

Comprehensive Annual Financial Report

For the year ended December 31, 2018



River Park

*2018 pocket park constructed along the recreation path, adjacent to the Blue 52 neighborhood.
The project was funded in part by a Great Outdoors Colorado (GOCO) grant & Open Space funds.*



Town of Breckenridge, Colorado



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
TOWN OF BRECKENRIDGE



For the Fiscal Year Ended
December 31, 2018

Prepared by:
Department of Finance

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INTRODUCTORY SECTION

TOWN OF BRECKENRIDGE, COLORADO

LIST OF PRINCIPAL OFFICIALS

TOWN COUNCIL

Eric Mamula, Mayor

Elisabeth Lawrence, Mayor Pro Tem

Wendy Wolfe

Erin Gigliello

Jeffrey Bergeron

Gary Gallagher

Dick Carleton

TOWN STAFF

Rick Holman – Town Manager

Shannon Haynes – Assistant Town Manager

Tim Berry – Town Attorney

Peter Grosshuesch – Community Development Director

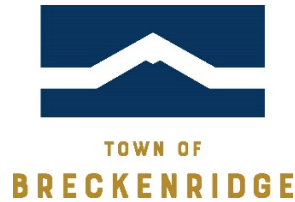
James Phelps – Town Engineer/ Public Works Director

Brian Waldes – Finance Director

Jim Baird – Interim Chief of Police

Scott Reid – Recreation Director

Erroll Miller – Golf Professional



June 28, 2019

To the Honorable Mayor, Members of the Town Council, and the Citizens of the Town of Breckenridge:

Formal Transmittal of the Comprehensive Annual Financial Report

The comprehensive annual financial report of the Town of Breckenridge for the fiscal year ended December 31, 2018, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. Disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town provides a full range of services including police protection, cultural and recreational facilities and events, open space acquisition, public transportation, construction and maintenance of streets & infrastructure, and water service. This letter of transmittal is designed to complement Management's Discussion and Analysis. Please read the Management's Discussion and Analysis, which can be found in the Financial Section of this report.

Profile of the Government

The Town of Breckenridge is a municipal corporation duly organized and existing under the laws of the State of Colorado. By vote of the electorate, the Town of Breckenridge adopted a charter pursuant to Article XX of the Constitution of the State of Colorado creating a home-rule municipality.

The Town operates under the council-manager form of government. The Town Council, an elected body consisting of a mayor and six council members, is responsible for creating policy, including ordinances, resolutions, budget adoption and appointment of the Town Manager. The Town Manager is the Chief Administrative Officer and is responsible for carrying out the Council's policies and overseeing day-to-day operations. The Town of Breckenridge is located in Summit County, 86 miles west of Denver at 9,603 feet above sea level.

Information Useful in Assessing the Government's Economic Condition

Economic Condition and Outlook.

The Town continued to experience strong economic growth through 2018. This is an encouraging trend that we saw begin in 2013. We have not recorded any lagging sectors of our economy in 2018. Real estate activity has increased, as well as all sub-categories of sales tax activity. The national economy has continued its slow recovery, and unemployment has dropped throughout 2018. These circumstances have done little to change the Town's conservative approach to budgeting. The increases experienced in revenue growth have been used mostly for capital projects that will improve our infrastructure and overall guest experience, but we hold the line on adding services. However, the challenges brought about by increased visitation will require additional service expansion in the area of transit at some point. Our financial position remains very strong, and this will help us to meet future challenges effectively.

Major Initiatives for the Year 2018.

This past year saw some exciting projects completed, as well as major new projects moving forward. The

extensive remodel of our recreation center was completed. Although the project was not 100% complete until May of 2018, we were able to open substantial parts of the facility to users in winter of 2017. Reviews and comments on the project have been overwhelmingly positive.

Major Initiatives for Subsequent Years.

The Town's plans for a second water plant took major steps forward during 2018. In future years, Council and staff will be looking to other system improvements, such as roundabout construction and additional transit services. We continue to research the potential for expanded parking capacity options, but we need to be certain that any parking solution we implement is both in the right location and the correct size.

The year 2018 also saw the beginning of the Town's broadband infrastructure project. This entails the installation of a fiber backbone throughout the Town, with the ultimate goal of connecting every home and business to a next generation fiber network. Construction is expected to continue for 3-5 years.

Breckenridge began planning for a major parking structure project in the middle of Town. Parking has been a challenge for many years, and Council is excited at the prospect of getting in the ground during 2020, with completion slated for 2021.

Financial Information.

Town Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls.

The objective of budgetary controls is to ensure compliance with legal provisions in the annual appropriated budget approved by the Town Council. Expenditures may not legally exceed appropriations at the Fund level.

Primary responsibility for fiscal analysis of the budget to actual cash flows and overall program fiscal standing rests with the operating departments.

As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

Debt Administration.

At December 31, 2018, the Town had a number of debt issues outstanding comprising the following:

\$ 11,290,000-Certificates of Participation
\$ 54,804,129-State Revolving Fund Loan

Required debt covenants are currently being met. Notes to the financial statements provide additional detailed information about the specific debt issues and repayment terms. In addition, the statistical section of the comprehensive annual financial report includes information relating to general bonded debt to assessed valuation and the amount of general bonded debt per capita, which can be useful indicators of the Town's debt position for the Town's management, citizens and investors.

Independent Audit.

State statutes and the Town Charter require an annual audit by independent certified public accountants. The accounting firm of ACM LLP was selected to complete the audit for 2018. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of GASB

Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Breckenridge for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Breckenridge's financial statements for the fiscal year ended December 31, 2018 are fairly presented in conformity with GAAP.

The Independent Auditor's Report is presented as the first component of the financial section of this report. The report covers the financial statements of the governmental activities, business-type activities, and each major fund, collectively comprising the Town's basic financial statements.

Awards and Acknowledgements.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Breckenridge for its comprehensive annual report (CAFR) for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Town believes the current report continues to conform to the Certificate of Achievement. The GFOA has also awarded the Town its Distinguished Budget Presentation Award for fiscal years 2012 through 2018.

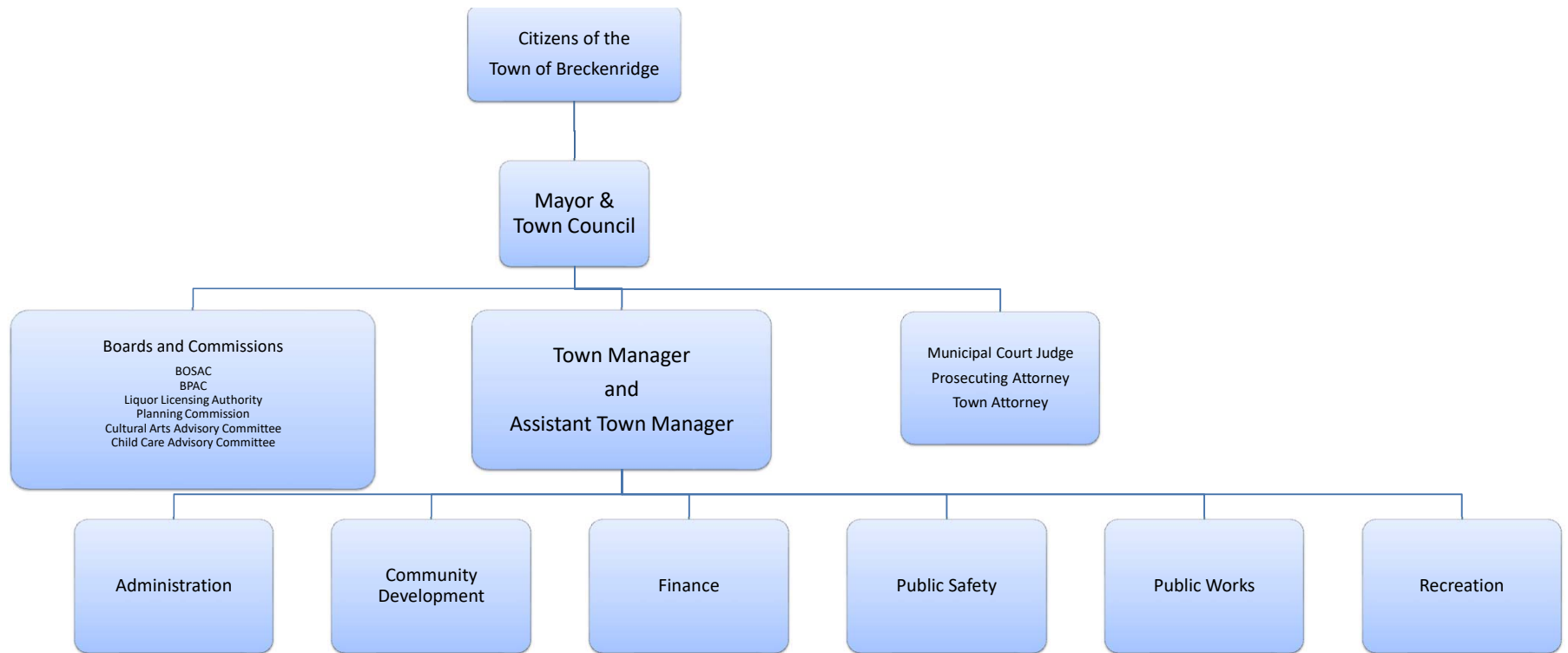
The preparation and completion of this CAFR could not have been accomplished without the efforts of the finance staff and other Town Departments. A special thanks is extended to all members of the independent certified public accounting firm for their able assistance and for the professional manner in which they have accomplished this assignment. I also would like to thank the Mayor and Town Council for their interest and support in planning and conducting the financial operations of the Town in a fiscally responsible and progressive manner.



Respectfully submitted,
Rick Holman
Town Manager



Brian Waldes, CPFO
Finance Director





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Breckenridge
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO



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FINANCIAL SECTION



Independent Auditor's Report

Honorable Mayor and Members of the Town Council
Town of Breckenridge
Breckenridge, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Breckenridge, Colorado (the "Town"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements.

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Breckenridge, Colorado, as of December 31, 2018, 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.

Emphasis of Matter

As discussed in Note 12 to the basic financial statements, the Town has changed its method for accounting and reporting for post-employment benefits other than pensions during 2018 due to the adoption of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The adoption of the standard required retrospective application resulting in a \$991,198 reduction of previously reported net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 25, the budgetary comparison information on pages 72 through 74, and required OPEB related information on page 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other 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 introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, Local Highway Finance Report, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Local Highway Finance Report are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the 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 *Governmental Auditing Standards*, we have also issued our report dated June 28, 2019 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 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 Town of Breckenridge, Colorado's internal control over financial reporting and compliance.

Greeley, Colorado
June 28, 2019

This section of the Town of Breckenridge's financial statements provides a narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the Town's financial statements which follow within this section, as well as the accompanying statistical information, and state compliance sections.

I. Financial Highlights

- The Town of Breckenridge remains in a financially sound condition. The Town's increase in net position and continued investments in infrastructure demonstrate our continued positive overall financial health.
- The assets of the Town of Breckenridge exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2018 by \$287,127,222 (*net position*). Of this amount, \$62,196,615 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- General fund 2018 revenues increased by \$3.4 million or 7.23% as compared to 2017. Governmental funds tax revenues increased by 6.85% compared to 2017. Most notable were increases over prior year net taxable sales of: retail (12.8%), lodging (11.8%), and restaurants/bars (10.6%). These increases are indicative of a strong tourism economy in the Town of Breckenridge.
- Because revenues exceeded budget and expenditures were below budget in 2018, the Town was able to increase its reserves. As of the close of fiscal year 2018, the Town of Breckenridge's governmental funds reported a combined ending fund balance of \$77,632,159, an increase of \$11.3 million compared to fiscal year 2017. \$35,727,738 of the total is unassigned and equal to 60.8% of governmental expenditures.
- The Town added a new fund in 2018 in order to effectively report the Town's health related costs. The new Health Benefits Fund is an internal service fund, receiving funding from other funds within the Town. The new fund was initially funded with \$600k transfer from the General Fund; these funds were previously informally set aside by Town Council for health related expenses in the General Fund. More details on this new fund can be viewed in the Internal Service Funds section of these financial statements.

II. Overview of the Financial Statements

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

1. Government-wide Financial Statements

The government-wide financial statements are intended to provide readers with a broad overview of the Town's financial condition. They are presented using accounting methods very similar to a private-sector business, or the economic resources measurement focus, and full accrual accounting.

- *The Statement of Net Position* presents information on all of the Town's assets, liabilities, and deferred inflows of resources, with the difference reported as *Net Position*. Over time, increases or decreases in net position can serve as an indicator of the Town's financial condition.
- *The Statement of Activities* presents information showing how the Town's net position changed during the given 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. Capital expenditures are not included in this statement; however capital grant revenues are reported.

2. Fund Financial Statements

A *fund* is a grouping that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants, however Town Council establishes other funds to help control and manage money for particular purposes. All of the Town's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds

The governmental funds presentation is different from the governmental activities section of the government-wide financial statements even though these two statements account for essentially the same activities. Governmental funds presented have a budgetary or *current financial resources* measurement focus and use the modified accrual basis of accounting. That is, the governmental funds presentation focuses on the Town's near-term financial position and changes thereto.

Proprietary Funds

Proprietary funds are unlike governmental funds in that they report the business-type activities of the Town.

- *Enterprise funds* account for the operation of governmental programs that are intended to be supported primarily by user fees. These funds are presented as business-type activities on the government-wide financial statements but are presented in greater detail in the fund financial statements. In both cases, enterprise funds are presented using the *economic resources* measurement focus and full accrual accounting.
- *Internal service funds* account for goods and services provided by specific programs on a fee basis to the Town's other departments and programs.

3. Notes to the Basic Financial Statements



The notes to the basic financial statements provide additional information that is essential to a thorough understanding of the data provided in the government-wide and the fund financial statements.

III. Government-wide Financial Statement Analysis

Statement of Net Position

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the Town. As of December 31, 2018, the Town had total assets of \$368,387,449. As of December 31, 2018, the Town's net position was \$287,127,222.

	Condensed Statement of Net Position				Total		Discretely Presented Component-Unit Activities	
	Governmental Activities 2018	2017	Business-type Activities 2018	2017	2018	2017	2018	2017
Current Assets	\$ 82,946,460	\$ 73,254,492	\$ 8,323,324	\$ 13,563,917	\$ 91,269,784	\$ 86,818,409	\$ 239,037	\$ 312,203
Capital Assets - net	162,282,038	163,743,982	58,552,163	38,806,056	220,834,201	202,550,038	8,465,289	9,007,866
Other Noncurrent Assets	9,808,873	10,050,290	46,474,591	58,000,000	56,283,464	68,050,290	239,932	184,718
Total Assets	255,037,371	247,048,764	113,350,078	110,369,973	368,387,449	357,418,737	8,944,258	9,504,787
Deferred Outflows of Resource	44,474	-	-	-	44,474	-	-	-
Current Liabilities	5,395,996	9,291,444	5,642,574	3,415,649	11,038,570	12,707,093	206,307	189,763
Noncurrent Liabilities	13,305,953	12,362,804	53,873,227	56,212,076	67,179,180	68,574,880	6,062,681	6,339,763
Total Liabilities	18,701,949	21,654,248	59,515,801	59,627,725	78,217,750	81,281,973	6,268,988	6,529,526
Deferred Inflows of Resources	3,086,951	2,865,327	-	-	3,086,951	2,865,327	-	-
Net Position								
Net Investment in Capital								
Assets	150,790,936	152,282,331	48,951,205	38,447,810	199,742,141	190,730,140	2,402,608	2,857,866
Restricted - Expendable	25,188,466	25,595,213	-	-	25,188,466	25,595,213	-	-
Unrestricted	57,313,543	44,651,645	4,883,072	12,294,438	62,196,615	56,946,083	272,662	307,158
Total Net Position	\$ 233,292,945	\$ 222,529,188	\$ 53,834,277	\$ 50,742,248	\$ 287,127,222	\$ 273,271,436	\$ 2,675,270	\$ 3,165,024

Capital Assets make up the largest portion of the Town's Net Position. Capital assets include items such as infrastructure, buildings, equipment, machinery, land, art, and other tangible items. Infrastructure includes streets, traffic signals, buildings, and sidewalks. The Town uses capital assets to provide services to the community and thus they are not available for immediate spending. Although the Town of Breckenridge's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. During 2018, the Town added to its capital assets.

- The Town of Breckenridge's investment in capital assets for its governmental and business type activities as of December 31, 2018 amounts to \$199,742,141 net of related debt, up from \$190,730,140 in the preceding year. This investment in capital assets includes land, buildings, vehicles, art, equipment, roads, bridges, and utility system infrastructure.

- The total increase in the Town of Breckenridge's investment in capital assets (net of related debt) for the fiscal year ending 2018 was \$9,012,001. This is primarily due to the large amount of construction in progress in 2018, in particular the Recreation Center Improvements in the governmental activities and the construction of a 2nd water plant in business-type activities. Additionally in 2018, the Town sold Denison Commons, an apartment building previously accounted for in the governmental activities assets of the Affordable Housing Fund. The golf course clubhouse remodel was funded from the Golf Course Fund.

Additional information on the Town's capital assets can be found in the Capital Assets Note 4 in the Notes to the Financial Statements section.

At the end of the current fiscal year, the Town of Breckenridge had no bonded debt outstanding in the form of General Obligation Bonds.

Additional information on the Town's long-term debt can be found in the Long-Term Debt Note 6 in the Notes to the Financial Statements section.

The \$91,269,784 in Current Assets of the total Primary Government includes \$76,359,401 in equity in pooled cash and investments. This reflects the strong cash balances that the Town of Breckenridge has maintained during 2018.

At the end of 2018, the Town of Breckenridge is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate Governmental, Business-type, and Component-unit activities. The net position, unrestricted for the Governmental activities, equals 128.86% of total expenses in the statement of activities for governmental activities for 2018 and 115.10% of the total government-wide expenses, including Business-Type activities.

Statement of Activities

This statement presents information showing how the Town's net position changed during the given fiscal year. The following reflects the Town's change in net position:



	Condensed Statement of Activities				Total		Discretely Presented Component-Unit Activities	
	Governmental Activities		Business-type Activities		2018	2017	2018	2017
	2018	2017	2018	2017				
Program Revenues								
Charges for Services	\$ 9,678,124	\$ 9,361,804	\$ 7,293,700	\$ 6,519,545	\$16,971,824	\$15,881,349	\$ 455,715	\$ 478,689
Operating Grants and Contributions	1,518,366	1,248,648	-	-	1,518,366	1,248,648	-	3,575,545
Capital Grants and Contributions	643,734	1,837,174	896,378	2,180,080	1,540,112	4,017,254	-	-
Total Program Revenues	11,840,224	12,447,626	8,190,078	8,699,625	20,030,302	21,147,251	455,715	4,054,234
General Revenues								
Tax Revenues	50,993,718	47,397,772	-	-	50,993,718	47,397,772	-	-
Unrestricted Grants and Contributions	7,902	7,071	-	-	7,902	7,071	-	-
Unrestricted Investment Earnings	849,419	518,195	324,505	118,278	1,173,924	636,473	-	-
Gain on Sale of Assets	(8,293,853)	142,869	8,000	3,241	(8,285,853)	146,110	-	-
Other General Revenues	720,619	680,708	-	-	720,619	680,708	-	-
Total General Revenues	44,277,805	48,746,615	332,505	121,519	44,610,310	48,868,134	-	-
Total Revenues	56,118,029	61,194,241	8,522,583	8,821,144	64,640,612	70,015,385	455,715	4,054,234
Expenses								
General Government	9,480,565	8,638,950	-	-	9,480,565	8,638,950	-	-
Public Safety	4,848,018	4,402,722	-	-	4,848,018	4,402,722	-	-
Community Development	6,242,802	4,475,804	-	-	6,242,802	4,475,804	948,241	950,905
Public Works	14,208,520	12,157,779	-	-	14,208,520	12,157,779	-	-
Culture and Recreation	8,270,000	7,369,924	-	-	8,270,000	7,369,924	-	-
Open Space Acquisition	1,052,080	-	-	-	1,052,080	-	-	-
Interest Expense not Allocated	374,681	-	-	-	374,681	-	-	-
Water Operations	-	-	2,893,540	2,943,666	2,893,540	2,943,666	-	-
Golf Operations	-	-	2,409,354	2,243,872	2,409,354	2,243,872	-	-
Cemetery Operations	-	-	14,068	-	14,068	-	-	-
Total Expenses	44,476,666	38,575,492	5,316,962	5,187,538	49,793,628	43,763,030	948,241	950,905
Excess Before Transfers	11,641,363	22,618,749	3,205,621	3,633,606	14,846,984	26,252,355	(492,526)	3,103,329
Transfers	113,592	110,271	(113,592)	(110,271)	-	-	-	-
Change in Net position	11,754,955	22,729,020	3,092,029	3,523,335	14,846,984	26,252,355	(492,526)	3,103,329
Net Position - Beginning (As Restated)	221,537,990	199,800,168	50,742,248	47,218,913	272,280,238	247,019,081	3,165,024	61,695
Net Position - Ending	\$233,292,945	222,529,188	\$53,834,277	\$50,742,248	287,127,222	\$273,271,436	\$2,672,498	\$3,165,024

IV. Fund Financial Statement Analysis

As noted earlier, the Town uses fund accounting so as to segregate resources for the purpose of carrying on a specific activity or attaining certain objectives in accordance with regulations, restrictions or other limitations on the use of the funds.

Governmental Fund Balances

The focus on the Town of Breckenridge's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned 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 the Town completed the year, its governmental funds reported a combined fund balance of \$77,632,159. Of that fund balance, \$35,727,738 constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is categorized to indicate that it is not available for new spending, the largest of which is restricted for affordable housing, totaling \$17,393,577.

The General Fund is the chief operating fund of the Town of Breckenridge. At the end of 2018, the General Fund balance was \$41,179,363 and 86.8% of the fund balance was unassigned. The General Fund balance increased in 2018 by \$8,800,642 or approximately 27.2%. This was due to a transfer of \$5.5M from the Affordable Housing Fund, sales tax exceeding budget by \$2.2M, and real estate transfer tax exceeding budget by \$1.2M. Sales tax experienced gains related to net taxable sales within the grocery sector rising 11.27% over prior year, the retail sector increasing by 10.51% over 2017, and restaurants/bars increasing 7.33% over prior year. With the strong revenues experienced, the Town's Council will continue to reinvest in the Town by approving additional capital projects in the coming years.

The Capital Projects Fund has a total fund balance of \$15,040,628. The increase in fund balance during the current year was \$3,898,149. This increase is the result of the Town's priority of investing in capital assets during 2018. Balances remain in the Capital Projects Fund to provide spending for previously appropriated projects, the largest being Block 11 infrastructure for \$1.9M. The major revenue source for the Capital Projects Fund is a transfer from the excise tax fund, which is rolled into the General Fund for financial reporting purposes.

Special Revenue Funds – These funds have a total combined fund balance of \$21,412,168. The main ongoing revenue sources for the special revenue funds are taxes (sales and accommodations). These tax revenues amounted to \$9,758,873 in 2018.

The Affordable Housing Fund balance decreased by \$1,925,586. Fund balance has decreased as a result of the completion of recent housing projects, including the Blue52 neighborhood, COTO flats apartment building, and Denison Commons apartment. The Breckenridge Housing Authority is a blended component unit of this fund; resales of the housing units developed by the Town are sold through this Authority.

Other Special Revenue Funds balance increased by \$542,195 in 2018 due to taxes increasing at a rate greater than budgeted. This excess amounted to \$545k in 2018.

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

Unrestricted net position of the Utility, Golf Course, and Cemetery funds at the end of the year amounted to \$4,883,072. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

Over the course of the year, the Town Council revised the Town budget. These budget amendments fell into the following categories:

- Supplemental appropriations approved shortly after the beginning of the year to reflect projects and purchases not completed in the previous year.
- Supplemental appropriations approved after the beginning of the year to reflect new projects or revenues not previously considered.

Differences in the General Fund between the original budget and the final amended budget were related to both revenue and expenditures. The 2018 expenditure budget was increased by approximately \$10.1M. Actual General Fund revenues were over amended budget by \$4.4M primarily due to tax revenues. Expenditures were under the amended budget by \$3.4M primarily due to \$1.3M savings within the Recreation Department, related to the renovation of the Recreation Center in 2018. Personnel costs were also under budget throughout the Town.

Economic Factors and Next Year's Budget

Tax (including property, sales, accommodations and real estate transfer) revenues are the main source of governmental revenues and are an important source for providing funds for the general operations and maintenance of the Town of Breckenridge.

- The national, state and local economies are projected to continue to improve slightly throughout 2019.
- For 2019, anticipated revenue budgeted for the General Fund (excluding transfers in) and the Excise Tax Fund total \$50,356,346, as compared to the (revised) 2018 budget of \$46,683,308.
- The 2019 budgeted revenue closely follows the actual amounts collected in 2018 for most General Fund revenue categories, e.g., recreation fees and building permit revenues.
- Tax revenues are budgeted in line with actual collections of sales tax and accommodation tax; while Real Estate Transfer Tax revenue for 2019 is budgeted at \$5,400,000, a 14% decrease from 2018 actual collections of \$6,156,677 based on non-recurring events from 2018.
- Budgeted expenditures for 2019 were based on projections of 2018 annual expenditures with the exception of the Capital Fund. The budgeted expenditures for 2019 are \$82,163,840, excluding transfers.

The Town of Breckenridge will continue to closely monitor its financial position throughout 2019. The country and world are experiencing an overall economy that is improved. However, continued fiscal discipline and scrutiny of initiatives will ensure that future annual operational expenditures remain in balance with future revenues in light of overall local and national economic conditions.

IV. Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Finance Department, Town of Breckenridge, 150 Ski Hill Road, Breckenridge, CO 80424, or via telephone at (970) 547-3195 or via e-mail at websitefinance@townofbreckenridge.com.



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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the Town's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of government-wide operations as well as all governmental activities and business-type activities as of December 31, 2018.



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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TOWN OF BRECKENRIDGE, COLORADO

STATEMENT OF NET POSITION
December 31, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL	DISCRETELY- PRESENTED COMPONENT UNIT
ASSETS				
Current Assets				
Equity in Pooled Cash and Investments	\$ 68,722,973	\$ 7,636,428	\$ 76,359,401	\$ 239,037
Receivables				
Taxes Receivable	9,932,329	-	9,932,329	-
Accounts Receivable, Net	2,476,147	686,896	3,163,043	-
Intergovernmental Receivables	13,155	-	13,155	-
Interest Receivable	125,431	-	125,431	-
Advances to Other Funds	835,896	-	835,896	-
Prepaid Items and Deposits	109,247	-	109,247	-
Assets Held for Resale	731,282	-	731,282	-
Total Current Assets	82,946,460	8,323,324	91,269,784	239,037
Noncurrent Assets				
Restricted Cash and Investments	1,021,740	46,474,591	47,496,331	145,087
Notes Receivable	8,787,133	-	8,787,133	-
Capital Assets Not Being Depreciated	93,233,812	39,408,456	132,642,268	-
Capital Assets Being Depreciated	133,451,892	50,812,694	184,264,586	9,794,609
Accumulated Depreciation	(64,403,666)	(31,668,987)	(96,072,653)	(1,329,320)
Other Assets	-	-	-	94,845
Total Noncurrent Assets	172,090,911	105,026,754	277,117,665	8,705,221
TOTAL ASSETS	255,037,371	113,350,078	368,387,449	8,944,258
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Relating to OPEB	44,474	-	44,474	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	44,474	-	44,474	-
LIABILITIES				
Current Liabilities				
Accounts Payable	2,968,988	2,870,510	5,839,498	38,145
Accrued Liabilities	249,575	-	249,575	-
Accrued Salaries	400,246	35,721	435,967	-
Accrued Interest Payable	27,760	409,790	437,550	119,149
Funds Held for Others	634,042	2,500	636,542	49,013
Unearned Revenue	255,803	-	255,803	-
Current Portion of Long Term Debt	859,582	2,324,053	3,183,635	-
Total Current Liabilities	5,395,996	5,642,574	11,038,570	206,307
Noncurrent Liabilities				
Certificates of Participation Payable	9,880,000	-	9,880,000	-
Capital Lease Obligations Payable	-	48,843	48,843	-
Notes Payable	842,849	53,714,826	54,557,675	6,062,681
Net OPEB Liability	925,244	-	925,244	-
Accrued Compensated Absences	821,964	109,558	931,522	-
Advances from Other Funds	835,896	-	835,896	-
Total Noncurrent Liabilities	13,305,953	53,873,227	67,179,180	6,062,681
TOTAL LIABILITIES	18,701,949	59,515,801	78,217,750	6,268,988
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Relating to OPEB	171,393	-	171,393	-
Deferred Revenue - Property Taxes	2,915,558	-	2,915,558	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3,086,951	-	3,086,951	-
NET POSITION				
Net Investment in Capital Assets	150,790,936	48,951,205	199,742,141	2,402,608
Restricted Net Position				
Restricted for Retirement	281,931	-	281,931	-
Restricted for Parks and Recreation	13,410	-	13,410	-
Restricted for Marketing	590,293	-	590,293	-
Restricted for Affordable Housing	17,393,577	-	17,393,577	-
Restricted for Open Space Acquisitions	3,091,344	-	3,091,344	-
Restricted for Parking & Transportation	1,704,433	-	1,704,433	-
Restricted for Debt Service	200,054	-	200,054	-
Restricted for Emergencies	1,913,424	-	1,913,424	-
Unrestricted	57,313,543	4,883,072	62,196,615	272,662
TOTAL NET POSITION	233,292,945	53,834,277	287,127,222	2,675,270

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

TOWN OF BRECKENRIDGE, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities				
Current:				
General Government	\$ 9,480,565	\$ 1,244,710	\$ 22,925	\$ 65,000
Public Safety	4,848,018	2,369,723	23,148	-
Community Development	6,242,802	1,673,799	295,701	527,753
Public Works	14,208,520	693,063	691,642	-
Culture and Recreation	8,270,000	3,541,801	50,000	50,981
Open Space	1,052,080	155,028	434,950	-
Interest Expense Not Allocated	374,681	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	44,476,666	9,678,124	1,518,366	643,734
Business-Type Activities				
Current:				
Water Operations	2,893,540	4,395,081	-	896,378
Golf Operations	2,409,354	2,888,193	-	-
Cemetery Operations	14,068	10,426	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	5,316,962	7,293,700	-	896,378
TOTAL PRIMARY GOVERNMENT	\$ 49,793,628	\$ 16,971,824	\$ 1,518,366	\$ 1,540,112
Discretely-Presented Component Unit				
Current:				
Affordable Housing Operations	\$ 948,241	\$ 455,715	\$ -	\$ -
TOTAL DISCRETELY-PRESENTED COMPONENT UNIT ACTIVITIES	\$ 948,241	\$ 455,715	\$ -	\$ -
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Marketing				
Open Space				
Other Sales Taxes				
Accommodations Taxes				
Marketing				
Other Accommodations Taxes				
Marijuana Taxes				
Franchise Fees				
Real Estate Transfer Taxes				
Lift Ticket Tax				
Other Taxes				
Unrestricted Grants and Contributions				
Unrestricted Investment Earnings				
Gain (Loss) on Sale of Assets				
Other General Revenues				
TOTAL GENERAL REVENUES				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION, Beginning				
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE				
NET POSITION, Beginning (As Restated)				
NET POSITION, Ending				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				DISCRETELY- PRESENTED COMPONENT UNIT	
GOVERNMENT ACTIVITIES		BUSINESS - TYPE ACTIVITIES	TOTAL		
\$	(8,147,930)	\$ -	\$ (8,147,930)	\$	-
	(2,455,147)	-	(2,455,147)		-
	(3,745,549)	-	(3,745,549)		-
	(12,823,815)	-	(12,823,815)		-
	(4,627,218)	-	(4,627,218)		-
	(462,102)	-	(462,102)		-
	(374,681)	-	(374,681)		-
	(32,636,442)	-	(32,636,442)		-
	-	2,397,919	2,397,919		-
	-	478,839	478,839		-
	-	(3,642)	(3,642)		-
	-	2,873,116	2,873,116		-
	(32,636,442)	2,873,116	(29,763,326)		(492,526)
\$	-	\$ -	\$ -	\$	(492,526)
	-	-	-		(492,526)
	2,797,563		2,797,563		-
	165,951		165,951		-
	436,249		436,249		-
	3,116,064		3,116,064		-
	27,305,959		27,305,959		-
	2,431,676		2,431,676		-
	3,473,823		3,473,823		-
	593,742		593,742		-
	744,710		744,710		-
	6,156,677		6,156,677		-
	3,718,145		3,718,145		-
	53,159		53,159		-
	7,902		7,902		-
	849,419	324,505	1,173,924		534
	(8,293,853)	8,000	(8,285,853)		2,238
	720,619		720,619		-
	44,277,805	332,505	44,610,310		2,772
	113,592	(113,592)	-		-
	44,391,397	218,913	44,610,310		2,772
	11,754,955	3,092,029	14,846,984		(489,754)
	222,529,188	50,742,248	273,271,436		3,165,024
	(991,198)	-	(991,198)		-
	221,537,990	50,742,248	272,280,238		3,165,024
\$	233,292,945	\$ 53,834,277	\$ 287,127,222	\$	2,675,270



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FUND FINANCIAL STATEMENTS

TOWN OF BRECKENRIDGE, COLORADO

**BALANCE SHEET -
GOVERNMENTAL FUNDS
December 31, 2018**

		SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND		
	GENERAL FUND	AFFORDABLE HOUSING FUND	OTHER GOVERNMENTAL FUNDS	CAPITAL FUND	Total	
ASSETS						
Equity in Pooled Cash and Investments	\$ 35,722,929	\$ 6,735,921	\$ 3,604,042	\$ 15,406,263	\$	61,469,155
Receivables						
Taxes Receivable	8,275,383	745,228	911,718	-		9,932,329
Accounts Receivable, Net	348,113	1,707,986	386,149	2,100		2,444,348
Intergovernmental Receivables	13,155	-	-	-		13,155
Interest Receivable	-	125,431	-	-		125,431
Advance to Other Funds	835,896	-	-	-		835,896
Prepaid Items and Deposits	109,247	-	-	-		109,247
Notes Receivable	1,242,536	7,544,597	-	-		8,787,133
Assets Held for Resale	-	731,282	-	-		731,282
Restricted Cash and Investments	481,985	539,755	-	-		1,021,740
TOTAL ASSETS	\$ 47,029,244	\$ 18,130,200	\$ 4,901,909	\$ 15,408,363	\$	85,469,716
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 1,676,686	\$ 727,501	\$ 42,705	\$ 367,735	\$	2,814,627
Accrued Liabilities	3,183	-	-	-		3,183
Accrued Salaries	370,213	3,518	4,717	-		378,448
Funds Held for Others	628,438	5,604	-	-		634,042
Unearned Revenue	255,803	-	-	-		255,803
Advance From Other Funds	-	-	835,896	-		835,896
TOTAL LIABILITIES	2,934,323	736,623	883,318	367,735		4,921,999
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	2,915,558	-	-	-		2,915,558
TOTAL DEFERRED INFLOWS OF RESOURCES	2,915,558	-	-	-		2,915,558
FUND BALANCE						
Nonspendable	1,351,783	-	-	-		1,351,783
Restricted						
Restricted for Retirement	281,931	-	-	-		281,931
Restricted for Parks and Recreation	-	-	13,410	-		13,410
Restricted for Marketing	-	-	590,293	-		590,293
Restricted for Affordable Housing	-	17,393,577	-	-		17,393,577
Restricted for Open Space	-	-	3,091,344	-		3,091,344
Restricted for Parking & Transportation	1,704,433	-	-	-		1,704,433
Restricted for Debt Service	200,054	-	-	-		200,054
Restricted for Emergencies	1,913,424	-	-	-		1,913,424
Committed						
Committed for Marketing	-	-	323,544	-		323,544
Assigned						
Assigned for Capital Projects	-	-	-	15,040,628		15,040,628
Unassigned	35,727,738	-	-	-		35,727,738
TOTAL FUND BALANCE	41,179,363	17,393,577	4,018,591	15,040,628		77,632,159
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 47,029,244	\$ 18,130,200	\$ 4,901,909	\$ 15,408,363	\$	85,469,716

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

TOWN OF BRECKENRIDGE, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

December 31, 2018

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 77,632,159
Capital assets used in governmental activities are not current financial resources and are not reported in the funds:	
Capital Assets	212,607,747
Accumulated Depreciation	(56,481,634)
Earned but unpaid accumulated leave balances are not reported in the funds:	
Accrued Compensated Absences	(846,878)
Long-term liabilities are not due and payable in the current period	
Certificates of Participation Payable	(10,595,000)
Debt Premiums	(896,102)
Accrued Interest Payable	(27,760)
Other post employment benefit liabilities and related deferred inflows and deferred outflows of resources relating to the retiree health benefit obligation are not current financial resources and, therefore, are not reported in the funds:	
Net OPEB liability	(925,244)
Deferred Inflows of Resources Relating to OPEB	(171,393)
Deferred Outflows of Resources Relating to OPEB	44,474
Internal service funds are blended into governmental activities:	
Garage Service Net Position	8,326,868
Information Services Net Position	1,046,087
Facilities Maintenance Net Position	3,246,339
Health Benefits Net Position	333,282
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 233,292,945

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

TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018**

		SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	
	GENERAL FUND	AFFORDABLE HOUSING FUND	OTHER GOVERNMENTAL FUNDS	CAPITAL FUND	TOTAL
REVENUES					
Taxes	\$ 41,234,845	\$ 3,774,884	\$ 5,983,989	\$ -	\$ 50,993,718
Licenses and Permits	872,141	-	826,335	-	1,698,476
Intergovernmental	1,278,971	290,350	615,692	-	2,185,013
Charges for Services	6,587,098	929,143	23,988	42,750	7,582,979
Fines and Forfeits	291,072	-	-	-	291,072
Investment Earnings	385,528	172,833	36,804	141,122	736,287
Miscellaneous	419,506	207,141	88,220	31,338	746,205
TOTAL REVENUES	51,069,161	5,374,351	7,575,028	215,210	64,233,750
EXPENDITURES					
General Government	3,880,411	-	4,618,068	-	8,498,479
Public Safety	4,420,323	-	-	-	4,420,323
Community Development	2,723,193	1,639,406	-	-	4,362,599
Public Works	12,155,244	-	-	1,116,771	13,272,015
Culture and Recreation	7,441,773	-	-	-	7,441,773
Open Space Acquisition	-	-	1,069,615	-	1,069,615
Grants to Other Agencies	1,154,864	-	-	83,710	1,238,574
Capital Outlay	1,686,601	5,809,016	1,519,103	8,289,080	17,303,800
Debt Service					
Principal	395,000	300,000	-	-	695,000
Interest and Charges	144,158	280,700	34,091	-	458,949
TOTAL EXPENDITURES	34,001,567	8,029,122	7,240,877	9,489,561	58,761,127
EXCESS OF REVENUES (OVER) UNDER EXPENDITURES	17,067,594	(2,654,771)	334,151	(9,274,351)	5,472,623
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	-	6,329,185	-	-	6,329,185
Transfers In	5,629,504	-	1,011,456	13,315,500	19,956,460
Transfers Out	(13,896,456)	(5,600,000)	(803,412)	(143,000)	(20,442,868)
TOTAL OTHER FINANCING SOURCES (USES)	(8,266,952)	729,185	208,044	13,172,500	5,842,777
CHANGE IN FUND BALANCE	8,800,642	(1,925,586)	542,195	3,898,149	11,315,400
FUND BALANCE - BEGINNING	32,378,721	19,319,163	3,476,396	11,142,479	66,316,759
FUND BALANCE - ENDING	\$ 41,179,363	\$ 17,393,577	\$ 4,018,591	\$ 15,040,628	\$ 77,632,159

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

TOWN OF BRECKENRIDGE, COLORADO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018**

NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ 11,315,400
Principal payments on debt are reported as expenditures in the funds:	
Principal Payments on Certificates of Participation	695,000
Debt issuance premiums are amortized over the life of the underlying debt issuances:	
Amortization of Debt Premiums	53,253
Earned but unpaid accumulated leave balances are not reported in the funds:	
Change in Accrued Compensated Absences	(46,435)
Retiree Health Benefits relating to the City's OPEB plan will be paid in future years and are not a current fund obligation:	
Change in net OPEB liability and Related Deferred Inflows and Outflows of Resources	53,245
Interest is reported on the cash basis in the funds:	
Change in Accrued Interest	31,015
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Capitalized Assets	17,303,800
Donated Assets	65,000
Depreciation Expense	(4,773,870)
Net Book Value of Disposed Capital Assets	(14,529,455)
Internal service funds are blended into governmental activities:	
Garage Services Change in Net Position	630,988
Information Technology Change in Net Position	223,134
Facility Maintenance Change in Net Position	400,598
Health Benefits Change in Net Position	333,282
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 11,754,955

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

TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
December 31, 2018**

	UTILITY FUND	GOLF COURSE FUND	CEMETERY FUND (NONMAJOR)	ENTERPRISE FUNDS TOTAL	INTERNAL SERVICE FUNDS
ASSETS					
Current Assets					
Equity in Pooled Cash and Investments	\$ 6,457,130	\$ 1,090,652	\$ 88,646	\$ 7,636,428	\$ 7,253,818
Receivables					
Accounts Receivable, Net	682,073	4,823	-	686,896	31,799
Total Current Assets	7,139,203	1,095,475	88,646	8,323,324	7,285,617
Noncurrent Assets					
Restricted Cash and Investments	46,474,591	-	-	46,474,591	-
Capital Assets					
Land	1,528,522	4,106,387	-	5,634,909	-
Construction in Progress	27,704,214	2,878,360	-	30,582,574	-
Buildings	4,960,399	4,077,267	-	9,037,666	-
Improvements Other Than Buildings	6,961,492	6,092,982	-	13,054,474	104,520
Infrastructure	2,407,209	-	-	2,407,209	-
Machinery and Equipment	23,893,872	2,419,473	-	26,313,345	13,973,437
Water and Water Storage Rights	3,190,973	-	-	3,190,973	-
Total Capital Assets	70,646,681	19,574,469	-	90,221,150	14,077,957
Accumulated Depreciation	(21,253,025)	(10,415,962)	-	(31,668,987)	(7,922,032)
Capital Assets - Net	49,393,656	9,158,507	-	58,552,163	6,155,925
Total Noncurrent Assets	95,868,247	9,158,507	-	105,026,754	6,155,925
TOTAL ASSETS	103,007,450	10,253,982	88,646	113,350,078	13,441,542
LIABILITIES					
Current Liabilities					
Accounts Payable	2,824,689	33,321	12,500	2,870,510	154,361
Accrued Liabilities	-	-	-	-	246,392
Accrued Salaries	18,528	17,193	-	35,721	21,798
Funds Held for Others	-	2,500	-	2,500	-
Accrued Interest Payable	409,034	756	-	409,790	-
Current Portion of Long-Term Debt	2,274,566	49,487	-	2,324,053	6,641
Total Current Liabilities	5,526,817	103,257	12,500	5,642,574	429,192
Noncurrent Liabilities					
Capital Lease Obligations Payable	-	48,843	-	48,843	-
Notes Payable	53,714,826	-	-	53,714,826	-
Accrued Compensated Absences	63,370	46,188	-	109,558	59,774
Total Noncurrent Liabilities	53,778,196	95,031	-	53,873,227	59,774
TOTAL LIABILITIES	59,305,013	198,288	12,500	59,515,801	488,966
NET POSITION					
Net Investment in Capital Assets	39,891,028	9,060,177	-	48,951,205	6,155,925
Unrestricted Net Position	3,811,409	995,517	76,146	4,883,072	6,796,651
TOTAL NET POSITION	\$ 43,702,437	\$ 10,055,694	\$ 76,146	\$ 53,834,277	\$ 12,952,576

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

TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the Year Ended December 31, 2018**

	UTILITY FUND	GOLF COURSE FUND	CEMETERY FUND (NONMAJOR)	ENTERPRISE FUNDS TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 674,844
Charges for Services	4,315,811	2,858,345	10,426	7,184,582	7,349
Insurance Recoveries	-	-	-	-	200,946
Internal Service Revenue	-	-	-	-	7,003,478
Employee Paid Premiums	-	-	-	-	498,403
Other Income	79,270	29,848	-	109,118	278,199
TOTAL OPERATING REVENUES	4,395,081	2,888,193	10,426	7,293,700	8,663,219
OPERATING EXPENSES					
Administration	1,888,330	189,006	14,068	2,091,404	-
Distribution Maintenance	1,225	-	-	1,225	-
Water Rights Maintenance	120,108	-	-	120,108	-
Depreciation	883,877	465,434	-	1,349,311	1,271,823
Motor Vehicle Maintenance	-	-	-	-	1,635,957
Facility Maintenance	-	-	-	-	261,033
Information Systems Maintenance	-	-	-	-	1,096,128
Golf Course Maintenance	-	879,526	-	879,526	-
Golf Pro Shop	-	869,466	-	869,466	3,429,825
TOTAL OPERATING EXPENSES	2,893,540	2,403,432	14,068	5,311,040	7,694,766
OPERATING INCOME (LOSS)	1,501,541	484,761	(3,642)	1,982,660	968,453
NON-OPERATING REVENUE (EXPENSE)					
Investment Earnings	239,708	84,104	693	324,505	113,132
Gain (Loss) on Sale of Assets	-	8,000	-	8,000	(93,583)
Interest Expense	-	(5,922)	-	(5,922)	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	239,708	86,182	693	326,583	19,549
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	1,741,249	570,943	(2,949)	2,309,243	988,002
CAPITAL CONTRIBUTIONS					
Plant Investment Fees	896,378	-	-	896,378	-
TOTAL CAPITAL CONTRIBUTIONS	896,378	-	-	896,378	-
TRANSFERS					
Transfers In	15,912	-	-	15,912	600,000
Transfers Out	(98,184)	(31,320)	-	(129,504)	-
NET TRANSFERS	(82,272)	(31,320)	-	(113,592)	600,000
CHANGE IN NET POSITION	2,555,355	539,623	(2,949)	3,092,029	1,588,002
NET POSITION - Beginning	41,147,082	9,516,071	79,095	50,742,248	11,364,574
NET POSITION - Ending	\$ 43,702,437	\$ 10,055,694	\$ 76,146	\$ 53,834,277	\$ 12,952,576

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

TOWN OF BRECKENRIDGE, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	UTILITY FUND	GOLF COURSE FUND	CEMETERY FUND (NONMAJOR)	ENTERPRISE FUNDS TOTAL	INTERNAL SERVICE FUNDS
Cash Flows From Operating Activities:					
Cash Received from Customers	\$ 4,459,009	\$ 2,888,204	\$ 10,426	\$ 7,357,639	\$ 8,796,588
Cash Paid to Suppliers	833,782	(1,716,195)	(1,568)	(883,981)	(5,365,412)
Cash Paid to Employees	(931,390)	(185,154)	-	(1,116,544)	(892,544)
Net Cash Provided by Operating Activities	4,361,401	986,855	8,858	5,357,114	2,538,632
Cash Flows From Capital and Related Financing Activities:					
Tap/Contributed Installation Fees Received	896,378	-	-	896,378	-
Long - Term Debt Proceeds	-	-	-	-	-
Debt Principal Payments	(2,235,732)	(38,973)	-	(2,274,705)	-
Interest Payments	-	(5,922)	-	(5,922)	-
Acquisition of Capital Assets	(19,846,426)	(1,248,992)	-	(21,095,418)	(1,871,533)
Proceeds from Sales of Assets	-	8,000	-	8,000	33,547
Cash Flows Provided/(Used) by Capital and Related Financing Activities	(21,185,780)	(1,285,887)	-	(22,471,667)	(1,837,986)
Cash Flows (Used) From Noncapital Financing Activities:					
Transfers In	15,912	-	-	15,912	600,000
Transfers Out	(98,184)	(31,320)	-	(129,504)	-
Net Cash Provided/(Used) by Noncapital Financing Activities	(82,272)	(31,320)	-	(113,592)	600,000
Cash Flows From Investing Activities:					
Interest Received	239,708	84,104	693	324,505	113,132
Net Increase in Cash	(16,666,943)	(246,248)	9,551	(16,903,640)	1,413,778
Cash - Beginning	69,598,664	1,334,400	79,095	71,012,159	5,840,040
Cash - Ending	\$ 52,931,721	\$ 1,088,152	\$ 88,646	\$ 54,108,519	\$ 7,253,818
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:					
Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities	\$ 1,501,541	\$ 484,761	\$ (3,642)	1,982,660	\$ 968,453
Depreciation Expense	883,877	465,434	-	1,349,311	1,271,823
Changes in Assets and Liabilities Related to Operations:					
(Increase) Decrease in:					
Receivables	(135,149)	11	-	(135,138)	133,369
Increase (Decrease) in:					
Accounts Payable	1,897,391	22,223	12,500	1,932,114	(112,349)
Accrued Liabilities	-	-	-	-	246,392
Accrued Interest	199,077	8,564	-	207,641	-
Accrued Salaries	2,563	6,211	-	8,774	5,747
Accrued Compensated Absences	12,101	(349)	-	11,752	25,197
Total Adjustments	2,859,860	502,094	12,500	3,374,454	1,570,179
Net Cash Provided by Operating Activities	\$ 4,361,401	\$ 986,855	\$ 8,858	\$ 5,357,114	\$ 2,538,632

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

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Breckenridge, Colorado ("the Town") conform to generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies:

REPORTING ENTITY

The Town of Breckenridge became a home rule municipal corporation in 1980. The Town is governed by a mayor and six-member council elected by the residents.

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is 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. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it. As such, the reporting entity is comprised of the primary government and its component units, entities for which the government is considered to be financially accountable.

Blended component units are, in substance, part of the Town's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the Town. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town.

Blended Component Units

The Town of Breckenridge Finance Authority (the "Finance Authority") was established to allow for the issuance of certificates of participation with subsequent leasing of the underlying assets to the Town. The Finance Authority is fully controlled by the Town Board. The transactions of the Finance Authority have been eliminated as part of the financial presentation, but it is hereby incorporated by reference.

On January 13, 2015, the Town established the Breckenridge Housing Authority (BHA) and Pinewood 2, LLC (LLC) to facilitate the construction of a 47-unit affordable rental housing project, Pinewood 2 (PW2). The BHA has a three-member board; the Mayor as Chairperson, the Mayor Pro Tem as Vice Chairperson, and the Town Manager (or designee) as Secretary and Executive Director of the Authority. The BHA does not issue separate financial statements and is a blended component unit. The BHA is the sole member of the LLC, which does not issue separate financial statements. The LLC is presented as a blended unit in the Affordable Housing Fund.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Discretely Presented Component Unit

Pinewood 2, LLC is the general partner of Pinewood 2, LLLP (LLLP). The LLLP contains the project itself, and its financials are presented discretely as a component unit of the Town. This organizational structure was utilized in order to allow the Town to realize the benefits of low-income housing tax credits (LIHTEC). The LLLP has another partner, the Midwest Housing Equity Group (MHEG). MHEG's membership in the LLLP allows for the monetization of the LIHTEC. Separately issued financial statements for the Pinewood 2, LLLP can be obtained from Corum Real Estate at 600 S. Cherry Street Glendale, CO 80246.

Related Organizations

The Town's officials are also responsible for appointing four of nine members of the board of the Breckenridge Tourism Office (formerly known as GoBreck), a marketing organization that serves the Town's business community, but the Town's accountability for this organization does not extend beyond making the appointments. The BTO appoints the remainder of the board and submits a request to the Town each year for budget support. In 2018, the Town expended \$4,569,616 to the Breckenridge Tourism Office (BTO) out of its Marketing Fund.

The Breckenridge Historical Alliance (BHA) is another organization that works closely with the Town. The BHA is responsible for administering many of the Town's historical sites, such as the Barney Ford Victorian Home, Edwin Carter Discovery Center, and William H. Briggles House. They also provide walking tours of the Town's historic core. They also recommend and administer capital maintenance and improvements to our historic sites. The BHA maintains its own 7-member board. In 2018, the Town contributed \$610,351 to the BHA's efforts.

The Breckenridge Creative Arts (BCA) is an independent non-profit organization that works with the Town to maintain and program our Arts District campus. It has an eleven-member board, including one Town Council liaison (appointed by the Mayor) and the Town Manager as an *ex-officio* member. The remaining members are appointed by BCA. Town support for the BCA in 2018 was \$2,324,009. In addition, the BCA paid the Town \$128,099 for facility maintenance and \$132,722 for information technology.

The Town of Breckenridge and Summit County cut the ribbon on Huron Landing, a 26-unit workforce housing rental development on County Road 450. The Huron Landing Authority is a 50-50 partnership between the Town of Breckenridge and Summit County formed to operate the rental units. Each organization contributed funding, staff time and in-kind resources to the housing project. Summit County has owned the 1.7-acre property on CR 450 since the 1960s; the community identified it as a potential workforce housing site during the 2010 update of the Upper Blue Master Plan. Corum Real Estate Group will provide day-to-day property management services at Huron Landing. Four units are reserved for employees of the Town of Breckenridge and Summit County government.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

BASIS OF PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the Town as a whole.

The reporting information includes all of the non-fiduciary activities of the Town. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. In general, the effects of interfund activity have been eliminated from the government-wide financial statements. For 2018, this included the offset of internal service activity in the governmental activities presentation.

Fund Financial Statements

The fund financial statements provide information about the Town's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds would be aggregated and reported as non-major funds. The Town presently does not treat any of its governmental or enterprise funds as non-major.

GOVERNMENTAL FUNDS

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the collection and disbursement of specific revenue sources. The Town's major Special Revenue Fund is as follows:

Affordable Housing Fund – The Affordable Housing Program is intended to assure the provision of housing for employees who work in the Upper Blue basin. The program's major components include the development and implementation of policies and programs that assure housing. A down payment assistance program for Town employees is provided to assist employees in obtaining housing in the area. This loan program is designed to assist with recruitment and retention. In addition, the Town provides limited transitional housing for employees in units both leased and owned by the Town. Costs related to owned and leased units including homeowner's association dues and general maintenance are accounted for in this fund as well. In 2016, a one-time event of funding a capital housing project out of the fund occurred. However, this is expected

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

to be a one-time event and future capital projects will be paid from a different fund or component unit. Revenues include a dedicated portion of the Town's sales tax.

Capital Projects Fund – This fund accounts for major Town multi-year capital projects. The Town accounts for the capital expenditures in this fund to facilitate the monitoring of operations in the Town's General Fund departments.

In addition to the above, the Town reports the following nonmajor special revenue funds:

Open Space Acquisition Fund – A one half of one percent sales tax has been authorized by the voters for the purpose of an open space program. At times, implementing the goals of this program may require acquiring land for open space values. An open space master plan has been adopted which provides a framework for decisions on open space purchases. Revenues include a dedicated ½ of 1% sales tax, various grants, and annexation fees.

Marketing Fund – This fund accounts for the Town's participation in the Breckenridge Resort Chamber marketing program as well as community marketing grants through various non-profit organizations. The source of funding is a dedicated portion of the Town's sales and accommodations taxes, as well as business license fees.

Conservation Trust Fund – This fund was established pursuant to Colorado State law to account for the receipt and disbursement of lottery funds. Each year the State distributes a percentage of the profits from the sale of lottery tickets to municipalities which may be used only to maintain, acquire or construct recreation facilities, park facilities, or open space. As the Town funds its capital projects through the Capital Fund, the Town transfers their conservation trust proceeds to the Capital Fund as allowed projects are completed.

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town's enterprise funds are as follows:

Utility Fund – This fund accounts for the operations of the Town's water system.

Golf Course Fund – This fund accounts for the operations of the Town's golf course.

Cemetery Fund (nonmajor) – This fund accounts for the operations of the Town's cemetery.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Internal Service Funds – Internal Service Funds are used to account for operations that provide services to other departments or agencies of the Town on a cost-reimbursement basis. The Town's Internal Service funds are as follows:

Garage Fund – This fund accounts for the administration and operating expenses associated with the repair and maintenance of Town vehicles and equipment. The Fund will also purchase new vehicles and equipment. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 1.43% of Garage Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

Information Services Fund – This fund is responsible for all aspects of the Town's computerized information systems. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 13.11% of Information Services Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

Facility Maintenance Fund – This fund is responsible for certain aspects of the Town's facilities maintenance. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 5.41% of Facilities Maintenance Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

Health Benefits Fund – This fund was created in 2018 to better track and predict the cost of the Town's employee health plan. Costs related to the fund are allocated to the Town's other operating funds based on budgeted use. Business-type activities represent 12.63% of Health Benefits Fund activities, therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide and Proprietary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. 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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available. These revenues could include certain property, sales and other tax collections; federal, state, and county grants; and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. The Town generally considers funds received within 60 days subsequent to the end of the fiscal year to be measurable and available.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered "available spendable resources," since they do not represent net current assets. Noncurrent portions of other long-term receivables are reflected in non-spendable fund balance in the General Fund and restricted fund balance in other governmental funds.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

BUDGETS

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Town's charter contains the following budget language:
"Adoption of the budget by council shall constitute appropriations of the amounts specified therein for expenditure from the funds indicated. The proceeds of any municipal borrowing authorized by Article XI of this Charter shall not be subject to any requirement of prior budgeting or appropriation as a condition to their expenditure. The amount necessary to repay any such municipal borrowing (including interest thereon) need not be budgeted or appropriated in full in the year in which the borrowing occurs; however, amounts necessary to pay debt service shall (except to the extent they may be payable from other legally available funds in the first year) be budgeted and appropriated on an annual basis, provided that no failure to budget and appropriate such annual debt service amounts shall affect the enforceability of any covenant of the town to make such payments. An appropriation for a capital expenditure shall continue in effect until the purpose for which the appropriation was made has been accomplished, or until the appropriation is abandoned or transferred. (Ord. 7, Series 2002, Election 4-2-2002)"
- All appropriations lapse at year end except as noted previously. Colorado governments may not exceed budgeted appropriations at the fund level.
- By October 15th of each year the Town Administration submits to the Town Council, a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

- The Town certifies the mill levies to the Board of County Commissioners by December 15th.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented for the Enterprise and Internal Service Funds are presented on a non-GAAP budgetary basis. Tap fees, grant revenues and debt proceeds are recognized as revenue for budget purposes. Capital outlay is budgeted as an expenditure.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. The Town adopted several supplemental appropriations during the year totaling \$21,668,551 as follows:.

	Original Budget	Total Revisions	Revised Budget
<u>Governmental funds:</u>			
General fund	\$ 40,998,379	\$ 10,148,832	\$ 51,147,211
<u>Special revenue funds:</u>			
Conservation trust fund	55,000	-	55,000
Marketing Fund	4,578,284	40,000	4,618,284
Open Space Acquisition Fund	3,063,239	1,187,898	4,251,137
Affordable Housing Fund	23,782,895	1,219,066	25,001,961
<u>Capital projects funds:</u>			
Capital projects Fund	4,768,000	8,468,000	13,236,000
<u>Business-type funds:</u>			
Utility Fund	54,529,113	50,000	54,579,113
Golf Course Fund	3,179,221	415,955	3,595,176
Cemetery Fund	24,500	-	24,500
<u>Internal service funds:</u>			
Garage Services Fund	3,403,052	138,800	3,541,852
Information Technology Fund	1,326,831	-	1,326,831
Facility Maintenance Fund	709,564	-	709,564
Health Benefits Fund	2,393,617	-	2,393,617
Total funds	\$ 142,811,695	21,668,551	\$ 164,480,246

CASH AND INVESTMENTS

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

CAPITAL ASSETS

Property and equipment acquisitions made by the governmental funds are accounted for as expenditures of the fund, and are then capitalized in the government-wide financial statements. All purchased property and equipment are valued at cost, while donated assets are valued at their acquisition value as of the date received as a donation. The Town capitalizes assets with a useful life in excess of five years and a cost of \$5,000 or greater. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized as governmental activities in the government-wide financial statements.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Depreciation is provided on all capital assets shown in the government-wide presentation and is computed using the straight-line method over the following estimated useful lives of the assets:

Description	
Buildings and improvements	5-100 years
Infrastructure	5-30 years
Collection and distribution systems	30-50 years
Machinery and equipment	5-15 years

The Town capitalizes interest costs during construction. During 2018, interest was capitalized on the construction of the Town's 2nd water plant in the Utility Fund.

RECEIVABLES

Receivables are reported net of an allowance for uncollectible accounts, where applicable.

BOND PREMIUMS

For the government-wide presentation as well as proprietary fund types, bond premiums are included with long-term debt and amortized over the life of the bonds using the straight-line method. In the governmental fund types, bond premiums are recognized as current period expenditures.

COMPENSATED ABSENCES

Employees of the Town are allowed to accumulate unused vacation time up to 240 hours and unused sick time up to 480 hours. One-third of sick leave will be paid out to any employee upon termination after three years of continuous service not to exceed 80 hours.

Accumulated unpaid vacation pay is accrued when earned. In the government-wide presentation, accumulated compensated absences not expected to be paid with current available resources are reported as long-term liabilities. Governmental Activity compensated absences have normally been liquidated by the General Fund. The Town has estimated that 10% of the outstanding compensated absence balances will be liquidated within the next twelve months.

LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is not presented in the funds; however, it is shown as a long-term liability in the government activities section of the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in that fund.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

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DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period. The Town has one item that qualifies as a deferred outflow of resources related to its OPEB liability per GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB Statement No. 75"). See Note 11 for additional information.

DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only two types of deferred inflows of resources, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. In addition, the Town has deferred inflows of resources related to the OPEB liability per GASB Statement No. 75, which has been recorded as of December 31, 2018. See Note 11 for additional information.

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "non-spendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid amounts and notes receivable.

Fund balance should be reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF BRECKENRIDGE, COLORADO
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Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Town Council, should be reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Through resolution, the Town Council has authorized the Town's financial services director or designee to assign fund balances.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

For the classification of fund and net position balances, the Town considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

PROPERTY TAXES

Property taxes are levied December 10, and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day in February and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow for unavailable revenue is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow of resources is recognized as revenue and the receivable is reduced.

ENCUMBRANCES

The Town does not utilize encumbrance accounting.

TOWN OF BRECKENRIDGE, COLORADO
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OTHER POST-EMPLOYMENT BENEFITS ("OPEB")

The Town provides a single-employer defined benefit post-employment ("OPEB") health care plan that covers eligible retired employees of the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

2. DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2018 follows:

Petty Cash	\$ 6,777
Cash Deposits	14,434,922
Cash Held by Others	46,956,576
Investments	26,158,002
Local Government Investment Pool	36,299,455
Total cash, cash equivalents and investments	\$ 123,855,732

Discretely Presented Component Unit - Pinewood 2 LLLP	
Cash Deposits	\$ 239,037

These amounts are classified in the Statement of Net Position as follows:

Equity in Pooled Cash and Investments	\$ 76,359,401
Restricted Cash and Investments	47,496,331
Total cash, cash equivalents and investments	\$ 123,855,732
Cash and cash equivalents - discretely presented component unit	\$ 239,037

Cash Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State

TOWN OF BRECKENRIDGE, COLORADO
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Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2018, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Carrying Balance
FDIC Insured	\$ 251,085	\$ 251,085
PDPA Collateralized	14,846,965	14,183,837
	<u>\$ 15,098,050</u>	<u>\$ 14,434,922</u>

	Bank Balance	Carrying Balance
Discretely Presented Component Unit - Pinewood 2 LLLP		
FDIC Insured	\$ 239,037	\$ 239,037

Restricted Cash

The General Fund has restricted cash of \$481,985 representing \$281,931 in forfeitures of retirement contributions and \$200,054 in debt service reserves.

The Utility Fund has a restricted cash balance of \$46,474,591 that was held by Colorado Water Resources & Power Development Authority ("CWRPDA"). The cash will be held by CWRPDA until requests to draw against these funds are paid by the Town as construction expenses are incurred. The Note Payable that relates to this cash is described in Note 6 – Long Term Debt.

The Affordable Housing Fund has cash of \$539,755 restricted for the construction of the Huron Landing Housing project.

Investments

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency's securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

TOWN OF BRECKENRIDGE, COLORADO
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The Town measures and records its investments using guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered 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.

The Town's credit risk policy mirrors the State of Colorado policies as set forth in statute. The Town's investments are invested as follows:

Investments	S&P Rating	Level 1	Level 2	Level 3	Total	Weighted Avg. Maturity in Years	% of Investment Portfolio
U.S. Instrumentalities							
U.S. Treasuries	Aaa	\$ -	\$ 7,710,528	\$ -	\$ 7,710,528	0.72	30%
FHLB	Aaa	-	2,981,645	-	2,981,645	0.81	11%
FFCB	Aaa	-	2,537,937	-	2,537,937	0.37	10%
FNMA	Aaa	-	4,777,546	-	4,777,546	0.90	18%
FHLMC	AA+/Aaa	-	4,214,953	-	4,214,953	0.59	16%
Commercial Paper	NR	-	3,935,393	-	3,935,393	0.33	15%
Total investments		\$ -	\$ 26,158,002	\$ -	\$ 26,158,002		100%

Local Government Investment Pool

During the year ended December 31, 2018, the Town invested funds in ColoTrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation. At December 31, 2018, the Town invested \$36,299,455 in ColoTrust, which is recorded at net asset value and not subject to leveling. ColoTrust has a daily redemption frequency period and a one-day redemption notice period.

Interest Rate Risk

The Town manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the Town Council.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2018, the Town's U.S. Treasury and Instrumentality securities were held by UMB Corporate Trust Services in the name of the Town.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
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3. NOTES RECEIVABLE

The Town has outstanding notes receivable totaling \$1,242,536 at December 31, 2018 due from the Breckenridge Nordic Center, LLC under a loan agreement dated June 15, 2011 for the construction of a new facility and storage building. The note is collateralized by a deed of trust/security interest in the new facility. The note is paid in monthly installments of principal and interest over 30 years beginning May 1, 2014 at an interest rate of 4% per annum.

In January 2013, Town Council approved a resolution to enter into an agreement with Breckenridge Village Apartments, LLC (BVA) in order to assist BVA in securing interest in real property. The note was collateralized by a deed of trust and an assignment of leases and rents. The amount of the note outstanding as of December 31, 2013 was \$7,200,000. Under the agreement the note was paid in monthly installments interest only until the note was refinanced. In 2014, the note was refinanced and the principal was paid down to leaving a balance of \$1,400,000. As of December 31, 2018, the amount of this note receivable was \$1,310,450. The loan will be paid in monthly installments of principal and interest over 35 years at an interest rate of 3.5% per annum.

In 2000, The Town instituted a housing down payment assistance program where regular (non-seasonal) Town employees can borrow money from the Town to purchase housing. The purpose of the program is to assist qualified Town of Breckenridge employees with the purchase of a home within a reasonable commuting distance of their jobs. Eligible activities are down payment assistance for a home purchase or new construction only. The Town's note is a second mortgage on the property with a fixed interest rate of 3% amortized over 20 years. The note is due in 10 years or upon sale or transfer of the home from the employee to another party. The default interest rate of Prime plus 3% is put into effect as the new fixed rate upon a payment past due 90 days or greater or 1 year after termination of employment from the Town. As of December 31, 2018, the amount of these notes outstanding totaled \$171,466.

The Town's 2015 contributions to Pinewood 2, LLC, for construction of a new affordable rental housing project, Pinewood 2, are recognized as a note receivable in the Affordable Housing Fund. As of December 31, 2018, the amount of this note receivable was \$6,062,681. The project was completed in July of 2016. In 2017, the loan was converted from a construction loan to a permanent financing loan. The annual payments are to be made from the net income from the housing project. The first annual payment will be made in 2018 from the 2017 net income, and then annually thereafter. There were no payments from Pinewood 2, LLC, to the Town during 2018. The term of the loan is an interest rate of 2.5% and a 40 year term.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. CAPITAL ASSETS

A summary of changes in the governmental capital assets is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 49,637,572	\$ 1,146,205	\$ (1,036,283)	\$ 282,350	\$ 50,029,844
Art	-	-	-	117,914	117,914
Construction in progress	37,798,944	15,002,920	(8,049,566)	(1,666,244)	43,086,054
Total capital assets, not being depreciated	87,436,516	16,149,125	(9,085,849)	(1,265,980)	93,233,812
Capital assets, being depreciated:					
Buildings and improvements	62,004,528	-	(5,641,772)	847,051	57,209,807
Improvements	28,892,750	932,721	-	363,929	30,189,400
Infrastructure	18,968,928	188,576	-	-	19,157,504
Equipment	12,663,846	98,378	-	55,000	12,817,224
Improvements - Internal Services	104,520	-	-	-	104,520
Equipment - Internal Services	13,640,403	1,871,533	(1,538,499)	-	13,973,437
Total capital assets, being depreciated	136,274,975	3,091,208	(7,180,271)	1,265,980	133,451,892
Less accumulated depreciation for:					
Buildings and improvements	(28,712,805)	(2,011,299)	198,166	-	(30,525,938)
Improvements	(5,332,396)	(1,333,047)	-	(6,185)	(6,671,628)
Infrastructure	(7,611,778)	(815,350)	-	6,185	(8,420,943)
Equipment	(10,248,951)	(614,174)	-	-	(10,863,125)
Improvements - Internal Services	(24,951)	(6,968)	-	-	(31,919)
Equipment - Internal Services	(8,036,628)	(1,264,854)	1,411,369	-	(7,890,113)
Total accumulated depreciation	(59,967,509)	(6,045,692)	1,609,535	-	(64,403,666)
Total capital assets, being depreciated, net	76,307,466	(2,954,484)	(5,570,736)	1,265,980	69,048,226
Governmental activities capital assets, net	\$ 163,743,982	\$ 13,194,641	\$ (14,656,585)	\$ -	\$ 162,282,038

Depreciation is allocated to the Town's governmental activities as follows:

Governmental Activities:	
General government	\$ 1,051,314
Public safety	537,604
Community Development	692,274
Public Works	1,575,605
Culture and Recreation	917,073
Internal Service Funds	
charged to the various functions based on usage	1,271,822
Total depreciation expense - governmental activities	\$ 6,045,692

TOWN OF BRECKENRIDGE, COLORADO
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A summary of changes in the business-type capital assets is as follows:

	Beginning Balance	Additions	(Decreases)	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 5,634,909	\$ -	\$ -	\$ -	\$ 5,634,909
Construction in progress	10,422,390	20,980,764	-	(820,580)	30,582,574
Water and water storage rights	3,190,973	-	-	-	3,190,973
Total capital assets, not being depreciated	19,248,272	20,980,764	-	(820,580)	39,408,456
Capital assets, being depreciated:					
Buildings	9,037,666	-	-	-	9,037,666
Infrastructure	2,407,209	-	-	-	2,407,209
Improvements	12,233,894	-	-	820,580	13,054,474
Machinery and Equipment	26,261,645	114,653	(62,953)	-	26,313,345
	49,940,414	114,653	(62,953)	820,580	50,812,694
Less accumulated depreciation for:					
Buildings	(7,945,983)	(266,490)	-		(8,212,473)
Infrastructure	(321,950)	(80,509)	-		(402,459)
Improvements	(20,786,601)	(283,959)	-	11,719,816	(9,350,744)
Equipment	(1,328,095)	(718,353)	62,953	(11,719,816)	(13,703,311)
Total accumulated depreciation	(30,382,629)	(1,349,311)	62,953	-	(31,668,987)
Total capital assets, being depreciated, net	19,557,785	(1,234,658)	-	820,580	19,143,707
Business-type activities capital assets, net	\$ 38,806,057	\$ 19,746,106	\$ -	\$ -	\$ 58,552,163

Depreciation is allocated to the funds as follows:

Business-type activities:	
Water Operations	\$ 883,877
Golf Course Operations	465,434
Total depreciation expense - business-type activities	\$ 1,349,311

A summary of changes in the component unit capital assets is as follows:

Component unit					
	Beginning Balance	Additions	(Decreases)	Transfers	Ending Balance
Capital assets, being depreciated:					
Buildings and improvements	\$ 9,018,014	\$ -	\$ (12,800)	\$ -	\$ 9,005,214
Equipment	787,735	1,660			789,395
	9,805,749	1,660	(12,800)	-	9,794,609
Less accumulated depreciation for:					
Buildings and equipment	(797,883)	(532,537)	1,100	-	(1,329,320)
Total capital assets, being depreciated, net	9,007,866	(530,877)	(11,700)	-	8,465,289
Discretely presented component unit capital assets, net	\$ 9,007,866	\$ (530,877)	\$ (11,700)	\$ -	\$ 8,465,289

TOWN OF BRECKENRIDGE, COLORADO
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5. ASSETS HELD FOR RESALE

In 2018, for the purposes of providing workforce housing, the Town undertook construction on the following assets as held for resale:

Assets Held for Resale					
	Balance 1/1/18	Additions	Deletions	Transfers	Balance 12/31/2018
34 Sheppard Circle	\$ 722,004	\$ 27,908	\$ (749,912)	\$ -	\$ -
Blue 52 Townhomes	9,673,115	4,096,660	(13,038,493)	-	731,282
Blue 52 Apartments	214,396	2,161,683	(2,376,079)	-	-
Total Assets held for resale	\$ 10,609,515	\$ 6,286,251	\$ (16,164,484)	\$ -	\$ 731,282

34 Sheppard Circle was a deed restricted workforce housing unit that was purchased through a public trustee sale on April 6, 2017 for \$525,001. Throughout 2018, the Town renovated the home to restore it to its original condition for the purpose of returning it to the local workforce housing inventory, through a sale at the time of completion. As of December 31, 2018, \$27,908 in additional funds had been spent on the remodeling of the single-family home. During the year ended December 31, 2018, the unit was sold.

Blue 52 is a workforce housing neighborhood that the Town undertook for the purpose of providing housing to those that work in Summit County. Once construction is complete, Blue 52 will include 52 one, two, and three-bedroom townhomes, in addition to 2 apartment buildings. Of those units, at least 3 townhomes and 1 apartment building will be retained by the Town of Breckenridge. The remaining units will be held for resale to qualifying individuals that meet the Town's deed restriction placed on the units. During 2018, 43 of the townhome units were sold. The remainder of the units will be sold as the construction is completed.

6. LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2018:

Governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Certificates of participation	\$ 11,290,000	\$ -	\$ (695,000)	\$ 10,595,000	\$ 715,000
Debt Premiums, net of accumulated amortization	949,355	-	(53,253)	896,102	53,253
Net OPEB Liability	1,105,406	161,929	(342,091)	925,244	-
Accrued Compensated Absences	800,443	1,229,778	(1,183,343)	846,878	84,688
Accrued Compensated Absences - Internal Services	41,218	103,787	(78,590)	66,415	6,641
Total long-term debt	\$ 14,186,422	\$ 1,495,494	\$ (2,352,277)	\$ 13,329,639	\$ 859,582

TOWN OF BRECKENRIDGE, COLORADO
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Business-type activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
CWR&PDA note payable	\$ 56,990,796	\$ -	\$ (2,186,667)	\$ 54,804,129	\$ 2,211,419
Capital Lease	133,122	-	(39,924)	93,198	44,355
Debt Premiums, net of accumulated amortization	1,234,328		(56,106)	1,178,222	56,106
Accrued compensated absences	93,074	168,694	(140,037)	121,731	12,173
Total long-term debt	\$ 58,451,320	\$ 168,694	\$ (2,422,734)	\$ 56,197,280	\$ 2,324,053

Discretely Presented Component Unit - Pinewood 2 LLP

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Town of Breckenridge Note Payable	\$ 6,150,000	\$ -	\$ (87,319)	\$ 6,062,681	\$ -
Total component unit activities	\$ 6,150,000	\$ -	\$ (87,319)	\$ 6,062,681	\$ -

Certificates of Participation

On December 27, 2007, the Town issued \$3,620,000 of Certificates of Participation (COP) for the cost of constructing, acquiring, and equipping a new child care facility. The certificates require semi-annual interest and annual principal payments on June 1 and December 1 through December 2027. The Certificates bear interest at rates varying from 4-4.25%. Payments are made from the Excise Fund, which is combined with the General Fund for reporting purposes. These certificates were issued through the Town of Breckenridge Finance Authority and subsequently leased to the Town.

The 2007 certificates of participation issuance requires a cash reserve of the lesser of 10% of the principal, the maximum annual debt service amount, or 125% of the average annual debt service amount. At December 31, 2018, the restricted cash requirement was \$200,054, with the reserve recorded in the General Fund.

On March 10, 2016, the Town issued certificates of participation in the amount of \$10,060,000. \$2,325,000 was used for the refunding of the 2005 COP and \$7,735,000 was available for the construction of the Huron Landing affordable housing project. The certificates require semi-annual interest and annual principal payments on June 1 and December 1 through December 2030. The Certificates bear interest at rates varying from 2-5%. Payments are allocated between the Housing Fund and the Excise Fund, which is combined with the General Fund for reporting purposes.

Notes Payable

In November 2017, the Town entered into a loan agreement with the Colorado Water Resources Power Development Authority (CWRPDA) for a principal amount of \$56,990,796, in order to construct a 2nd water plant to serve the Town's growing needs. The loan has a prime interest rate and is payable in bi-annual payments beginning on February 1, 2018, with a maturity date of August 1, 2039. As of December 31, 2018, the Town had drawn \$11,525,409. The remaining amount available of \$46,474,591 to be received is reflected as Restricted Cash in the accompanying statement of net position.

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Pinewood 2 LLLP, Note Payable – Discretely Presented Component Unit

Pinewood 2 LLLP has a note payable to the Town of Breckenridge, related to an affordable housing project known as Pinewood 2. A bridge loan was issued in 2016 for \$3.37 million at 0.75% interest and retired with a payment in full through the refinancing process in 2017. The outstanding note payable was refinanced in 2017, converting the construction loan to a permanent financing loan. Loan balance as of December 31, 2018, was \$6,062,681 million at 2.5% interest. Payments are made annually from available cash flow. Future maturities are due as follows:

Year Ending December 31	Principal
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	6,062,681
Total	\$ 6,062,681

Future Debt Service Requirements

Annual debt service requirements for the Town's outstanding bonds, notes and certificates of participation are as follows:

Governmental Activities			
Year Ending December 31	Principal	Interest	Total
2019	\$ 715,000	\$ 402,315	\$ 1,117,315
2020	745,000	379,015	1,124,015
2021	760,000	360,215	1,120,215
2022	785,000	341,015	1,126,015
2023	810,000	315,050	1,125,050
2024-2028	3,390,000	1,146,820	4,536,820
2029-2033	2,305,000	605,150	2,910,150
2034-2035	1,085,000	82,000	1,167,000
Total COP Payments	\$ 10,595,000	\$ 3,631,580	\$ 14,226,580

TOWN OF BRECKENRIDGE, COLORADO
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Business-Type Activities			
Year Ending December 31	Principal	Interest	Total
2019	\$ 2,211,419	\$ 1,019,883	\$ 3,231,302
2020	2,248,521	981,683	3,230,204
2021	2,295,776	934,433	3,230,209
2022	2,343,516	888,183	3,231,699
2023	2,365,634	861,033	3,226,667
2024-2028	12,469,685	3,675,163	16,144,848
2029-2033	13,126,684	3,025,561	16,152,245
2034-2038	14,590,523	1,557,569	16,148,092
2039	3,152,371	74,803	3,227,174
Total Bond and Note Payments	\$ 54,804,129	\$ 13,018,311	\$ 67,822,440

Capital Leases

In 2017, the Town entered into a lease purchase agreement for \$169,292 to purchase 108 GPS units for the golf carts at the Breckenridge Golf Course. Lease term is for 48 months, with 24 monthly rent payments due in the amount of \$7,699 due in advance, in the months of May, June, July, August, and September of each year. Payments are due on the 9th of each month, beginning May 9, 2017 and commencing October 9, 2020. Upon expiration of the lease term, the Town has the option to purchase all of the equipment for \$1, plus tax.

Following is a schedule of the future lease payments under this capital lease and the present value of the lease payments at December 31, 2018:

Capital Lease Activities			
Year	Principal	Interest	Total
2019	\$ 44,355	\$ 3,761	\$ 48,116
2020	48,843	1,484	50,327
Total Capital Lease Payments	\$ 93,198	\$ 5,245	\$ 98,443

7. INTERFUND BALANCES AND TRANSFERS

It is the Town's policy to report all sales, accommodations and real estate transfer taxes into the General Fund and then distribute these receipts to the other funds for operating purposes. As the Town funds its capital projects during the year, through the Capital Fund, the Town transfers the Conservation Trust proceeds to the Capital Fund as allowed projects are completed.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

During the year ended December 31, 2018, the Town made the following transfers:

	Transfer in:						
			Special Revenue Funds		Enterprise Fund	Internal Service Funds	
	General Fund	Capital Projects Fund	Marketing Fund	Open Space Acquisition Fund	Utility Fund	Health Benefits Fund	Total
Transfer Out:							
General Fund	\$ -	\$ 12,428,000	\$ 868,456	\$ -	\$ -	\$ 600,000	\$ 13,896,456
Capital Projects Fund	-	-	-	143,000	-	-	143,000
Affordable Housing Fund	5,500,000	100,000	-	-	-	-	5,600,000
Open Space Acquisition Fund	-	732,504	-	-	15,912	-	748,416
Conservation Trust Fund	-	54,996	-	-	-	-	54,996
Utility Fund	98,184	-	-	-	-	-	98,184
Golf Course Fund	31,320	-	-	-	-	-	31,320
Total transfers	\$ 5,629,504	\$ 13,315,500	\$ 868,456	\$ 143,000	\$ 15,912	\$ 600,000	\$ 20,572,372

Interfund Receivables and Payables

In June of 2015, the Town prepaid the balance of the 2005 CWRPDA loan. This was done through the Open Space Fund, in conjunction with a \$2M advance from the General Fund. The terms were for a 5-year payback at a 3% interest rate with bi-annual payments commencing in 2016. As of December 31, 2018, the Open Space Fund had a remaining payable to the General Fund of \$835,896.

In 2017, the General Fund provided temporary funding in the amount of approximately \$880,000 to the Affordable Housing Fund in order to fund the construction of housing. This was repaid to the General Fund in 2018.

8. RETIREMENT COMMITMENTS

Money Purchase Pension Plan

The Town provides pension benefits for its employees through a defined contribution money purchase plan. The plan is administered by the ICMA Retirement Corporation. Covered employees are required to participate in the plan from the date of employment and are fully vested after six years of continuous service. The plan provisions can be modified by the Town Council. The Town contributes an amount equal to 7% or 9% of the covered employee's salary each month, depending upon the employee's length of full-time regular employment with the Town. During the year ended December 31, 2018, contributions totaled \$897,685. The Town has no liability for this plan beyond its current annual contribution.

Deferred Compensation Plan

Pursuant to GASB Statement No. 32: *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the Town established a trust to hold the assets of its Deferred Compensation Plan, and modified the plan document to state that the plan is "held in trust for the exclusive benefit of participants and their beneficiaries." As such the plan's assets are no longer the property and rights of the Town, and are not reflected in the financial statements of the Town.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

9. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

The amounts of settlements have not exceeded insurance coverage the past three years, nor were there any significant changes in insurance coverage. The Town carries commercial insurance for workers compensation coverage.

Self-Insurance

The Town partially self-insures its medical and dental insurance claims. The Town provides coverage up to \$80,000 per employee and a total stop loss of 1,966,029 or 125% of the prior year claims. The Town carries commercial insurance for all claims in excess of that amount.

A summary of the Town's self-insured claims and liability is as follows:

IBNR Claim Liability	Beginning balance	Actual Incurred & Provision	Current & Prior Year Paid	Ending Balance	Estimated Stop Loss
12/30/2017	\$ 297,944	\$ 1,607,597	\$ 1,719,570	\$ 185,971	\$ 1,890,400
12/30/2018	185,971	2,173,799	2,208,449	151,320	1,966,029

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

10. COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In 1996, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1995 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2018, the emergency reserve of \$1,913,424 was recorded in the General Fund.

Litigation

There are currently no claims or judgments outstanding or pending against the Town that could be due before December 31, 2018.

Subsequent Year Commitments

As of December 31, 2018, the Town had unexpended commitments that were rolled over into the 2019 budget in the amount of \$190,000 in the General Fund and \$238,685 in the Open Space Fund.

11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Town of Breckenridge provides a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the Town. An employee is eligible for retiree coverage when he or she has reached a minimum age of 55 years and satisfies one of the following:

- For continuous employment, the employee has been employed by the Town for a minimum of 15 years on a regular full-time basis; or
- For non-continuous employment, the employee has been employed by the Town in aggregate a minimum of 15 years on a regular full-time basis. Any period of unemployment with the Town shall not exceed five years at any one time.

The Town of Breckenridge follows the Rule of 75 which enables an employee to retire as early as age 55, and with a minimum of 15 years of regular full-time employment, without a benefit reduction, provided the combined credited service and age at termination equals or exceeds the sum of 75. If an employee would have qualified for the Rule of 70 prior to July 1, 2016, they will be permitted to participate in the employer's retiree coverage.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

The spouse of a covered employee is eligible for retiree coverage on the same date the covered employee qualifies for retiree coverage only if the following two criteria are met:

- The spouse was covered under the Town's medical plan immediately prior to the employee becoming eligible for retiree coverage (regardless of whether the employee is enrolled in Medicare at the time of retirement); and
- He/she has been the employee's spouse (including common law or domestic partner if appropriate documents and affidavits are provided) for at least two years.

In the event the employee and spouse meet the retiree medical plan benefit eligibility criteria, but the employee dies before retiring, the surviving spouse will maintain his/her eligibility rights to retiree coverage, if timely elected. All other retiree medical plan provisions will apply.

Benefits Provided

Retirees are eligible for medical and dental benefits. Health care coverage is provided through one of two self-insured medical plans, a Health Reimbursement Arrange Plan ("HRA") or a Health Savings Account ("HSA").

Contributions

Retiree premiums for the medical and dental program in 2018 are shown below. The rates are the same for the HRA and HSA plans. Retirees pay the same rates as actives.

Coverage Category	Medical		Dental	
Retiree Only	\$	90.85	\$	22.88
Retiree + Spouse	\$	227.13	\$	43.12
Retiree + Child(ren)	\$	208.95	\$	58.52
Retiree + Family	\$	306.45	\$	73.47

Employees Covered by Benefit Terms

As of December 31, 2018, the number of active and inactive employees covered by the plan was as follows. The count of retirees does not include spouses unless covered as spouse only. The count of active employees does not include COBRA continues or employees who waived medical coverage.

Retired employees currently receiving benefit payments	7
Active employees	179
Total	186

Total OPEB Liability

The Town's total OPEB liability is \$925,244 as of December 31, 2018 and was determined by an actuarial valuation as of that date.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0% per year
Salary Increases	4.50%
Discount Rate	3.64%
Healthcare Cost Trend Rates	6.3 percent for 2018, decreasing 0.2 percent per year to an ultimate rate of 5.0 percent for 2025 and future years
Retirees' share of benefit-Related Costs	22.0 percent of projected health insurance premiums for retirees

The discount rate was based on S&P Municipal Bond 20-year High Grade Rate Index as of December 31, 2018.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1 2016 – December 31, 2018.

Changes in the Total OPEB Liability

Changes in the total OPEB liability

Balance at December 31, 2017	\$	1,105,406
Changes During the Year:		
Service Cost		71,686
Interest		40,237
Difference Between Expected and Actual Experience		50,006
Change of Assumptions or Other Inputs		(192,711)
Employer Contributions		(149,380)
Net Changes		(180,162)
Balance at December 31, 2018	\$	925,244

Changes of assumptions and other inputs reflect a change in the discount rate, participation rate, retirement and termination rates, medical and dental trend, payroll trend and excise tax.

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current discount rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB Liability	\$ 996,397	\$ 925,244	\$ 860,114

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (5.3%) or 1-percentage-point higher (7.3%) than the current healthcare cost trend rates:

	1% Decrease (5.3%)	Trend Rate (6.3%)	1% Increase (7.3%)
Total OPEB Liability	\$ 838,663	\$ 925,244	\$ 1,027,375

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Town recognized negative OPEB expense of \$180,162. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 44,474	\$ -
Changes in Assumptions or Other Inputs	-	171,393
Total	\$ 44,474	\$ 171,393

TOWN OF BRECKENRIDGE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Amounts reported as deferred outflows of resources and deferred inflows of resources relate to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,		
2019	\$	(15,786)
2020		(15,786)
2021		(15,786)
2022		(15,789)
2023		(15,786)
Thereafter		(47,986)
Total	\$	(126,919)

12. ADOPTION OF RECENT ACCOUNTING PRONOUNCEMENTS

During Fiscal Year 2018, the Town implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). This statement establishes standards for recognizing and measuring assets, deferred outflows of resources, liabilities, deferred inflows of resources, and expenses for postemployment benefits other than pensions. The result of the implementation of this standard was to decrease the net position at the beginning of the fiscal year by \$991,198 in the governmental activities.

13. SUBSEQUENT EVENTS

The Town has evaluated subsequent events through June 28, 2019, the date these financial statements were available to be issued. The following events are pertinent to these financial statements:

1. Parking Structure – In May of 2019, Council approved a long-term lease with Vail Summit resorts International (VSRI) for the South Gondola lot located in Downtown Breckenridge. The purpose of the lease is to facilitate the construction of a parking structure, with construction to begin in 2020, and completion in late 2021. The Town will be responsible for the construction of the structure.
2. Breckenridge Professional Building – In May of 2019, the Town completed the purchase of the Breckenridge Professional Building for \$6.3M. The property is located directly adjacent to Town Hall on Ski Hill Road. With this purchase, the Town gains a very valuable lot for potential future planning and access issues.
3. Broadband Infrastructure Project – In February of 2019, Council gave spending authority for \$8M to begin phase 1 of a broadband fiber infrastructure project. The project entails the installation of Town-owned conduit and fiber optic cables throughout the Town, with the ultimate goal being to connect all home and businesses to the network, enabling the provision of services for the foreseeable future.



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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BRECKENRIDGE, COLORADO

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV/(UNFAV)
REVENUES				
Taxes:				
Property Tax	\$ 2,870,052	\$ 2,870,052	\$ 2,793,906	\$ (76,146)
Specific Ownership Tax	139,245	139,245	165,951	26,706
Sales Tax	21,764,887	21,764,887	23,531,075	1,766,188
Accommodations Tax	2,996,900	2,996,900	3,473,823	476,923
Marijuana Taxes	681,957	681,957	593,742	(88,215)
Franchise Taxes	691,470	691,470	744,710	53,240
Real Estate Transfer Tax	5,000,000	5,000,000	6,156,677	1,156,677
Lift Ticket Tax	3,570,000	3,570,000	3,718,145	148,145
Other Taxes	42,960	42,960	53,159	10,199
Interest on Taxes	3,102	3,102	3,657	555
Total Taxes	37,760,573	37,760,573	41,234,845	3,474,272
Licenses and Permits:				
Liquor Licenses and Fees	25,000	25,000	32,436	7,436
Animal Licenses	800	800	925	125
Street Cut Permits	13,000	13,000	1,100	(11,900)
Building Inspection Permits	355,000	355,000	435,933	80,933
Electrical Inspection Permits	41,867	41,867	126,768	84,901
Plumbing and Mechanical Permits	67,000	67,000	132,013	65,013
Parking Permits	125,070	125,070	130,120	5,050
Miscellaneous Licenses and Permits	13,160	13,160	12,846	(314)
Total Licenses and Permits	640,897	640,897	872,141	231,244
Intergovernmental:				
Motor Vehicle Fees	27,999	27,999	25,553	(2,446)
Highway Users	241,206	241,206	284,065	42,859
Road and Bridge Levy	210,523	210,523	216,557	6,034
Grants	178,520	201,520	215,444	13,924
Other	528,163	528,163	537,352	9,189
Total Intergovernmental	1,186,411	1,209,411	1,278,971	69,560
Charges for Services:				
Building Plan Review	287,357	287,357	338,073	50,716
Class A, B, C and D Fees	158,419	158,419	257,668	99,249
Recreation Fees and Contributions	3,173,960	3,173,960	3,520,651	346,691
Subdivision Review	3,183	3,183	-	(3,183)
Sales of Publication	2,290	2,290	2,551	261
Other Planning Fees	500	500	1,500	1,000
Parking Fees	1,218,500	1,713,500	1,942,127	228,627
Admin Fees	9,250	9,250	112,777	103,527
Rental Income	209,849	209,849	209,396	(453)
Other Charges	170,236	170,236	202,355	32,119
Total Charges for Services	5,233,544	5,728,544	6,587,098	858,554
Fines and Forfeits:				
Court Costs	25,000	25,000	15,145	(9,855)
Dog Fines	1,598	1,598	950	(648)
Parking Citations	129,000	129,000	135,160	6,160
Traffic Citations	95,000	95,000	50,474	(44,526)
Penal Fines	94,000	94,000	75,738	(18,262)
Municipal Forfeits	1,000	1,000	1,650	650
Other Fines	21,000	21,000	11,955	(9,045)
Total Fines and Forfeits	366,598	366,598	291,072	(75,526)
Investment Earnings	341,476	341,476	385,528	44,052
Miscellaneous:				
Reimbursement of Expenditures	3,000	3,000	26,353	23,353
Insurance Recoveries	19,000	19,000	85,497	66,497
Pension Forfeitures	50,000	50,000	87,472	37,472
Contributions and Donations	50,000	50,000	50,000	-
Other Income	513,809	513,809	170,184	(343,625)
Total Miscellaneous	635,809	635,809	419,506	(216,303)
TOTAL REVENUES	46,165,308	46,683,308	51,069,161	4,385,853

(Continued)

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV/(UNFAV)
EXPENDITURES				
Current				
General Government				
Legislative	194,684	194,684	198,856	(4,172)
Committees	95,275	95,275	82,782	12,493
Judicial	188,576	188,576	174,255	14,321
Legal	152,825	152,825	155,757	(2,932)
Executive and Management	1,378,656	1,428,656	1,381,473	47,183
Town Clerk	461,178	461,178	445,551	15,627
Finance	886,166	886,166	969,911	(83,745)
Other General	235,724	429,155	471,826	(42,671)
	3,593,084	3,836,515	3,880,411	(43,896)
Public Safety				
Police Services	4,113,570	4,163,570	4,420,323	(256,753)
Community Development				
Planning Services	1,121,206	1,142,206	1,193,249	(51,043)
Building Services	587,956	587,956	557,657	30,299
Sustainability Program	-	54,000	-	54,000
Special Projects	610,000	755,000	681,831	73,169
Child Care	278,867	308,867	290,456	18,411
	2,598,029	2,848,029	2,723,193	124,836
Public Works				
General Services	598,849	598,849	450,847	148,002
Street and Parks	4,265,954	4,321,375	4,156,013	165,362
Facilities Maintenance	1,851,779	1,851,779	1,759,792	91,987
Engineering and Construction	740,924	740,924	461,550	279,374
Public Transportation	4,825,833	5,850,813	5,327,042	523,771
	12,283,339	13,363,740	12,155,244	1,208,496
Culture and Recreation				
Recreation Programs	7,781,824	7,796,824	7,441,773	355,051
Grants to Other Agencies	1,066,466	1,226,466	1,154,864	71,602
Capital Outlay	3,570,592	3,595,592	1,686,601	1,908,991
Debt Service				
Principal	395,000	395,000	395,000	-
Interest and Charges	144,265	144,265	144,158	107
	539,265	539,265	539,158	107
TOTAL EXPENDITURES	35,546,169	37,370,001	34,001,567	3,368,434
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,619,139	9,313,307	17,067,594	7,754,287
OTHER FINANCING SOURCES (USES)				
Transfers In	10,629,493	10,629,493	5,629,504	(4,999,989)
Transfers Out	(5,452,210)	(13,777,210)	(13,896,456)	(119,246)
TOTAL OTHER FINANCING SOURCES (USES)	5,177,283	(3,147,717)	(8,266,952)	(5,119,235)
CHANGE IN FUND BALANCE	\$ 15,796,422	\$ 6,165,590	8,800,642	\$ 2,635,052
FUND BALANCE - Beginning			32,378,721	
FUND BALANCE - Ending			\$ 41,179,363	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
AFFORDABLE HOUSING FUND
For the Year Ended December 31, 2018**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV / (UNFAV)
REVENUES				
Taxes	\$ 3,627,660	\$ 3,627,660	\$ 3,774,884	\$ 147,224
Intergovernmental	-	-	290,350	290,350
Charges for Services	1,060,376	1,060,376	929,143	(131,233)
Investment Earnings	15,000	15,000	172,833	157,833
Miscellaneous	-	-	207,141	207,141
TOTAL REVENUES	4,703,036	4,703,036	5,374,351	671,315
EXPENDITURES				
Current				
Community Development	430,550	660,550	1,639,406	(978,856)
Capital Outlay	12,271,645	13,160,711	5,809,016	7,351,695
Debt Service				
Principal	300,000	300,000	300,000	-
Interest and Charges	280,700	280,700	280,700	-
TOTAL EXPENDITURES	13,282,895	14,401,961	8,029,122	6,372,839
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,579,859)	(9,698,925)	(2,654,771)	7,044,154
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	15,536,802	15,536,802	6,329,185	(9,207,617)
Transfers Out	(10,500,000)	(10,600,000)	(5,600,000)	5,000,000
TOTAL OTHER FINANCING SOURCES (USES)	5,036,802	4,936,802	729,185	(4,207,617)
CHANGE IN FUND BALANCE	(3,543,057)	(4,762,123)	(1,925,586)	2,836,537
FUND BALANCE - Beginning			19,319,163	
FUND BALANCE - Ending			\$ 17,393,577	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

Year Ended December 31,	2018
Total OPEB Liability	
Service Cost	\$ 71,686
Interest on Total OPEB Liability	40,237
Difference bEtween Expected and Actual Experience	50,006
Change of Assumptions or Other Inputs	(192,711)
Employer Contributions	(149,380)
Net Change in Total OPEB Liability	(180,162)
Total OPEB Liability - Beginning	1,105,406
Total OPEB Liability - Ending	\$ 925,244
Covered-Employee Payroll	1,116,594
Total OPEB Liability as a Percentage of Covered-Employee Payroll	8.30%
The Town implemented GASB Statement No. 75 in 2018; therefore 10 years of data is not available.	

See the accompanying Independent Auditor's Report.

NOTE 1:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUDGETS

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Town's charter contains the following budget language:

“Adoption of the budget by council shall constitute appropriations of the amounts specified therein for expenditure from the funds indicated. The proceeds of any municipal borrowing authorized by Article XI of this Charter shall not be subject to any requirement of prior budgeting or appropriation as a condition to their expenditure. The amount necessary to repay any such municipal borrowing (including interest thereon) need not be budgeted or appropriated in full in the year in which the borrowing occurs; however, amounts necessary to pay debt service shall (except to the extent they may be payable from other legally available funds in the first year) be budgeted and appropriated on an annual basis, provided that no failure to budget and appropriate such annual debt service amounts shall affect the enforceability of any covenant of the town to make such payments. An appropriation for a capital expenditure shall continue in effect until the purpose for which the appropriation was made has been accomplished, or until the appropriation is abandoned or transferred. (Ord. 7, Series 2002, Election 4-2-2002)”

- All appropriations lapse at year end except as noted previously. Colorado governments may not exceed budgeted appropriations at the fund level.
- By October 15th of each year the Town Administration submits to the Town Council, a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The Town certifies the mill levies to the Board of County Commissioners by December 15th.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented for the Enterprise and Internal Service Funds are presented on a non-GAAP budgetary basis. Tap fees, grant revenues and debt proceeds are recognized as revenue for budget purposes. Capital outlay is budgeted as an expenditure.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF BRECKENRIDGE, COLORADO

**COMBINING BALANCE SHEET-
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018**

	Special Revenue Funds			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	OPEN SPACE ACQUISITION FUND	MARKETING FUND	CONSERVATION TRUST FUND	
ASSETS				
Equity in Pooled Cash and Investments	\$ 3,148,307	\$ 442,325	\$ 13,410	\$ 3,604,042
Receivables				
Taxes Receivable	440,206	471,512	-	911,718
Accounts Receivable, Net	386,149	-	-	386,149
TOTAL ASSETS	\$ 3,974,662	\$ 913,837	\$ 13,410	\$ 4,901,909
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 42,705	\$ -	\$ -	\$ 42,705
Accrued Salaries	4,717	-	-	4,717
Advance From Other Funds	835,896	-	-	835,896
TOTAL LIABILITIES	883,318	-	-	883,318
FUND BALANCE				
Restricted				
Restricted for Parks and Recreation	-	-	13,410	13,410
Restricted for Marketing	-	590,293	-	590,293
Restricted for Open Space	3,091,344	-	-	3,091,344
Committed for Marketing	-	323,544	-	323,544
TOTAL FUND BALANCE	3,091,344	913,837	13,410	4,018,591
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 3,974,662	\$ 913,837	\$ 13,410	\$ 4,901,909

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	OPEN SPACE ACQUISITION FUND	MARKETING FUND	CONSERVATION TRUST FUND	
REVENUES				
Taxes	\$ 3,116,064	\$ 2,867,925	\$ -	\$ 5,983,989
Licenses and Permits	-	826,335	-	826,335
Intergovernmental	564,711	-	50,981	615,692
Charges for Services	23,988	-	-	23,988
Investment Earnings	28,353	8,329	122	36,804
Miscellaneous	88,220	-	-	88,220
TOTAL REVENUES	3,821,336	3,702,589	51,103	7,575,028
EXPENDITURES				
General Government	-	4,618,068	-	4,618,068
Open Space Acquisition	1,069,615	-	-	1,069,615
Capital Outlay	1,519,103	-	-	1,519,103
Debt Service				
Interest and Charges	34,091	-	-	34,091
TOTAL EXPENDITURES	2,622,809	4,618,068	-	7,240,877
EXCESS OF REVENUES (OVER) UNDER EXPENDITURES	1,198,527	(915,479)	51,103	334,151
OTHER FINANCING SOURCES (USES)				
Transfers In	143,000	868,456	-	1,011,456
Transfers Out	(748,416)	-	(54,996)	(803,412)
TOTAL OTHER FINANCING SOURCES (USES)	(605,416)	868,456	(54,996)	208,044
CHANGE IN FUND BALANCE	593,111	(47,023)	(3,893)	542,195
FUND BALANCE - BEGINNING	2,498,233	960,860	17,303	3,476,396
FUND BALANCE - ENDING	\$ 3,091,344	\$ 913,837	\$ 13,410	\$ 4,018,591

See the accompanying Independent Auditor's Report.



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NONMAJOR GOVERNMENTAL FUNDS

TOWN OF BRECKENRIDGE, COLORADO

BUDGETARY COMPARISON SCHEDULE -
OPEN SPACE ACQUISITION FUND
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV/(UNFAV)
REVENUES				
Taxes	\$ 2,930,600	\$ 2,930,600	\$ 3,116,064	\$ 185,464
Intergovernmental	549,280	549,280	564,711	15,431
Charges for Services	343,400	343,400	23,988	(319,412)
Investment Earnings	20,672	20,672	28,353	7,681
Miscellaneous	29,290	29,290	88,220	58,930
TOTAL REVENUES	3,873,242	3,873,242	3,821,336	(51,906)
EXPENDITURES				
Current				
Open Space Acquisition	1,452,070	1,539,570	1,069,615	469,955
Capital Outlay	601,519	1,529,417	1,519,103	10,314
Debt Service				
Principal	399,645	399,645	-	399,645
Interest and Charges	34,091	34,091	34,091	-
TOTAL EXPENDITURES	2,487,325	3,502,723	2,622,809	879,914
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,385,917	370,519	1,198,527	828,008
OTHER FINANCING SOURCES				
Transfers In	-	143,000	143,000	-
Transfers Out	(575,914)	(748,414)	(748,416)	(2)
TOTAL OTHER FINANCING SOURCES (USES)	(575,914)	(605,414)	(605,416)	(2)
CHANGE IN FUND BALANCE	810,003	(234,895)	593,111	828,006
FUND BALANCE - Beginning			2,498,233	
FUND BALANCE - Ending			\$ 3,091,344	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -
MARKETING FUND**

For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV/(UNFAV)
REVENUES				
Taxes	\$ 2,508,079	\$ 2,508,079	\$ 2,867,925	\$ 359,846
Licenses and Permits	759,801	759,801	826,335	66,534
Investment Earnings	1,883	1,883	8,329	6,446
TOTAL REVENUES	3,269,763	3,269,763	3,702,589	432,826
EXPENDITURES				
Current				
General Government	4,578,284	4,618,284	4,618,068	216
TOTAL EXPENDITURES	4,578,284	4,618,284	4,618,068	216
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,308,521)	(1,348,521)	(915,479)	433,042
OTHER FINANCING SOURCES				
Transfers In	749,210	749,210	868,456	119,246
TOTAL OTHER FINANCING SOURCES				
CHANGE IN FUND BALANCE	(559,311)	(599,311)	(47,023)	552,288
FUND BALANCE - Beginning			960,860	
FUND BALANCE - Ending			\$ 913,837	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

BUDGETARY COMPARISON SCHEDULE -
CONSERVATION TRUST FUND
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV/(UNFAV)
REVENUES				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 50,981	\$ 5,981
Investment Earnings	-	-	122	122
TOTAL REVENUES	45,000	45,000	51,103	6,103
EXCESS OF REVENUES OVER EXPENDITURES	45,000	45,000	51,103	6,103
OTHER FINANCING USES				
Transfers Out	(55,000)	(55,000)	(54,996)	4
TOTAL OTHER FINANCING USES	(55,000)	(55,000)	(54,996)	4
CHANGE IN FUND BALANCE	(10,000)	(10,000)	(3,893)	6,107
FUND BALANCE - Beginning			17,303	
FUND BALANCE - Ending			\$ 13,410	

See the accompanying Independent Auditor's Report.

CAPITAL PROJECTS FUND

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV/(UNFAV)
REVENUES				
Charges for Services	\$ 50,000	\$ 50,000	\$ 42,750	\$ (7,250)
Investment Earnings	-	-	141,122	141,122
Other Income	-	-	31,338	31,338
TOTAL REVENUES	50,000	50,000	215,210	165,210
EXPENDITURES				
Current				
Public Works	-	-	1,116,771	(1,116,771)
Grants to Other Agencies	-	-	83,710	(83,710)
Capital Outlay	4,768,000	13,093,000	8,289,080	4,803,920
TOTAL EXPENDITURES	4,768,000	13,093,000	9,489,561	3,603,439
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,718,000)	(13,043,000)	(9,274,351)	3,768,649
OTHER FINANCING SOURCES				
Transfers In	4,718,000	13,315,500	13,315,500	-
Transfers Out	-	(143,000)	(143,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	4,718,000	13,172,500	13,172,500	-
CHANGE IN FUND BALANCE	\$ -	\$ 129,500	3,898,149	\$ 3,768,649
FUND BALANCE - Beginning			11,142,479	
FUND BALANCE - Ending			\$ 15,040,628	

See the accompanying Independent Auditor's Report.

ENTERPRISE FUNDS

TOWN OF BRECKENRIDGE, COLORADO

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL -
UTILITY FUND
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OPERATING REVENUES				
Charges for Services	\$ 3,917,389	\$ 3,917,389	\$ 4,315,811	\$ 398,422
Other Income	183,235	183,235	79,270	(103,965)
TOTAL OPERATING REVENUES	4,100,624	4,100,624	4,395,081	294,457
OPERATING EXPENSES				
Administration	1,903,626	1,903,626	1,888,330	15,296
Distribution Maintenance	156,500	156,500	1,225	155,275
Water Rights Maintenance	88,363	138,363	120,108	18,255
Capital Outlay	52,320,000	52,320,000	19,846,425	32,473,575
TOTAL OPERATING EXPENSES	54,468,489	54,518,489	21,856,088	32,662,401
OPERATING INCOME	(50,367,865)	(50,417,865)	(17,461,007)	32,956,858
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	12,038	12,038	239,708	227,670
Plant Investment Fees	1,375,045	1,375,045	896,378	(478,667)
Debt Service	(60,624)	(60,624)	(2,186,667)	(2,126,043)
TOTAL NON-OPERATING REVENUE (EXPENSE)	1,326,459	1,326,459	(1,050,581)	(2,377,040)
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	(49,041,406)	(49,091,406)	(18,511,588)	30,579,818
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term capital related debt	53,000,000	53,000,000	-	(53,000,000)
Transfers In	15,914	15,914	15,912	(2)
Transfers Out	-	-	(98,184)	(98,184)
TOTAL OTHER FINANCING SOURCES (USES)	53,015,914	53,015,914	(82,272)	(53,098,186)
CHANGE IN NET POSITION - BUDGET BASIS	3,974,508	3,924,508	(18,593,860)	\$ (22,518,368)
GAAP BASIS ADJUSTMENTS				
Capital Outlay			19,846,425	
Debt Service Principal			2,186,667	
Depreciation			(883,877)	
TOTAL GAAP BASIS ADJUSTMENTS			21,149,215	
CHANGE IN NET POSITION - GAAP BASIS			2,555,355	
NET POSITION - Beginning			41,147,082	
NET POSITION - Ending			\$ 43,702,437	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL -
GOLF COURSE FUND
For the Year Ended December 31, 2018**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OPERATING REVENUES				
Charges for Services	\$ 2,624,831	\$ 2,624,831	\$ 2,858,345	\$ 233,514
Other Income	-	-	29,848	29,848
TOTAL OPERATING REVENUES	2,624,831	2,624,831	2,888,193	263,362
OPERATING EXPENSES				
Administration	190,125	190,125	189,006	1,119
Golf Course Maintenance	948,926	948,926	879,526	69,400
Golf Pro Shop	945,355	945,355	869,466	75,889
Capital Outlay	1,094,815	1,510,770	1,248,992	261,778
TOTAL OPERATING EXPENSES	3,179,221	3,595,176	3,186,990	408,186
OPERATING INCOME	(554,390)	(970,345)	(298,797)	671,548
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	3,500	3,500	84,104	80,604
Gain on Sale of Assets	-	-	8,000	8,000
Debt Service	-	-	(5,922)	(5,922)
TOTAL NON-OPERATING REVENUE (EXPENSE)	3,500	3,500	86,182	82,682
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	(550,890)	(966,845)	(212,615)	754,230
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(31,320)	31,320
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(31,320)	31,320
CHANGE IN NET POSITION - BUDGET BASIS	\$ (550,890)	\$ (966,845)	(243,935)	\$ 785,550
GAAP BASIS ADJUSTMENTS				
Capital Outlay			1,248,992	
Depreciation			(465,434)	
TOTAL GAAP BASIS ADJUSTMENTS			783,558	
CHANGE IN NET POSITION - GAAP BASIS			539,623	
NET POSITION - Beginning			9,516,071	
NET POSITION - Ending			\$ 10,055,694	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL -
CEMETERY FUND
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OPERATING REVENUES				
Charges for Services	\$ 21,300	\$ 21,300	\$ 10,426	\$ (10,874)
TOTAL OPERATING REVENUES	21,300	21,300	10,426	(10,874)
OPERATING EXPENSES				
Administration	24,500	24,500	14,068	10,432
TOTAL OPERATING EXPENSES	24,500	24,500	14,068	10,432
OPERATING INCOME	(3,200)	(3,200)	(3,642)	(442)
NON-OPERATING REVENUE				
Investment Earnings	-	-	693	693
TOTAL NON-OPERATING REVENUE	-	-	693	693
CHANGE IN NET POSITION - BUDGET BASIS	\$ (3,200)	\$ (3,200)		\$ 251
CHANGE IN NET POSITION - GAAP BASIS			(2,949)	
NET POSITION - Beginning			79,095	
NET POSITION - Ending			\$ 76,146	

See the accompanying Independent Auditor's Report.

INTERNAL SERVICE FUNDS

TOWN OF BRECKENRIDGE, COLORADO

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2018**

	GARAGE SERVICES FUND	INFORMATION TECHNOLOGY FUND	FACILITY MAINTENANCE FUND	HEALTH BENEFITS FUND	TOTAL
ASSETS					
Current Assets					
Equity in Pooled Cash and Investments	\$ 2,382,425	\$ 1,089,402	\$ 3,201,372	\$ 580,619	\$ 7,253,818
Receivables					
Accounts Receivable, Net	4,582	27,217	-	-	31,799
Intergovernmental Receivables	-	-	-	-	-
Total Current Assets	2,387,007	1,116,619	3,201,372	580,619	7,285,617
Noncurrent Assets					
Capital Assets, net	6,068,069	15,255	72,601	-	6,155,925
Total Noncurrent Assets	6,068,069	15,255	72,601	-	6,155,925
TOTAL ASSETS	8,455,076	1,131,874	3,273,973	580,619	13,441,542
LIABILITIES					
Current Liabilities					
Accounts Payable	84,085	41,697	27,634	945	154,361
Accrued Liabilities				246,392	246,392
Accrued Salaries	11,480	10,318	-	-	21,798
Current Portion of Long-Term Debt	3,264	3,377	-	-	6,641
Total Current Liabilities	98,829	55,392	27,634	247,337	429,192
Long-Term Liabilities					
Accrued Compensated Absences	29,379	30,395	-	-	59,774
Total Long-Term Liabilities	29,379	30,395	-	-	59,774
TOTAL LIABILITIES	128,208	85,787	27,634	247,337	488,966
NET POSITION					
Net Investment in Capital Assets	6,068,069	15,255	72,601	-	6,155,925
Unrestricted	2,258,799	1,030,832	3,173,738	333,282	6,796,651
TOTAL NET POSITION	\$ 8,326,868	\$ 1,046,087	\$ 3,246,339	\$ 333,282	\$ 12,952,576

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2018**

	GARAGE SERVICES FUND	INFORMATION TECHNOLOGY FUND	FACILITY MAINTENANCE FUND	HEALTH BENEFITS FUND	TOTAL
OPERATING REVENUES					
Internal Service Revenue	\$ 2,518,316	\$ 1,183,812	\$ 638,794	\$ 2,662,556	\$ 7,003,478
Charges for Services	7,349	-	-	-	7,349
Grants	674,844	-	-	-	674,844
Insurance Recoveries	200,946	-	-	-	200,946
Employee Paid Premiums	-	-	-	498,403	498,403
Other Income	145,427	132,772	-	-	278,199
TOTAL OPERATING REVENUES	3,546,882	1,316,584	638,794	3,160,959	8,663,219
OPERATING EXPENSES					
Depreciation	1,257,753	7,102	6,968	-	1,271,823
Health Program	-	-	-	3,429,825	3,429,825
Motor Vehicle Maintenance	1,635,957	-	-	-	1,635,957
Information Systems Maintenance	-	1,096,128	-	-	1,096,128
Facility Maintenance	-	-	261,033	-	261,033
TOTAL OPERATING EXPENSES	2,893,710	1,103,230	268,001	3,429,825	7,694,766
OPERATING INCOME (LOSS)	653,172	213,354	370,793	(268,866)	968,453
NON-OPERATING REVENUE (EXPENSE)					
Investment Earnings	71,399	9,780	29,805	2,148	113,132
Gain (Loss) on Sale of Assets	(93,583)	-	-	-	(93,583)
TOTAL NON-OPERATING REVENUE (EXPENSE)	(22,184)	9,780	29,805	2,148	19,549
INCOME (LOSS) BEFORE TRANSFERS	630,988	223,134	400,598	(266,718)	988,002
TRANSFERS					
Transfers In	-	-	-	600,000	600,000
TOTAL OPERATING TRANSFERS	-	-	-	600,000	600,000
CHANGE IN NET POSITION	630,988	223,134	400,598	333,282	1,588,002
NET POSITION - Beginning	7,695,880	822,953	2,845,741	-	11,364,574
NET POSITION - Ending	\$ 8,326,868	\$ 1,046,087	\$ 3,246,339	\$ 333,282	\$ 12,952,576

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2018

	GARAGE SERVICES FUND	INFORMATION TECHNOLOGY FUND	FACILITY MAINTENANCE FUND	HEALTH BENEFITS FUND	TOTAL
Cash Flows From Operating Activities:					
Cash Received from Customers	\$ 3,707,468	\$ 1,289,367	\$ 638,794	\$ 3,160,959	\$ 8,796,588
Cash Paid to Suppliers	(1,248,066)	(701,114)	(233,744)	(3,182,488)	(5,365,412)
Cash Paid to Employees	(537,330)	(355,214)	-	-	(892,544)
Net Cash Provided (Used) by Operating Activities	1,922,072	233,039	405,050	(21,529)	2,538,632
Cash Flows From Capital and Related Financing Activities:					
Acquisition of Capital Assets	(1,871,533)	-	-	-	(1,871,533)
Proceeds from Sales of Assets	33,547	-	-	-	33,547
Cash Flows Used by Capital and Related Financing Activities	(1,837,986)	-	-	-	(1,837,986)
Cash Flows (Uses) From Noncapital Financing Activities:					
Transfers In	-	-	-	600,000	600,000
Net Cash Provided/(Used) by Noncapital Financing Activities	-	-	-	600,000	600,000
Cash Flows From Investing Activities:					
Interest Received	71,399	9,780	29,805	2,148	113,132
Net Cash Provided/(Used) by Investing Activities	71,399	9,780	29,805	2,148	113,132
Net Increase (Decrease) in Cash	155,485	242,819	434,855	580,619	1,413,778
Cash - Beginning	2,226,940	846,583	2,766,517	-	5,840,040
Cash - Ending	\$ 2,382,425	\$ 1,089,402	\$ 3,201,372	\$ 580,619	\$ 7,253,818
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:					
Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	\$ 653,172	\$ 213,354	\$ 370,793	\$ (268,866)	\$ 968,453
Depreciation Expense	1,257,753	7,102	6,968	-	1,271,823
(Increase) Decrease in:					
Receivables	160,586	(27,217)	-	-	133,369
Increase (Decrease) in:					
Accounts Payable	(160,980)	20,397	27,289	945	(112,349)
Accrued Liabilities				246,392	246,392
Accrued Salaries	2,870	2,877	-	-	5,747
Accrued Compensated Absences	8,671	16,526	-	-	25,197
Total Adjustments	1,268,900	19,685	34,257	247,337	1,570,179
Net Cash Provided (Used) for Operating Activities	\$ 1,922,072	\$ 233,039	\$ 405,050	\$ (21,529)	\$ 2,538,632

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL -
GARAGE SERVICES FUND
For the Year Ended December 31, 2018**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OPERATING REVENUES				
Grants	\$ 678,683	\$ 678,683	\$ 674,844	\$ (3,839)
Charges for Services	111,058	111,058	7,349	(103,709)
Insurance Recoveries	-	-	200,946	200,946
Internal Service Revenue	2,518,313	2,518,313	2,518,316	3
Other Income			145,427	145,427
TOTAL OPERATING REVENUES	3,308,054	3,308,054	3,546,882	238,828
OPERATING EXPENSES				
Motor Vehicle Maintenance	1,540,552	1,630,552	1,635,957	(5,405)
Capital Outlay	1,862,500	1,911,300	1,871,533	39,767
TOTAL OPERATING EXPENSES	3,403,052	3,541,852	3,507,490	34,362
OPERATING INCOME	(94,998)	(233,798)	39,392	273,190
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	-	-	71,399	71,399
Gain (Loss) on Sale of Assets	77,500	77,500	(93,583)	(171,083)
TOTAL NON-OPERATING REVENUE (EXPENSE)	77,500	77,500	(22,184)	(99,684)
CHANGE IN NET POSITION - BUDGET BASIS	\$ (17,498)	\$ (156,298)	17,208	\$ 173,506
GAAP BASIS ADJUSTMENTS				
Capital Outlay			1,871,533	
Depreciation			(1,257,753)	
TOTAL GAAP BASIS ADJUSTMENTS			613,780	
CHANGE IN NET POSITION - GAAP BASIS			630,988	
NET POSITION - Beginning			7,695,880	
NET POSITION - Ending			\$ 8,326,868	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL -
INFORMATION TECHNOLOGY FUND
For the Year Ended December 31, 2018**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OPERATING REVENUES				
Internal Service Revenue	\$ 1,316,508	\$ 1,316,508	\$ 1,183,812	\$ (132,696)
Miscellaneous Income	132,694	132,694	132,772	78
TOTAL OPERATING REVENUES	1,449,202	1,449,202	1,316,584	(132,618)
OPERATING EXPENSES				
Information Systems Maintenance	1,282,165	1,282,165	1,096,128	186,037
TOTAL OPERATING EXPENSES	1,282,165	1,282,165	1,096,128	186,037
OPERATING INCOME	167,037	167,037	220,456	53,419
NON-OPERATING REVENUE				
Investment Earnings	-	-	9,780	9,780
TOTAL NON-OPERATING REVENUE	-	-	9,780	9,780
INCOME BEFORE OTHER FINANCING USES	167,037	167,037	230,236	63,199
OTHER FINANCING USES				
Operating Transfers Out	(44,666)	(44,666)	-	44,666
TOTAL OTHER FINANCING USES	(44,666)	(44,666)	-	44,666
CHANGE IN NET POSITION - BUDGET BASIS	\$ 122,371	\$ 122,371	230,236	\$ 107,865
GAAP BASIS ADJUSTMENTS				
Depreciation			(7,102)	
TOTAL GAAP BASIS ADJUSTMENTS			(7,102)	
CHANGE IN NET POSITION - GAAP BASIS			223,134	
NET POSITION - Beginning			822,953	
NET POSITION - Ending			\$ 1,046,087	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL -
FACILITY MAINTENANCE FUND
For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OPERATING REVENUES				
Internal Service Revenue	\$ 683,493	\$ 683,493	\$ 638,794	\$ (44,699)
TOTAL OPERATING REVENUES	683,493	683,493	638,794	(44,699)
OPERATING EXPENSES				
Facility Maintenance	709,564	709,564	261,033	448,531
TOTAL OPERATING EXPENSES	709,564	709,564	261,033	448,531
OPERATING INCOME	(26,071)	(26,071)	377,761	403,832
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	-	-	29,805	29,805
TOTAL NON-OPERATING REVENUE (EXPENSE)	-	-	29,805	29,805
CHANGE IN NET POSITION - BUDGET (GAAP) BASIS	\$ (26,071)	\$ (26,071)	407,566	\$ 433,637
GAAP BASIS ADJUSTMENTS				
Depreciation			(6,968)	
TOTAL GAAP BASIS ADJUSTMENTS			(6,968)	
CHANGE IN NET POSITION - GAAP BASIS			400,598	
NET POSITION - Beginning			2,845,741	
NET POSITION - Ending			\$ 3,246,339	

See the accompanying Independent Auditor's Report.

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL -
HEALTH BENEFITS FUND
For the Year Ended December 31, 2018**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
OPERATING REVENUES				
Internal Service Revenue	\$ 2,393,617	\$ 2,393,617	\$ 2,662,556	\$ 268,939
Employee Paid Premiums	-	-	498,403	498,403
Other Income	-	-	292,480	292,480
TOTAL OPERATING REVENUES	2,393,617	2,393,617	3,453,439	1,059,822
OPERATING EXPENSES				
Health Program	2,393,617	2,393,617	3,429,825	(1,036,208)
TOTAL OPERATING EXPENSES	2,393,617	2,393,617	3,429,825	(1,036,208)
OPERATING INCOME	-	-	23,614	23,614
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	-	-	2,148	2,148
TOTAL NON-OPERATING REVENUE (EXPENSE)	-	-	2,148	2,148
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	-	-	25,762	25,762
OTHER FINANCING SOURCES (USES)				
Transfers In	600,000	600,000	600,000	-
TOTAL OTHER FINANCING SOURCES (USES)	600,000	600,000	600,000	-
CHANGE IN NET POSITION - BUDGET BASIS	\$ 600,000	\$ 600,000	625,762	\$ 25,762
NET POSITION - Beginning			-	
NET POSITION - Ending			\$ 625,762	

See the accompanying Independent Auditor's Report.

STATISTICAL SECTION

This part of the Town of Breckenridge's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
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<u>Financial Trends</u>	65-67
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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

<u>Revenue Capacity</u>	68-74
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These schedules contain information to help the reader assess the government's most significant local revenue sources – sales taxes and property taxes.

<u>Debt Capacity</u>	75-79
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These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

<u>Demographic and Economic Information</u>	80-82
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

<u>Operating Information</u>	83-84
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Town of Breckenridge
Net Position By Component
Fiscal Years 2009 - 2018
(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities				
Net investment in capital assets	\$ 85,019,026	\$ 85,101,843	\$ 85,008,692	\$ 86,064,761
Restricted	2,167,723	2,426,564	3,124,584	1,686,573
Unrestricted	<u>31,277,555</u>	<u>39,256,458</u>	<u>43,871,339</u>	<u>53,387,858</u>
Total governmental activities net assets	<u>118,464,304</u>	<u>126,784,865</u>	<u>132,004,615</u>	<u>141,139,192</u>
Business type activities				
Net investment in capital assets	31,682,713	31,373,455	31,061,268	30,580,491
Restricted	427,325	-	-	-
Unrestricted	<u>7,794,697</u>	<u>8,917,662</u>	<u>9,589,397</u>	<u>11,001,235</u>
Total business-type activities net assets	<u>39,904,735</u>	<u>40,291,117</u>	<u>40,650,665</u>	<u>41,581,726</u>
Primary government				
Net investment in capital assets	116,701,739	116,475,298	116,069,960	116,645,252
Restricted	2,595,048	2,426,564	3,124,584	1,686,573
Unrestricted	<u>39,072,252</u>	<u>48,174,120</u>	<u>53,460,736</u>	<u>64,389,093</u>
Total primary government	<u>\$ 158,369,039</u>	<u>\$ 167,075,982</u>	<u>\$ 172,655,280</u>	<u>\$ 182,720,918</u>

Source: Town of Breckenridge Financial Statements.

			(RESTATED)		
2013	2014	2015	2016	2017	2018
\$ 93,917,065	\$ 108,410,278	\$ 116,435,026	\$ 129,188,337	\$ 152,282,331	\$ 150,790,936
1,807,154	1,961,175	8,822,838	20,728,773	25,595,213	25,188,466
56,397,826	55,165,357	57,664,412	49,883,058	44,651,645	57,313,543
152,122,045	165,536,810	182,922,276	199,800,168	222,529,188	233,292,945
30,580,331	30,394,504	31,843,641	35,176,269	38,447,810	48,951,205
-	-	-	-	-	-
11,321,054	12,557,694	12,376,386	12,042,644	12,294,438	4,883,072
41,901,385	42,952,198	44,220,027	47,218,913	50,742,248	53,834,277
124,497,396	138,804,782	148,278,667	164,364,606	190,730,140	199,742,141
1,807,154	1,961,175	8,822,838	20,728,773	25,595,213	25,188,466
67,718,880	67,723,051	70,040,798	61,925,702	56,946,083	62,196,615
<u>\$ 194,023,430</u>	<u>\$ 208,489,008</u>	<u>\$ 227,142,303</u>	<u>\$ 247,019,081</u>	<u>\$ 273,271,436</u>	<u>\$ 287,127,222</u>

Town of Breckenridge
Changes in Net Position
Fiscal Years 2009 - 2018
(accrual basis of accounting)

	2009	2010	2011	2012*	2013	2014	2015	(RESTATED) 2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 5,086,668	\$ 4,577,236	\$ 5,383,143	\$ 6,844,845	\$ 6,501,386	\$ 7,671,566	\$ 8,057,598	\$ 7,930,256	\$ 8,638,950	\$ 9,480,565
Public safety	3,876,203	3,502,916	3,603,218	3,793,100	3,461,033	3,434,058	3,562,030	3,805,509	4,402,722	4,848,018
Community development	3,018,532	6,582,551	5,671,097	2,510,186	2,457,789	2,262,734	2,529,819	4,259,530	4,475,804	6,242,802
Public works	8,278,094	7,936,499	8,067,806	7,775,032	8,364,315	8,397,377	8,803,963	9,898,260	12,157,779	14,208,520
Culture and recreation	5,629,052	5,654,551	5,972,838	6,282,808	5,818,049	6,377,076	6,750,015	7,011,762	7,369,924	8,270,000
Open Space acquisition	-	-	903,276	905,717	1,012,550	979,969	839,227	1,302,756	1,089,770	1,052,080
Debt service	561,371	491,751	437,067	379,830	404,947	325,463	1,120,737	-	-	-
Interest expense not allocated	620,131	793,812	-	930,093	722,530	791,514	172,535	583,287	440,543	374,681
Motor vehicle maintenance	1,795,038	2,118,358	1,680,905	-	-	-	-	-	-	-
Information technology	681,542	619,326	956,000	-	-	-	-	-	-	-
Facility maintenance	203,193	85,963	51,000	-	-	-	-	-	-	-
Total governmental activities expenses	29,749,824	32,362,963	32,726,350	29,421,611	28,742,599	30,239,757	31,835,924	34,791,360	38,575,492	44,476,666
Business-type activities expenses										
Water operations	2,574,426	2,483,845	2,843,313	2,830,030	3,067,347	2,744,499	2,773,743	1,717,478	2,943,666	2,893,540
Golf operations	2,015,692	1,894,280	1,875,779	1,944,062	1,951,860	1,993,984	1,985,393	2,222,408	2,243,872	2,409,354
Cemetery	-	-	-	-	-	1,575	4,290	6,750	-	14,068
Total business-type activities expenses	4,590,118	4,378,125	4,719,092	4,774,092	5,019,207	4,740,058	4,763,426	3,946,636	5,187,538	5,316,962
Total primary government expenses	<u>34,339,942</u>	<u>36,741,088</u>	<u>37,445,442</u>	<u>34,195,703</u>	<u>33,761,806</u>	<u>34,979,815</u>	<u>36,599,350</u>	<u>38,737,996</u>	<u>43,763,030</u>	<u>49,793,628</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	806,644	1,772,004	962,288	990,903	915,310	1,181,252	937,631	972,222	1,097,231	1,244,710
Public safety	855,755	769,643	910,142	900,517	831,339	902,115	989,953	1,163,870	1,810,163	2,369,723
Community development	491,959	601,545	937,364	771,328	1,223,159	1,840,740	1,450,391	1,486,115	1,982,306	1,673,799
Public works	595,076	658,009	561,772	653,346	633,388	531,400	602,886	681,918	677,130	693,063
Culture and recreation	2,780,422	3,019,874	3,289,933	3,251,399	3,491,885	3,593,584	3,246,217	3,246,192	3,123,114	3,541,801
Open space acquisition	91,627	109,562	79,892	122,336	87,231	113,495	733,199	138,369	671,860	155,028
Motor vehicle maintenance	2,362,123	2,536,669	2,082,759	-	-	-	-	-	-	-
Information systems maintenance	974,841	1,043,976	886,464	-	-	-	-	-	-	-
Facility Maintenance	232,410	230,435	265,092	-	-	-	-	-	-	-
Operating grants and contributions	737,239	1,820,909	647,368	623,085	506,429	1,029,614	707,507	987,617	1,248,648	1,518,366
Capital grants	1,122,549	1,131,118	548,403	811,857	1,134,053	2,304,075	3,242,886	1,529,878	1,837,174	643,734
Total governmental activities program revenues	<u>11,050,645</u>	<u>13,693,744</u>	<u>11,171,477</u>	<u>8,124,771</u>	<u>8,822,794</u>	<u>11,496,275</u>	<u>11,910,670</u>	<u>10,206,181</u>	<u>12,447,626</u>	<u>11,840,224</u>
Business-type activities:										
Charges for services:										
Water operations	2,438,623	2,690,791	2,773,515	3,060,008	2,947,712	2,938,797	3,447,348	3,700,688	3,859,127	4,395,081
Golf operations	2,029,584	2,061,464	1,956,340	2,144,766	2,076,702	2,123,389	2,224,527	2,629,037	2,648,169	2,888,193
Cemetery	-	-	-	-	-	26,025	21,863	15,725	12,249	10,426
Capital grants and contributions	325,761	227,264	454,662	592,664	495,388	1,111,609	798,995	1,894,843	2,180,080	896,378
Total business-type activities program revenues	<u>4,793,968</u>	<u>4,979,519</u>	<u>5,184,517</u>	<u>5,797,438</u>	<u>5,519,802</u>	<u>6,199,820</u>	<u>6,492,733</u>	<u>8,240,293</u>	<u>8,699,625</u>	<u>8,190,078</u>
Total primary government program revenues	<u>15,844,613</u>	<u>18,673,263</u>	<u>16,355,994</u>	<u>13,922,209</u>	<u>14,342,596</u>	<u>17,696,095</u>	<u>18,403,403</u>	<u>18,446,474</u>	<u>21,147,251</u>	<u>20,030,302</u>
Net (Expense)/Revenue										
Government activities	(18,699,179)	(18,669,219)	(21,554,873)	(21,296,840)	(19,919,805)	(18,743,482)	(19,925,254)	(24,585,179)	(26,127,866)	(32,636,442)
Business-type activities	203,850	601,394	465,425	1,023,346	500,595	1,459,762	1,729,307	4,293,657	3,512,087	2,873,116
Total primary government net expense	<u>(18,495,329)</u>	<u>(18,067,825)</u>	<u>(21,089,448)</u>	<u>(20,273,494)</u>	<u>(19,419,210)</u>	<u>(17,283,720)</u>	<u>(18,195,947)</u>	<u>(20,291,522)</u>	<u>(22,615,779)</u>	<u>(29,763,326)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	3,282,085	3,901,766	3,966,014	3,256,542	3,294,668	2,286,592	2,364,153	2,558,773	2,603,320	2,797,563
Specific ownership taxes	157,113	140,761	141,823	138,470	159,170	123,104	129,276	124,910	157,594	165,951
Sales taxes	14,111,724	15,428,139	14,943,673	15,774,844	17,513,609	19,197,964	21,410,354	24,409,261	28,256,524	30,858,272
Accommodations taxes	1,772,823	1,928,555	2,821,635	3,016,580	3,411,171	3,900,582	4,443,509	5,071,813	5,216,501	5,905,499
Marijuana taxes	-	-	-	-	-	474,066	483,532	561,510	604,058	593,742
Franchise taxes	920,324	853,472	824,472	750,371	743,857	543,199	888,469	744,256	763,972	744,710
Real estate transfer taxes	2,861,119	3,662,755	3,411,973	3,691,087	4,462,232	4,604,914	5,468,732	5,240,098	6,239,221	6,156,677
Lift Ticket taxes	-	-	-	-	-	-	-	586,418	3,504,004	3,718,145
Other taxes	9,976	10,485	9,636	4,810	135,743	49,067	49,441	55,140	52,578	53,159
Unrestricted grants and contributions	9,977	6,522	7,523	9,267	11,403	17,222	13,705	9,846	7,071	7,902
Unrestricted investment earnings	32,387	234,106	124,521	110,513	97,098	122,424	121,788	359,992	518,195	849,419
Gain on Sale of Assets	-	-	-	-	383,224	117,592	1,121,283	11,923	142,869	(8,293,853)

Other general revenues	127,533	551,068	383,748	188,384	485,141	298,893	412,405	1,183,909	680,708	720,619
Transfers	1,034,130	272,148	164,208	96,636	205,342	422,628	472,152	477,024	110,271	113,592
Special Item-Valley Brook Reimbursement	-	-	-	3,302,371	-	-	-	-	-	-
Prior Period Restatement	-	-	-	66,940	-	-	-	-	-	-
Total governmental activities	<u>24,319,191</u>	<u>26,989,777</u>	<u>26,799,226</u>	<u>30,406,815</u>	<u>30,902,658</u>	<u>32,158,247</u>	<u>37,378,799</u>	<u>41,394,873</u>	<u>48,856,886</u>	<u>44,391,397</u>
Business-type activities:										
Unrestricted investment earnings	8,654	53,786	29,241	29,577	22,806	12,705	-	74,275	118,278	324,505
Other general revenues	2,802	3,351	29,090	9,997	1,600	974	-	-	-	-
Gain on Sale of Assets	-	-	-	-	-	-	-	5,337	3,241	8,000
Transfers	(1,034,130)	(272,148)	(164,208)	(96,636)	(205,342)	(422,628)	(422,628)	(477,024)	(110,271)	(113,592)
Prior Period Restatement	-	-	-	(35,223)	-	-	-	-	-	-
Total business-type activities	<u>(1,022,674)</u>	<u>(215,011)</u>	<u>(105,877)</u>	<u>(92,285)</u>	<u>(180,936)</u>	<u>(408,949)</u>	<u>(422,628)</u>	<u>(397,412)</u>	<u>11,248</u>	<u>218,913</u>
Total primary government	<u>23,296,517</u>	<u>26,774,766</u>	<u>26,693,349</u>	<u>30,314,530</u>	<u>30,721,722</u>	<u>31,749,298</u>	<u>36,956,171</u>	<u>40,997,461</u>	<u>48,868,134</u>	<u>44,610,310</u>
Change in Net Position										
Governmental activities	5,620,010	8,320,561	5,219,750	9,134,577	10,982,853	13,414,765	17,385,585	16,655,668	22,729,020	11,754,955
Business-type activities	(817,824)	386,382	359,548	931,061	319,659	1,050,813	1,267,829	2,998,886	3,523,335	3,092,029
Total primary government	<u>\$ 4,802,186</u>	<u>\$ 8,706,943</u>	<u>\$ 5,579,298</u>	<u>\$ 10,065,638</u>	<u>\$ 11,302,512</u>	<u>\$ 14,465,578</u>	<u>\$ 18,653,414</u>	<u>\$ 19,654,554</u>	<u>\$ 26,252,355</u>	<u>\$ 14,846,984</u>

Source: Town of Breckenridge Financial Statements.

*2012: Garage, Facilities, and IT expenses rolled into General Fund

Town of Breckenridge
Fund Balances, Governmental Funds
Fiscal Years 2009 - 2018
(modified accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund				
Nonspendable				\$ 341,500
Restricted	\$ 942,000	\$ 1,072,000	\$ 1,741,000	1,640,050
Assigned	-	-	-	2,119,332
Unassigned	<u>14,576,448</u>	<u>17,575,283</u>	<u>31,321,836</u>	<u>35,433,665</u>
Total General Fund	<u>15,518,448</u>	<u>18,647,283</u>	<u>33,062,836</u>	<u>39,534,547</u>
All Other Governmental Funds				
Nonspendable				
Restricted, reported in:				
Special Revenue Funds				46,523
Capital Projects Fund	1,225,723	1,354,564	-	-
Committed, reported in:				
Special Revenue Funds	-	-	-	-
Assigned, reported in:				
Special Revenue Funds			5,764,956	6,882,135
Capital Projects Fund	-	-	1,383,584	1,665,531
Unassigned, reported in:				
Special Revenue Funds	<u>12,449,512</u>	<u>15,581,795</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>13,675,235</u>	<u>16,936,359</u>	<u>7,148,540</u>	<u>8,594,189</u>
Total Governmental Funds Balance	<u>\$29,193,683</u>	<u>\$35,583,642</u>	<u>\$40,211,376</u>	<u>\$ 48,128,736</u>

Source: Town of Breckenridge Financial Statements.

2011: Excise Fund rolled into General Fund for implementation of GASB 54

2013	2014	2015	(RESTATED) 2016	2017	2018
\$ 1,011,791	\$ 1,385,689	\$ -	\$ 1,274,719	\$ 1,255,501	\$ 1,351,783
1,763,154	1,917,175	2,261,415	3,134,604	3,117,109	4,099,842
-	798,534	3,055,523	4,488,920	290,000	-
26,872,177	25,514,108	32,405,219	31,548,493	27,716,111	35,727,738
<u>29,647,122</u>	<u>29,615,506</u>	<u>37,722,157</u>	<u>40,446,736</u>	<u>32,378,721</u>	<u>41,179,363</u>
	1,662,239	7,534,513	-	-	-
7,795,013	2,685,959	6,561,423	12,962,517	22,478,104	21,088,624
-	-	-	142,732	-	-
-	-	-	448,833	317,455	323,544
6,261,121	11,723,945	155,243	-	-	-
7,207,468	3,507,274	5,955,575	8,483,801	11,142,479	15,040,628
-	-	-	-	-	-
<u>21,263,602</u>	<u>19,579,417</u>	<u>20,206,754</u>	<u>22,037,883</u>	<u>33,938,038</u>	<u>36,452,796</u>
			-	-	-
<u>\$ 50,910,724</u>	<u>\$ 49,194,923</u>	<u>\$ 57,928,911</u>	<u>\$ 62,484,619</u>	<u>\$ 66,316,759</u>	<u>\$ 77,632,159</u>

Town of Breckenridge
Changes in Fund Balances, Governmental Funds
Fiscal Years 2009 - 2018
(modified accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues			
Taxes	\$23,115,164	\$25,874,863	\$26,067,922
Licenses and permits	1,063,803	1,073,557	1,353,157
Intergovernmental	1,322,927	2,691,789	1,587,018
Charges for services	4,311,888	3,477,856	4,601,019
Fines and forfeits	360,050	446,601	482,087
Interest	32,386	234,107	124,522
Miscellaneous	523,226	2,333,415	316,826
Total revenues	<u>30,729,444</u>	<u>36,132,188</u>	<u>34,532,551</u>
Expenditures			
General government	4,529,580	4,138,210	4,600,289
Public safety	3,454,111	3,184,089	3,093,336
Community development	3,309,966	6,777,235	3,840,353
Public works	7,376,667	7,214,138	6,926,151
Culture and recreation	5,016,087	5,136,651	5,124,470
Open Space Acquisition			1,028,241
Grants to Other Agencies			903,276
Capital outlay	6,044,963	1,769,322	3,263,433
Debt service			
Principal	1,271,278	1,303,489	851,819
Interest and charges	545,972	491,237	437,657
Total expenditures	<u>31,548,624</u>	<u>30,014,371</u>	<u>30,069,025</u>
Excess of revenues over (under) expenditures	<u>(819,180)</u>	<u>6,117,817</u>	<u>4,463,526</u>
Other Financing Sources (Uses)			
Proceeds from Debt Issuances	-	-	-
Issuance of COP Premium	-	-	-
Payment to Refunding COP Escrow Agent	-	-	-
Sale of Capital Assets	-	-	-
Operating transfers in	19,853,463	17,086,000	5,827,490
Operating transfers out	(18,819,333)	(16,813,852)	(5,663,282)
Total other financing sources (uses)	<u>1,034,130</u>	<u>272,148</u>	<u>164,208</u>
Special Item-Valley Brook Reimbursement			
Net changes in fund balances	<u>\$ 214,950</u>	<u>\$ 6,389,965</u>	<u>\$ 4,627,734</u>
Capitalized Capital Outlay	<u>\$ 5,703,173</u>	<u>\$ 1,748,502</u>	<u>\$ 1,987,990</u>
Noncapital Expenditures	<u>\$25,845,451</u>	<u>\$28,265,869</u>	<u>\$28,081,035</u>
Debt services as a percentage of noncapital expenditures	7.0%	6.3%	4.6%

Source: Town of Breckenridge Financial Statements.

2012	2013	2014	2015	(RESTATED) 2016	2017	2018
\$26,582,660	\$29,720,450	\$31,179,488	\$35,237,467	\$39,352,179	\$47,397,773	\$50,993,718
1,218,849	1,278,245	1,827,110	1,590,838	1,794,597	1,992,995	1,698,476
1,814,891	1,829,872	3,461,620	3,878,175	2,456,413	3,129,849	2,185,013
4,574,922	5,247,675	5,663,973	5,987,120	5,581,231	6,961,064	7,582,979
516,276	421,840	403,033	429,761	471,234	312,188	291,072
122,808	97,098	122,424	121,838	329,553	468,800	736,287
235,233	597,554	456,655	1,834,541	1,164,541	739,309	746,205
<u>35,065,639</u>	<u>39,192,734</u>	<u>43,114,303</u>	<u>49,079,740</u>	<u>51,149,748</u>	<u>61,001,978</u>	<u>64,233,750</u>
5,816,778	5,722,593	6,798,567	7,334,615	7,143,089	7,636,618	8,498,479
3,234,861	3,127,265	3,115,845	3,274,868	3,564,679	4,073,393	4,420,323
2,098,518	2,151,835	2,065,749	2,284,598	2,523,265	2,771,157	4,362,599
6,998,710	7,557,708	7,766,689	8,294,233	9,599,073	11,477,330	13,272,015
5,354,784	5,261,768	5,769,724	6,157,336	6,459,033	6,792,019	7,441,773
930,093	722,530	793,429	844,410	1,309,989	1,108,694	1,069,615
905,717	1,012,550	956,431	1,035,191	1,372,447	1,288,705	1,238,574
4,234,439	10,334,373	17,111,630	9,280,717	22,521,726	24,541,342	17,303,800
878,457	849,453	535,000	3,115,002	605,000	675,000	695,000
402,134	369,302	339,668	323,487	571,089	490,267	458,949
<u>30,854,491</u>	<u>37,109,377</u>	<u>45,252,732</u>	<u>41,944,457</u>	<u>55,669,390</u>	<u>60,854,525</u>	<u>58,761,127</u>
<u>4,211,148</u>	<u>2,083,357</u>	<u>(2,138,429)</u>	<u>7,135,283</u>	<u>(4,519,642)</u>	<u>147,453</u>	<u>5,472,623</u>
-	-	-	-	10,600,000	-	-
-	-	-	-	1,042,063	-	-
-	-	-	-	(2,435,658)	-	-
-	493,289	-	1,058,475	-	-	6,329,185
7,566,756	14,936,623	13,439,705	12,027,316	11,676,765	28,941,537	19,956,460
<u>(7,470,120)</u>	<u>(14,731,281)</u>	<u>(13,017,077)</u>	<u>(11,555,164)</u>	<u>(11,199,741)</u>	<u>(25,256,850)</u>	<u>(20,442,868)</u>
<u>96,636</u>	<u>698,631</u>	<u>422,628</u>	<u>1,530,627</u>	<u>9,683,429</u>	<u>3,684,687</u>	<u>5,842,777</u>
3,302,371						
<u>\$ 7,610,155</u>	<u>\$ 2,781,988</u>	<u>\$ (1,715,801)</u>	<u>\$ 8,665,910</u>	<u>\$ 5,163,787</u>	<u>\$ 3,832,140</u>	<u>\$11,315,400</u>
<u>\$ 2,667,187</u>	<u>\$ 9,662,522</u>	<u>\$17,144,215</u>	<u>\$ 9,280,717</u>	<u>\$22,521,725</u>	<u>\$24,541,342</u>	<u>\$17,303,800</u>
<u>\$28,187,304</u>	<u>\$27,446,855</u>	<u>\$28,108,517</u>	<u>\$32,663,740</u>	<u>\$33,147,665</u>	<u>\$36,313,183</u>	<u>\$41,457,327</u>
4.5%	4.4%	3.1%	10.5%	3.5%	3.2%	2.8%

Town of Breckenridge
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property	Commercial & Industrial Property	Vacant & Agricultural Property	State Assessed	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2008	278,231,520	93,844,670	71,808,810	3,639,450	14,250,395	447,524,450	7.51	4,079,200,220	11%
2009	362,680,790	108,996,300	100,809,550	3,581,982	15,179,080	576,068,622	6.96	5,232,348,150	11%
2010	370,935,460	109,641,390	95,968,140	5,653,840	15,865,150	582,198,830	6.95	5,388,609,180	11%
2011	316,673,150	99,642,470	64,336,850	6,449,440	15,907,520	487,101,910	6.95	4,620,893,980	11%
2012	322,103,530	97,399,600	58,263,580	6,249,970	16,342,800	484,016,680	6.95	4,604,911,550	11%
2013	312,524,160	93,070,550	48,571,900	6,583,520	16,310,030	460,750,130	5.07	4,437,377,520	10%
2014	319,923,220	93,166,870	47,313,330	6,727,020	16,921,060	467,130,440	5.07	4,526,813,340	10%
2015	359,661,730	102,857,550	47,919,560	6,813,460	17,488,410	517,252,300	5.07	5,061,778,400	10%
2016	371,301,310	104,198,650	40,060,590	7,080,640	21,982,900	522,641,190	5.07	5,186,450,130	10%
2017	401,810,440	115,291,110	40,692,430	7,359,180	22,875,060	565,153,160	5.07	6,143,950,390	9%
2018	414,591,880	119,641,750	33,788,530	7,038,610	24,491,890	575,060,770	5.07	6,396,015,040	9%

Source: Summit County Assessor's Office.

**Town of Breckenridge
Property Tax Rates
All Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	Town of Breckenridge	Summit County	Summit School District	Colorado Mtn. College	Red, White & Blue Fire	Colorado River Water Con.	Middle Park Water Con	Total
2009	6.943	11.448	22.291	3.997	8.500	0.198	0.062	53.439
2010	6.945	12.595	18.364	3.997	8.500	0.188	0.056	50.645
2011	6.945	12.796	20.202	3.997	9.000	0.228	0.056	53.224
2012	6.945	12.824	20.031	3.997	9.098	0.242	0.056	53.193
2013	5.070	12.789	20.275	3.997	9.013	0.254	0.056	51.454
2014	5.070	15.173	20.135	3.997	9.018	0.253	0.056	53.702
2015	5.070	15.072	19.618	3.997	9.004	0.243	0.055	53.059
2016	5.070	15.072	19.618	3.997	9.004	0.243	0.055	53.059
2017	5.070	15.086	20.417	3.997	9.015	0.256	0.055	53.896
2018	5.070	19.643	20.417	3.997	9.015	0.256	0.055	58.453

Note: All numbers shown are Mill Levies (amounts assessed per \$1,000 in valuation).

Source: Summit County Assessor's Office.

**Town of Breckenridge
Top Ten Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	Type of Business	2018			2009			2013		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Vail Summit Resorts, Inc	Ski Area Owner, Developer	\$ 13,823,658	1	3.000%	\$ 16,200,035	1	3.516%	11,472,114	1	2.490%
Gold Point Lodging & Realty, Inc.	Hotel/Retail Condo Resort & Management	\$ 9,122,118	2	1.980%	\$ 9,707,596	2	2.107%	8,433,671	2	1.830%
Grand Lodge on Peak 7 Intrvl Owner Assoc.	Timeshare Organization	\$ 7,953,933	3	1.726%				6,048,822	4	1.313%
Peak 8 Properties LLC	Developer	\$ 7,639,531	4	1.658%						
Beaver Run Interim Center Acquisition LLC	Developer	\$ 6,974,585	5	1.514%	\$ 5,834,693	4	1.266%	6,755,555	3	1.466%
Public Service Co. of Colorado	Public Utility	\$ 5,047,167	6	1.095%				4,558,434	6	0.989%
Ofpers Partners, LLC	Commercial Real Estate	\$ 3,451,581	7	0.749%				2,691,424	8	0.584%
Village at Breckenridge Acquisition Corp.	Hotel/Retail Condo Resort & Management	\$ 3,424,384	8	0.743%	\$ 3,753,158	6	0.815%	3,158,756	7	0.686%
Valdoro Mtn Lodge Interval Owner Assoc.	Hotel/Retail Condo Resort & Management	\$ 2,819,623	9	0.612%	\$ 2,948,712	9	0.640%	2,430,891	10	0.528%
One Ski Hill Place LLC	Developer	\$ 2,793,971	10	0.606%				4,932,393	5	1.071%
Main Street Station Shopping Center	Hotel/Retail Condo Resort & Management				\$ 3,057,168	8	0.664%			
Azco LLC	Developer				\$ 3,882,200	5	0.843%			
Azco II LLC	Developer				\$ 7,396,650	3	1.605%			
Marriott Ownership Resorts, Inc.	Developer				\$ 3,082,236	7	0.669%			
Shock Hill Development LLC	Developer				\$ 2,553,911	10	0.554%			
Total		<u>\$ 63,050,551</u>			<u>\$ 58,416,359</u>			<u>\$ 50,482,060</u>		<u>10.956%</u>

Source: Summit County Assessor's Office.

2014			2018			2008		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
11,305,911	1	2.420%	13,823,658	1	2.959%	8,221,641	1	1.760%
8,504,165	2	1.821%	8,917,960	2	1.909%	6,694,240	2	1.433%
7,463,593	4	1.598%	7,920,378	3	1.696%			
6,755,555	3	1.446%	6,974,585	4	1.493%	4,466,364	3	0.956%
4,591,597	6	0.983%	4,768,404	5	1.021%			
2,691,424	9	0.576%	3,451,581	7	0.739%	2,014,104	7	0.431%
3,158,756	7	0.676%	3,432,133	8	0.735%	3,301,660	4	0.707%
			2,886,557	9	0.618%			
3,617,880	5	0.774%	2,852,042	10	0.611%			
						2,902,314	5	0.621%
						2,394,622	6	0.513%
						1,845,687	8	0.395%
						1,722,566	9	0.369%
<u>\$ 48,088,881</u>		<u>10.295%</u>	<u>\$ 55,027,298</u>		<u>11.780%</u>	<u>\$ 35,258,197</u>		<u>5.287%</u>

Town of Breckenridge
Taxable Sales and Sales Tax Collections By Category
Last Ten Years

Taxable Sales	2009	Percent of Total	2010	Percent of Total	2011	Percent of Total	2012	Percent of Total	2013	Percent of Total	2014	Percent of Total	2015	Percent of Total	2016	Percent of Total	2017	Percent of Total	2018	Percent of Total
Retail	\$ 67,164,562	21%	\$ 72,516,709	23%	\$ 72,638,720	23%	\$ 82,660,838	23%	\$ 113,042,463	28%	\$ 115,950,573	26%	\$ 131,135,835	27%	\$ 141,987,227	26%	\$ 152,200,147	27%	\$ 168,252,098	27%
Marijuana	-	-	-	-	-	-	-	-	\$2,393,937	1%	8,351,852	2%	7,791,474	2%	9,192,345	2%	9,714,804	2%	9,976,818	2%
Restaurants/Bars	60,875,927	19%	65,694,868	21%	71,176,128	22%	80,676,467	23%	\$87,874,565	22%	97,472,880	22%	107,664,478	22%	117,125,970	22%	126,504,293	22%	140,080,648	23%
Short-Term Lodging	74,953,476	24%	75,176,624	24%	83,861,013	26%	89,165,574	25%	\$99,161,964	25%	114,537,058	26%	130,677,280	26%	148,960,209	26%	148,927,636	26%	167,408,538	27%
Grocery/Liquor Stores	44,874,631	14%	45,024,575	14%	47,700,028	15%	49,690,652	14%	\$53,564,231	13%	55,544,066	13%	59,327,490	12%	62,692,608	12%	64,306,218	12%	67,779,218	11%
Construction	24,420,106	8%	15,237,323	5%	14,055,920	4%	16,142,158	5%	\$19,588,910	5%	22,045,591	5%	29,765,442	6%	32,236,255	6%	37,328,216	6%	32,212,484	5%
Utilities	28,967,068	9%	27,654,325	9%	26,761,994	8%	23,776,616	7%	\$25,755,299	6%	26,866,047	6%	26,624,825	5%	25,836,403	5%	27,068,676	5%	25,776,614	4%
Undefined	13,743,695	4%	11,881,450	4%	6,520,284	2%	9,894,526	3%	\$1,796,980	0%	1,606,347	0%	1,503,290	0%	2,355,541	0%	2,053,401	0%	2,565,274	0%
Total	\$ 314,999,465	100%	\$ 313,185,874	100%	\$ 322,714,087	100%	\$ 352,006,831	100%	\$403,178,349	100%	\$ 442,374,414	100%	\$ 494,490,114	100%	\$ 540,386,559	100%	\$ 568,103,391	100%	\$ 614,051,792	100%
<u>Sales Tax Collected</u>																				
Retail	\$ 2,963,976	21%	\$ 3,212,490	23%	\$ 3,217,895	23%	\$ 2,066,521	23%	\$ 4,910,435	28%	\$ 5,031,897	26%	\$ 5,677,898	27%	\$ 6,413,582	26%	\$ 6,750,848	27%	\$ 6,975,094	27%
Marijuana	-	-	-	-	-	-	-	-	103,990	1%	362,445	2%	337,354	2%	415,219	2%	401,104	2%	413,605	2%
Restaurants/Bars	2,686,458	19%	2,910,283	21%	3,153,102	22%	2,016,912	23%	3,817,171	22%	4,230,022	22%	4,661,639	22%	5,290,596	22%	5,542,547	22%	5,807,213	23%
Short-Term Lodging	3,307,701	24%	3,330,324	24%	3,715,043	26%	2,229,139	25%	4,307,482	25%	4,970,554	26%	5,658,044	26%	6,728,552	28%	6,727,242	26%	6,940,123	27%
Grocery/Liquor Stores	1,980,320	14%	1,994,589	14%	2,113,111	15%	1,242,266	14%	2,326,769	13%	2,410,441	13%	2,568,752	12%	2,831,833	12%	3,054,168	12%	2,809,869	11%
Construction	1,077,661	8%	675,013	5%	622,677	4%	403,554	5%	850,920	5%	956,711	5%	1,288,779	6%	1,456,116	6%	1,532,319	6%	1,335,407	5%
Utilities	1,278,318	9%	1,225,087	9%	1,185,556	8%	594,415	7%	1,118,781	6%	1,165,903	6%	1,152,797	5%	1,167,034	5%	1,370,641	5%	1,068,601	4%
Undefined	606,510	4%	526,348	4%	288,849	2%	247,363	3%	78,059	0%	69,711	0%	65,089	0%	106,400	0%	77,389	0%	106,347	0%
Total	\$ 13,900,944	100%	\$ 13,874,134	100%	\$ 14,296,233	100%	\$ 8,800,170	100%	17,513,607	100%	\$ 19,197,683	100%	\$ 21,410,354	100%	\$ 24,409,332	100%	\$ 25,456,259	100%	\$ 27,737,678	100%

Revenues and sales taxes are reported by category. Publication of revenues and sales taxes paid by specific individual business is prohibited (Breckenridge Town Code Section 3-1-17).

**Town of Breckenridge
Direct and Overlapping Sales Tax Rates
Last Ten Years**

Fiscal Year	TOB Direct Rate	Summit Combined Housing Authority	Summit County	State of Colorado	Total
2009	2.50%	0.125%	0.275%	2.90%	5.800%
2010	2.50%	0.125%	0.275%	2.90%	5.800%
2011	2.50%	0.125%	0.275%	2.90%	5.800%
2012	2.50%	0.125%	0.275%	2.90%	5.800%
2013	2.50%	0.125%	0.275%	2.90%	5.800%
2014	2.50%	0.125%	0.275%	2.90%	5.800%
2015	2.50%	0.125%	0.275%	2.90%	5.800%
2016	2.50%	0.125%	0.275%	2.90%	5.800%
2017	2.50%	0.725%	0.275%	2.90%	6.400%
2018	2.50%	0.725%	0.275%	2.90%	6.400%

Source: State of Colorado, Town of Breckenridge

**Town of Breckenridge
Property Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended Dec 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 3,362,699	\$ 3,353,939	99.74%	\$ (2,203)	\$ 3,351,736	99.67%
2010	\$ 4,007,811	\$ 3,983,810	99.40%	\$ 9,339	\$ 3,993,149	99.63%
2011	\$ 4,043,491	\$ 4,037,771	99.86%	\$ (42,655)	\$ 3,995,116	98.80%
2012	\$ 3,382,923	\$ 3,365,755	99.49%	\$ (2,100)	\$ 3,363,655	99.43%
2013	\$ 3,361,496	\$ 3,357,942	99.89%	\$ (287)	\$ 3,357,655	99.89%
2014 *	\$ 2,333,257	\$ 2,332,328	99.96%	\$ 89	\$ 2,332,417	99.96%
2015	\$ 2,368,351	\$ 2,366,820	99.94%	\$ 5,566	\$ 2,372,386	100.17%
2016	\$ 2,622,469	\$ 2,610,997	99.56%	\$ -	\$ 2,610,997	99.56%
2017	\$ 2,649,791	\$ 2,874,541	108.48%	\$ -	\$ 2,874,541	108.48%
2018	\$ 2,865,327	\$ 2,792,028	97.44%	\$ 1,878	\$ 2,793,906	97.51%

Sources: Town of Breckenridge Financial Statements
Summit County Assessor's and Treasurer's Offices

Property taxes are levied in year x1 and are paid the following year x2.

*Mill levy for GO Debt no longer in place as of 2014

Town of Breckenridge
Ratios of Outstanding Debt By Type
Last Ten Years

Fiscal Year	Governmental Activities				Business - Type Activities				Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
	General Obligation	Certificates of Participation	Notes Payable	Debt Premium Net of Accum Amort	Revenue Bonds	Capital Leases	Notes Payable	Debt Premium Net of Accum Amort			
2009	\$ 1,447,019	\$ 7,315,000	\$ 3,670,000	\$ -	\$ 2,332,981	\$ -	\$ 605,387	\$ -	\$ 15,370,387	19.79%	\$ 4,211
2010	\$ 1,092,090	\$ 6,540,000	\$ 3,500,000	\$ -	\$ 1,767,910	\$ -	\$ 568,976	\$ -	\$ 13,468,976	16.30%	\$ 3,554
2011	\$ 718,959	\$ 6,240,000	\$ 3,325,000	\$ 171,361	\$ 1,168,021	\$ -	\$ 531,108	\$ 21,512	\$ 12,175,961	11.87%	\$ 2,629
2012	\$ 334,449	\$ 5,930,000	\$ 3,145,000	\$ 152,229	\$ 556,481	\$ -	\$ 491,726	\$ 10,755	\$ 10,620,640	10.05%	\$ 2,256
2013	\$ -	\$ 5,600,000	\$ 2,960,000	\$ 133,098	\$ -	\$ -	\$ 450,769	\$ -	\$ 9,143,867	8.39%	\$ 1,931
2014	\$ -	\$ 5,260,000	\$ 2,765,000	\$ 10,150	\$ -	\$ -	\$ 408,178	\$ -	\$ 8,443,328	7.79%	\$ 1,769
2015	\$ -	\$ 4,910,000	\$ -	\$ 13,798	\$ -	\$ -	\$ 363,879	\$ -	\$ 5,287,677	5.07%	\$ 1,097
2016	\$ -	\$ 1,002,608	\$ -	\$ 1,002,608	\$ -	\$ -	\$ 68,756	\$ -	\$ 2,073,972	2.08%	\$ 424
2017	\$ -	\$ 11,290,000	\$ -	\$ 949,355	\$ -	\$ 133,122	\$ 56,990,796	\$ 1,234,328	\$ 70,597,601	65.03%	\$ 14,405
2018	\$ -	\$ 12,380,000	\$ -	\$ -	\$ -	\$ 93,198	\$ 54,804,129	\$ -	\$ 67,277,327	58.99%	\$ 13,362

Source: Details regarding the Town's outstanding debt can be found in the Town's financial statements.
Personal Income and Per Capita information is found in the demographic and economic schedule.

**TOWN OF BRECKENRIDGE, COLORADO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Gen. Oblig. Bonded Debt Outstanding</u>	<u>Population</u>	<u>G.O Debt Per Capita</u>	<u>Assessed Valuation</u>	<u>Ratio of Debt to Assessed Valuation</u>
2009	3,780,000	3,650	1,036	\$ 576,068,622	0.66%
2010	2,860,000	3,790	755	\$ 582,198,830	0.49%
2011	1,886,980	4,631	407	\$ 487,101,910	0.39%
2012	890,930	4,707	189	\$ 484,016,680	0.18%
2013	0	4,735	-	\$ 460,750,130	N/A
2014	0	4,772	-	\$ 467,130,440	N/A
2015	0	4,820	-	\$ 517,252,300	N/A
2016	0	4,896	-	\$ 522,641,190	N/A
2017	0	5,000	-	\$ 565,153,160	N/A
2018	0	5,000	-	\$ 575,060,770	N/A

Source: Summit County Assessor's Office,
Town of Breckenridge Financial Statements

TOWN OF BRECKENRIDGE
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
December 31, 2018

<u>Jurisdiction</u>	<u>2016 Assessed Value</u>	<u>2017 Assessed Value</u>	<u>2018 Assessed Value</u>	<u>GO Debt Outstanding</u>	<u>Percentage Applicable to Town</u>	<u>Amount Applicable to Town</u>
Direct Debt:						
Town of Breckenridge	\$ 522,641,190	\$ 565,153,160	\$ -	-	100%	-
Summit County	1,733,916,850	1,871,102,700	1,871,102,700	101,000	30%	30,444
Summit School District	1,738,162,600	1,862,888,520	1,862,888,520	90,050,000	30%	27,076,776
Colorado Mountain College	1,738,162,600	1,862,888,520	1,862,888,520	-	30%	-
Red, White & Blue Fire Protection District	796,489,730	857,252,240	857,252,240	-	66%	-
Colorado River Water Conservation District	1,745,981,510	1,871,102,700	1,871,102,700	-	30%	-
Middle Park Water Conservancy District	1,745,981,510	1,871,102,700	1,871,102,700	-	30%	-
Upper Blue Sanitation District	658,936,590	718,496,720	718,496,720	-	79%	-
Alpine Metropolitan District	3,320	3,590	3,590	-	100%	-
Breckenridge Mountain Metropolitan District	40,728,730	43,937,140	43,937,140	23,645,000	100%	-
Overlapping Debt:				113,796,000		27,107,220
Direct Debt:				-		-
Total Debt:				<u>113,796,000</u>		<u>27,107,220</u>

The percent applicable to the Town is based upon the percent of valuation the Town makes up of the Jurisdiction's total valuation.

Source: Individual Entities

**Town of Breckenridge
Legal Debt Margin Information
Last Ten Years**

Legal Debt Margin Computation

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Maximum Debt Allowed:											
Actual value	4,079,200,220	5,232,348,150	5,388,609,180	4,620,893,980	4,604,911,550	4,437,377,520	4,526,813,340	5,061,778,400	5,186,450,130	6,143,950,390	6,396,015,040
Debt limit (3% of valuation)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Legal debt limit	\$ 122,376,007	\$ 156,970,445	\$ 161,658,275	\$ 138,626,819	\$ 138,147,347	\$ 133,121,326	\$ 135,804,400	\$ 151,853,352	\$ 155,593,504	\$ 184,318,512	\$ 191,880,451
Debt Applicable to Limit:											
Total bonds outstanding	\$ 4,665,000	\$ 3,780,000	\$ 2,860,000	\$ 1,886,980	\$ 890,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Sales Tax Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt subject to limitation	\$ 4,665,000	\$ 3,780,000	\$ 2,860,000	\$ 1,886,980	\$ 890,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt limit	\$ 122,376,007	\$ 156,970,445	\$ 161,658,275	\$ 138,626,819	\$ 138,147,347	\$ 133,121,326	\$ 135,804,400	\$ 151,853,352	\$ 155,593,504	\$ 184,318,512	\$ 191,880,451
Total net debt applicable to limit	\$ 4,665,000	\$ 3,780,000	\$ 2,860,000	\$ 1,886,980	\$ 890,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 117,711,007	\$ 153,190,445	\$ 158,798,275	\$ 136,739,839	\$ 137,256,417	\$ 133,121,326	\$ 135,804,400	\$ 151,853,352	\$ 155,593,504	\$ 184,318,512	\$ 191,880,451
Total net debt applicable to the limit as a percentage of debt limit	4%	2%	2%	1%	1%	0%	0%	0%	0%	0%	0%

Note: Colorado statutes limit legal debt margin to 3% of valuation, excepting general obligation debt serviced by enterprise funds and revenue bonds.

Source: Summit County Assessor's Office and Town of Breckenridge Financial Statements.

**Town of Breckenridge
Pledged Revenue Coverage
Last Ten Years**

Colorado Water Resources & Power Development Authority						
Fiscal Year	Net Pledged		Debt Service		Coverage	
	Revenues		Principal	Interest		
2008	\$	377,900	\$	165,000	\$ 189,488	1.1
2009		377,900		170,000	181,238	1.1
2010		377,900		170,000	172,738	1.1
2011		377,900		175,000	164,238	1.1
2012		377,900		180,000	155,488	1.1
2013		377,900		185,000	146,488	1.1
2014		377,900		195,000	137,238	1.1
2015		377,900		2,765,000	104,964	0.1
2016		377,900		3,005,000	57,197	0.1
2017		-		-	-	0.0
2018		-		-	-	0.0

Source: Town of Breckenridge Financial Statements

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

TOWN OF BRECKENRIDGE, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Breckenridge Population (1)	Summit County Population (2)	Median Family Income (2)(3)	School Enrollment (4)	Unemployment Rate (3)
2008	3,545	28,720	\$81,300	454	3.8%
2009	3,650	29,628	\$85,100	471	6.4%
2010	3,790	29,626	\$87,200	481	6.6%
2011	4,631	30,233	\$88,600	516	6.0%
2012	4,707	31,707	\$89,800	502	8.0%
2013	4,735	31,895	\$92,100	509	6.1%
2014	4,772	29,404	\$90,800	535	4.2%
2015	4,820	29,399	\$86,600	535	2.8%
2016	4,896	30,299	\$81,500	530	1.4%
2017	4,901	30,622	\$88,600	508	2.1%
2018	5,035	31,007	\$90,600	485	2.2%

Sources: Town of Breckenridge Planning Department, Summit County, and RE-1 School District.

(1) Town of Breckenridge Planning Department

(2) Area Median Income for a family of four-Annual Government Census

(3) Statistics only available for Summit County

(4) RE-1 School District enrollment for Breckenridge Elementary & Upper Blue Elementary combined

**Town of Breckenridge
Principal Employers
Fiscal Years 2017 - 2019**

Fiscal Year 2018

Employer	Employees	Rank	Percentage of Total Town Employment
Vail Resorts Inc. ¹	1586	1	27%
Breckenridge Grand Vacations	611	2	10%
Town of Breckenridge	271	3	5%
Beaver Run Resort And Conference Center ²	226	4	4%
City Market #30	128	5	2%
Wyndham	62	6	1%
Breckenridge BBQ (Kenosha Steakhouse and Rita's)	61	7	1%
Hearthstone Restaurant Inc.	55	8	1%
Resort Quest	60	9	1%
Christy Sports	55	10	1%
Total	3,115		53%

Total Employees within the Town of Breckenridge: 6,268

1 Vail Resorts Inc. includes Keystone Food & Beverage

2 Beaver Run Resort & Conference Center includes Bridge Hospitality

Fiscal Year 2017

Employer	Employees	Rank	Percentage of Total Town Employment
Vail Resorts Inc. ¹	1564	1	27%
Breckenridge Grand Vacations	492	2	8%
Beaver Run Resort And Conference Center ²	274	3	5%
Town of Breckenridge	266	4	5%
City Market #30	128	5	2%
Double Diamond Distillery LLC dba Breckenridge Distillery	63	6	1%
Breckenridge BBQ (Kenosha Steakhouse and Rita's)	61	7	1%
Resort Quest	60	8	1%
Christy Sports	55	9	1%
Breckenridge Building Center Inc.	47	10	1%
Total	3,010		52%

Total Employees within the Town of Breckenridge: 5,840

1 Vail Resorts Inc. includes Keystone Food & Beverage

2 Beaver Run Resort & Conference Center includes Bridge Hospitality

Fiscal Year 2016

Employer	Employees	Rank	Percentage of Total Town Employment
Vail Resorts Inc. ¹	1416	1	25%
Breckenridge Grand Vacations	386	2	7%
Beaver Run Resort And Conference Center ²	201	3	3%
Town of Breckenridge	248	4	4%
City Market #30	128	5	2%
Breckenridge BBQ (Kenosha Steakhouse and Rita's)	61	6	1%
Christy Sports	60	7	1%
Resort Quest	56	8	1%
Breckenridge 61 LLC dba CB & Potts Restaurant & Tavern	50	9	1%
Fatty's Pizzeria Inc	47	10	1%
Total	2,653		46%

Total Employees within the Town of Breckenridge: 5,747

1 Vail Resorts Inc. includes Keystone Food & Beverage

2 Beaver Run Resort & Conference Center includes Bridge Hospitality

Town of Breckenridge
Town Government Employees by Department
Last Ten Years

	Full Time Employees									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administration (Includes Gen Govt, Executive Mgmt, HR & MS)	13	13	13	12	12	14	14	14	13	13
Finance & IT	11	11	11	14	14	9	9	9	10	11
Community Development (including Aff. Housing & Child Care)	14	14	13	15	15	14	13	14	15	16
Police	33	30	30	30	30	30	31	32	26	28
Public Works (includes Garage, Utility)	56	46	45	60	60	60	58	62	83	90
Recreation (includes Open Space)	28	27	27	26	26	24	24	24	26	27
Golf Course	4	4	4	4	4	4	3	5	5	5
Total	159	145	142	161	161	155	152	160	177.85	190

Note: Full time equivalents assigned, as of December 31st.

**Town of Breckenridge
Operating Indicators by Function/Program
Last Ten Years**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Physical arrests	729	628	783	762	750	687	558	625	690	657
Traffic violations	1,739	1,336	1,012	1,159	1,203	886	932	693	1,179	987
Municipal Water	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of customers	4,202	4,273	4,301	4357	4,410	4,488	4,565	4,627	4,750	4,854
Residential	3,893	3,964	3,992	4,044	4,090	4,139	4,213	4,273	4,380	4,493
Commercial	309	309	309	313	320	349	352	354	370	361
Water gallons billed to customers	504,429,000	522,021,000	506,574,000	549,675,000	562,722,000	517,736,000	515,679,000	513,790,000	535,967,000	570,668,000
Residential	390,435,000	402,309,000	389,846,000	399,706,000	424,594,000	398,178,000	398,416,000	397,385,000	413,914,000	441,739,000
Commercial	113,994,000	119,712,000	116,728,000	149,969,000	138,128,000	119,558,000	117,263,000	116,405,000	122,053,000	128,929
Average residential daily consumption in gallons per customer per day	275	278	268	271	284	264	259	255	259	269
Public Works	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Street resurfacing (miles)				0.6	1.9	0.6	1.4	2.5	4.533	4.533
Resurfacing as a percentage of total street miles	1.8%	0.0%	0.0%	1.0%	3.3%	1.0%	1.0%	1.0%	1.0%	1.0%
Transit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total route miles	268,643	265,114	211,713	212,163	244,828	238,873	276,726	355,060	504,820	498,839
Passengers	669,208	552,752	533,660	538,504	614,425	660,369	748,806	885,508	1,009,179	1,174,127
Administration	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business licenses	4,798	4,879	5,011	5,141	5,466	6,065	6,208	6,277	6,561	6,901
In Town	551	570	582	583	573	567	575	571	574	575
Lodges	11	11	26	13	12	11	10	11	10	11
Nonprofits	48	55	57	63	69	73	78	78	77	79
In-Home	81	84	93	114	130	143	154	151	158	150
Vendor	798	781	827	892	1,008	1,078	1,118	1,164	1,214	1,282
Seasonal Vendor	519	524	525	593	732	760	762	736	757	845
Short Term Rental	2,785	2,854	2,899	2,881	2,911	3,321	3,365	3,388	3,572	3,737
Chalet Homes	5	2	2	2	2	2	2	2	2	-
Administrative Licenses*				-	29	110	144	176	197	233

Source: Town of Breckenridge Departmental Statistics.

*Administrative licenses are a new type of license in 2013 provided to companies who are only performing services for the Town.

Town of Breckenridge
Capital Asset Indicators by Function/Program
Last Ten Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Works										
Street miles	54.55	56.62	57.51	57.51	57.51	57.51	57.51	56.73	56.73	56.73
Street lights	882	900	900	900	1,075	1,075	1,075	1,100	1,100	1,100
Traffic signals	2	2	2	2	2	2	2	2	2	2
Total Town area (mi)	5.86	5.86	5.88	5.88	5.88	5.88	5.88	6.01	6.01	6.01
Culture and Recreation										
Golf (number of holes)	27	27	27	27	27	27	27	27	27	27
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Parks	2	2	2	2	2	2	6	6	6	7
Baseball, soccer and r	4	4	4	4	4	4	4	4	4	4
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Skateboard parks	1	1	1	1	1	1	1	1	1	1
Tennis courts	14	14	14	14	14	14	14	14	12	12
Trails in miles	20	25	35	38	42	47	55	55	58.2	60.75
Nordic ski trails in miles	14	14	14	14	14	14	14	14	26.7**	26.7**
Indoor ice rinks	1	1	1	1	1	1	1	1	1	1
Outdoor ice rinks	1	1	1	1	1	1	1	1	1	1
Performing Arts Theate	2	2	2	2	2	2	2	2	2	2
Municipal Water										
Water mains in miles	100	80	80	80	103	104	104	104	104	104

Source: Town of Breckenridge Departmental Statistics.

*Prior to 2013, water main miles were measured manually with a wheel. The Town now has mapping software which provides a more accurate measurement.

**Nordic ski trails in miles including groomed nordic ski, snowshoe and fat bike trails.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORTCity or County:
Town of BreckenridgeYEAR ENDING :
12/31/2018

This Information From The Records Of (example - City of _ or County of _)

Prepared By: Leslie Fischer
Phone: 970-547-3195**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)	1,352,454
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	364,285
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	546,428
2. General fund appropriations	(2,117,296)	b. Snow and ice removal	1,047,320
3. Other local imposts (from page 2)	382,508	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	1,593,748
5. Transfers from toll facilities		4. General administration & miscellaneous	318,750
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	515,726
a. Bonds - Original Issues		6. Total (1 through 5)	4,144,963
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	(1,734,788)	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	309,618	2. Notes:	
D. Receipts from Federal Government (from page 2)	5,570,133	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,144,963	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,144,963

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		4,144,963	4,144,963		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): 12/18	
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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	216,557	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
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	165,951	g. Other Misc. Receipts	
6. Total (1. through 5.)	165,951	h. Other	
c. Total (a. + b.)	382,508	i. Total (a. through h.)	0
	(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	284,065	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	25,553	d. Federal Transit Admin	923,814
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	4,646,319
f. Total (a. through e.)	25,553	g. Total (a. through f.)	5,570,133
4. Total (1. + 2. + 3.f)	309,618	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			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		1,204,664	1,204,664
(4). System Enhancement & Operation	0	147,790	147,790
(5). Total Construction (1) + (2) + (3) + (4)	0	1,352,454	1,352,454
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,352,454	1,352,454
			(Carry forward to page 1)

Notes and Comments: