TOWN OF VAIL

Financial Statements
December 31, 2022

Town of Vail, Colorado
Financial Report
December 31, 2022

Table of Contents

Town of Vail, Colorado
Financial Report
December 31, 2022

Table of Contents
(Continued)

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 Town of Vail, Colorado (the "Town"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 Town of Vail, Colorado as of December 31, 2022, 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 U.S. GAAS, 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.

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

Required Supplementary Information (continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. 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*), section G (the Town's *Undertaking to Provide Continuing Disclosure*), and section H (the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information in sections F, G, and H 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 and H 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 U.S. GAAS. In our opinion, the information in section F and H 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 13, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain 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 on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 13, 2023

TOWN OF VAIL

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, 2022.

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 2022 fiscal year by $402,562,716 (net position). Of this amount, $2,964,000 is restricted for TABOR emergency reserves and $39,346 is restricted by enabling legislation.
- The Town's total net position increased in the 2022 fiscal year by $33,365,433 which was attributable to increase from governmental activities of $31,206,754 and an increase of $2,158,679 from business-type activities.
- At December 31, 2022, the fund balance of the General Fund was $53,449,555. Of that amount, $2,648,346 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 the Residences at Main Vail 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, four Special Revenue funds, and two Capital Projects funds. The Town's Special Revenue funds comprise the Vail Marketing Fund and Housing Fund, together with the Vail Local Marketing District and the Vail Reinvestment Authority, which are component units of the Town. The Capital Projects funds include the Capital Projects Fund and the Real Estate Transfer Tax Fund.

The Housing Fund was created in 2022 to account for a new 0.5% sales tax dedicated to housing programs, initiatives, and projects. During the November 2021 election, the Town's electorate voted in favor of this tax, which became effective January 1, 2022. The 0.5% housing sales tax applies to all items with the exception of food for home consumption, and will sunset on December 31, 2052.

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, Residences at Main Vail, 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 emergency service agencies throughout Eagle County. The Residences at Main Vail Fund is a deed-restricted for-rent housing development in the construction phase but is scheduled to begin operations in the fall of 2023. 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.

Overview of the Financial Statements (continued)

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 D29 of this report.

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 $386,863,708 at the close of the most recent fiscal year. Approximately 57% 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 2022 and 2021. Business-type activities for 2021 were restated due to implementing the new GASB Statement No. 87 accounting standard. More information on the standard and the restatement is on page D29 of the Notes.

	Governmental Activities		Business-type Activities		Total	
	2022	**2021**	**2022**	**2021 (restated)**	**2022**	**2021**
Current and other assets	$ 182,136,041	$ 163,486,038	$ 17,154,051	$ 26,081,077	$ 199,290,092	$ 189,567,115
Capital assets(net)	240,039,287	231,973,028	27,169,644	14,578,162	267,208,931	246,551,190
Total assets	422,175,328	395,459,066	44,323,695	40,659,239	466,499,023	436,118,305
Long-term liabilities outstanding	18,323,295	19,814,977	24,520,885	25,044,886	42,844,180	44,859,863
Other liabilities	11,275,263	14,274,662	3,462,932	1,107,274	14,738,195	15,381,936
Total liabilities	29,598,558	34,089,639	27,983,817	26,152,160	57,582,375	60,241,799
Deferred inflows	5,713,062	5,712,474	640,870	1,026,750	6,353,932	6,739,224
Net Position:						
Invested in capital assets, net of related debt	221,436,296	238,640,028	7,164,831	6,698,682	228,601,127	245,338,710
Restricted	3,003,346	2,972,681	-	-	3,003,346	2,972,681
Unrestricted	162,424,066	114,044,245	8,534,177	6,781,647	170,958,243	120,825,892
Total net position	$ 386,863,708	$ 355,656,954	$ 15,699,008	$ 13,480,329	$ 402,562,716	$ 369,137,283

The Town's current assets and capital assets from governmental activities increased during 2022. Current assets increased mainly due to higher cash and investments, while capital assets grew due to several significant capital projects including the completion of the new Public Works facility, the purchase of eleven housing properties to be used as Town employee rental units, and the completion of a new roundabout near the Lionshead parking structure. Other major construction projects and asset additions during the year were structural improvements to two of the Town's parking structures (Vail Village and Lionshead), new trail pavers near West Betty Ford Way, ongoing Gore Creek water quality improvements, and replacement of a fire engine.

The Town's long-term liabilities from governmental activities decreased mainly due to payments on annual debt obligations on the Vail Reinvestment Authority bonds and the Public Works streets facility Site and Improvement Lease. In 2021, the Town took advantage of favorable interest rates and entered into a Site and Improvement Lease and a Lease Purchase Agreement to fund the construction of a new Public Works streets facility. The Lease has an interest rate of 1.75% and will mature on December 1, 2035.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis (continued): Current assets from business activities decreased mainly due to the utilization of cash proceeds previously received from the issuance of a Certificate of Participation for the Residences at Main Vail workforce housing development project. In October of 2021, the Town issued $22,260,000 of Certificates of Participation. The net interest rate on these certificates is 2.76% and mature on December 1, 2032. Construction for this project began in November of 2021 and is expected to be completed in the fall of 2023. The construction and financing of this project are accounted for in the Residences at Main Vail Enterprise Fund. Liabilities from business activities increased due to outstanding payables at year-end for this project.

The Timber Ridge Enterprise Fund notes payable to the Town mature in 2032 and 2033. In January 2021, the balance of the $1.9 million promissory note originally maturing in 2032 was paid in full, together with all accrued interest. The remaining balance on the $8.0 million promissory note is reported as "internal balances" in the government-wide presentation on page C1. Details of the promissory note due from the Timber Ridge Enterprise Fund are found in note IV.F of this report.

The chart below provides financial information from the Town's Statement of Activities for the years 2022 and 2021. Business-type activities for 2021 were restated due to implementing the new GASB Statement No. 87 accounting standard. More information on the standard and the restatement is on page D29 of the Notes.

Town of Vail's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021 (restated)	2022	2021
Revenue:						
Program Revenue						
Charges for services	$ 13,565,609	$ 12,647,587	$ 4,219,198	$ 4,029,310	$ 17,784,807	$ 16,676,897
Operating grants	6,425,807	6,093,673	967,375	1,232,521	7,393,182	7,326,194
Capital grants	450,450	550,383	-	1,671,020	450,450	2,221,403
General Revenue						
Property and ownership tax	12,343,640	12,810,956	-	-	12,343,640	12,810,956
Sales and lodging tax	55,514,987	44,091,421	-	-	55,514,987	44,091,421
Other taxes	18,170,031	20,780,677	-	-	18,170,031	20,780,677
Interest and other revenue	191,139	153,392	163,186	(620)	354,325	152,772
Miscellaneous	1,186,763	1,496,880	50,936	28,752	1,237,699	1,525,632
Transfers	(1,335,758)	(171,945)	1,335,758	171,945	-	-
Total Revenue	106,512,668	98,453,024	6,736,453	7,132,928	113,249,121	105,585,952
Expenses:						
General government	11,429,559	9,644,794	-	-	11,429,559	9,644,794
Public safety	14,843,157	13,472,097	2,844,765	3,123,920	17,687,922	16,596,017
Public works and transportation	28,741,716	24,951,014	-	-	28,741,716	24,951,014
Culture and recreation	10,532,483	15,212,155	-	-	10,532,483	15,212,155
Economic development	9,444,803	8,865,215	-	-	9,444,803	8,865,215
Housing	-	-	1,733,009	1,290,869	1,733,009	1,290,869
Interest	314,195	488,836	-	-	314,195	488,836
Total Expenses	75,305,913	72,634,111	4,577,774	4,414,789	79,883,687	77,048,900
Change in Net Position	31,206,755	25,818,913	2,158,679	2,718,139	33,365,434	28,537,052
Net Position January 1	355,656,954	329,838,041	13,540,329	10,822,190	369,197,283	340,660,231
Net Position December 31	$ 386,863,709	$ 355,656,954	$ 15,699,008	$ 13,540,329	$ 402,562,717	$ 369,197,283

Financial Analysis of the Town's Funds

Governmental Activities: Governmental activities increased the Town's net position by $31,206,754, up approximately $5.4 million or 21% from 2021. The Town continued to experience a remarkable economic recovery after being impacted by the pandemic. Increased visitation. in addition to record levels of inflation, generated growth in the majority of the Town's major revenue sources; specifically sales tax, lodging tax, parking sales, and lift tax. Additionally, during the November 2021 election, Town voters passed a 0.5% sales tax to be dedicated towards housing projects, programs, and initiatives. This new sales tax generated nearly $5.0M in 2022. The Town's 1% real estate transfer tax also continued to experience significant growth as real estate prices continued to surge. The following items represent significant governmental activities during 2022:

- General 4% sales tax collections increased 18.1% or $6.2 million compared to the prior year. Sales tax collections experienced a record-breaking year totaling $40.8 million. This is attributed to both an increase in visitation and high inflation rates.
- Housing sales tax collections totaled $5.0 million during 2022.
- Lodging tax also saw record-breaking collections. Lodging tax collections totaled $5.4 million, a 27% or $1.1 million increase compared to 2021.
- The Town collected $9.6 million of Real Estate Transfer Tax, a $3.8 million decrease compared to the prior year which was a record year for real estate sales in the Town. During 2020 and 2021, real estate sales increased dramatically, both in dollar volume and number of transactions. Interest rates increases during 2022 affected the number of transactions, but property values remained high.
- Construction use tax decreased during 2022. Collections totaled $2.2 million, a 41% or $1.4 million decrease compared to 2021.
- Lift tax increased 17% or $954,728 over prior year due to increased skier visitation.
- Parking revenues totaled $8.2 million, a 13% or $1.1 million increase compared to the prior year. Prior to the 2022/2023 winter season, a new pricing structure was put in place for both daily and pass parking sales with the goal of changing parker behavior. This, combined with increased visitation, resulted in increased parking revenues.

Business-type Activities: Business-type activities comprise the Timber Ridge Enterprise Fund (a fund providing affordable housing to people working in the Town), the Residences at Main Vail Enterprise Fund (a new affordable housing project currently in the construction phase), and Vail Public Safety Communications Center (an enterprise fund providing dispatch services to emergency service agencies throughout Eagle County). The Residences at Main Vail is a deed-restricted for-rent housing development that is expected to begin operations in the fall of 2023. More information on this Enterprise Fund is included on page B6.

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 2022, the Town's governmental funds reported combined ending fund balances of $159,106,882; an increase of $21,092,664 from 2021 ending fund balances primarily due to higher tax revenues (general sales tax, housing sales tax, lodging tax, and real estate tax) and conservative spending. The following table details fund balances for governmental funds over the past five years:

Fund	2018	2019	2020	2021	2022
General Fund	$33,888,140	$36,306,665	$38,547,757	$44,426,288	$53,449,555
Housing Fund	-	-	-	-	13,957,070
Capital Projects Fund	46,845,813	50,099,177	53,843,487	59,841,742	52,565,769
Real Estate Transfer Tax	12,957,553	14,684,013	20,353,072	28,077,540	29,923,875
Vail Marketing Fund	303,241	386,835	387,124	409,749	416,323
Vail Local Marketing District	1,270,453	1,350,108	2,078,809	2,710,863	3,901,319
Vail Reinvestment Authority	2,259,307	2,582,892	4,917,063	2,548,036	4,892,971
Total	$97,524,507	$105,409,690	$120,127,312	$138,014,218	$159,106,882

Financial Analysis of the Town's Funds (continued)

Governmental Funds (continued): The General Fund ended 2022 with a fund balance of $53,449,555, an increase of $9,023,267 from the prior year. The change in fund balance was mainly due to an increase of $8.9 million in tax revenues which included both an increase in the general 4% sales tax, the addition of a new 0.5% sales tax dedicated to housing, as well as lift tax collections. Also contributing to the fund balance increase was the growth in parking revenues. Going into the 2022/2023 ski season the Town approved a new increased pricing structure impacting both daily parking rates and parking passes rates, with the goal to modify parker behavior and promote more sustainable ways of travel such as carpooling or bus transportation. This combined with increased guest visitation resulted in an increase in overall parking revenues.

The Capital Projects Fund had a fund balance of $52,565,769 at the end of 2022, a decrease of $7,275,973. This was mainly due to a balance transfer of $5.4 million to the Housing Fund for budgeted housing projects previously budgeted in the Capital Projects Fund such as the Vail *InDeed* program, the Town's housing buy-down program, and placeholders for land acquisitions for future housing projects. Additionally, there were several large capital purchases during 2022 which included $8.7 million to purchase eleven properties to be used for Town employee housing rentals, the completion of a new roundabout on South Frontage Road between the hospital and the Lionshead parking structure, as well as a new and updated parking entry system.

The Capital Projects Fund also accounts for the debt service on a $15.2 million lease-purchase agreement to finance the construction of the new Public Works streets building. The total cost of this project was $20.9 million. The annual debt service payment totaled $1.2 million in 2022. Additional information on the site lease can be found in the Notes to the Financial Statements on page D22.

The Real Estate Transfer Tax Fund ended 2022 with a fund balance of $29,923,875, an increase of $1,846,335 compared to the prior year. The increase in fund balance is a result of real estate transfer tax collections which totaled $9.6 million, combined with delayed timing of construction projects.

The Housing Fund is a new fund as of January 1, 2022 and was created due to a new 0.5% sales tax approved by Town voters during the November 2021 election. This tax is dedicated towards housing projects, programs, and initiatives in or around the Town. As a result of this new fund, all budgeted housing projects were moved from the Capital Projects Fund to the new Housing Fund along with a beginning balance of $5.3 million to fund these projects. This new tax generated nearly $5.0 million during 2022.

The Vail Local Marketing District ended the year with a fund balance of $3,901,319, an increase of $1,190,456, a 43% increase in fund balance from the prior year. This is attributed to record collections of the Marketing District's 1.4% lodging tax. 2022 collections totaled $5,472,949, an increase of $1,196,220 or a 27% increase compared to the prior year. Increases in visitation as well as higher lodging rates contributed to the growth in lodging tax.

The Vail Reinvestment Authority (VRA) was created in 2004 to administer an urban renewal authority established in the Lionshead area of the Town. The incremental property taxes generated $6.3 million in 2022, providing a funding mechanism for capital improvements within the district by covering annual debt service payments of $676,168 relating to $11.9 million in bonds originally issued in 2010. The bonds funded several projects including the Red Sandstone parking structure, the Sandstone Underpass, Zeke M. Piece Skate Park, and the new Lionshead Transit and Welcome Center. In June 2020, the Town took advantage of favorable interest rates, and the bonds were refunded through a Tax Increment Revenue Refunding Loan. The loan has a 1.19% interest rate and an outstanding balance of $5.156 million, and will mature June 1, 2030. During 2022, the fund balance was used to fund large projects within VRA's boundaries, including the second and final phase of the new roundabout on South Frontage Road near the Lionshead parking structure.

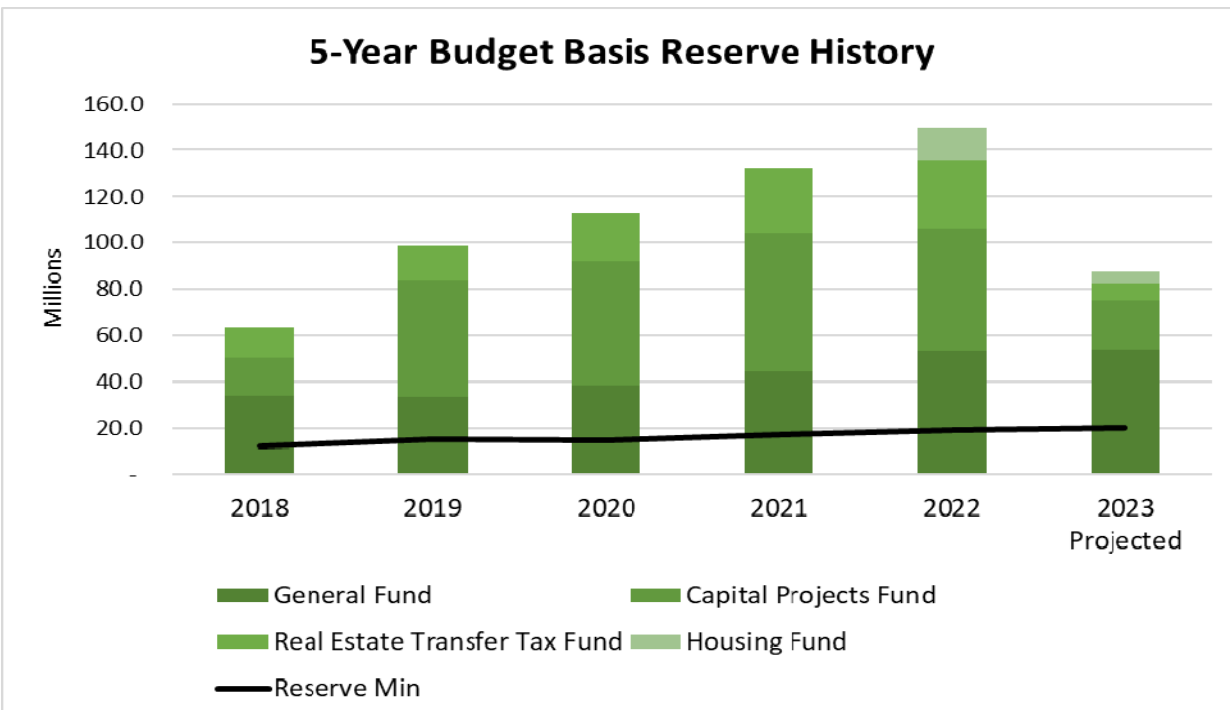
The Vail Marketing Fund is used to fund and track the Town's event spending. The Marketing Fund generated $362,978 in revenues from business licenses and also received a $1.8 million transfer from the Town's General Fund going towards $2.3 million in annual event spending.

Financial Analysis of the Town's Funds (continued)

Proprietary Funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

During 2021, the Town began construction on a 72-unit one- and two-bedroom housing project – the Residences at Main Vail – to provide affordable rental housing to people who live or work in the Town. The construction, financing, and future operations for this housing project are accounted for in the Residences at Main Vail Enterprise Fund. This project is estimated to cost $33 million, of which the majority is funded by $22.26 million of Certificates of Participation issued in October 2021. During 2022, this project was in the construction phase with $13.1 million spent towards the project. In addition, $788,354 was expended towards debt service. Additional information on the Series 2021 Certificates of Participation is included in the Notes to the Financial Statements on page D23.

Reserves: The Town's reserves continue to be strong. During 2022, the government fund reserves totaled $159.1 million, an increase of $21.1 million or a 15.3% from the prior year. These reserves are expected to help cash fund some major near-future capital projects that are a priority for both the community and Town Council. In the past, the Town's strong reserve levels have enabled Town Council to cash-fund major capital projects. The Town considers the General Fund, Capital Projects Fund, Real Estate Transfer Tax Fund, and Housing Fund reserves available to spend. The chart below shows the Town's available fund balances across these funds. Available reserves total approximately $149.9 million at the end of 2022; however, they are expected to decrease to $87.6 million in 2023 with both current ongoing projects and new larger capital projects.



Financial Analysis of the Town's Funds (continued)

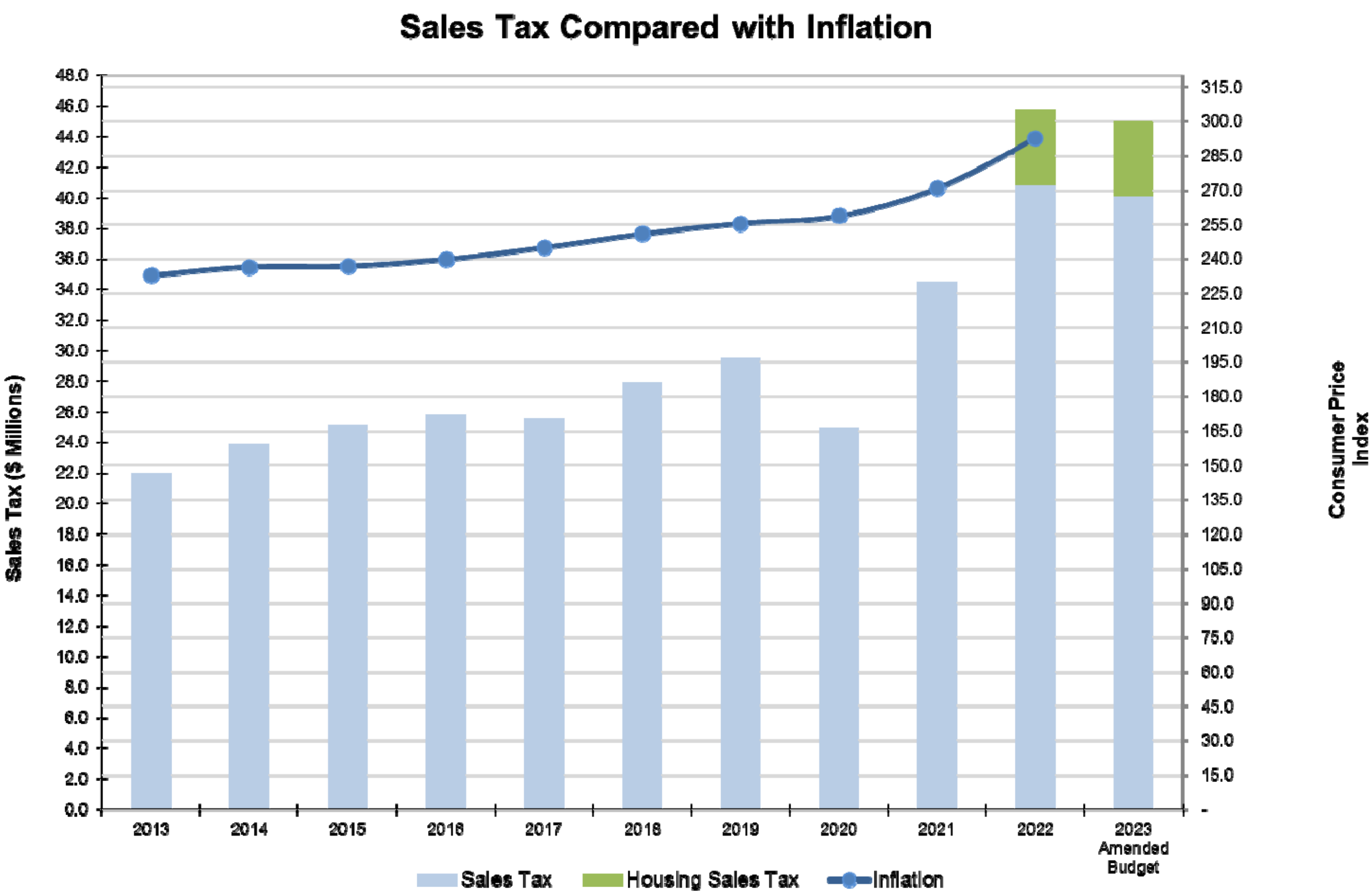
Long-term Debt: In 2021, the Town issued $22,260,000 of Certificates of Participation to fund the Residences at Main Vail workforce housing project, with an interest rate of 2.76% and payable on June 1 and December 1 through 2051. At the end of 2022, the Certificates of Participation had a balance of $21.9 million, of which $415,000 of principal will be due within one year.

During 2021, the Town also entered into a Site and Improvement Lease and Lease-Purchase Agreement to finance the construction of a new Public Works streets facility. The Lease bears interest at 1.75% and is payable on June 1 and December 1 through 2035. At the end of 2022, the Lease had a balance of $13.3 million, of which $920,000 of principal will be due within one year.

As of the end of the current fiscal year, the Vail Reinvestment Authority had a $5.156 million balance on the tax increment revenue refunding loan, of which $620,000 of bond principal is due within one year.

Additional information regarding the Town and Authority's debt can be found in the Notes to the Financial Statements in footnote IV.G of this report.

Sales Tax: Sales tax is the Town's largest revenue generator. During 2022, the Town had a 4% general sales tax to support governmental operations, including capital expenditures. The Town collected a total of $40.8 million, an increase of 6.2 million, or 18.1% compared to the prior year. During the 2021 November election, Vail voters approved a 0.5% increase in sales tax on all items other than food for home consumption. The increase in sales tax began being collected in January 2022 and is dedicated to funding housing initiatives, housing development, and housing programs. The following chart shows changes in the general sales tax for the past ten years. The new housing sales tax is also represented in the chart below.



Next Year's Budget and Rates

The Town's General Fund balance at the end of the current fiscal year was $53,449,555; representing 91% 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, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	146,593,001	2,636,185	149,229,186
Unrestricted cash and investments	10,619,629	2,144,169	12,763,798
Cash - Restricted	659,465	12,330,866	12,990,331
Receivables (net of allowance for uncollectible accounts):			
Property taxes assessed	5,713,062	-	5,713,062
Other taxes	9,138,952	-	9,138,952
Other governments	392,246	-	392,246
Other	1,146,476	3,329	1,149,805
Inventory	1,263,206	-	1,263,206
Prepaid expenses	1,130,470	519	1,130,989
Interest receivable	29,330	-	29,330
Internal balances	4,692,796	(4,692,796)	-
Lease receivable	-	4,731,779	4,731,779
Loans receivable:			
Collectible in more than one year	757,408	-	757,408
Capital assets not being depreciated	47,764,783	21,612,893	69,377,676
Capital assets being depreciated, net of accumulated depreciation	192,274,504	5,556,751	197,831,255
Total Assets	422,175,328	44,323,695	466,499,023
Liabilities:			
Accounts payable	2,557,742	2,647,849	5,205,591
Due to other governments	461,521	-	461,521
Retainage payable	106,991	-	106,991
Accrued salaries and wages	1,223,331	68,316	1,291,647
Interest payable	24,678	96,029	120,707
Other unearned revenue	4,441,362	63,157	4,504,519
Deposits payable	333,654	142,011	475,665
Compensated absences:			
Due within one year	585,984	30,570	616,554
Due in more than one year	1,367,295	71,330	1,438,625
Bonds payable:			
Due within one year	620,000	415,000	1,035,000
Due in more than one year	4,536,000	24,449,555	28,985,555
Financed purchase obligation:			
Due within one year	920,000	-	920,000
Due in more than one year	12,420,000	-	12,420,000
Total Liabilities	29,598,558	27,983,817	57,582,375
Deferred Inflow of Resources:			
Lease revenue	-	640,870	640,870
Unavailable property taxes	5,713,062	-	5,713,062
Total Deferred Inflow of Resources	5,713,062	640,870	6,353,932
Net Position:			
Net investment in capital assets	221,436,296	7,164,831	228,601,127
Restricted for:			
Emergencies	2,964,000	-	2,964,000
Other purposes	39,346	-	39,346
Unrestricted	162,424,066	8,534,177	170,958,243
Total Net Position	386,863,708	15,699,008	402,562,716

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

Town of Vail, Colorado
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues			Net (Expenses) Revenues 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	11,429,559	4,318,808	4,061,849	-	(3,048,902)		(3,048,902)
Public safety	14,843,157	286,135	-	-	(14,557,022)		(14,557,022)
Public works and transportation	28,741,716	8,341,232	2,110,089	450,450	(17,839,945)		(17,839,945)
Culture and recreation	10,532,483	256,456	126,369	-	(10,149,658)		(10,149,658)
Economic development	9,444,803	362,978	127,500	-	(8,954,325)		(8,954,325)
Interest on long-term debt	314,195	-	-	-	(314,195)		(314,195)
Total - Governmental Activities	75,305,913	13,565,609	6,425,807	450,450	(54,864,047)		(54,864,047)
Business-type Activities:							
Dispatch services	2,844,765	1,951,837	967,375	-		74,447	74,447
Housing (Timber Ridge)	943,405	2,267,361	-	-		1,323,956	1,323,956
Residences at Main Vail	789,604	-	-	-		(789,604)	(789,604)
Total - Business-type Activities	4,577,774	4,219,198	967,375	-		608,799	608,799
Totals	79,883,687	17,784,807	7,393,182	450,450	(54,864,047)	608,799	(54,255,248)
General Revenues:							
Taxes:							
Sales and use taxes					50,042,038	-	50,042,038
Real estate transfer taxes					9,603,456	-	9,603,456
Lodging taxes					5,472,949	-	5,472,949
Property and specific ownership taxes					12,343,640	-	12,343,640
Ski area lift ticket admissions tax					6,473,618	-	6,473,618
Franchise taxes					1,543,512	-	1,543,512
Tobacco taxes					549,445	-	549,445
Investment earnings					319,565	163,186	482,751
Gain on disposal of capital assets					(128,426)	-	(128,426)
Miscellaneous					1,186,763	50,936	1,237,699
Transfers					(1,335,758)	1,335,758	-
Total - General Revenues and Transfers					86,070,802	1,549,880	87,620,682
Change in Net Position					31,206,755	2,158,679	33,365,434
Net Position - January 1 (restated)					355,656,954	13,540,329	369,197,283
Net Position - December 31					386,863,709	15,699,008	402,562,717

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

FUND FINANCIAL STATEMENTS

Town of Vail, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

		Special Revenue Funds				Capital Projects Funds		
	General Fund	Vail Marketing Fund	Vail Local Marketing District	Vail Reinvestment Authority	Housing Fund	Capital Projects Fund	Real Estate Transfer Tax Fund	Total Governmental Funds
Assets:								
Equity in pooled cash and investments	47,697,498	637,427	-	-	13,102,324	47,076,834	30,188,760	138,702,843
Cash and cash equivalents - Unrestricted	18,892	-	3,299,629	7,301,108	-	-	-	10,619,629
Receivables, net:								
Property taxes assessed	5,713,062	-	-	-	-	-	-	5,713,062
Other taxes	8,066,250	-	1,016,683	-	-	8,669	47,350	9,138,952
Other governments	233,425	-	-	-	-	143,657	15,164	392,246
Other	819,577	-	-	-	-	279,301	25,352	1,124,230
Due from other funds	211,613	-	-	-	-	2,291,996	-	2,503,609
Loans receivable	757,408	-	-	-	-	4,692,796	-	5,450,204
Inventories	-	-	-	-	857,917	-	-	857,917
Prepaid expenses	197,461	-	-	-	-	516,362	356,548	1,070,371
Total Assets	63,715,186	637,427	4,316,312	7,301,108	13,960,241	55,009,615	30,633,174	175,573,063
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	1,176,479	62,709	314,993	4,528	3,171	81,301	204,084	1,847,265
Due to other governments	209,945	-	-	-	-	14,466	237,111	461,522
Due to other funds	-	-	100,000	2,403,609	-	-	-	2,503,609
Retainage payable	-	-	-	-	-	14,212	92,779	106,991
Accrued payroll and related liabilities	1,058,716	-	-	-	-	-	-	1,058,716
Unearned revenue	1,773,775	158,395	-	-	-	2,333,867	175,325	4,441,362
Deposits payable	333,654	-	-	-	-	-	-	333,654
Total Liabilities	4,552,569	221,104	414,993	2,408,137	3,171	2,443,846	709,299	10,753,119
Deferred Inflows of Resources:								
Property taxes	5,713,062	-	-	-	-	-	-	5,713,062
Total Deferred Inflows of Resources	5,713,062	-	-	-	-	-	-	5,713,062
Fund Balances:								
Non-spendable	954,869	-	-	-	857,917	5,209,158	356,548	7,378,492
Restricted	2,648,346	-	165,000	190,000	-	-	-	3,003,346
Committed	20,497,395	416,323	3,736,319	-	13,099,153	42,711,611	29,567,327	110,028,128
Assigned	-	-	-	4,702,971	-	4,645,000	-	9,347,971
Unassigned	29,348,945	-	-	-	-	-	-	29,348,945
Total Fund Balances	53,449,555	416,323	3,901,319	4,892,971	13,957,070	52,565,769	29,923,875	159,106,882
Total Liabilities and Fund Balances	63,715,186	637,427	4,316,312	7,301,108	13,960,241	55,009,615	30,633,174	

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.	234,066,539
Other long-term assets and unearned charges are not available as current financial resources and, therefore, are not reported in the funds.	688,795
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.	13,549,684
Long-term liabilities, including bonds payable, interest payable, financed purchases, and compensated absences within governmental activities are not due and payable in the current period and, therefore, are not reported in the funds.	(20,548,192)
Net Position of Governmental Activities	386,863,708

Town of Vail, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

		Special Revenue Funds				Capital Projects Funds		
	General Fund	Vail Marketing Fund	Vail Local Marketing District	Vail Reinvestment Authority	Housing Fund	Capital Projects Fund	Real Estate Transfer Tax Fund	Total Governmental Funds
Revenues:								
Taxes	39,219,283	-	5,472,949	6,296,288	4,954,438	18,944,771	9,603,456	84,491,185
Permits and licenses	2,766,739	362,978	-	-	-	-	-	3,129,717
Intergovernmental revenue	5,395,614	-	-	-	-	450,450	77,954	5,924,018
Charges for services	10,751,787	-	-	-	-	123,409	187,697	11,062,893
Investment income	169,375	(3,334)	2,730	11,585	-	82,246	45,786	308,388
Miscellaneous	261,189	127,500	-	-	2,099,175	42,143	126,177	2,656,184
Total Revenues	58,563,987	487,144	5,475,679	6,307,873	7,053,613	19,643,019	10,041,070	107,572,385
Expenditures:								
General government	10,789,918	-	-	-	-	-	-	10,789,918
Public safety	13,565,575	-	-	-	-	-	784,150	14,349,725
Public works and transportation	19,744,332	-	-	-	587,090	19,314,285	3,710,782	43,356,489
Culture and recreation	1,535,911	-	-	-	-	-	3,809,349	5,345,260
Economic development	1,853,272	2,305,570	4,285,223	994,774	-	-	-	9,438,839
Debt service:								
Principal	-	-	-	612,000	-	905,000	-	1,517,000
Interest	-	-	-	64,168	-	250,712	-	314,880
Total Expenditures	47,489,008	2,305,570	4,285,223	1,670,942	587,090	20,469,997	8,304,281	85,112,111
Excess (Deficiency) of Revenues Over Expenditures	11,074,979	(1,818,426)	1,190,456	4,636,931	6,466,523	(826,978)	1,736,789	22,460,274
Other Financing Sources (Uses):								
Sale of assets	65,226	-	-	-	(362,157)	314,724	-	17,793
Debt issuance costs	-	-	-	-	-	(1,250)	-	(1,250)
Transfers in	-	1,825,000	-	-	7,852,704	2,311,996	109,546	12,099,246
Transfers (out)	(2,116,938)	-	-	(2,291,996)	-	(9,074,465)	-	(13,483,399)
Total Other Financing Sources (Uses)	(2,051,712)	1,825,000	-	(2,291,996)	7,490,547	(6,448,995)	109,546	(1,367,610)
Net Change in Fund Balances	9,023,267	6,574	1,190,456	2,344,935	13,957,070	(7,275,973)	1,846,335	21,092,664
Fund Balances - January 1	44,426,288	409,749	2,710,863	2,548,036	-	59,841,742	28,077,540	138,014,218
Fund Balances - December 31	53,449,555	416,323	3,901,319	4,892,971	13,957,070	52,565,769	29,923,875	159,106,882

Net Change in Fund Balances of Governmental Funds	21,092,664
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 and transfers, for the year.	7,654,607
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.	838,309
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.	1,517,000
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 have no effect on net position.	174,839
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.	(70,665)
Change in Net Position of Governmental Activities	31,206,754

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

Town of Vail, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2022

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Timber Ridge	Dispatch Services Fund	Residences at Main Vail	TOTAL	
Assets:					
Current Assets:					
Equity in pooled cash and investments	-	2,636,185	-	2,636,185	7,890,158
Cash and cash equivalents - Unrestricted	2,144,169	-	-	2,144,169	-
Accounts receivable, net of allowance for uncollectibles	2,444	885	-	3,329	22,246
Inventory	-	-	-	-	405,289
Prepaid expenses	519	-	-	519	60,100
Total - Current Assets	2,147,132	2,637,070	-	4,784,202	8,377,793
Non-current Assets:					
Cash and cash equivalents - Restricted	142,011	-	12,188,855	12,330,866	-
Lease receivable	4,731,779	-	-	4,731,779	-
Property, plant, and equipment, net of accumulated depreciation	8,990,977	965,274	17,213,393	27,169,644	5,972,747
Total - Non-current Assets	13,864,767	965,274	29,402,248	44,232,289	5,972,747
Total Assets	16,011,899	3,602,344	29,402,248	49,016,491	14,350,540
Liabilities:					
Current Liabilities:					
Accounts payable	65,328	12,903	2,569,618	2,647,849	710,480
Accrued salaries and wages	-	68,316	-	68,316	35,615
Interest payable	29,330	-	66,699	96,029	-
Unearned revenue	63,157	-	-	63,157	-
Deposits payable	142,011	-	-	142,011	-
Current portion of bonds payable	-	-	415,000	415,000	-
Current portion of notes payable	395,574	-	-	395,574	-
Current portion of compensated absences	-	30,570	-	30,570	16,428
Total - Current Liabilities	695,400	111,789	3,051,317	3,858,506	762,523
Non-current Liabilities:					
Bonds payable, net of current portion	-	-	24,449,555	24,449,555	-
Notes payable, net of current portion	4,297,222	-	-	4,297,222	-
Compensated absences, net of current portion	-	71,330	-	71,330	38,333
Total - Non-current Liabilities	4,297,222	71,330	24,449,555	28,818,107	38,333
Total Liabilities	4,992,622	183,119	27,500,872	32,676,613	800,856
Deferred Inflow of Resources:					
Lease revenue	640,870	-	-	640,870	-
Total Deferred Inflow of Resources	640,870	-	-	640,870	-
Net Position:					
Net investment in capital assets	4,298,181	965,274	1,901,376	7,164,831	5,972,747
Unrestricted	6,080,226	2,453,951	-	8,534,177	7,576,937
Total Net Position	10,378,407	3,419,225	1,901,376	15,699,008	13,549,684

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, 2022

	Business-type Activities				
	Enterprise Funds				Governmental Activities - Internal Service Funds
	Timber Ridge	Dispatch Services Fund	Residences at Main Vail	TOTAL	
Operating Revenues:					
Charges for services - Internal	-	652,938	-	652,938	8,272,274
Charges for services - External	-	1,298,899	-	1,298,899	790,302
Rents	1,812,816	-	-	1,812,816	-
Ground lease	454,545	-	-	454,545	-
Insurance reimbursements	-	-	-	-	54,753
Other	50,736	-	-	50,736	-
Total Operating Revenues	2,318,097	1,951,837	-	4,269,934	9,117,329
Operating Expenses:					
Operations	510,985	2,697,440	-	3,208,425	3,126,442
Health claims and premiums	-	-	-	-	4,841,447
Depreciation	361,541	147,325	-	508,866	932,215
Total Operating Expenses	872,526	2,844,765	-	3,717,291	8,900,104
Operating Income (Loss)	1,445,571	(892,928)	-	552,643	217,225
Non-Operating Revenues (Expenses):					
Intergovernmental revenues	-	967,375	-	967,375	28,406
Gain (loss) on disposal of assets	-	-	-	-	180,640
Investment income	7,024	6,481	149,681	163,186	13,613
Interest expense	(70,879)	-	(788,354)	(859,233)	-
Financing fees	-	-	(1,250)	(1,250)	-
Project reimbursements	-	200	-	200	-
Total Non-Operating Revenues (Expenses)	(63,855)	974,056	(639,923)	270,278	222,659
Income (Loss) Before Transfers and Capital Contributions	1,381,716	81,128	(639,923)	822,921	439,884
Transfers, net	-	113,998	1,221,760	1,335,758	48,394
Capital contributions, net	-	-	-	-	350,031
Change in Net Position	1,381,716	195,126	581,837	2,158,679	838,309
Net Position - January 1 (restated)	8,996,691	3,224,099	1,319,539	13,540,329	12,711,375
Net Position - December 31	10,378,407	3,419,225	1,901,376	15,699,008	13,549,684

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, 2022

	Business-type Activities				
	Enterprise Funds				Governmental Activities - Internal Service Funds
	Timber Ridge	Dispatch Services Fund	Residences at Main Vail	TOTAL	
Cash Flows From Operating Activities:					
Cash received from other funds	-	652,938	-	652,938	8,272,274
Cash received from tenants for rent	1,824,313	-	-	1,824,313	-
Other cash receipts	50,736	1,755,542	-	1,806,278	872,501
Cash paid for goods and services	(475,285)	(479,691)	2,224,892	1,269,916	(6,779,297)
Cash paid to employees	-	(2,206,562)	-	(2,206,562)	(1,184,331)
Net Cash Provided (Used) by Operating Activities	1,399,764	(277,773)	2,224,892	3,346,883	1,181,147
Cash Flows From Non-Capital Financing Activities:					
Transfer (to) other funds	(389,727)	-	-	(389,727)	48,394
Transfer from other funds	-	113,998	1,221,760	1,335,758	-
Cash received from operating grants	-	967,375	-	967,375	28,406
Cash received from project reimbursements		200		200	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(389,727)	1,081,573	1,221,760	1,913,606	76,800
Cash Flows From Capital and Related Financing Activities:					
Cash received on disposal of fixed assets	-	-	-	-	188,745
Principal repaid on bonds and notes		-	(415,675)	(415,675)	-
Interest paid	(73,315)	-	(804,836)	(878,151)	-
Financing fees paid	-	-	(1,250)	(1,250)	-
Acquisition and construction of capital assets	(3,450)	-	(13,096,898)	(13,100,348)	(1,001,940)
Net Cash Provided (Used) by Capital and Related Financing Activities	(76,765)	-	(14,318,659)	(14,395,424)	(813,195)
Cash Flows From Investing Activities:					
Interest on investments	7,024	6,481	149,681	163,186	13,613
Net Cash Provided (Used) by Investing Activities	7,024	6,481	149,681	163,186	13,613
Net Increase (Decrease) in Cash and Cash Equivalents	940,296	810,281	(10,722,326)	(8,971,749)	458,365
Cash and Cash Equivalents - January 1	1,345,884	1,825,904	22,911,181	26,082,969	7,431,793
Cash and Cash Equivalents - December 31	2,286,180	2,636,185	12,188,855	17,111,220	7,890,158
Cash and Cash Equivalents at December 31 is Comprised of:					
Equity in pooled cash and investments	-	2,636,185	-	2,636,185	7,890,158
Cash and cash equivalents - Unrestricted	2,144,169	-	-	2,144,169	-
Cash and cash equivalents - Restricted	142,011	-	12,188,855	12,330,866	-
Total - Cash and Cash Equivalents	2,286,180	2,636,185	12,188,855	17,111,220	7,890,158
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income/(Loss)	1,445,571	(892,928)	-	552,643	217,225
Adjustments:					
Depreciation	361,541	147,325	-	508,866	932,215
(Increase) decrease in accounts receivable	-	456,642	-	456,642	27,447
(Increase) decrease in rent receivable	(124,002)	-	-	(124,002)	-
(Increase) decrease in inventory	-	-	-	-	(64,365)
(Increase) decrease in prepaid expenses	(260)	12,625	-	12,365	-
Increase (decrease) in accounts payable	35,960	(10,477)	2,224,892	2,250,375	56,787
Increase (decrease) in tenant security deposits	2,811	-	-	2,811	-
Increase (decrease) in prepaid rent	4,023	-	-	4,023	-
Increase (decrease) in deferred inflows	(325,880)	-	-	(325,880)	
Increase (decrease) in accrued wages and benefits	-	9,040	-	9,040	11,838
Total Adjustments	(45,807)	615,155	2,224,892	2,794,240	963,922
Net Cash Provided (Used) by Operating Activities	1,399,764	(277,773)	2,224,892	3,346,883	1,181,147
Non-cash Investing, Capital and Financing Activities:					
Assets contributed by Capital Projects Fund	-	-	-	-	350,031

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, 2022

	Pension Trust	Deferred Compensation Plan
Assets:		
Cash and investments - Restricted	83,808,125	24,342,499
Loans to participants	418,172	-
Total Assets	84,226,297	24,342,499
Net Position:		
Held in trust for pension benefits and other purposes	84,226,297	24,342,499
Total Net Position	84,226,297	24,342,499

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, 2022

	Pension Trust	Deferred Compensation Plan
Additions:		
Contributions:		
Contributions	3,885,067	2,768,339
Net investment earnings:		
Investment earnings	(13,573,117)	(3,637,977)
Investment expenses	(105,381)	(28,974)
Net investment earnings	(13,678,498)	(3,666,951)
Total Additions	(9,793,431)	(898,612)
Deductions:		
Benefits paid	4,825,056	1,244,194
Total Deductions	4,825,056	1,244,194
Change in Net Position	(14,618,487)	(2,142,806)
Net Position - January 1	98,844,784	26,485,305
Net Position - December 31	84,226,297	24,342,499

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

TOWN OF VAIL

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, 2022, 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, Residences at Main Vail, 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 *Housing Fund* accounts for the collection of a 0.5% sales tax dedicated to housing projects, programs, and initiatives.

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.

The *Residences at Main Vail Fund* accounts for the 72 one- and two-bedroom unit rental housing project currently being constructed in the Town.

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 financed purchases 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 or net asset 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. The Housing Fund records inventory for affordable housing units held for sale.

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 engineering, legal, surveying and landscaping that were incurred from the beginning of construction until the assets were substantially complete are capitalized. Interest incurred during the construction phase is expensed as incurred.

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

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.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts Presentation (continued)

9. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category, unavailable revenue from property taxes reported in the governmental balance sheet and on the Statement of Net Position, and long-term lease revenue reported in the business-type funds. 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. Deferred inflows attributable to lease revenues are discussed in Note I.E.11, below.

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.

11. Leases

The Town is a lessor for the lease of land, as further described in Note IV.D. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases, and the lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts Presentation (continued)

11. Leases (continued)

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

12. 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.J.

	General Fund	Vail Marketing Fund	Vail Local Marketing Disctict	Vail Reinvestment Authority	Housing Fund	Capital Projects Fund	Real Esate Transfer Tax Fund
Nonspendable:							
Non-current receivables	$ 757,408	$ -	$ -	$ -	$ -	$ -	$ -
Loans to other funds	-	-	-	-	-	4,692,796	-
Prepaid items	197,461	-	-	-	-	516,362	356,548
Inventories	-	-	-	-	857,917	-	-
Total - Nonspendable	954,869	-	-	-	857,917	5,209,158	356,548
Restricted:							
TABOR emergency reserve	2,609,000	-	165,000	190,000	-	-	-
Police funds	39,346	-	-	-	-	-	-
Total - Restricted	2,648,346	-	165,000	190,000	-	-	-
Committed:							
Capital projects	-	-	-	-	-	42,711,611	-
Parks and recreation	-	-	-	-	-	-	29,567,327
Housing	-	-	-	-	13,099,153	-	-
Operating reserve	20,497,395	-	-	-	-	-	-
Destination marketing	-	416,322	3,736,319	-	-	-	-
Total - Committed	20,497,395	416,322	3,736,319	-	13,099,153	42,711,611	29,567,327
Assigned:							
Capital maintenance	-	-	-	-	-	4,645,000	-
Debt service	-	-	-	4,702,971	-	-	-
Total - Assigned	$ -	$ -	$ -	$ 4,702,971	$ -	$ 4,645,000	$ -

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 $234,066,539 difference is related to property, plant and equipment of $416,008,692 less accumulated depreciation of $181,942,153.

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 $688,795 difference is comprised of pension forfeitures of $659,465 and interest receivable of $29,330.

Net position totaling $13,549,684 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, financed purchases, and compensated absences within governmental activities are not due and payable in the current period and, therefore, are not reported in the funds.*" This $20,548,196 difference is related to bonds and notes payable of $18,496,000; accrued compensated absences of $1,898,518; retirement bonus payable of $129,000; and interest payable of $24,678.

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 $7,654,607 difference is comprised of capital outlay of $20,333,045 less depreciation expense of $12,351,579; net book value of disposed assets of $326,859 and net book value of transferred assets of $-.

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 Timber Ridge Enterprise Fund, the Dispatch Services Enterprise Fund, the Residences at Main Vail Enterprise Fund, and the Heavy Equipment Internal Service 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	Residences at Main Vail Fund	Heavy Equipment Fund
Change in Net Position - Budget Basis	$ 1,350,079	$ 330,555	$ (12,830,061)	$ (579,609)
add/(less):				
Capital contributions	-	-	-	350,031
Loan principal repayment to Capital Projects Fund	389,728	-	-	-
Bond principal payments			315,000	
Change in accrued compensated absences	-	11,896	-	(422)
Capitalized assets	3,450	-	13,096,898	1,351,972
Net book value of disposed assets	-	-	-	(8,105)
Depreciation	(361,541)	(147,325)	-	(932,215)
Change in Net Position - GAAP Basis	$ 1,381,716	$ 195,126	$ 581,837	$ 181,652

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

The Town followed these procedures in preparing, approving, and enacting its budget for 2022:

(1) For the 2022 budget year, prior to August 25, 2021, 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 2021 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
(3) Prior to December 15, 2021, 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 2021 were collected in 2022 and taxes certified in 2022 will be collected in 2023. 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 2022:

(1) On or before September 30, 2021, 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 21, 2021.
(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, 2021. The Board adopted the 2022 budget on October 19, 2021.
(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.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

VRA's budget timetable generally aligns with Town's in order to reflect reimbursements for capital projects within the VRA district. VRA followed these procedures in preparing, approving, and enacting its budget for 2022:

(1) For the 2022 budget year, prior to August 25, 2021, the County Assessor sent the Town a certified assessed valuation of all taxable property within the VRA's boundaries.

(2) After appropriate public notice and a required public hearing, the VRA must adopt the proposed budget and a resolution that legally appropriated expenditures for the upcoming year. This resolution generally aligns with the Town's second reading of the budget ordinance. The VRA adopted the 2022 budget on October 12, 2021.

(3) After adoption of the initial budget resolution, VRA 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 the Town, VLMD, and VRA. The budgetary comparison schedules reflect the original budget and the final budget after legally authorized revisions were made.

B. 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, 2022 fund balance in the General Fund and the Vail Reinvestment Authority Fund for this purpose in the amounts of $2,609,000 and $190,000, respectively, which are the approximate required reserves.

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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.

C. TABOR Amendment – Vail Local Marketing District

As required by TABOR, VLMD has reserved $165,000 of its fund balance for emergencies, which is the approximate required reserve at December 31, 2022.

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 $25,206,391. The difference between the bank balance and book balance is primarily due to deposits in transit or outstanding checks at December 31, 2022.

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.

At December 31, 2022, 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	$ 8,862,681	$ -	$ 8,862,681	$ -
Mortgage pools	24,841,757	-	-	24,841,757
Total	$ 33,704,438	$ -	$ 8,862,681	$ 24,841,757
Investments Measured at Net Asset Value:				
COLOTRUST	$ 80,387,168			

IV. Detailed Notes on all Funds (continued)

A. Deposit and Investments (continued)

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	38%

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			$ 2,230
Demand deposits			60,889,480
Certificates of deposit		<1 year	1,208,740
Certificates of deposit		<5 years	7,653,941
Total - Deposits			$ 69,754,391
Investments:			
Mortgage pools	AA+	N/A	$ 24,841,757
COLOTRUST	AAAm	N/A	80,387,168
Pension and Section 457 investments	N/A	N/A	108,568,796
Total - Investments			$ 213,797,720
Total deposits and investments			$ 283,552,111

Reconciliation to Statement of Net Position:	
Equity in pooled cash and investments	$ 149,229,186
Cash and cash equivalents - Unrestricted	12,763,798
Cash and cash equivalents - Restricted	12,990,331
Fiduciary funds	108,568,796
Total	$ 283,552,111

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	$ 5,713,062	$ -	$ -	$ -	$ -	$ -
Other taxes	8,066,250	-	1,016,683	-	8,669	47,350
Other governments	233,425	-	-	-	143,657	15,164
Other	854,577	-	-	-	279,301	25,352
Lease receivable (*see Note IV.D*)	-	-	-	-	-	-
Receivables - Gross	14,867,314	-	1,016,683	-	431,627	87,866
Less: Allowance for uncollectibles	(35,000)	-	-	-	-	-
Receivables, net	$ 14,832,314	$ -	$ 1,016,683	$ -	$ 431,627	$ 87,866

	Timber Ridge	Dispatch Services Fund	Heavy Equipment Fund	Health Insurance Fund	Total
Receivables:					
Property taxes	$ -	$ -	$ -	$ -	$ 5,713,062
Other taxes	-	-	-	-	9,138,952
Other governments	-	-	-	-	392,246
Other	2,444	885	21,102	1,144	1,184,805
Lease receivable (*see Note IV.D*)	4,731,779	-	-	-	4,731,779
Receivables - Gross	4,734,223	885	21,102	1,144	21,160,844
Less: Allowance for uncollectibles	-	-	-	-	(35,000)
Receivables, net	$ 4,734,223	$ 885	$ 21,102	$ 1,144	$ 21,125,844

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 $4,441,362 at December 31, 2022 and is comprised of the following:

	General Fund	Vail Marketing Fund	Capital Projects Fund	Real Estate Transfer Tax Fund	Total
Unearned revenues:					
Business licenses	$ -	$ 158,395	$ -	$ -	$ 158,395
Art projects	-	-	-	15,688	15,688
Environmental programs	-	-	-	159,637	159,637
Federal grants	1,377,167	-	-	-	1,377,167
Parking fees	219,078	-	-	-	219,078
Library grants	97,243	-	-	-	97,243
Police programs	80,287	-	-	-	80,287
Construction projects	-	-	2,333,867	-	2,333,867
	$ 1,773,775	$ 158,395	$ 2,333,867	$ 175,325	$ 4,441,362

IV. Detailed Notes on all Funds (continued)

B. Receivables (continued)

Unearned revenue for construction projects in the Capital Projects Fund includes $558,563 collected from Holy Cross Energy for community enhancement to place utilities underground. The other $1,775,304 was collected from developers for road improvements. The revenue will be recognized in the year the money is spent.

Loans receivable at December 31, 2022 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, 2022 was $757,408.

C. Capital Assets

Capital asset activity for the Town's governmental activities during 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 24,814,189	$ -	$ -	$ 24,814,189
Art	3,038,464	37,196	(100,000)	2,975,660
Construction in process	1,855,399	2,047,698	(393,459)	3,509,638
Intangibles	15,485,203	980,093	-	16,465,296
Total Capital Assets, Not Being Depreciated	45,193,255	3,064,987	(493,459)	47,764,783
Capital Assets, Being Depreciated:				
Buildings and improvements	133,169,829	11,312,373	(333,957)	144,148,245
Infrastructure and improvements	180,873,705	3,966,906	-	184,840,611
Equipment and vehicles	57,486,076	4,132,058	(7,407,876)	54,210,258
Total Capital Assets Being Depreciated	371,529,610	19,411,337	(7,741,833)	383,199,114
Less Accumulated Depreciation For:				
Buildings and improvements	(59,898,845)	(3,319,033)	135,819	(63,082,059)
Infrastructure and improvements	(91,221,488)	(6,153,740)	-	(97,375,228)
Equipment and vehicles	(33,629,504)	(3,811,021)	6,973,202	(30,467,323)
Total Accumulated Depreciation	(184,749,837)	(13,283,794)	7,109,021	(190,924,610)
Total Capital Assets Being Depreciated, Net	186,779,773	6,127,543	(632,812)	192,274,504
Governmental Activities Capital Assets, Net	$ 231,973,028	$ 9,192,530	$ (1,126,271)	$ 240,039,287

IV. Detailed Notes on all Funds (continued)

C. Capital Assets

Capital asset activity for the Town's business-type activities during 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 4,570,520	$ -	$ -	$ 4,570,520
Construction in process	3,945,475	13,096,898	-	17,042,373
Total Capital Assets, Not Being Depreciated	8,515,995	13,096,898	-	21,612,893
Capital Assets, Being Depreciated:				
Buildings and improvements	9,429,160	-	-	9,429,160
Infrastructure and improvements	885,912	3,450	-	889,362
Equipment	2,792,799	-	(1,254,175)	1,538,624
Total Capital Assets Being Depreciated	13,107,871	3,450	(1,254,175)	11,857,146
Less Accumulated Depreciation For:				
Buildings and improvements	(5,045,691)	(314,379)	(267,216)	(5,360,069)
Infrastructure and improvements	(319,814)	(47,162)	-	(366,976)
Equipment	(1,680,199)	(147,325)	1,254,175	(573,349)
Total Accumulated Depreciation	(7,045,704)	(508,866)	986,959	(6,300,394)
Total Capital Assets Being Depreciated, Net	6,062,167	(505,416)	(267,216)	5,556,752
Business-type Activities Capital Assets, Net	$ 14,578,162	$ 12,591,482	$ (267,216)	$ 27,169,645

Depreciation expense for 2022 was charged to functions of the Town as follows:

Governmental Activities:	
General government	$ 868,024
Public safety	463,391
Public works and transportation	9,399,471
Culture and recreation	2,552,908
Total Depreciation Expense - Governmental Activities	$ 13,283,794
Business-type Activities:	
Dispatch services	$ 147,325
Housing	361,541
Total Depreciation - Business-type Activities	$ 508,866

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, 2022, the Town had $79,371,546 of fully-depreciated assets.

IV. Detailed Notes on all Funds (continued)

D. Lease Receivable

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 land on the eastern half of the Timber Ridge development (the "Property"). Under the terms of the Ground Lease, the Town leases the Property to Lion's Ridge for a 50-year term, during which time Lion's Ridge will construct and lease deed-restricted apartments on the Property. Pursuant to the Ground Lease, the Town grants Lion's Ridge an option to purchase the Property at any time prior to December 31, 2024. The Town is reasonably certain Lion's Ridge will exercise the option, and has calculated the lease receivable and related deferred inflows accordingly.

The future principal and interest lease payments as of December 31, 2022 were as follows:

	Principal	Interest	Total
2023	$ -	$ 132,262	$ 132,262
2024	3,692,067	135,959	3,828,026
Totals	$ 3,692,067	$ 268,221	$ 3,960,288

Total outstanding current interest receivable on the lease is $1,039,712.

E. Interfund Receivables, Payables, and Transfers

At December 31, 2022, VRA owed the Capital Projects Fund $2,403,609, consisting of $111,613 in management fees to the General Fund and $2,291,996 to complete the construction of a new roundabout on South Frontage Road between the Vail Municipal Building and Lionshead Parking Structure, final clean-up and site improvements for the new childcare center on the upper level of the Lionshead Parking Structure, the installation of an electric snowmelt boiler in Lionshead Village, and structural repairs and maintenance to the Lionshead Parking Structure.

The Timber Ridge Enterprise Fund has a promissory note payable to the Town which is reflected as an internal balance between the governmental activities and business-type activities categories on the Statement of Net Position. The note had an original principal balance of $8 million, bears interest at 1.5% per annum, calls for blended annual payments, and matures in December 2033. Timber Ridge remitted $73,315 of interest to the Town during 2022 and, as of December 31, 2022, had recorded $29,330 of accrued interest payable to the Town. The outstanding principal balance of the note at December 31, 2022 was $4,692,796.

Remaining debt service requirements for the $8 million promissory note are as follows:

	Principal	Interest	Total
2023	$ 395,574	$ 67,425	$ 462,999
2024	401,508	61,447	462,955
2025	407,530	55,379	462,909
2026	413,643	49,220	462,863
2027	419,848	42,969	462,817
2028 - 2032	2,195,616	117,747	2,313,363
2033	459,077	3,443	462,520
Totals	$ 4,692,796	$ 397,631	$ 5,090,427

IV. Detailed Notes on all Funds (continued)

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

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.

F. 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.

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.

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

IV. Detailed Notes on all Funds (continued)

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

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.

3. Certificates of Participation, Series 2021

The Town issued $22,260,000 of Certificates of Participation dated October 27, 2021 (the “the Series 2021 Certificates”), with proceeds used to finance the acquisition, construction, installation, and equipping of rental workforce housing. The interest rates on the Series 2021 Certificates range from 2.65% to 4% and are payable on June 1 and December 1 through 2051. The Series 2021 Certificates maturing on or after December 1, 2032 are subject to redemption prior to maturity at the option of the Town, and on any date thereafter, at par plus accrued interest to the redemption date, with no redemption premium. Certificates maturing December 1, 2041, 2046, and 2051 are subject to a mandatory sinking fund redemption at a price equal to the principal amount thereof, plus accrued interest to the redemption date.

4. Lease Purchase Financing, Series 2021

During 2021, the Town entered into a Site and Improvement Lease and a Lease Purchase Agreement with Truist Bank (“Truist”), a North Carolina Banking Corporation, for $15,190,000 to finance the construction of additions and renovations to the respect to property currently utilized as the Town’s Public Works facility (the “Site”). The loan bears interest at 1.75% and are payable on June 1 and December 1 through 2035.

G. 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, 2022 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 $4,558,166 at December 31, 2022 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.

IV. Detailed Notes on all Funds (continued)

H. 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, 2022.

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

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Tax Increment Revenue Refunding Loan, Series 2020	$ 6,386,000	$ -	$ (1,230,000)	$ 5,156,000	$ 620,000
Lease Purchase Financing, Series 2021	14,245,000	-	(905,000)	13,340,000	920,000
Compensated absences	1,535,093	418,186	-	1,953,279	585,984
Total Governmental Activities Long-term Liabilities	$ 22,166,093	$ 418,186	$ (2,135,000)	$ 20,449,279	$ 2,125,984
Business-type Activities:					
2021 Certificates of Participation	$ 22,260,000	$ -	$ (315,000)	$ 21,945,000	$ 415,000
Debt issuance premium	3,020,230	-	(100,675)	2,919,555	-
Compensated absences	113,794	-	(11,894)	101,900	30,570
Total Business-type Activities Long-term Liabilities	$ 25,394,024	$ -	$ (427,569)	$ 24,966,455	$ 445,570

Debt service requirements for the governmental activities at December 31, 2022 were as follows:

	Principal	Interest	Total
Governmental Activities:			
2023	$ 1,540,000	$ 304,104	$ 1,844,104
2024	1,566,000	280,666	1,846,666
2025	1,591,000	256,849	1,847,849
2026	1,611,000	232,605	1,843,605
2027	1,636,000	208,037	1,844,037
2028-2032	7,197,000	670,078	7,867,078
2033-2037	3,355,000	157,740	3,512,740
Total Governmental Activities	$ 18,496,000	$ 2,110,079	$ 20,606,079

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)

I. Long-term Liabilities - Activity and Debt Service Schedules (continued)

Debt service requirements for the business-type activities at December 31, 2022 were as follows:

	Principal	Interest	Total
Business-Type Activities:			
2023	$ 415,000	$ 800,388	$ 1,215,388
2024	435,000	783,788	1,218,788
2025	450,000	766,388	1,216,388
2026	470,000	748,388	1,218,388
2027	490,000	729,588	1,219,588
2028-2032	2,750,000	3,338,738	6,088,738
2033-2037	3,350,000	2,742,538	6,092,538
2038-2042	4,070,000	2,017,338	6,087,338
2043-2047	4,955,000	1,135,138	6,090,138
2048-2051	4,560,000	303,188	4,863,188
Total Business-type Activities	$ 21,945,000	$ 13,365,475	$ 35,310,475

J. 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.

IV. Detailed Notes on all Funds (continued)

J. Fund Balance Disclosures (continued)

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.

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.

V. Other Information (continued)

A. Pension Plans (continued)

The annual pension cost is the Town's contributions less forfeitures from the prior year. The plans' invested assets at December 31, 2022 of $83,808,125 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 2022 covered payroll was $23,864,881 of which $20,259,267 was for permanent employees and $3,605,615 was for seasonal staff. Total 2022 payroll for all Town employees was $23,864,881.

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.

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 $24,342,499 at December 31, 2022. 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.

V. Other Information (continued)

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 2022:

Claims liability, beginning of year	$ 552,212
Current year claims	(3,560,333)
Claims payments	3,314,816
Claims liability, end of year	$ 306,695

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, 2022.

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, 2022.

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.

V. Other Information (continued)

G. Restatement for New Accounting Standard

The Town implemented GASB Statement No. 87, *Leases* ("GASB 87"), effective January 1, 2022. GASB 87 requires that governments recognize certain lease assets and liabilities for leases that previously were classified as operating leases, and recognize inflows or outflows of resources based on the payment provisions of each such contract. The implementation of GASB 87 required the Town to recognize the Town's lease receivable disclosed in Note IV.D., with corresponding net increases in the beginning balance of the government-wide statement of activities business-type net position and beginning fund balance of the Timber Ridge Fund, as follows:

Business -Type Net Position - Beginning of Year	$ 11,028,785
Record lease receivable	3,478,294
Record lease revenue deferred inflow	(966,750)
Business-Type Net Position - Beginning of Year (restated)	$ 13,540,329
Timber Ridge Fund Balance - Beginning of Year	$ 6,485,147
Record lease receivable	3,478,294
Record lease revenue deferred inflow	(966,750)
Timber Ridge Fund Balance - Beginning of Year (restated)	$ 8,996,691

TOWN OF VAIL

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General sales taxes	19,034,000	24,771,000	24,771,000	-	17,050,000
Property and ownership taxes	6,014,632	6,064,632	6,041,413	(23,219)	6,016,105
Ski area lift ticket admissions tax	5,448,196	6,273,196	6,473,618	200,422	5,518,890
Franchise tax	1,105,043	1,203,043	1,325,361	122,318	1,148,610
Tobacco tax	540,000	540,000	549,445	9,445	536,920
Penalties and interest on delinquent taxes	48,574	48,574	58,446	9,872	65,774
Total - Taxes	32,190,445	38,900,445	39,219,283	318,838	30,336,299
Permits and Licenses:					
Construction fees	1,152,667	1,152,667	969,651	(183,016)	1,457,334
Contractors' licenses	52,020	52,020	59,700	7,680	80,698
Other permits and licenses	982,016	1,607,016	1,465,688	(141,328)	1,386,950
Total - Permits and Licenses	2,186,703	2,811,703	2,495,039	(316,664)	2,924,982
Intergovernmental:					
County sales tax	982,400	1,499,400	1,537,472	38,072	1,209,002
County road and bridge	750,000	800,000	795,229	(4,771)	798,139
Additional motor vehicle registration fees	27,500	27,500	28,105	605	28,191
Highway users tax	223,323	223,323	228,525	5,202	215,331
Other county sources	87,500	89,034	187,500	98,466	87,500
Other state sources	280,000	776,761	808,348	31,587	818,102
Federal sources	1,658,768	3,316,002	1,810,435	(1,505,567)	2,252,073
Total - Intergovernmental	4,009,491	6,732,020	5,395,614	(1,336,406)	5,408,338
Charges for Services:					
Management fees - Vail Local Marketing District	145,000	145,000	145,000	-	145,000
Internal service charge	589,450	699,821	711,534	11,713	906,303
Out of district fire response	40,800	40,800	82,120	41,320	77,520
Parking	6,608,758	7,758,758	8,153,534	394,776	7,060,319
Fines and forfeitures	206,567	206,567	230,774	24,207	268,878
Rents	1,119,843	1,152,379	1,418,890	266,511	1,116,305
Other charges, services, and sales	296,047	296,047	281,635	(14,412)	262,647
Total - Charges for Services	9,006,465	10,299,372	11,023,487	724,115	9,836,972
Investment Income:					
Earnings on investments	200,000	200,000	169,375	(30,625)	100,880
Miscellaneous:					
Miscellaneous	251,000	448,395	261,189	(187,206)	492,929
Total Revenues	47,844,104	59,391,935	58,563,987	(827,948)	49,100,400

(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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021
(Continued)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Town officials	1,854,509	2,299,167	2,388,333	(89,166)	1,553,568
Administrative	7,143,647	7,427,175	5,710,327	1,716,848	5,051,194
Community development	3,132,763	3,468,036	2,691,258	776,778	2,279,951
Total - General Government	12,130,919	13,194,378	10,789,918	2,404,460	8,884,713
Public Safety:					
Police department	7,537,535	7,976,916	7,560,233	416,683	6,882,503
Fire department	5,478,406	6,340,158	6,005,342	334,816	5,495,895
Total - Public Safety	13,015,941	14,317,074	13,565,575	751,499	12,378,398
Public Works and Transportation:					
Highways and streets	6,054,987	6,085,910	5,622,398	463,512	5,066,774
Transportation	5,821,755	6,395,390	6,527,048	(131,658)	5,664,681
Parking operations	2,037,180	2,076,162	2,002,102	74,060	1,731,583
Facility maintenance	4,343,797	5,572,214	5,592,784	(20,570)	4,109,888
Total - Public Works and Transportation	18,257,719	20,129,676	19,744,332	385,344	16,572,926
Culture and Recreation:					
Special recreation facilities	292,550	295,550	301,992	(6,442)	250,085
Library	1,050,451	1,209,260	1,233,919	(24,659)	1,054,540
Total - Culture and Recreation	1,343,001	1,504,810	1,535,911	(31,101)	1,304,625
Economic Development:					
Contributions, marketing, and special events	2,199,509	2,315,401	1,853,272	462,129	1,781,243
Total - Economic Development	2,199,509	2,315,401	1,853,272	462,129	1,781,243
Total Expenditures	46,947,089	51,461,339	47,489,008	3,972,331	40,921,905
Excess (Deficiency) of Revenues Over Expenditures	897,015	7,930,596	11,074,979	3,144,383	8,178,495
Other Financing Sources (Uses):					
Sale of assets	-	-	65,226	65,226	17,963
Transfers out	(2,490,600)	(2,603,025)	(2,116,938)	486,087	(2,317,927)
Total Other Financing Sources (Uses)	(2,490,600)	(2,603,025)	(2,051,712)	551,313	(2,299,964)
Net Change in Fund Balance	(1,593,585)	5,327,571	9,023,267	3,695,696	5,878,531
Fund Balance - January 1	39,981,996	44,426,288	44,426,288	-	38,547,757
Fund Balance - December 31	38,388,411	49,753,859	53,449,555	3,695,696	44,426,288

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Permits and Licenses:					
Business licenses	345,000	345,000	362,978	17,978	340,488
Investment Income:					
Interest on investments	1,000	1,000	(3,334)	(4,334)	239
Miscellaneous:					
Project reimbursements/shared costs	-	152,500	127,500	(25,000)	-
Total Revenues	346,000	498,500	487,144	(11,356)	340,727
Expenditures:					
Economic Development:					
Special events	2,010,327	2,089,312	1,589,724	499,588	1,650,621
Commission on Special Events	811,648	811,648	689,698	121,950	610,457
Cultural heritage	-	8,000	8,000	-	40,000
Administration fee	17,250	17,250	18,149	(899)	17,024
Total Expenditures	2,839,225	2,926,210	2,305,571	620,639	2,318,102
Excess (Deficiency) of Revenues Over Expenditures	(2,493,225)	(2,427,710)	(1,818,427)	609,283	(1,977,375)
Other Financing Sources (Uses):					
Transfers in	2,490,600	2,425,085	1,825,000	(600,085)	2,000,000
Total Other Financing Sources (Uses)	2,490,600	2,425,085	1,825,000	(600,085)	2,000,000
Net Change in Fund Balance	(2,625)	(2,625)	6,573	9,198	22,625
Fund Balance - January 1	372,374	409,749	409,749	-	387,124
Fund Balance - December 31	369,749	407,124	416,322	9,198	409,749

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Lodging tax	3,825,000	5,350,000	5,472,949	122,949	4,276,729
Investment Income:					
Interest on investments	1,000	1,000	2,730	1,730	281
Miscellaneous:					
Miscellaneous	-	-	-	-	2,970
Total Revenues	3,826,000	5,351,000	5,475,679	124,679	4,279,980
Expenditures:					
Economic Development:					
Destination	891,000	980,027	951,881	28,146	987,546
Front Range	218,500	158,473	267,708	(109,235)	449,774
Groups and meetings	265,000	265,000	229,324	35,676	201,894
Marketing	1,972,000	2,476,174	1,842,896	633,278	1,408,172
Event Liason	25,000	25,000	25,000	-	25,000
Purchased services	828,500	981,290	968,414	12,876	575,540
Total Expenditures	4,200,000	4,885,964	4,285,223	600,741	3,647,926
Net Change in Fund Balance	(374,000)	465,036	1,190,456	725,420	632,054
Fund Balance - January 1	2,710,863	2,710,863	2,710,863	-	2,078,809
Fund Balance - December 31	2,336,863	3,175,899	3,901,319	725,420	2,710,863

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property tax	6,802,000	6,301,000	6,296,288	(4,712)	6,789,616
Investment Income:					
Interest on investments	15,000	15,000	11,585	(3,415)	31,824
Total Revenues	6,817,000	6,316,000	6,307,873	(8,127)	6,821,440
Expenditures:					
Economic Development:					
Administration	122,200	111,800	111,613	187	120,007
Treasurer's fees	204,060	189,030	188,891	139	203,691
Professional fees	10,000	10,000	215	9,785	-
Vail Square Metro District	692,000	689,670	694,055	(4,385)	765,730
Total - Economic Development	1,028,260	1,000,500	994,774	5,726	1,089,428
Debt Service:					
Principal	612,000	612,000	612,000	-	618,000
Interest	70,297	70,297	64,168	6,129	72,316
Total - Debt Service	682,297	682,297	676,168	6,129	690,316
Total Expenditures	1,710,557	1,682,797	1,670,942	11,855	1,779,744
Excess (Deficiency) of Revenues Over Expenditures	5,106,443	4,633,203	4,636,931	3,728	5,041,696
Other Financing Sources (Uses):					
Transfers out	(50,000)	(2,302,146)	(2,291,996)	10,150	(7,410,723)
Total Other Financing Sources (Uses)	(50,000)	(2,302,146)	(2,291,996)	10,150	(7,410,723)
Net Change in Fund Balance	5,056,443	2,331,057	2,344,935	13,878	(2,369,027)
Fund Balance - January 1	2,548,036	2,548,036	2,548,036	-	4,917,063
Fund Balance - December 31	7,604,479	4,879,093	4,892,971	13,878	2,548,036

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

Town of Vail, Colorado
Housing Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022

	2022			
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Taxes:				
Sales tax	-	4,813,000	4,954,438	141,438
Total - Taxes	-	4,813,000	4,954,438	141,438
Miscellaneous:				
Project reimbursements/shared costs	-	-	2,040,000	2,040,000
Employee Housing Fee-in-Lieu	-	46,000	52,425	6,425
Miscellaneous	-	-	6,750	6,750
Total - Miscellaneous	-	46,000	2,099,175	2,053,175
Total Revenues	-	4,859,000	7,053,613	2,194,613
Expenditures:				
Public Works:				
Capital projects and acquisition	2,500,000	13,477,171	587,090	12,890,081
Total - Public Works	2,500,000	13,477,171	587,090	12,890,081
Total Expenditures	2,500,000	13,477,171	587,090	12,890,081
Excess (Deficiency) of Revenues Over Expenditures	(2,500,000)	(8,618,171)	6,466,523	15,084,694
Other Financing Sources (Uses):				
Sale of assets	-	1,689,000	(362,157)	(2,051,157)
Transfers in	2,500,000	7,852,702	7,852,704	2
Total Other Financing Sources (Uses)	2,500,000	9,541,702	7,490,547	(2,051,155)
Net Change in Fund Balance	-	923,531	13,957,070	13,033,539
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	-	923,531	13,957,070	13,033,539

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Sales tax	11,666,000	15,179,000	16,536,790	1,357,790	17,812,406
Construction use tax	2,800,000	1,965,000	2,189,830	224,830	3,682,745
Franchise tax	204,000	204,000	218,151	14,151	204,702
Total - Taxes	14,670,000	17,348,000	18,944,771	1,596,771	21,699,853
Permits and Licenses:					
Construction fees	-	1,500,000	-	(1,500,000)	74,491
Intergovernmental:					
County revenues	-	462,333	445,009	(17,324)	-
State grants	-	2,358,149	-	(2,358,149)	1,448,777
Federal grants	-	3,470,882	5,441	(3,465,441)	550,383
Total - Intergovernmental	-	6,291,364	450,450	(5,840,914)	1,999,160
Charges for Services:					
Leases - Vail Commons	164,067	164,067	123,409	(40,658)	163,909
Resale fees	-	-	-	-	-
Total - Charges for Services	164,067	164,067	123,409	(40,658)	163,909
Investment Income:					
Interest on investments	575,908	575,908	82,246	(493,662)	50,449
Miscellaneous:					
Project reimbursements/shared costs	-	15,000	41,683	26,683	73,442
Miscellaneous	-	-	460	460	-
Total - Miscellaneous	-	15,000	42,143	27,143	73,442
Total Revenues	15,409,975	25,894,339	19,643,019	(6,251,320)	24,061,304
Expenditures:					
Public Works:					
Capital projects and acquisition	10,040,105	47,533,885	19,314,285	28,219,600	39,634,350
Debt Service:					
Principal payments	905,000	905,000	905,000	-	945,000
Interest	250,712	250,712	250,712	-	210,905
Total - Debt Service	1,155,712	1,155,712	1,155,712	-	1,155,905
Total Expenditures	11,195,817	48,689,597	20,469,997	28,219,600	40,790,255
Excess (Deficiency) of Revenues Over Expenditures	4,214,158	(22,795,258)	(826,978)	21,968,280	(16,728,951)
Other Financing Sources (Uses):					
Debt proceeds	-	-	-	-	15,190,000
Debt issuance costs	-	-	(1,250)	1,250	(185,265)
Sale of assets	-	295,000	314,724	19,724	165,766
Transfers in	50,000	2,322,146	2,311,996	(10,150)	12,056,705
Transfers (out)	(2,500,000)	(13,999,906)	(9,074,465)	4,925,441	(4,500,000)
Total Other Financing Sources (Uses)	(2,450,000)	(11,382,760)	(6,448,995)	4,933,765	22,727,206
Net Change in Fund Balance	1,764,158	(34,178,018)	(7,275,973)	26,902,045	5,998,255
Fund Balance - January 1	34,827,888	59,841,742	59,841,742	-	53,843,487
Fund Balance - December 31	36,592,046	25,663,724	52,565,769	26,902,045	59,841,742

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Real estate transfer tax	7,500,000	9,707,414	9,603,456	(103,958)	13,371,555
Intergovernmental Revenue:					
Lottery revenue	20,000	20,000	30,714	10,714	32,908
Other county revenue	101,200	441,200	40,000	(401,200)	-
Other state revenue	-	-	7,240	7,240	46,006
Total - Intergovernmental Revenue	121,200	461,200	77,954	(383,246)	78,914
Charges for Services:					
Recreation amenities fee	10,000	10,000	6,190	(3,810)	86,145
Land lease to Vail Recreation District	171,700	171,700	181,507	9,807	174,778
Total - Charges for Services	181,700	181,700	187,697	5,997	260,923
Investment Income:					
Interest on investments	100,460	100,460	45,786	(54,674)	(22,055)
Miscellaneous:					
Project reimbursements	-	-	25,128	25,128	26,554
Donations	-	46,599	23,287	(23,312)	17,936
Other	32,000	65,915	77,762	11,847	38,809
Total - Miscellaneous	32,000	112,514	126,177	13,663	83,299
Total Revenues	7,935,360	10,563,288	10,041,070	(522,218)	13,772,636
Expenditures:					
Public Safety					
Fire suppression	631,393	954,465	784,150	170,315	288,558
Public Works:					
Capital projects	7,441,224	26,532,646	3,710,782	22,821,864	2,199,610
Culture and Recreation:					
Project management	375,000	485,371	480,173	5,198	668,578
Park maintenance	2,135,540	2,192,354	1,726,336	466,018	1,878,052
Environmental sustainability	1,461,006	1,821,715	1,437,864	383,851	884,723
Art in public places	136,586	139,281	164,976	(25,695)	128,647
Total - Culture and Recreation	4,108,132	4,638,721	3,809,349	829,372	3,560,000
Total Expenditures	12,180,749	32,125,832	8,304,281	23,821,551	6,048,168
Excess (Deficiency) of Revenues Over Expenditures	(4,245,389)	(21,562,544)	1,736,789	23,299,333	7,724,468
Other Financing Sources (Uses):					
Transfers in	-	109,546	109,546	-	-
Total Other Financing Sources (Uses)	-	109,546	109,546	-	-
Net Change in Fund Balance	(4,245,389)	(21,452,998)	1,846,335	23,299,333	7,724,468
Fund Balance - January 1	17,380,339	28,077,540	28,077,540	-	20,353,072
Fund Balance - December 31	13,134,950	6,624,542	29,923,875	23,299,333	28,077,540

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Rents	1,812,841	1,812,841	1,812,816	(25)	1,734,323
Ground lease	-	-	454,545	454,545	454,545
Other	20,219	20,219	50,736	30,517	28,752
Total Operating Revenues	1,833,060	1,833,060	2,318,097	485,037	2,217,620
Operating Expenses:					
Operating expenses	486,516	486,516	510,985	(24,469)	501,148
Capital outlay	7,050	7,050	3,450	3,600	11,216
Total Operating Expenses	493,566	493,566	514,435	(20,869)	512,364
Operating Income (Loss)	1,339,494	1,339,494	1,803,662	464,168	1,705,256
Non-operating Revenues (Expenses):					
Interest on investments	480	480	7,024	6,544	114
Interest expense	(73,315)	(73,315)	(70,879)	2,436	(76,951)
Loan principal repayment - Capital Projects Fund	(389,728)	(389,728)	(389,728)	-	(2,283,969)
Total Non-operating Revenue (Expenses)	(462,563)	(462,563)	(453,583)	8,980	(2,360,806)
Change in Net Position - Budget Basis	876,931	876,931	1,350,079	473,148	(655,550)
Reconciliation to GAAP Basis:					
Adjustments:					
Loan principal repayment - Capital Projects Fund			389,728		2,283,969
Capitalized assets			3,450		11,216
Depreciation			(361,541)		(361,028)
Total Adjustments			31,637		1,934,157
Change in Net Position - GAAP Basis			1,381,716		1,278,607

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges and Fees:					
Dispatch service fee	652,938	652,938	652,938	-	616,306
Dispatching contracts	1,298,899	1,298,899	1,298,899	-	1,224,136
Total Operating Revenues	1,951,837	1,951,837	1,951,837	-	1,840,442
Operating Expenses:					
Public Safety:					
Salaries and benefits	2,376,337	2,490,335	2,215,602	274,733	2,170,280
Operating expenses	555,065	555,065	466,206	88,859	443,290
Capital outlay	20,174	30,680	27,528	3,152	634,859
Total Operating Expenses	2,951,576	3,076,080	2,709,336	366,744	3,248,429
Operating (Loss) - Budget Basis	(999,739)	(1,124,243)	(757,499)	366,744	(1,407,987)
Non-operating Revenues:					
Operating grant - Intergovernmental	0	10,506	11,103	597	284,097
Other state revenues	-	-	-	-	71,012
Operating grant - E-911 Board	956,272	956,272	956,272	-	874,606
Other operating federal grants	-	-	-	-	2,806
Project reimbursements	-	-	200	200	-
Earnings on investments	2,000	2,000	6,481	4,481	(995)
Total Non-operating Revenues	958,272	968,778	974,056	5,278	1,231,526
Income (Loss) Before Transfers	(41,467)	(155,465)	216,557	372,022	(176,461)
Transfers in	-	113,998	113,998	-	171,945
Change in Net Position - Budget Basis	(41,467)	(41,467)	330,555	372,022	(4,516)
Reconciliation to GAAP Basis:					
Adjustments:					
Change in accrued compensated absences			11,896		15,688
Capitalized assets			-		297,151
Depreciation			(147,325)		(188,330)
Total Adjustments			(135,429)		124,509
Change in Net Position - GAAP Basis			195,126		119,993

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

Town of Vail, Colorado
Residences at Main Vail 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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Expenses:					
Capital outlay	-	27,466,201	13,096,898	14,369,303	2,445,475
Total Operating Expenses	-	27,466,201	13,096,898	14,369,303	2,445,475
Operating Income (Loss)	-	(27,466,201)	(13,096,898)	14,369,303	(2,445,475)
Non-operating Revenues (Expenses):					
Interest on investments	-	-	149,681	149,681	261
Interest expense	(905,578)	(905,578)	(788,354)	117,224	(83,181)
Bond proceeds	-	-	-	-	22,260,000
Bond premium	-	-	-	-	3,076,530
Bond principal payments	-	-	(315,000)	(315,000)	-
Financing fees	-	-	(1,250)	(1,250)	(268,561)
Total Non-operating Revenue (Expenses)	(905,578)	(905,578)	(954,923)	(49,345)	24,985,049
Income (Loss) Before Transfers	(905,578)	(28,371,779)	(14,051,821)	14,319,958	22,539,574
Transfers in	-	6,147,204	1,221,760	(4,925,444)	-
Change in Net Position - Budget Basis	(905,578)	(22,224,575)	(12,830,061)	9,394,514	22,539,574
Reconciliation to GAAP Basis:					
Adjustments:					
Bond principal payments			315,000		-
Bond proceeds			-		(22,260,000)
Bond premium			-		(3,076,530)
Capitalized assets			13,096,898		2,445,475
Capital contributions			-		1,671,020
Total Adjustments			13,411,898		(21,220,035)
Change in Net Position - GAAP Basis			581,837		1,319,539

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges and Fees:					
Operating charges	2,883,439	2,883,439	2,537,204	(346,235)	2,378,717
Replacement charges	1,014,079	1,014,079	986,149	(27,930)	939,230
Total - Charges and Fees	3,897,518	3,897,518	3,523,353	(374,165)	3,317,947
Insurance reimbursements	10,000	63,611	54,753	(8,858)	50
Other	-	-	-	-	20,153
Total Operating Revenues	3,907,518	3,961,129	3,578,106	(383,023)	3,338,150
Operating Expenses:					
Public Works:					
Vehicle maintenance and fuel	3,075,132	3,360,426	3,073,977	286,449	2,447,654
Capital outlay	1,055,000	1,852,201	1,351,972	500,229	892,592
Total Operating Expenses	4,130,132	5,212,627	4,425,949	786,678	3,340,246
Operating Income (Loss) - Budget Basis	(222,614)	(1,251,498)	(847,843)	403,655	(2,096)
Non-operating Revenues:					
Intergovernmental revenues	-	-	28,406	28,406	3,569
Earnings on investments	2,000	2,000	2,689	689	(1,914)
Proceeds from sale of assets	126,890	126,890	188,745	61,855	215,261
Total Non-operating Revenues:	128,890	128,890	219,840	90,950	216,916
Transfers in	-	48,394	48,394	-	-
Change in Net Position - Budget Basis	(93,724)	(1,074,214)	(579,609)	494,605	214,820
Reconciliation to GAAP Basis:					
Adjustments:					
Contribution from Capital Projects Fund			350,031		-
Change in accrued compensated absences			(422)		(1,991)
Capitalized assets			1,351,972		892,592
Net book value of disposed assets			(8,105)		(33,102)
Depreciation			(932,215)		(837,830)
Total Adjustments			761,261		19,669
Change in Net Position - GAAP Basis			181,652		234,489

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

	2022				2021
	Original Budget	**Final Budget**	**Actual**	**Final Budget Variance Positive (Negative)**	**Actual**
Operating Revenues:					
Charges and Fees:					
Insurance premiums	4,748,921	4,748,921	4,748,921	-	4,600,000
Insurance premiums - Employee contributions	993,081	993,081	790,302	(202,779)	901,513
Total Operating Revenues	5,742,002	5,742,002	5,539,223	(202,779)	5,501,513
Operating Expenses:					
General Government:					
Health claims	4,607,721	4,607,721	3,378,056	1,229,665	3,839,863
Premiums	1,838,004	1,838,004	1,463,391	374,613	1,382,167
Administrative fees	58,820	58,820	52,043	6,777	45,855
Total Operating Expenses	6,504,545	6,504,545	4,893,490	1,611,055	5,267,885
Operating Income (Loss)	(762,543)	(762,543)	645,733	1,408,276	233,628
Non-operating Revenues:					
Earnings on investments	35,000	35,000	10,924	(24,076)	(3,912)
Change in Net Position	(727,543)	(727,543)	656,657	1,384,200	229,716

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, 2022

	Heavy Equipment Fund	Health Insurance Fund	Total
Assets:			
Current Assets:			
Equity in pooled cash and investments	2,540,752	5,349,406	7,890,158
Accounts receivable, net of allowance for uncollectibles	21,102	1,144	22,246
Inventory	405,289	-	405,289
Prepaid expenses	-	60,100	60,100
Total - Current Assets	2,967,143	5,410,650	8,377,793
Non-current Assets:			
Property, plant, and equipment, net of accumulated depreciation	5,972,747	-	5,972,747
Total Assets	8,939,890	5,410,650	14,350,540
Liabilities:			
Current Liabilities:			
Accounts payable	403,195	307,285	710,480
Accrued salaries and wages	35,615	-	35,615
Current portion of compensated absences	16,428	-	16,428
Total - Current Liabilities	455,238	307,285	762,523
Non-current Liabilities:			
Compensated absences, net of current portion	38,333	-	38,333
Total Liabilities	493,571	307,285	800,856
Net Position:			
Net investment in capital assets	5,972,747	-	5,972,747
Unrestricted	2,473,572	5,103,365	7,576,937
Total Net Position	8,446,319	5,103,365	13,549,684

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

Town of Vail, Colorado
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2022

	Heavy Equipment Fund	Health Insurance Fund	Total
Operating Revenues:			
Charges for services - Internal	3,523,353	4,748,921	8,272,274
Charges for services - External	-	790,302	790,302
Insurance reimbursements	54,753	-	54,753
Total Operating Revenues	3,578,106	5,539,223	9,117,329
Operating Expenses:			
Operations	3,074,399	52,043	3,126,442
Health claims and premiums	-	4,841,447	4,841,447
Depreciation	932,215	-	932,215
Total Operating Expenses	4,006,614	4,893,490	8,900,104
Operating Income (Loss)	(428,508)	645,733	217,225
Non-operating Revenues (Expenses):			
Intergovernmental revenues	28,406	-	28,406
Gain (loss) on disposal of assets	180,640	-	180,640
Investment income	2,689	10,924	13,613
Total Non-operating Revenues (Expenses)	211,735	10,924	222,659
Income (Loss) Before Transfers and Capital Contributions	(216,773)	656,657	439,884
Transfers In	48,394	-	48,394
Capital contributions, net	350,031	-	350,031
Change in Net Position	181,652	656,657	838,309
Net Position - January 1	8,264,667	4,446,708	12,711,375
Net Position - December 31	8,446,319	5,103,365	13,549,684

Town of Vail, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2022

	Heavy Equipment Fund	Health Insurance Fund	Total
Cash Flows From Operating Activities:			
Cash received from other funds	3,523,352	4,748,922	8,272,274
Other cash receipts	83,344	789,157	872,501
Cash paid for goods and services	(1,640,305)	(5,138,992)	(6,779,297)
Cash paid to employees	(1,184,331)	-	(1,184,331)
Net Cash Provided (Used) by Operating Activities	782,060	399,087	1,181,147
Cash Flows From Non-Capital Financing Activities:			
Cash received from operating grants	28,406	-	28,406
Transfer from (to) other funds	48,394	-	48,394
Net Cash Provided (Used) by Non-Capital Financing Activities	76,800	-	76,800
Cash Flows From Capital and Related Financing Activities:			
Cash received from disposal of fixed assets	188,745	-	188,745
Acquisition and construction of capital assets	(1,001,940)	-	(1,001,940)
Net Cash Provided (Used) by Capital and Related Financing Activities	(813,195)	-	(813,195)
Cash Flows From Investing Activities:			
Interest on investments	2,689	10,924	13,613
Net Cash Provided (Used) by Investing Activities	2,689	10,924	13,613
Net Change in Cash and Cash Equivalents	48,354	410,011	458,365
Cash and Cash Equivalents - January 1	2,492,396	4,939,397	7,431,793
Cash and Cash Equivalents - December 31	2,540,750	5,349,408	7,890,158
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	(428,508)	645,733	217,225
Adjustments:			
Depreciation	932,215	-	932,215
(Increase) decrease in accounts receivable	28,591	(1,144)	27,447
(Increase) decrease in inventory	(64,365)	-	(64,365)
Increase (decrease) in accounts payable	302,289	(245,502)	56,787
Increase (decrease) in accrued wages and benefits	11,838	-	11,838
Total Adjustments	1,210,568	(246,646)	963,922
Net Cash Provided (Used) by Operating Activities	782,060	399,087	1,181,147
Non-cash Investing, Capital and Financing Activities:			
Assets contributed by Capital Projects Fund	350,031	-	350,031

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, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

		2022			2021
Project Number	Project Name	Final Budget	Actual	Variance Positive (Negative)	Actual
CBI021	Donovan Park Pavilion	10,000	8,781	1,219	1,326,759
CBI026	Welcome Center Maintenance	325,000	1,003	323,997	-
CBI027	Public Works Remodel	1,827,316	1,570,279	257,037	16,977,304
CEP001	Fire Truck Purchase	2,746,300	841,573	1,904,727	-
CEP002	Hybrid Bus Battery Replacement	165,000	-	165,000	-
CEP004	Replace Buses	9,850,000	3,357	9,846,643	3,448,464
CEP005	Computer Hardware	75,000	68,589	6,411	136,364
CEP008	Parking Entry System	1,510,410	1,018,512	491,898	26,738
CEP010	Network Upgrades	70,000	64,388	5,612	115,228
CEP011	Document Imaging	50,000	7,640	42,360	36,056
CEP018	Web Page / E Commerce	80,000	79,354	646	89,025
CEP019	Public Safety System	36,000	4,287	31,713	45,517
CEP022	Audio Visual	156,750	109,013	47,737	84,129
CEP026	Fire Equipment	277,000	227,384	49,616	11,220
CEP030	Vehicle Expansion	494,500	354,318	140,182	-
CEP031	Software Licensing	725,000	721,847	3,153	543,317
CEP033	Data Centers	155,000	129,299	25,701	136,289
CEP036	Business Systems	55,000	-	55,000	-
CEP038	Police Equipment	289,628	211,333	78,295	201,864
CEP048	Electric Bus Station/Infrastructure	402,675	5,655	397,020	1,120,322
CEP049	Bus Transportation Mgmt. System	-	-	-	747,197
CEP050	Public Safety IT Equipment	25,000	25,020	(20)	-
CEP051	Loading and Delivery Equipment	125,000	8,666	116,334	-
CHP002	TOV Employee Rental Units	11,088,649	8,667,415	2,421,234	-
CHP003	TOV Employee Rental Unit Maint	25,000	-	25,000	-
CMP001	Timber Ridge Redevelopment Study	50,000	-	50,000	-
CMP007	Traffic Impact Fee and Transportation Master Updates	381,785	108,681	273,104	23,215
CMT003	Bus Shelter Replacement	30,000	1,511	28,489	150,759
CMT004	Capital Street Maintenance	1,169,000	1,108,882	60,118	1,241,648
CMT005	Facility Capital	1,912,094	375,696	1,536,398	633,273
CMT007	Parking Structure Maintenance	1,161,429	739,172	422,257	579,325
CMT009	Energy Enhancements	127,294	78,382	48,912	162,554
CMT010	Underground Utilities	17,959	17,932	27	-
CMT017	Slifer Plaza/Fountain/Storm Sewer	71,417	703	70,714	2,000
CMT018	Public Works Shop Building Maintenance	300,000	-	300,000	-
CMT022	Seibert Fountain	27,888	806	27,082	32,112
CMT023	Snowmelt Boilers	1,367,129	262,858	1,104,271	132,781
COT002	Street Light Improvement Pgm	294,369	-	294,369	-
COT004	Fiber Optic Connection	625,000	96,451	528,549	926
COT015	Red Sandstone Parking Garage	23,855	-	23,855	6,145
COT021	I-70 Fiber Optics	98,300	97,824	476	93,616
COT031	Civic Area Redevelopment	100,000	43,000	57,000	-
COT032	Children's Garden of Learning Relocation	325,545	243,380	82,165	2,732,446
COT033	Pepi's Memorial	6,000	-	6,000	-
COT034	West Vail and Town Center Roundabout Lighting Upgrade	50,000	-	50,000	-
CSC010	Way Finding / Variable Message Signs	128,000	-	128,000	-
CSC012	Village Streetscape	1,250,000	66,039	1,183,961	-
CSC016	Guest Service Enhancements	24,307	-	24,307	2,255
CSC017	Pedestrian Safety Enhancements	25,000	8,788	16,212	-
CSC023	Oversized Vehicle Parking Lot	2,100,000	9,660	2,090,340	-
CSC024	Bighorn Turnaround	297,000	304,583	(7,583)	-
CSR007	Neighborhood Road Reconstruction	1,463,175	147,474	1,315,701	36,824
CSR008	Neighborhood Bridges	125,000	(42,162)	167,162	-
CSR009	Frontage Road Enhacements with VVMC	3,387,820	1,516,912	1,870,908	4,112,179
CHF001	Buy-Down Housing	-	-	-	11,262
CHF003	Vail INDEED	-	-	-	929,562
CHF006	TOV Housing: Black Gore Creek Property	-	-	-	2,144,791
CHF007	Resale: Chamonix 2373 Lower Traverse #A	-	-	-	60,884
CHF010	RMV Opportunity Fee	-	-	-	1,500,000
VRA018	Lionshead Parking Structure Landscape Renovations	30,291	-	30,291	-
	Total	47,533,885	19,314,285	28,219,600	39,634,350

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

Town of Vail, Colorado
Special Revenue Funds
Real Estate Transfer Tax Fund
Schedule of Project Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

		2022			2021
Project Number	Project Name	Final Budget	Actual	Variance Positive (Negative)	Actual
CCF001	Golf Clubhouse Redevelopment	-	-	-	20,900
RFP005	Alpine Gardens Pledge	74,649	74,649	-	63,985
RFP006	Ford Park Management Plan	95,000	72,169	22,831	-
RFP007	Alpine Gardens Capital Contribution	-	-	-	20,000
RFP009	Ford Park Playground Improvements	200,000	6,639	193,361	-
RFP019	Ford Park Landscape Enhancement	5,946	-	5,946	69,054
RFP020	Ford Park Master Plan	105,799	14,328	91,471	44,222
RFP021	Ford Park Amphitheater Solar Panels	100,000	-	100,000	-
RFP022	Ford Park Betty Ford Way Pavers	1,200,000	1,083,493	116,507	-
RFP023	Ford Park Lighting Control System	180,000	42,010	137,990	-
RMG011	Solar Project	104,040	104,038	2	481,127
RMG012	Gore Creek Signage	225,000	38,350	186,650	48,750
RMG013	Gore Creek Promenade Rehabilitation	370,000	200	369,800	-
RMT001	Recreation Path Maintenance	139,717	132,475	7,242	103,153
RMT002	Tree Maintenance	75,000	46,511	28,489	40,394
RMT005	Street Furniture	85,000	6,367	78,633	8,065
RMT006	Eagle River Watershed Council	42,000	42,000	-	36,000
RMT009	Park Capital Maintenance	215,000	207,106	7,894	111,859
RMT016	Tennis Center Improvements	175,510	3,387	172,123	3,467
RMT018	Dobson Ice Arena	614,756	10,106	604,650	11,605
RMT019	Gymnastics Center	282,789	11,444	271,345	4,804
RMT021	Golf Clubhouse	79,496	40,901	38,595	11,078
RMT022	Golf Rec Enhancement Account	883,365	-	883,365	-
RMT024	Athletic Fields	239,226	-	239,226	-
RMT025	Nature Center	383,522	-	383,522	-
RMT027	Golf Course - Other Improvements	585,751	397,520	188,231	397,322
RMT028	Dowd Junction Repairs (Flood Repairs)	799,155	32,029	767,126	-
RMT030	East Vail Interchange Improvements	209,443	-	209,443	44,375
RMT035	Nature Center Capital Maint	93,855	-	93,855	-
RMT036	Recreation Facility Maint	22,000	-	22,000	2,800
RMT037	Eagle Valley Land Trust	5,000	5,000	-	5,000
RMT039	Fire Free Five- TOV Buildings	200,000	154,383	45,617	-
RPA001	Property Acquisition	-	(217)	217	5,196
RPA002	Booth Heights Open Space Acquisition	12,000,000	-	12,000,000	-
RPI007	Streamtract Education/Mitigation	50,000	40,548	9,452	44,066
RPI009	Bighorn Park Improvements	-	-	-	51,032
RPI010	Water Quality Infrastructure	2,016,541	111,477	1,905,064	88,575
RPI011	Streambank Restoration	125,000	52,017	72,983	128,783
RPI012	Private Streambank	150,000	31,792	118,208	-
RPI013	Stephans Park Safety Improvements	35,821	-	35,821	44,905
RPI015	Turf Grass Reduction	199,862	182,254	17,608	2,713
RPI016	Sunbird Park Fountain Repairs	3,430	-	3,430	11,570
RPI017	Playground/Park Roofing Replacements	-	-	-	27,300
RPI018	Kindel Park/Mill Creek streamtract improvements	149,862	-	149,862	25,138
RPI019	Mayors Park Capital Maintenance	50,000	39,579	10,421	-
RPI020	Donovan Park Improvements	57,000	-	57,000	-
RPI021	Library Landscape and Reading Area	100,000	-	100,000	-
RPI022	Athletic Field Restroom/Storage Building	1,000,000	-	1,000,000	-
RPT022	Adopt-a-Trail	17,500	17,500	-	4,590
RPT024	Gore Valley Trail Realignment	-	-	-	78,944
RPT026	Gore Valley Trail Bridge Replacement	40,000	-	40,000	-
RPT027	Gore Valley Trail Fence Replacement	50,000	-	50,000	-
RPT028	Booth Lake Trailhead Parking Restroom	458,950	264,283	194,667	27,050
RPT029	Bike Safety	15,000	8,527	6,473	-
RPT030	Bike Path Signage	35,000	11,983	23,017	-
RPT031	Pedestrian Bridge Projects	400,000	166,849	233,151	938
RRT001	Public Art	428,960	53,793	375,167	12,073
RRT006	Public Art - Winterfest	64,746	4,861	59,885	30,073
RRT007	Public Art - Pete Seibert Memorial	12,692	500	12,192	4,458
RRT008	Nature Center Operations	106,187	106,187	-	80,897
RRT009	Public Art- Art Space	882,259	19,211	863,048	3,349
RRT010	Vail Holiday Lighting	185,000	28,514	156,486	-
RSS006	Vail Transit Center Landscape	32,817	4,383	28,434	-
RSS007	Village Landscape Enhancements	50,000	41,636	8,364	-
RWL005	Wildfire Camera System- Capital	25,000	-	25,000	-
	Total	26,532,646	3,710,782	22,821,864	2,199,610

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

Town of Vail, Colorado
Housing Fund
Schedule of Project Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
With Comparative Actual Amounts For the Year Ended December 31, 2021

		2022			2021
Project Number	**Project Name**	**Final Budget**	**Actual**	**Variance Positive (Negative)**	**Actual**
CHF001	Buy-Down Housing	2,871,609	4,845	2,866,764	-
CHF003	Vail INDEED	3,194,334	582,245	2,612,089	-
CHF009	CDOT East Vail Parcel	2,650,000	-	2,650,000	-
CHF010	RMV Opportunity Fee	2,000,000	-	2,000,000	-
CHF011	Earnest Funding Placeholder	100,000	-	100,000	-
CHF017	Pitkin Creek #12L- Resale	976,288	-	976,288	-
CHF018	Resale: 2347B Upper Traverse Way	634,940	-	634,940	-
CHF020	Vail Heights #10	548,000	-	548,000	-
CHF021	North Trail Townhomes Unit D: Resale	307,000	-	307,000	-
CHF022	Timber Ridge Redevelopment (Western Half)	195,000	-	195,000	-
	Total	13,477,171	587,090	12,890,081	-

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

TOWN OF VAIL

LOCAL HIGHWAY FINANCE REPORT

The public report burden for this information collection is estimated to average 380 hours annually.

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County: Vail
		YEAR ENDING : December 2022
This Information From The Records Of Town of Vail:	Prepared By: Phone:	Carlie Smith 970-479-2119

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		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		**A. Local highway disbursements:**	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,791,066
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,255,893
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	124,218
2. General fund appropriations	6,711,539	b. Snow and ice removal	1,597,583
3. Other local imposts (from page 2)	1,131,313	c. Other	
4. Miscellaneous local receipts (from page 2)	-	d. Total (a. through c.)	1,721,801
5. Transfers from toll facilities		4. General administration & miscellaneous	486,254
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,899,181
a. Bonds - Original Issues		6. Total (1 through 5)	8,154,195
b. Bonds - Refunding Issues		**B. Debt service on local obligations:**	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	
7. Total (1 through 6)	7,842,852	b. Redemption	
B. Private Contributions	54,713	c. Total (a. + b.)	-
C. Receipts from State government		2. Notes:	
(from page 2)	256,630	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	-	c. Total (a. + b.)	-
E. Total receipts (A.7 + B + C + D)	8,154,195	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)	8,154,195

(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
-	8,154,195	8,154,195	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2022

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	1,131,313	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,131,313	h. Other	
c. Total (a. + b.)	1,131,313	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	228,525	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	28,105	d. Federal Transit Admin	
d. Other (Specify)	-	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	28,105	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	256,630	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		127,503	127,503
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation		1,663,563	1,663,563
(5). Total Construction (1) + (2) + (3) + (4)	-	1,663,563	1,663,563
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	1,791,066	1,791,066
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

TOWN OF VAIL

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Town of Vail, Colorado
Issuer's Annual Report
Tables I - III
December 31, 2022

TABLE I
Vail Reinvestment Authority History of Pledged Revenues

	2018	2019	2020	2021	2022
Pledged Revenues	5,124,621	5,467,621	6,236,307	6,055,710	5,613,818

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
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
2020	2021	231,261,240	-8.5%	134,124,120	97,137,120
2021	2022	226,791,680	-1.9%	122,738,940	104,052,740

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

Tax Areas	2017/2018	2018/2019	2019/2020	2020/2021	2020/2021
202	51.9510	50.919	50.751	51.434	51.389
203	50.6480	49.726	49.542	50.199	50.265
204	60.0250	56.576	56.436	57.241	59.284
206	51.9510	50.919	50.751	51.434	51.389
207	86.9510	85.919	85.751	86.434	86.389
208	73.8260	72.794	72.626	73.309	73.264
216	-	-	-	-	-
225	-	-	-	-	-

Town of Vail, Colorado
Issuer's Annual Report
Tables IV and V
December 31, 2022

TABLE IV
Largest Taxpayers in the Authority

Taxpayer Name	2022 Preliminary Assessed Valuation	Percentage of Total Assessed Valuation
Diamondrock LLC	23,451,680	10.3%
Arrrabelle at Vail Square LLC	22,910,000	10.1%
Ritz-Carlton Development Co. Inc.	10,162,370	4.5%
Lion Vail LLC	6,156,810	2.7%
Vail Corp	5,131,710	2.3%
A Belle Vail Co LLC	3,088,580	1.4%
Vail Marriott Resort & Spa	2,854,120	1.3%
Lazier Lionshead LLC	2,783,160	1.2%
Blue Ice 21 LLC	2,002,760	0.9%
SOHO Development LLC	1,849,390	0.8%
Landmark Commercial Dev. Co	1,649,530	0.7%
Total	226,791,680	

TABLE V
2022 Preliminary Assessed Valuation of Classes of Property in the Authority

Class	Total Assessed Valuation	Percentage of Total Assessed Valuation
Residential	147,441,100	65%
Multifamily	520,990	0%
Commercial	76,753,620	34%
Vacant	1,564,910	1%
State assessed	511,060	0%
Total	226,791,680	100%

Town of Vail, Colorado
Issuer's Annual Report
Table VI
December 31, 2022

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

	2018	2019	2020	2021	2022
Revenues:					
Other:					
Property tax	5,475,660	5,825,058	6,851,562	6,789,616	6,296,288
Interest on investments	4,045	3,793	21,328	31,824	11,585
Interest subsidy (Build America Bonds)	169,059	164,876	100,098	-	-
Total Revenues	5,648,764	5,993,727	6,972,988	6,821,440	6,307,873
Expenditures:					
Economic Development:					
Administration	98,604	105,654	121,842	120,007	111,613
Fiscal agent fees	2,420	1,470	1,720	-	-
Treasurer's fees	164,416	174,754	205,547	203,691	188,891
Professional fees	2,895	1,445	1,353	-	215
Vail Square Metro District	524,143	526,106	736,681	765,730	694,055
Total Economic Development:	792,478	809,429	1,067,143	1,089,428	994,774
Debt Service:					
Principal	535,000	555,000	7,715,000	618,000	612,000
Interest	526,753	501,433	327,914	72,316	64,168
Total Debt Service:	1,061,753	1,056,433	8,042,914	690,316	676,168
Total Expenditures	1,854,231	1,865,862	9,110,057	1,779,744	1,670,942
Excess (Deficiency) of Revenues Over Expenditures	3,794,533	4,127,865	(2,137,069)	5,041,696	4,636,931
Other Financing Sources (Uses):					
Debt proceeds	-	-	6,386,000	-	-
Issuance costs	-	-	(105,360)	-	-
Transfers out	(4,599,998)	(3,804,281)	(1,809,400)	(7,410,723)	(2,291,996)
Total Other Financing Sources (Uses)	(4,599,998)	(3,804,281)	4,471,240	(7,410,723)	(2,291,996)
Net Change in Fund Balance	(805,465)	323,584	2,334,171	(2,369,027)	2,344,935
Fund Balance - January 1	3,064,773	2,259,308	2,582,892	4,917,063	2,548,036
Fund Balance - December 31	2,259,308	2,582,892	4,917,063	2,548,036	4,892,971

Town of Vail, Colorado
Issuer's Annual Report
Tables VII and VIII
December 31, 2022

TABLE VII
2022 Budget Summary and Actual Comparison / 2023 Budget
Vail Reinvestment Authority

	2022 Budget	2022 Actual	2023 Budget
Revenues:			
Other:			
Property tax	6,301,000	6,296,288	6,311,000
Interest on investments	15,000	11,585	5,400
Total Revenues	6,316,000	6,307,873	6,316,400
Expenditures:			
Economic Development:			
Administration	111,800	111,613	112,000
Treasurer's fees	189,030	188,891	189,330
Professional fees	10,000	215	10,000
Vail Square Metro District	689,670	694,055	689,670
Total Economic Development:	1,000,500	994,774	1,001,000
Debt Service:			
Principal	612,000	612,000	620,000
Interest	70,297	64,168	62,166
Total Debt Service:	682,297	676,168	682,166
Total Expenditures	1,682,797	1,670,942	1,683,166
Excess (Deficiency) of Revenues over Expenditures	4,633,203	4,636,931	4,633,234
Other Financing Sources (Uses):			
Transfers out	(2,302,146)	(2,291,996)	(2,550,000)
Total Other Financing Sources (Uses)	(2,302,146)	(2,291,996)	(2,550,000)
Net Change in Fund Balance	2,331,057	2,344,935	2,083,234
Fund Balance - January 1	2,538,036	2,548,036	4,892,971
Fund Balance - December 31	4,869,093	4,892,971	6,976,205

TABLE VIII
Outstanding Revenue Obligations

Issue	Outstanding Principal
Vail Reinvestment Authority Tax Increment Revenue Bonds, Series 2010B	5,156,000
Total	5,156,000

TOWN OF VAIL

SINGLE AUDIT REPORTS and SCHEDULES

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

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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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 13, 2023.

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 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 than 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 were not identified.

Member: American Institute of Certified Public Accountants

Paul J. Backes, CPA, CGMA
Michael N. Jenkins, CA, CPA, CGMA
Matthew D. Miller, CPA

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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
June 13, 2023

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

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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

Opinion on Each Major Federal Program

We have audited the compliance of the Town of Vail, Colorado (the "Town") with the types of compliance requirements described in the *OMB 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on 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
June 13, 2023

Town of Vail, Colorado, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

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:	
CARES Act 5311 A/O Award	ALN 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	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not appliable

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Note: There were no findings for the fiscal year ended December 31, 2021.

Town of Vail, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
National Endowment for the Arts:			
Passed through Colorado Department of Education:			
LSTA American Rescue Plan Act	45.310		$ 6,000
Total - National Endowment for the Arts			6,000
Department of Transportation:			
Passed through Federal Transit Administration (FTA):			
CARES Act 5311 A/O Award	20.509		1,789,613
Total - Department of Transportation			1,789,613
Department of Justice:			
Rural Violent Crime Reduction Initiative for Law Enforcement Agencies	16.039		18,200
Passed through Colorado Department of Public Safety:			
Bulletproof Vest Grant	16.607	n/a	2,063
Total - Department of Justice			20,263
TOTALS			$ 1,815,876

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

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 2022.

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.