,872	1,493,042	1,314,192	178,850	1,619,527
Facility maintenance	4,035,130	3,940,030	4,005,743	(65,713)	3,931,476
Total - Public Works and Transportation	17,083,927	15,940,369	15,582,001	358,368	16,143,921
Culture and Recreation:					
Special recreation facilities	318,900	255,686	227,613	28,073	310,274
Library	945,742	958,328	957,227	1,101	1,052,117
Total - Culture and Recreation	1,264,642	1,214,014	1,184,840	29,174	1,362,391
Economic Development:					
Contributions, marketing, and special events	1,137,973	2,428,501	1,799,673	628,828	1,023,836
Total - Economic Development	1,137,973	2,428,501	1,799,673	628,828	1,023,836
Total Expenditures	41,272,519	40,875,065	38,313,481	2,561,584	38,677,253
Excess (Deficiency) of Revenues Over Expenditures	2,743,581	1,155,626	3,891,907	2,736,281	4,990,294
Other Financing Sources (Uses):					
Sale of assets	-	-	7,211	7,211	-
Transfers out	(2,866,211)	(2,156,846)	(1,658,026)	498,820	(2,571,769)
Total Other Financing Sources (Uses)	(2,866,211)	(2,156,846)	(1,650,815)	506,031	(2,571,769)
Net Change in Fund Balance	(122,630)	(1,001,220)	2,241,092	3,242,312	2,418,525
Fund Balance - January 1	32,144,412	36,306,665	36,306,665	-	33,888,140
Fund Balance - December 31	32,021,782	35,305,445	38,547,757	3,242,312	36,306,665

Town of Vail, Colorado
Vail Marketing Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Permits and Licenses:					
Business licenses	325,000	325,000	343,902	18,902	341,149
Investment Income:					
Interest on investments	3,000	3,000	1,997	(1,003)	1,392
Total Revenues	328,000	328,000	345,899	17,899	342,541
Expenditures:					
Economic Development:					
Special events	2,297,563	1,841,292	1,505,568	335,724	1,890,406
Commission on Special Events	893,648	640,554	476,900	163,654	894,272
Administration fee	16,250	16,250	16,320	(70)	17,057
Total Expenditures	3,207,461	2,498,096	1,998,788	499,308	2,801,735
Excess (Deficiency) of Revenues Over Expenditures	(2,879,461)	(2,170,096)	(1,652,889)	517,207	(2,459,194)
Other Financing Sources (Uses):					
Transfers in	2,866,211	2,156,846	1,653,178	(503,668)	2,542,788
Net Change in Fund Balance	(13,250)	(13,250)	289	13,539	83,594
Fund Balance - January 1	274,286	386,837	386,835	(2)	303,241
Fund Balance - December 31	261,036	373,587	387,124	13,537	386,835

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

Town of Vail, Colorado
Vail Local Marketing District - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Lodging tax	3,590,000	2,599,605	3,263,261	663,656	3,711,738
Investment Income:					
Interest on investments	2,000	2,000	272	(1,728)	2,631
Miscellaneous:					
Miscellaneous	-	-	3,174	3,174	-
Total Revenues	3,592,000	2,601,605	3,266,707	665,102	3,714,369
Expenditures:					
Economic Development:					
Destination	1,219,512	348,547	645,907	(297,360)	1,391,003
Front Range	223,000	534,430	180,122	354,308	279,618
Groups and meetings	680,738	520,636	504,077	16,559	597,075
Marketing	823,250	764,563	753,879	10,684	828,675
Special events	25,000	25,000	25,000	-	25,000
Purchased services	528,500	430,824	429,021	1,803	513,343
Total Expenditures	3,500,000	2,624,000	2,538,006	85,994	3,634,714
Net Change in Fund Balance	92,000	(22,395)	728,701	751,096	79,655
Fund Balance - January 1	962,453	1,350,108	1,350,108	-	1,270,453
Fund Balance - December 31	1,054,453	1,327,713	2,078,809	751,096	1,350,108

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

Town of Vail, Colorado
Vail Reinvestment Authority - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property tax	6,067,000	6,768,800	6,851,562	82,762	5,825,058
Investment Income:					
Interest on investments	2,492	17,492	21,328	3,836	3,793
Interest Subsidy:					
Interest subsidy (Build America Bonds)	165,082	82,541	100,098	17,557	164,876
Total Revenues	6,234,574	6,868,833	6,972,988	104,155	5,993,727
Expenditures:					
Economic Development:					
Administration	110,000	121,600	121,842	(242)	105,654
Fiscal agent fees	2,800	2,800	1,720	1,080	1,470
Treasurer's fees	182,010	203,064	205,547	(2,483)	174,754
Professional fees	10,000	10,000	1,353	8,647	1,445
Vail Square Metro District	549,990	668,136	736,681	(68,545)	526,106
Total - Economic Development	854,800	1,005,600	1,067,143	(61,543)	809,429
Debt Service:					
Principal	575,000	7,715,000	7,715,000	-	555,000
Interest	471,662	334,243	327,914	6,329	501,432
Total - Debt Service	1,046,662	8,049,243	8,042,914	6,329	1,056,432
Total Expenditures	1,901,462	9,054,843	9,110,057	(55,214)	1,865,861
Excess (Deficiency) of Revenues Over Expenditures	4,333,112	(2,186,010)	(2,137,069)	48,941	4,127,866
Other Financing Sources (Uses):					
Debt proceeds	-	6,386,000	6,386,000	-	-
Issuance costs	-	(107,159)	(105,360)	1,799	-
Transfers out	(2,550,000)	(1,905,291)	(1,809,400)	95,891	(3,804,281)
Total Other Financing Sources (Uses)	(2,550,000)	4,373,550	4,471,240	97,690	(3,804,281)
Net Change in Fund Balance	1,783,112	2,187,540	2,334,171	146,631	323,585
Fund Balance - January 1	2,565,203	2,582,892	2,582,892	-	2,259,307
Fund Balance - December 31	4,348,315	4,770,432	4,917,063	146,631	2,582,892

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

SUPPLEMENTARY INFORMATION

Town of Vail, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Sales tax	10,839,000	7,200,000	9,911,184	2,711,184	12,719,336
Construction use tax	2,220,000	1,930,000	2,078,577	148,577	2,467,928
Franchise tax	-	190,000	200,171	10,171	77,237
Total - Taxes	13,059,000	9,320,000	12,189,932	2,869,932	15,264,501
Permits and Licenses:					
Construction fees	-	126,053	76,053	(50,000)	461,556
Intergovernmental:					
County revenues	-	-	-	-	105,829
State grants	1,617,287	1,967,287	-	(1,967,287)	33,000
Federal grants	700,000	-	139,522	139,522	894,898
Total - Intergovernmental	2,317,287	1,967,287	139,522	(1,827,765)	1,033,727
Charges for Services:					
Leases - Vail Commons	164,067	164,067	163,909	(158)	163,909
Total - Charges for Services	164,067	164,067	163,909	(158)	163,909
Investment Income:					
Interest on investments	829,812	829,812	401,257	(428,555)	970,269
Miscellaneous:					
Project reimbursements/shared costs	-	79,676	510,152	430,476	322,631
Miscellaneous	-	-	291	291	4,582
Total - Miscellaneous	-	79,676	510,443	430,767	327,213
Total Revenues	16,370,166	12,486,895	13,481,116	994,221	18,221,175
Expenditures:					
Public Works:					
Capital lease principal	-	-	-	-	743,692
Interest	-	-	-	-	1,236
Capital projects and acquisition	29,396,754	34,378,781	12,669,368	21,709,413	19,574,164
Total Expenditures	29,396,754	34,378,781	12,669,368	21,709,413	20,319,092
Excess (Deficiency) of Revenues Over Expenditures	(13,026,588)	(21,891,886)	811,748	22,703,634	(2,097,917)
Other Financing Sources (Uses):					
Sale of assets	-	1,394,434	1,126,162	(268,272)	1,547,000
Transfers in	2,550,000	1,905,291	1,809,400	(95,891)	3,804,281
Transfers (out)	-	(3,000)	(3,000)	-	-
Total Other Financing Sources (Uses)	2,550,000	3,296,725	2,932,562	(364,163)	5,351,281
Net Change in Fund Balance	(10,476,588)	(18,595,161)	3,744,310	22,339,471	3,253,364
Fund Balance - January 1	16,414,884	42,354,392	50,099,177	7,744,785	46,845,813
Fund Balance - December 31	5,938,296	23,759,231	53,843,487	30,084,256	50,099,177

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

Town of Vail, Colorado
Real Estate Transfer Tax Fund - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Real estate transfer tax	6,300,000	8,650,000	10,448,526	1,798,526	7,224,668
Intergovernmental Revenue:					
Lottery revenue	20,000	20,000	28,167	8,167	31,476
Other county revenue	-	480,000	-	(480,000)	24,377
Other state revenue	-	-	114,108	114,108	98,978
Other Federal grants	-	-	72,941	72,941	-
Total - Intergovernmental Revenue	20,000	500,000	215,216	(284,784)	154,831
Charges for Services:					
Recreation amenities fee	10,000	10,000	11,731	1,731	76,061
Land lease to Vail Recreation District	168,317	168,317	169,506	1,189	165,000
Total - Charges for Services	178,317	178,317	181,237	2,920	241,061
Investment Income:					
Interest on investments	68,849	68,849	111,326	42,477	298,861
Miscellaneous:					
Project reimbursements	-	22,000	59,484	37,484	77,684
Donations	-	49,608	13,750	(35,858)	203,332
Other	32,000	32,000	36,331	4,331	27,790
Total - Miscellaneous	32,000	103,608	109,565	5,957	308,806
Total Revenues	6,599,166	9,500,774	11,065,870	1,565,096	8,228,227
Expenditures:					
Culture and Recreation:					
Project management	315,000	432,500	521,469	(88,969)	361,233
Park maintenance	1,816,014	1,653,477	1,506,997	146,480	1,617,376
Environmental sustainability	982,236	993,984	734,148	259,836	676,293
Art in public places	130,771	130,771	114,885	15,886	118,657
Total - Culture and Recreation	3,244,021	3,210,732	2,877,499	333,233	2,773,559
Public Works:					
Capital projects	4,721,906	7,055,863	2,298,893	4,756,970	3,486,942
Public Safety					
Fire suppression	298,733	291,786	223,419	68,367	283,380
Total Expenditures	8,264,660	10,558,381	5,399,811	5,158,570	6,543,881
Excess (Deficiency) of Revenues Over Expenditures	(1,665,494)	(1,057,607)	5,666,059	6,723,666	1,684,346
Other Financing Sources (Uses):					
Transfers in	-	3,000	3,000	-	24,114
Net Change in Fund Balance	(1,665,494)	(1,054,607)	5,669,059	6,723,666	1,708,460
Fund Balance - January 1	3,980,991	14,684,013	14,684,013	-	12,975,553
Fund Balance - December 31	2,315,497	13,629,406	20,353,072	6,723,666	14,684,013

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

Town of Vail, Colorado
Timber Ridge Fund - Enterprise Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Rents	1,595,250	1,536,828	1,587,080	50,252	1,593,491
Ground lease	-	-	155,149	155,149	155,149
Other	19,034	19,034	13,322	(5,712)	25,398
Total Operating Revenues	1,614,284	1,555,862	1,755,551	199,689	1,774,038
Operating Expenses:					
Operating expenses	529,740	529,740	501,688	28,052	490,895
Capital outlay	321,192	797,423	389,498	407,925	14,002
Total Operating Expenses	850,932	1,327,163	891,186	435,977	504,897
Operating Income (Loss)	763,352	228,699	864,365	635,666	1,269,141
Non-operating Revenues (Expenses):					
Interest on investments	12,000	12,000	4,664	(7,336)	19,790
Interest expense	(110,969)	(110,969)	(110,971)	(2)	(116,638)
Loan principal repayment - Capital Projects Fund	(378,294)	(378,294)	(378,294)	-	(372,704)
Total Non-operating Revenue (Expenses)	(477,263)	(477,263)	(484,601)	(7,338)	(469,552)
Change in Net Position - Budget Basis	286,089	(248,564)	379,764	628,328	799,589
Reconciliation to GAAP Basis:					
Adjustments:					
Loan principal repayment - Capital Projects Fund			378,294		372,704
Capitalized assets			389,498		14,002
Depreciation			(355,481)		(347,114)
Total Adjustments			412,311		39,592
Change in Net Position - GAAP Basis			792,075		839,181

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

Town of Vail, Colorado
Dispatch Services Fund - Enterprise Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges and Fees:					
Dispatch service fee	661,194	661,194	661,194	-	669,590
Dispatching contracts	1,329,952	1,329,952	1,329,952	-	1,342,632
Total Operating Revenues	1,991,146	1,991,146	1,991,146	-	2,012,222
Operating Expenses:					
Public Safety:					
Salaries and benefits	2,248,016	2,222,962	2,114,688	108,274	2,070,611
Operating expenses	497,010	517,762	436,288	81,474	450,156
Capital outlay	-	562,948	270,626	292,322	-
Total Operating Expenses	2,745,026	3,303,672	2,821,602	482,070	2,520,767
Operating (Loss) - Budget Basis	(753,880)	(1,312,526)	(830,456)	482,070	(508,545)
Non-operating Revenues:					
Other State revenues	-	37,059	32,492	(4,567)	-
Operating grant - E-911 Board	845,030	845,030	845,030	-	816,452
Other operating grants	-	-	10,676	10,676	-
Earnings on investments	10,000	10,000	11,694	1,694	32,266
Total Non-operating Revenues	855,030	892,089	899,892	7,803	848,718
Income (Loss) Before Transfers	101,150	(420,437)	69,436	489,873	340,173
Transfers in	-	4,848	4,848	-	15,750
Change in Net Position - Budget Basis	101,150	(415,589)	74,284	489,873	355,923
Reconciliation to GAAP Basis:					
Adjustments:					
Change in accrued compensated absences			(39,519)		(16,006)
Capitalized assets			270,626		-
Depreciation			(132,069)		(127,778)
Total Adjustments			99,038		(143,784)
Change in Net Position - GAAP Basis			173,322		212,139

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

Town of Vail, Colorado
Heavy Equipment Fund - Internal Service Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges and Fees:					
Operating charges	2,655,128	2,321,683	2,331,196	9,513	2,618,757
Replacement charges	880,256	943,609	869,940	(73,669)	733,837
Total - Charges and Fees	3,535,384	3,265,292	3,201,136	(64,156)	3,352,594
Insurance reimbursements	10,000	10,000	1,430	(8,570)	37,993
Other	-	-	13,277	13,277	16,396
Total Operating Revenues	3,545,384	3,275,292	3,215,843	(59,449)	3,406,983
Operating Expenses:					
Public Works:					
Vehicle maintenance and fuel	2,792,854	2,577,426	2,220,289	357,137	2,555,247
Capital outlay	1,002,765	1,250,357	1,091,461	158,896	783,193
Total Operating Expenses	3,795,619	3,827,783	3,311,750	516,033	3,338,440
Operating Income (Loss) - Budget Basis	(250,235)	(552,491)	(95,907)	456,584	68,543
Non-operating Revenues:					
Intergovernmental revenues	-	-	29,492	29,492	-
Earnings on investments	7,900	7,900	15,736	7,836	46,230
Proceeds from sale of assets	154,563	154,563	158,571	4,008	100,466
Total Non-operating Revenues:	162,463	162,463	203,799	41,336	146,696
Transfers in	-	-	-	-	4,867
Change in Net Position - Budget Basis	(87,772)	(390,028)	107,892	497,920	220,106
Reconciliation to GAAP Basis:					
Adjustments:					
Contribution from Capital Projects Fund			72,858		105,611
Change in accrued compensated absences			(51)		(6,249)
Capitalized assets			1,091,461		783,193
Net book value of disposed assets			(527)		(20,982)
Depreciation			(798,321)		(794,078)
Total Adjustments			365,420		67,495
Change in Net Position - GAAP Basis			473,312		287,601

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

Town of Vail, Colorado
Health Insurance Fund - Internal Service Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges and Fees:					
Insurance premiums	4,670,000	4,670,000	3,800,000	(870,000)	4,400,000
Insurance premiums - Employee contributions	829,500	860,000	858,159	(1,841)	882,844
Total Operating Revenues	5,499,500	5,530,000	4,658,159	(871,841)	5,282,844
Operating Expenses:					
General Government:					
Health claims	4,408,760	4,408,760	3,082,692	1,326,068	3,567,754
Premiums	1,152,909	1,321,909	1,331,491	(9,582)	1,130,291
Administrative fees	40,500	40,500	42,937	(2,437)	43,649
Total Operating Expenses	5,602,169	5,771,169	4,457,120	1,314,049	4,741,694
Operating Income (Loss)	(102,669)	(241,169)	201,039	442,208	541,150
Non-operating Revenues:					
Earnings on investments	30,000	30,000	35,025	5,025	93,295
Change in Net Position	(72,669)	(211,169)	236,064	447,233	634,445

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

Town of Vail, Colorado
Internal Service Funds
Combining Statement of Net Position
December 31, 2020

	Heavy Equipment Fund	Health Insurance Fund	Total
Assets:			
Current Assets:			
Equity in pooled cash and investments	2,289,861	4,650,046	6,939,907
Accounts receivable, net of allowance for uncollectibles	74,077	6,065	80,142
Inventory	343,504	-	343,504
Prepaid expenses	-	500	500
Total - Current Assets	2,707,442	4,656,611	7,364,053
Non-current Assets:			
Property, plant, and equipment, net of accumulated depreciation	5,539,435	-	5,539,435
Total Assets	8,246,877	4,656,611	12,903,488
Liabilities:			
Current Liabilities:			
Accounts payable	139,628	439,619	579,247
Accrued salaries and wages	24,723	-	24,723
Current portion of compensated absences	15,704	-	15,704
Total - Current Liabilities	180,055	439,619	619,674
Non-current Liabilities:			
Compensated absences, net of current portion	36,644	-	36,644
Total Liabilities	216,699	439,619	656,318
Net Position:			
Net investment in capital assets	5,539,435	-	5,539,435
Unrestricted	2,490,743	4,216,992	6,707,735
Total Net Position	8,030,178	4,216,992	12,247,170

Town of Vail, Colorado
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2020

	Heavy Equipment Fund	Health Insurance Fund	Total
Operating Revenues:			
Charges for services - Internal	3,201,136	3,800,000	7,001,136
Charges for services - External	-	858,159	858,159
Insurance reimbursements	1,430	-	1,430
Other	13,277	-	13,277
Total Operating Revenues	3,215,843	4,658,159	7,874,002
Operating Expenses:			
Operations	2,220,340	42,937	2,263,277
Health claims and premiums	-	4,414,183	4,414,183
Depreciation	798,321	-	798,321
Total Operating Expenses	3,018,661	4,457,120	7,475,781
Operating Income (Loss)	197,182	201,039	398,221
Non-operating Revenues (Expenses):			
Intergovernmental revenues	29,492	-	29,492
Gain (loss) on disposal of assets	158,044	-	158,044
Investment income	15,736	35,025	50,761
Total Non-operating Revenues (Expenses)	203,272	35,025	238,297
Income (Loss) Before Transfers and Capital Contributions	400,454	236,064	636,518
Capital contributions, net	72,858	-	72,858
Change in Net Position	473,312	236,064	709,376
Net Position - January 1	7,556,866	3,980,928	11,537,794
Net Position - December 31	8,030,178	4,216,992	12,247,170

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

Town of Vail, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2020

	Heavy Equipment Fund	Health Insurance Fund	Total
Cash Flows From Operating Activities:			
Cash received from other funds	3,201,136	3,800,000	7,001,136
Other cash receipts	(36,563)	857,179	820,616
Cash paid for goods and services	(1,144,292)	(4,519,769)	(5,664,061)
Cash paid to employees	(1,074,635)	-	(1,074,635)
Net Cash Provided (Used) by Operating Activities	945,646	137,410	1,083,056
Cash Flows From Non-Capital Financing Activities:			
Cash received from operating grants	29,492	-	29,492
Transfer from (to) other funds	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	29,492	-	29,492
Cash Flows From Capital and Related Financing Activities:			
Cash received from sale of fixed assets	158,570	-	158,570
Acquisition and construction of capital assets for other funds	-	-	-
Acquisition and construction of capital assets	(1,028,360)	-	(1,028,360)
Net Cash Provided (Used) by Capital and Related Financing Activities	(869,790)	-	(869,790)
Cash Flows From Investing Activities:			
Interest on investments	15,736	35,025	50,761
Net Cash Provided (Used) by Investing Activities	15,736	35,025	50,761
Net Change in Cash and Cash Equivalents	121,084	172,435	293,519
Cash and Cash Equivalents - Beginning	2,168,777	4,477,611	6,646,388
Cash and Cash Equivalents - Ending	2,289,861	4,650,046	6,939,907
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	197,182	201,039	398,221
Adjustments:			
Depreciation	798,321	-	798,321
(Increase) decrease in accounts receivable	(51,270)	(980)	(52,250)
(Increase) decrease in inventory	(52,818)	-	(52,818)
Increase (decrease) in accounts payable	49,739	(62,649)	(12,910)
Increase (decrease) in accrued wages and benefits	4,492	-	4,492
Total Adjustments	748,464	(63,629)	684,835
Net Cash Provided (Used) by Operating Activities	945,646	137,410	1,083,056
Non-cash Investing, Capital and Financing Activities:			
Assets contributed by Capital Projects Fund	72,858	-	72,858

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

Town of Vail, Colorado
Capital Projects Fund
Schedule of Project Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

		2020			2019
Project Number	Project Name	Final Budget	Actual	Variance Positive (Negative)	Actual
CBI021	Donovan Park Pavilion	1,492,000	38,754	1,453,246	-
CBI026	Welcome Center Capital Maintenance	94,704	-	94,704	43,297
CBI027	Public Works Remodel	2,403,325	834,066	1,569,259	215,081
CEP004	Replace Buses	6,445,706	2,989,884	3,455,822	3,382
CEP005	Hardware Purchases	187,823	78,893	108,930	101,204
CEP006	Radio Replacement	-	-	-	18,759
CEP008	Parking Entry System	227,161	102,013	125,148	60,890
CEP010	Network Upgrades	220,256	178,548	41,708	19,595
CEP011	Document Imaging	50,000	30,299	19,701	28,487
CEP018	Web and E-commerce	136,500	100,534	35,966	13,511
CEP019	Computer-Aided Dispatch (CAD/RMS)	113,000	106,711	6,289	63,261
CEP022	Audio Visual	140,000	41,022	98,978	44,553
CEP026	Fire Equipment	18,800	15,043	3,757	74,217
CEP030	Vehicle expansion	70,700	72,858	(2,158)	105,611
CEP031	Software Licensing	591,401	533,130	58,271	274,592
CEP033	Data Centers / Computer Rooms	1,248,246	1,169,294	78,952	726,400
CEP036	Business Systems	155,000	55,593	99,407	61,825
CEP038	Police Equipment	58,831	51,714	7,117	74,703
CEP042	Bus Camera System	15,000	14,747	253	15,060
CEP047	Event Equipment	-	-	-	77,643
CEP048	Electric Bus Station/Infrastructure	1,740,936	473,657	1,267,279	-
CEP049	Bus Transportation Mgmt. System	700,000	-	700,000	-
CHF001	Buy-Down Housing	382,513	-	382,513	-
CHF002	Solar Vail	-	-	-	4,030,000
CHF003	Vail InDEED	6,692,159	1,538,974	5,153,185	3,137,808
CHF004	Employee Housing	35,125	513	34,612	326,875
CMP007	Transportation Master Plan	30,000	-	30,000	-
CMT003	Bus Shelter Replacement Program	230,000	279	229,721	237
CMT004	Capital Street Maintenance	1,345,000	1,031,822	313,178	692,573
CMT005	Facility Capital	1,414,596	1,014,600	399,996	418,351
CMT007	Parking Structure Maintenance	797,000	636,246	160,754	1,044,377
CMT009	Energy Enhancements	223,847	-	223,847	-
CMT010	Underground Utilities	496,670	481,211	15,459	200,005
CMT011	Vail Village Inn Homeowners Roof Assessment	-	-	-	27,269
CMT016	Public Works Wash Down	-	-	-	59,093
CMT017	Slifer Plaza Fountain and Storm Sewer	156,593	83,176	73,417	1,327,236
CMT018	Public Works Shop Building Maintenance	300,000	-	300,000	-
CMT020	Liftside to Glen Lyon Underground Powerline	-	-	-	50,000
CMT021	Rockwall Mitigation	42,569	1,889	40,680	357,432
CMT022	Seibert Fountain	358,000	64,011	293,989	42,000
CMT023	Snowmelt Boilers	500,000	-	500,000	-
COT002	Street Light Improvement Program	144,945	576	144,369	5,355
COT004	Fiber-Optics in Buildings	150,000	52,785	97,215	77,979
COT015	Red Sandstone Parking Garage	1,308,906	142,360	1,166,546	1,474,162
COT021	I-70 Fiber Optics	94,800	93,616	1,184	-
COT024	West Forest Road Bridge Repair	-	-	-	293,063
COT025	Kinnickinnick (West) Bridge Repair	-	-	-	328,842
COT027	Children's Garden of Learning Boiler Replacement	52,500	6,054	46,446	-
COT028	Council Contribution - Vail Valley Foundation	-	-	-	55,000
COT030	Mill Creek Heated Sidewalk	115,832	115,832	-	24,420
COT031	Civic Area Redevelopment	1,000,000	-	1,000,000	-
COT032	Children's Garden of Learning Relocation	335,000	57,009	277,991	-
CSC016	Guest Services Enhancements	36,120	10,639	25,481	189,780
CSC017	Pedestrian Safety Enhancements	1,471,769	63,977	1,407,792	7,347
CSC018	East Meadow Drive Snowmelt	-	-	-	558,021
CSC020	Vail Trail Sidewalk Connection	-	-	-	93,475
CSR007	Neighborhood Road Reconstruction	321,840	278,316	43,524	78,160
CSR008	Neighborhood Bridges	48,186	24,323	23,863	1,904,355
CSR009	Frontage Road Enhancements VVMC	80,131	34,718	45,413	40,524
CSR010	West Vail Roundabout Repair	-	-	-	128,810
VRA010	I-70 Underpass	-	-	-	465,507
VRA017	Lionshead Express Bus Stop Improvements	-	-	-	10,008
VRA018	Lionshead Parking Structure Landscape Renovations	30,291	-	30,291	-
VRA021	West Lionshead Circle Crosswalk	75,000	49,682	25,318	47,394
	Total	34,378,781	12,669,368	21,709,413	19,574,164

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

Town of Vail, Colorado
Real Estate Transfer Tax Fund
Schedule of Project Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

		2020			2019
Project Number	Project Name	Final Budget	Actual	Variance Positive (Negative)	Actual
CCF001	Golf Clubhouse Redevelopment	33,824	9,015	24,809	19,111
CCF002	Ford Park Fields	54,636	-	54,636	596,159
RFP005	Alpine Gardens Pledge	71,094	71,094	-	69,700
RFP019	Ford Park Landscape Enhancement	75,000	-	75,000	66,111
RMG012	Gore Creek Signage	152,450	1,620	150,830	-
RMT001	Recreation Path Maintenance	140,000	65,283	74,717	79,639
RMT002	Tree Maintenance	65,000	54,112	10,888	64,739
RMT005	Street Furniture - Streetscape	167,935	45,935	122,000	64,865
RMT006	Eagle River Watershed Programs	40,000	35,000	5,000	42,000
RMT009	Park/Playground Capital Maintenance	175,108	77,226	97,882	84,892
RMT016	Ford Park / Tennis Center Improvements	163,487	22,424	141,063	-
RMT018	Dobson Ice Arena	161,023	52,037	108,986	50,420
RMT019	Gymnastics Center	258,608	18,565	240,043	1,392
RMT021	Golf Course Clubhouse and Other	-	-	-	39,093
RMT022	Recreation Enhancement Account (VRD)	541,665	-	541,665	-
RMT024	Athletic Fields	6,000	-	6,000	-
RMT025	Nature Center	383,522	-	383,522	50,428
RMT027	Golf Course - Other Improvements	722,509	348,191	374,318	459,919
RMT028	Dowd Junction Repairs	701,437	845	700,592	47,196
RMT030	East Vail Interchange Improvements	290,284	36,466	253,818	342,270
RMT033	North Bike Path Reconstruction	233,380	7,135	226,245	1,620
RMT035	Nature Center Capital Maintenance	145,292	-	145,292	-
RMT036	Recreation Facility Capital Maintenance	25,000	13,709	11,291	-
RFA001	Property Acquisition	-	-	-	14,860
RPI001	Playground Safety Improvements	-	-	-	1,443
RPI007	Streamtract Education	50,000	28,946	21,054	39,551
RPI008	East Vail Water Quality TAPS	-	-	-	24,943
RPI010	Water Quality Infrastructure	250,000	245,498	4,502	265,053
RPI011	Streambank Restoration	650,782	223,255	427,527	364,004
RPI012	Private Streambank	31,800	20,925	10,875	8,711
RPI013	Stephen's Park Improvements	453,352	420,130	33,222	7,695
RPI014	Covered Bridge Rehabilitation	112,022	1,016	111,006	4,913
RPI015	Turf Grass Reduction	-	-	-	35,364
RPI016	Sunbird Park Fountain Repairs	123,000	120,000	3,000	-
RPT022	Adopt-a-Trail	5,100	5,100	-	5,000
RPT023	Gore Valley Trail Reconstruction	25,000	-	25,000	-
RPT024	Gore Valley Trail Realignment	267,182	142,754	124,428	19,679
RPT025	Vail Valley Drive Path Extension	100,000	14,682	85,318	49,220
RPT026	Gore Valley Trail Bridge Replacement	10,000	2,762	7,238	75,694
RRT001	Public Art	60,000	22,070	37,930	59,775
RRT006	Public Art - Winterfest	56,094	32,970	23,124	43,991
RRT007	Public Art - Pete Seibert Memorial	19,600	2,450	17,150	300,000
RRT008	Nature Center Operations	90,000	81,599	8,401	75,036
RRT009	Public Art- Art Space	37,544	1,763	35,781	12,456
RSS006	Vail Transit Center Landscape	107,133	74,316	32,817	-
	Total	7,055,863	2,298,893	4,756,970	3,486,942

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

LOCAL HIGHWAY FINANCE REPORT

Financial Planning 02/01
The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Vail
	YEAR ENDING : December 2020
This Information From The Records Of Town of Vail:	Prepared By: Carlie Smith Phone: 970-479-2118

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	5,105,624
3. Other local imposts (from page 2)	1,098,364
4. Miscellaneous local receipts (from page 2)	-
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	-
7. Total (1 through 6)	6,203,988
B. Private Contributions	39,885
C. Receipts from State government (from page 2)	239,034
D. Receipts from Federal Government (from page 2)	-
E. Total receipts (A.7 + B + C + D)	6,482,907

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	564,201
2. Maintenance:	1,862,122
3. Road and street services:	
a. Traffic control operations	301,764
b. Snow and ice removal	1,631,083
c. Other	
d. Total (a. through c.)	1,932,847
4. General administration & miscellaneous	503,820
5. Highway law enforcement and safety	1,619,917
6. Total (1 through 5)	6,482,907
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	-
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	-
3. Total (1.c + 2.c)	-
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	6,482,907

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				-
1. Bonds (Refunding Portion)				
B. Notes (Total)				-

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
-	6,482,907	6,482,907	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2020

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	1,098,364	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,098,364	h. Other	
c. Total (a. + b.)	1,098,364	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	195,131	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	27,356	d. Federal Transit Admin	
d. Other (Specify)	16,547	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	43,903	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	239,034	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		-	-
b. Engineering Costs		179,860	179,860
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation		384,341	384,341
(4). System Enhancement & Operation			-
(5). Total Construction (1) + (2) + (3) + (4)	-	384,341	384,341
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	564,201	564,201
			(Carry forward to page 1)

Notes and Comments:

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Town of Vail, Colorado
Issuer's Annual Report
Update of Official Statement of Tables to be Updated
Tables I - III
December 31, 2020

TABLE I
Vail Reinvestment Authority History of Pledged Revenues

	2014	2015	2018	2019	2020
Pledged Revenues	3,673,030	4,221,743	5,124,621	5,467,621	6,236,307

TABLE II
Vail Reinvestment Authority History of Assessed Valuations

Levy Year	Collection Year	Total Assessed Valuation	Percent Change	Valuation Allocable to Base	Valuation Allocable to Increment
2015	2016	178,203,030	1.3%	99,314,850	78,888,180
2016	2017	212,494,370	19.2%	115,130,090	97,364,280
2017	2018	216,549,720	1.9%	115,130,090	101,419,630
2018	2019	253,332,420	17.0%	134,268,000	119,064,420
2019	2020	252,718,220	-0.2%	134,124,120	118,594,100

TABLE III
Mill Levies Affecting Property Owners within the Vail Reinvestment Authority Plan Area

Tax Areas	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
202	51.1300	51.6980	51.951	50.919	50.751
203	49.7500	50.3960	50.648	49.726	49.542
204	61.4300	60.8500	60.025	56.576	56.436
206	51.1300	51.6980	51.951	50.919	50.751
207	86.1300	86.6980	86.951	85.919	85.751
208	73.0100	73.5730	73.826	72.794	72.626
216	-	-	-	-	-
225	-	-	-	-	-

Town of Vail, Colorado
Issuer's Annual Report
Update of Official Statement of Tables to be Updated
Tables IV and V
December 31, 2020

TABLE IV
Largest Taxpayers in the Authority

Taxpayer Name	2020 Preliminary Assessed Valuation	Percentage of Total Assessed Valuation
Diamondrock LLC	42,688,980	16.9%
Arrrabelle at Vail Square LLC	28,646,250	11.3%
Ritz-Carlton Development Co. Inc.	10,299,710	4.1%
Lion Vail LLC	8,389,670	3.3%
Vail Corp	5,489,360	2.2%
Lazier Lionshead LLC	3,262,010	1.3%
A Belle Vail Co LLC	3,106,350	1.2%
Vail Marriott Resort & Spa	2,502,510	1.0%
Blue Ice 21 LLC	2,347,920	0.9%
SOHO Development LLC	2,172,880	0.9%
Landmark Commercial Dev. Co	1,940,440	0.8%
Total	252,718,220	

TABLE V
2020 Preliminary Assessed Valuation of Classes of Property in the Authority

Class	Total Assessed Valuation	Percentage of Total Assessed Valuation
Residential	147,029,960	58%
Commercial	103,928,090	41%
Vacant	1,211,840	0%
State assessed	548,330	0%
Total	252,718,220	100%

Town of Vail, Colorado
Issuer's Annual Report
Update of Official Statement of Tables to be Updated
Table VI
December 31, 2020

TABLE VI
History of Revenues, Expenditures and Changes in Fund Balance
Vail Reinvestment Authority

	2016	2017	2018	2019	2020
Revenues:					
Other:					
Property tax	3,959,506	4,514,083	5,475,660	5,825,058	6,851,562
Interest on investments	2,062	3,273	4,045	3,793	21,328
Interest subsidy (Build America Bonds)	168,246	168,427	169,059	164,876	100,098
Total Revenues	4,129,814	4,685,783	5,648,764	5,993,727	6,972,988
Expenditures:					
Economic Development:					
Administration	69,772	80,715	98,604	105,654	121,842
Fiscal agent fees	2,420	2,420	2,420	1,470	1,720
Treasurer's fees	118,789	135,427	164,416	174,754	205,547
Professional fees	2,810	8,087	2,895	1,445	1,353
Vail Square Metro District	456,784	464,039	524,143	526,106	736,681
Total Economic Development:	650,575	690,688	792,478	809,429	1,067,143
Debt Service:					
Principal	500,000	515,000	535,000	555,000	7,715,000
Interest	564,928	547,753	526,753	501,433	327,914
Total Debt Service:	1,064,928	1,062,753	1,061,753	1,056,433	8,042,914
Total Expenditures	1,715,503	1,753,441	1,854,231	1,865,862	9,110,057
Excess (Deficiency) of Revenues Over Expenditures	2,414,311	2,932,342	3,794,533	4,127,865	(2,137,069)
Other Financing Sources (Uses):					
Debt proceeds	-	-	-	-	6,386,000
Issuance costs	-	-	-	-	(105,360)
Transfers out	(3,546,063)	(4,179,718)	(4,599,998)	(3,804,281)	(1,809,400)
Total Other Financing Sources (Uses)	(3,546,063)	(4,179,718)	(4,599,998)	(3,804,281)	4,471,240
Net Change in Fund Balance	(1,131,752)	(1,247,376)	(805,465)	323,584	2,334,171
Fund Balance - January 1	5,443,901	4,312,149	3,064,773	2,259,308	2,582,892
Fund Balance - December 31	4,312,149	3,064,773	2,259,308	2,582,892	4,917,063

Town of Vail, Colorado
Issuer's Annual Report
Update of Official Statement of Tables to be Updated
Tables VII and VIII
December 31, 2020

TABLE VII
2020 Budget Summary and Actual Comparison / 2021 Budget
Vail Reinvestment Authority

	2020 Budget	2020 Actual	2021 Budget
Revenues:			
Other:			
Property tax	6,768,800	6,851,562	6,768,800
Interest on investments	17,492	21,328	2,000
Interest Subsidy (Build America Bonds)	82,541	100,098	-
Shared costs/project reimbursements	-	-	
Total Revenues	6,868,833	6,972,988	6,770,800
Expenditures:			
Economic Development:			
Administration	121,600	121,842	121,600
Office supplies		-	
Fiscal agent fees	2,800	1,720	-
Treasurer's fees	203,064	205,547	203,064
Professional fees	10,000	1,353	10,000
Vail Square Metro District	668,136	736,681	668,136
Capital outlay	-	-	
Total Economic Development:	1,005,600	1,067,143	1,002,800
Debt Service:			
Principal	7,715,000	7,715,000	618,000
Interest	334,243	327,914	72,316
Total Debt Service:	8,049,243	8,042,914	690,316
Total Expenditures	9,054,843	9,110,057	1,693,116
Excess (Deficiency) of Revenues over Expenditures	(2,186,010)	(2,137,069)	5,077,684
Other Financing Sources (Uses):			
Debt proceeds	6,386,000	6,386,000	
Issuance costs	(107,159)	(105,360)	-
Issuance premium	-	-	-
Transfers in	-	-	-
Transfers out	(1,905,291)	(1,809,400)	(8,550,000)
Total Other Financing Sources (Uses)	4,373,550	4,471,240	(8,550,000)
Net Change in Fund Balance	2,187,540	2,334,171	(3,472,316)
Fund Balance - January 1	2,565,203	2,582,892	4,770,433
Fund Balance - December 31	4,752,743	4,917,063	1,298,117

TABLE VIII
Outstanding Revenue Obligations

Issue	Outstanding Principal
Vail Reinvestment Authority Tax Increment Revenue Bonds, Series 2010B	6,386,000
Total	6,386,000

SINGLE AUDIT REPORTS and SCHEDULES

M & A

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Members of Town Council
Town of Vail, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Vail, Colorado (the "Town") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe that a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 26, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and Members of Town Council
Town of Vail, Colorado

Report on Compliance for Each Major Program

We have audited the compliance of the Town of Vail, Colorado's (the "Town") with the types of compliance requirements described in the U.S. Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2020. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Town's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

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Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2020-001. Our opinion on the Town's major federal programs is not modified with respect to this matter.

The Town's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Cost. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Town's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do no express an opinion on the effectiveness of the Town's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 26, 2021

Town of Vail, Colorado, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

Part I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, U.S. Code of Federal Regulations, Part 200	No
Major programs:	
Coronavirus Relief Fund	CFDA #21.019
2020 CARES Act 5311 A/O Award	CFDA #20.509
Dollar threshold used to identify Type A from Type B programs:	$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by *Government Auditing Standards*	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	Yes
Questioned costs	Yes
Auditor-assigned reference number	2020-001

Reference Number	Findings
2020-001	**Coronavirus Relief Fund (CFDA 21.019), Department of Treasury Passed through Colorado Department of Local Affairs**

Grant Period: Year ended December 31, 2020

Criteria or Specific Requirement: Grant criteria requires that payments from the Fund may only be used to cover costs that 1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease (COVID-19), 2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) and 3) were incurred during the period that begins March 1, 2020, and ends on December 31, 2021.

Condition: The Town submitted reimbursement for payroll of employees affected by closures but were accounted for in the Town’s budget.

Questioned Costs: Total questioned payroll costs were $135,964.

Context: The finding was noted in only one of seventeen transactions selected for testing.

Effect: Compliance over allowed costs was not followed.

Cause: Due to the expedited nature of the Coronavirus Relief Fund, the Town planned the reimbursed cost prior to issuance of clarified guidance, which occurred later in the year.

Recommendation: We recommend that the Town continue to seek additional guidance on the grant to ensure compliance requirements are followed.

Views of Responsible Officials and Planned Corrective Action: We agree with the auditor's recommendation and have amended the reimbursement report to remove the disallowed cost.

Town of Vail, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

There were no findings for the year ended December 31, 2019.

Town of Vail, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
Environmental Protection Agency:				
Passed through Colorado Department of Public Health and Environment:				
State Nonpoint Source Management Program	66.460		$ 114,168	
Total - Environmental Protection Agency			114,168	
Department of Treasury:				
Passed through Colorado Department of Local Affairs:				
Coronavirus Relief Fund	21.019		1,219,044	378,000
Total - Department of Treasury			1,219,044	378,000
Department of Transportation:				
Passed through Federal Transit Administration (FTA):				
2020 CARES Act 5311 A/O Award	20.509		1,504,242	
Total - Department of Transportation			1,504,242	
Department of Justice:				
Passed through Colorado Department of Public Safety:				
Bulletproof Vest Grant	16.607	n/a	475	
Total - Department of Justice			475	
TOTALS			$ 2,837,929	$ 378,000

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2020

Note 1. Basis of Presentation:
The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Vail (the "Town") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Therefore, some amounts presented in this schedule or used in this schedule may differ from amounts presented in or used in the preparation of the Town's general purpose financial statements.

Note 2. Determining the Value of Non-cash Awards Expended:
The Town had no non-cash awards expended during 2020.

Note 3. Indirect Facilities and Administration costs
The Town does not use the 10% de minimis cost rate allowed in in §200.414, *Indirect (F&A) Costs*, of the Uniform Guidance. Instead, the Town prepares an annual cost allocation plan to allocate indirect costs.