

Town of Frisco, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018



Prepared by the Town of Frisco
Finance Department
Bonnie Moinet, Finance Director

**Town of Frisco, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018**

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INTRODUCTORY SECTION





TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

May 31, 2019

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

The Town of Frisco is pleased to present the comprehensive annual financial report, prepared in accordance with generally accepted accounting principles (GAAP), for the year ended December 31, 2018. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town management. 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 government. The Town management has established an internal control structure designed to ensure accurate financial reporting and to safeguard the assets of the Town. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town of Frisco's financial statements for the year ended December 31, 2018 have been issued an unmodified ("clean") opinion by McMahan and Associates, L.L.C., a firm of licensed certified public accountants. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Frisco's MD&A can be found immediately following the report of the independent auditors.

Overview and Governmental Structure

Frisco has a rich and varied past, serving as a home, a workplace and a playground for groups as disparate as the Ute Indians, trappers, miners and avid outdoor recreationalists. The Town was first officially chartered in 1879 and by 1882 two railroads had laid tracks to the newly-formed community. The mining boom, along with the businesses, hotels, and saloons that came with it, lasted well into the 1900s. Frisco, however, was hit hard by the Great Depression. In 1930, only 18 full-time residents remained. But Frisco rebounded, showing a remarkable resiliency in difficult times. This resiliency now helps to define the mountain character of the Town, even as it continues to develop into a modern, sustainable, family-oriented community.

The Town of Frisco has approximately 3,000 full-time residents and became officially chartered as a Colorado home-rule municipality in 1988. The Town is roughly 70 miles west of Denver, at an elevation of 9,097 feet above sea-level. It is situated along Ten Mile Creek, in the shadow of 12,900-foot Peak One of the Ten Mile mountain range,

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bordered on the east by Lake Dillon reservoir and is largely surrounded by wilderness areas owned by the U.S. Forest Service. Often referred to as the heart of Summit County, the Town is conveniently located off of Interstate 70 and very near to four major ski resorts. As such, Frisco serves as a central gathering point for tourists and an attractive location for second homeowners.

The government operates under the council-manager form of government. Policymaking and legislative authority are vested in the Town Council, which consists of a mayor and six-member council. The Town Council is responsible for, among other things, passing ordinances, adopting the budget and hiring the Town Manager. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council and for overseeing day-to-day operations.

The Town provides a full range of services, including police protection, street construction and maintenance, infrastructure, water services, community development and planning, cultural events, and recreational programs. Sewer and wastewater services are provided by a legally separate entity, the Frisco Sanitation District, which the Town does not manage. Two Town-owned rental properties also help to provide affordable space for local non-profit groups and commercial entities. In addition, the Town operates and maintains a vast array of recreational amenities, including the Frisco Bay Marina, the Frisco Historic Park and Museum, the Frisco Adventure Park at the Peninsula Recreation Area, the Frisco Nordic Center, the Frisco/Copper Visitor Information Center, numerous multi-purpose ball fields, a disc-golf course, a skateboard park, an extensive paved trail system for all-season use, and several parks, campgrounds and picnic facilities.

The Town Council is required to adopt a final budget by no later than thirty (30) days prior to the beginning of the fiscal year. This annual budget serves as the foundation for the Town of Frisco's financial planning and control. The budget is prepared by fund, function and department. Department Directors may transfer resources within a department. Transfers between departments require the Town Manager's approval while transfers between funds must be approved by Town Council. Adjustments to the budget may be conducted during the fiscal year after Town Council review and approval via ordinance.

In order to accomplish goals set for 2018, it is important to note the primary goal of the Town Council as set forth in its mission statement:

To preserve a family-oriented and economically vibrant community that thrives on citizen involvement, respects our natural environment, and enhances our quality of life.

The mission statement and other tools, including, but not limited to, the Home Rule Charter, the Municipal Code, the Master Plan, the Economic Development Strategy, the Environmental Sustainability and Stewardship (ES2) Framework Plan, the Housing Action Plan, the Three Mile Plan, the Peninsula Recreation Area Master Plan, the Marina Master Plan, the Frisco Historic Park and Museum Master Plan and Department

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policies all provide guidance to the Town Council and Town staff in their task of making decisions regarding daily operations and long-term planning.

Factors Affecting Financial Condition

Local Economy: The Town of Frisco, as a central location within Summit County boasting convenient highway access, relies on tourism as its main economic driver. The proximity to many world-class ski resorts and a wide variety of other outdoor recreational attractions, including Lake Dillon and millions of acres of protected wilderness, draws visitors from around the globe. The high demand for primary and secondary homes in this natural setting has also increased the impact of the real estate market on the local economy. The town includes two very distinct commercial areas: Summit Boulevard and Main Street. Summit Boulevard (Colorado Highway 9) is the main thoroughfare leading from Interstate 70 through Frisco toward Breckenridge. This is an automobile-friendly commercial area where most of the national and regional chain stores, restaurants and lodgers are located. With Wal-Mart, Safeway, Whole Foods, Natural Grocers, Holiday Inn, Baymont Inn and Suites, five fast-food restaurants and numerous other enterprises, this area, by far, generates the greatest amount of revenue for the Town. Just off of Summit Boulevard, the Town also has a series of mainly construction-related light industrial facilities and warehouses. In contrast, Main Street hosts many of the locally-owned retail, restaurant and lodging companies for which Frisco is known. Main Street is a quaint, pedestrian-friendly area that gives the Town much of its unique mountain character and community feel. The Town also hosts a series of very popular special events on Main Street throughout the summer and winter months, including the Colorado BBQ Challenge, Frisco's Fantastic Fourth of July Celebration and Wassail Days.

Major industries in 2018 included tourism, real estate, health care, education and governmental service. Many local retailers, restaurants, and lodgers rely heavily upon the tourist trade, but they also rely upon the turnover of local properties to spur on redevelopment. World-class health care providers and the location of St. Anthony's Summit Medical Center just outside of municipal limits help to drive traffic to the area's merchants. The local school system and county governments also contribute to the well-being of the local economy. Major employers in 2018 included Wal-Mart, Safeway, Whole Foods, Town of Frisco, Holiday Inn, Baymont Inn and Suites, and an assortment of lodging, restaurant, retail and construction-related businesses. In addition, a number of entities outside of the municipal limits provide employment for a large portion of the Frisco populace. These include Copper Mountain Ski Resort, St. Anthony's Summit Medical Center, and the Summit County School District. However, many employees currently working in Frisco, largely due to high housing costs and a shortage of housing in Frisco and in Summit County, commute from other areas.

The Town continues to be financially sound. The effects of a major national economic downturn became apparent locally at the end of 2008, and revenues dropped by over \$1 million in 2009. In 2010 and 2011, revenues began to stabilize and solid growth once again returned in 2012, lasting through the present day. Because Town management relies on a conservative projection philosophy, a build-up of reserves prior to 2008 allowed the Town to maintain levels of governmental service throughout the downturn.

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Council also had the flexibility to approve various capital project expenditures that otherwise might not have occurred. A review of the Town's financial position at that time, performed by Moody's Investors Service, resulted in a two-level bond issuer rating upgrade, from A3 to A1. This favorable bond rating allowed the Town to refund 2002 Certificates of Participation (COPs) on Town Hall and issue new COPs for construction of the Frisco Adventure Park. In 2017, the Town refunded a portion of these COPs and entered into a bank lease with a more favorable interest rate. These COPs and lease, along with a small property lease, constitute the Town's debt liabilities.

The primary challenge the Frisco government faces in both the short- and long-term continues to be a dependence on sales tax revenues. In 2018, sales tax revenues comprised approximately 63% of General Fund revenues. As sales tax revenues are extremely volatile and susceptible to many outside forces beyond the direct control of Town government, Frisco has consistently focused on developing strategies to address the issue. In 2005, the Town began local sales tax collection. Compliance rates immediately surged and remain well above average. Town Council has also supported efforts to attract more stable and varied sales tax generators.

After years of uncertainty surrounding the development of a Town-owned piece of land bordering Interstate 70, the Town came to terms on an agreement to bring organic grocer Whole Foods, Inc. to the site; the grand opening occurred at the end of April 2014. Additional restaurants and retailers were brought in to help anchor the site. Soon after, another organic grocer, Natural Grocers, opened nearby. This concentration of multiple conveniently located grocery options (including Wal-mart and Safeway) has helped Frisco become a major shopping hub for Summit County locals and travelers along the I-70 corridor. Infrastructure improvements for the Town's two commercial areas, Main Street and Summit Boulevard, have helped to drive further commercial activity. A long overdue full reconstruction of Main Street was completed ahead of schedule in 2016, the first time in over 20 years that the Town's arguably most important asset was improved and updated.

In accordance with the Peninsula Recreation Area Master Plan, the Town also began the first phase of construction of the Frisco Adventure Park in 2010. The scope of this project aimed to increase Frisco's visibility as a primary travel destination with the addition of world-class recreational amenities, including a tubing hill, a bike terrain park and a new day lodge. These facilities not only generate revenue for the General Fund in the short-term and a possible Enterprise Fund in the long-term, but also bolster sales and lodging tax revenues by attracting additional year-round guests. The Town will revisit the Peninsula Recreation Area Master Plan in 2019 to prioritize possible upgrades in the future.

Additional challenges for the Town of Frisco include the approach of both residential and commercial build-out, a severe shortage of affordable housing, economic volatility on the national level and an unpredictable climate. In regards to the approach of build-out, the geography of the Town largely prevents any expansion. As such, most development efforts are now focused on the redevelopment of existing properties. Frisco also has a very large second-homeowner population, with second homes accounting for approximately 67% of all homes in the Town. The demand for mountain valley real

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property, particularly in the Rocky Mountain region, has driven the price of housing up, making it difficult for young families to relocate to Frisco or to remain. Employers, including the Town of Frisco, have had difficulty in attracting and retaining employees as a result.

To help address the challenge, a Town-owned parcel of land, termed the Peak One Parcel, was annexed in early 2009 with the intention of developing attainable housing. In accordance with the Peak One Master Plan, ground was broken in 2010. Phase I was completed in 2011, phases II and III were completed in 2013, and phases IV and V were completed in 2014 and 2015, respectively. In late 2006, citizens of Summit County approved a measure enacting a 0.125% additional sales tax and an impact fee on new construction to fund affordable housing projects. Voters approved an additional increase of 0.6% in late 2016, increasing the affordable housing special district sales tax to 0.725% beginning in 2017.

A portion of these funds were used in 2018 to complete an eight-unit affordable housing project entitled Mary Ruth Place, with four units being available for rent to Town of Frisco employees, and an additional four units being available for rent to the greater Frisco community employee base. A portion of these funds were also used to initiate a buy-down program for four units at Coyote Village, with two units available to Town of Frisco employees for purchase, and the remaining two units available to the greater Frisco workforce for purchase. Two other employee rental units were constructed, using Capital Improvement Fund revenues, as part of the full remodel and expansion of the Town's Public Works facility. The Town Council has engaged in a public process, including the formation of a Housing Task Force, to determine goals for the future use of these revenues and remains committed to addressing attainable housing issues moving forward.

To best plan for political, economic and climatic uncertainty, the Town relies greatly on the knowledge and experience gained during the so-called "Great Recession", which had the largest local impact from 2008 – 2010. The conservative budgetary and reserve philosophies that form the basis of revenue and expenditure projections provide for flexibility. The Long-term Financial Planning section below goes into more detail as to policies that will also help to ensure the Town's financial stability during periods of volatility moving forward.

The most significant capital projects in 2018 were related to affordable housing projects, an overdue expansion of the Town's Public Works facility, and the upkeep and improvement of other existing infrastructure, including streets, recreational assets and Town facilities. Additional significant capital expenditures included multi-use paved pathway enhancements, environmental sustainability projects, updates to the Town's planning and zoning documents, and master planning and engineering for upcoming major projects.

Long-Term Financial Planning

The Town of Frisco has remained diligent in planning for the long-term financial well-being of the community. In addition to higher-level master planning and conservative

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revenue and expenditure projection philosophies, the long-term financial planning process has included the implementation of reserve policies, the development of a governmental service prioritization plan, and the preparation of a Long-Range Capital Improvement Plan.

The Town Council has set forth reserve policies which affect the General Fund, the Capital Improvements Fund, each Enterprise Fund (Water and Marina), and insurance and benefits in general. General Fund reserves are set at the equivalent of seven (7) months of fund expenditures for the prior year. Favorable General Fund balances above the required reserves at the end of each year are now required by Council to be transferred into the Capital Improvements Fund. Both the Water Fund and the Marina Fund are required to maintain an excess in reserve equaling 33.3% of the prior year's expenditures. The Town has also set aside limited funds in the Insurance Reserve Fund, which will be used to augment expenditures on employee benefits and insurance, should the need arise.

To plan for the inevitable economic volatility that comes with a heavy reliance on tourism, real estate and a favorable climate, Town staff has been directed to prioritize, by department, each service provided to the community. Staff has relied on internal deliberation and the input of the public to accomplish this task. Services have been categorized as core, desired and non-essential. Should budget cuts become necessary, those services in the non-essential category would be analyzed first. In this way, the Town Council, management and staff hope to avoid across-the-board cuts which may have a negative effect on core and/or desired services.

Capital improvements include any projects requiring debt obligation or borrowing, any acquisition or lease of land, the purchase of major equipment or vehicles valued in excess of \$5,000 with a life expectancy of at least five (5) years, the construction of new buildings or facilities, building improvements that enhance the value of the structure and are not routine expense, major studies with costs in excess of \$5,000 requiring the employment of outside professional services, and the replacement of existing facilities with a life span of at least five (5) years. However, it is important to note that capital expenditures often have a direct impact on the General Fund as new facilities and/or amenities incur operations and maintenance costs in future years. As such, it becomes even more important to plan for future capital expenditures. Staff is required, on an annual basis, to prepare a Long-Range Capital Improvement Plan for each fund. The Plans include a five-year outlook containing a concise summary of proposed capital improvements and equipment and their associated maintenance and/or operating costs. Revenue and expenditure assumptions, required staffing levels and relevant supporting information as to their necessity and impact are also included.

Acknowledgements

The preparation and completion of this report could not have been accomplished without the efforts of the Finance Department staff and other Town Departments. Special thanks are 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. We would also like to thank the Mayor, Town Council

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and the Town Manager for their interest and support in planning and conducting the financial operations of the Town in a fiscally responsible and progressive manner.

Respectfully submitted,



Bonnie Moinet
Finance Director



Government Finance Officers Association

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

Presented to

**Town of Frisco
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO



ORGANIZATIONAL CHART

CITIZENS OF FRISCO

TOWN COUNCIL

Town Attorney
Prosecuting Attorney
Municipal Court
Judge

Boards &
Commissions

Town Manager

Town Clerk
Executive Assistant

**COMMUNITY
DEVELOPMENT
DEPARTMENT**

Planning
Zoning
Building

**PUBLIC
WORKS
DEPARTMENT**

Streets
Buildings
Fleet
Grounds
Water

**POLICE
DEPARTMENT**

Administration
Municipal Court
Law
Enforcement
Investigation

**RECREATION
AND CULTURAL
DEPARTMENT**

Adventure
Park
Marina
Historic Park
Summer/
Winter
Programs
& Activities
Athletic
Events

**FINANCE
DEPARTMENT**

Audit
Budget
Revenue
Human Resources
Payroll
Accounts Payable
Utility Billing

**MARKETING &
COMMUNICATIONS
DEPARTMENT**

Marketing
Special Events
Information
Center

**TOWN OF FRISCO, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2018**

Elected Officials

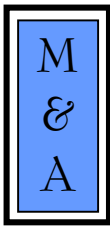
Mayor	Gary Wilkinson
Mayor Pro-tem	Hunter Mortensen
Council Members	Melissa Sherburne
	Dan Fallon
	Rick Ihnken
	Deborah Shaner
	Jessica Burley

Administrative Officials

Interim Town Manager	Diane McBride
Assistant Town Manager/ Recreation Director	Diane McBride
Town Attorney	Thad Renaud
Town Clerk	Deborah Wohlmuth
Finance Director	Bonnie Moinet
Police Chief	Tom Wickman
Public Works Director	Jeff Goble
Community Development Director	Joyce Allgaier
Marketing Director	Vanessa Agee

FINANCIAL SECTION





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Mayor and Town Council
Town of Frisco, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frisco, 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 Responsibility

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frisco, 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.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

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

Other Matters

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements taken as a whole. The introductory section, the supplementary information in section F, and the statistical tables in Section G, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the Town's financial statements. The supplementary information in section F, as listed in the Table of Contents, is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
May 31, 2019**

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Frisco, Colorado

Management's Discussion and Analysis

December 31, 2018

As management of the Town of Frisco, ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report.

Overview of the Financial Statements

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

In 2018, a vibrant economy, along with favorable climate conditions, a strong tourism market and development of a retail complex, continued to contribute to replenishment of the Town's reserves to levels that will provide stability for the long term.

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, community development, public works, and culture and recreation. The business-type activities of the Town are water and marina operations.

The government-wide financial statements can be found on pages C-1 and C-2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows

Overview of the Financial Statements (continued)

Governmental funds (continued): and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

Proprietary funds: The Town maintains two proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water operations and the marina operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for its business-type service provided by the Town, which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages C7 – C9 of this report. The Town also presents a budgetary comparison for its proprietary funds.

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

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

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

The following schedule shows the Town's net position for 2018 and 2017:

	Town of Frisco's Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$24,835,155	\$22,239,221	\$6,407,583	\$6,212,228	\$31,242,738	\$28,541,449
Capital assets	43,478,795	39,951,179	9,155,965	8,281,537	52,634,760	48,232,716
Total Assets	68,313,950	62,280,400	15,563,548	14,493,765	83,877,498	76,774,165
Deferred Outflows of Resources:	280,464	350,381	-	-	280,464	350,381
Liabilities:						
Other liabilities	2,470,848	1,670,624	15,564	64,341	2,486,412	1,734,965
Long-term liabilities	3,790,659	4,140,850	19,998	20,337	3,810,657	4,161,187
Total Liabilities	6,261,507	5,811,474	35,562	84,678	6,297,069	5,896,152
Deferred Inflows of Resources:	238,460	177,101	-	-	238,460	177,101
Net Position:						
Net investment in capital assets	39,594,729	35,805,489	9,155,965	8,281,537	48,750,694	44,087,026
Restricted	1,409,259	1,152,548	664,551	198,940	2,073,810	1,351,448
Unrestricted	21,090,459	19,684,169	5,707,470	5,928,610	26,797,929	20,344,810
Total Net Position	\$62,094,447	\$56,642,206	\$15,527,986	\$14,409,087	\$77,622,433	\$71,051,293

The largest portions of the Town's assets are reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 63% of the total assets. The Town uses these assets to provide services to its citizens. The Town's remaining assets are generally available to pay liabilities or fund operations. At the end of the current fiscal year, the Town 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 and business-type activities. The Town's capital assets before depreciation increased \$7,033,446 due to various infrastructure projects, addition to the Public Works facility, housing projects and replacement of fleet at the marina. Additionally, the Town purchased vehicles, equipment and computers.

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

The following schedule provides financial information from the Town's Statement of Activities for 2018 and 2017:

Town of Frisco's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
REVENUES:						
Program revenues:						
Charges for services	\$4,277,557	\$3,939,368	\$2,555,235	\$2,442,513	\$6,832,792	\$6,381,878
Operating grants and contributions	308,543	364,857	27,570	32,622	336,113	\$397,479
Capital grants and contributions	30,000	65,668	647,832	331,623	677,832	\$397,291
General revenues:						
Property taxes	168,344	154,136	-	-	168,344	\$154,136
Sales and use taxes	11,001,605	10,288,559	-	-	11,001,605	\$10,288,559
Real estate transfer tax	1,415,715	1,293,352	-	-	1,415,715	\$1,293,352
Franchise taxes	318,602	323,924	-	-	318,602	\$323,924
Lodging taxes	534,342	490,541	-	-	534,342	\$490,541
Other taxes	404,064	393,420	-	-	404,064	\$393,420
Gain on asset disposition	2,127,677	-	24,922	54,371	2,152,599	-
Interest and other	449,434	313,756	100,764	72,373	550,198	\$440,500
Total Revenues	21,035,883	17,627,581	3,356,323	2,933,502	24,392,206	20,561,083
EXPENSES:						
Program Expenses						
General Government	5,805,422	3,632,450	-	-	5,805,422	3,632,450
Public Safety	1,326,397	1,517,580	-	-	1,326,397	1,517,580
Public works	2,777,951	2,697,095	-	-	2,777,951	2,697,095
Community development	1,838,271	1,635,078	-	-	1,838,271	1,635,078
Culture and recreation	3,634,564	3,538,985	-	-	3,634,564	3,538,985
Housing	45,547	181,102	-	-	45,547	181,102
Interest	155,488	255,106	-	-	155,488	255,106
Marina Fund	-	-	1,231,122	1,137,475	1,231,122	1,137,475
Water Fund	-	-	1,006,302	1,004,053	1,006,302	1,004,053
Total Expenses	15,583,640	13,457,396	2,237,424	2,141,528	17,821,063	15,598,924
Increase in Net Position	5,452,243	4,170,185	1,118,899	791,974	6,571,142	4,962,159
Net Position-Beginning	56,642,204	52,472,021	14,409,087	13,617,113	71,051,291	66,089,134
Net Position - Ending	\$62,094,447	\$56,642,206	\$15,527,986	\$14,409,087	\$77,622,433	\$71,051,293

Overview of the Financial Statements (continued)

Governmental activities: Governmental activities increased the Town's net position by \$5,452,243 in 2018. Key elements of this increase are as follows:

- The following sources of revenue exceeded original budget projections as follows: licenses and building and development fees - \$273,594; city and county sales taxes - \$707,845; investment income - \$213,772; SCHA 5A taxes - \$313,760; other taxes - \$60,704; Nordic Center fees - \$35,495; recreation and Adventure Park fees - \$320,855; and lodging taxes - \$44,342.
- All governmental activities were subsidized by tax revenue.

Business-type activities: Business-type activities increased the Town's net position by \$1,118,899 in 2018. Key elements of this increase are as follows:

- Total user charges exceeded original budgeted amounts by \$303,210.
- Plant investment fee projections were under budget by \$30,756.
- Aggregate operating expenses, including capital outlay, were under budget projections by \$1,655,589.

Financial Analysis of the Town's Funds

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

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular the fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This standard left unchanged the total amount reported as fund balance, but substantially altered the categories and terminology used to describe its components. This approach focuses not on financial resources available for appropriation but on "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent". The Town of Frisco implemented this new standard in 2011.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,391,705; an increase of \$1,367,200 from the prior year's ending fund balances. The following schedule details ending fund balances for the past several years:

Fund	2014	2015	2016	2017	2018
General	\$5,897,744	\$6,248,219	\$5,267,734	\$5,662,752	\$7,292,712
Capital Improvement	1,533,285	2,174,649	4,402,501	7,188,940	5,859,534
Conservation Trust	67,893	68,698	47,692	23,594	50,897
Open Space	111,409	11,684	11,752	11,845	12,112
Summit County Housing 5A	691,910	951,566	1,235,989	2,390,015	3,412,355
Insurance Reserve	198,528	199,065	200,223	201,811	205,191
Lodging Tax	333,349	341,370	438,710	545,548	558,904
	<u>\$8,834,118</u>	<u>\$9,995,252</u>	<u>\$11,604,601</u>	<u>\$16,024,505</u>	<u>\$17,391,705</u>

Financial Analysis of the Town's Funds (continued)

Governmental Funds (continued): The General Fund is the chief operating fund of the Town of Frisco. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,585,687 while the total fund balance increased from 2017 to \$7,292,712. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. Unassigned fund balance represents 58% of total 2018 General Fund expenditures, while total fund balance represents 65% of that same amount.

The fund balance of the Town of Frisco's General Fund increased by \$1,629,960 during the current fiscal year. Key factors for 2018 are as follows:

- General Fund revenues were \$1,421,803 more than final budget projections, an indication that the local, state and national economies are recovering.
- 2018 expenditures were less than budgeted by \$1,020,956, primarily due to overall conservative spending and unfilled positions for part of the year.
- Fund balance in excess of the 7-month reserve that is required to be transferred to the Capital Improvement Fund exceeded final budget projections by \$1,255,581.

The Capital Improvement Fund has a total fund balance of \$5,859,534, a decrease of \$1,329,406 from the prior year. The major revenue source for the Capital Improvement Fund is Real Estate Investment Fees ("REIF") and a transfer from the General Fund, when there is an excess over required General Fund reserves. The Town's debt service is managed from this fund, as are expenditures for capital projects and equipment. Key factors for 2018 are as follows:

- The Town's debt service for 2018 totaled \$436,625: \$220,813 for 2010 Certificates of Participation; \$85,667 for lease purchase; \$100,000 for lease purchase payment for the 1st and Main Street building; and \$30,000 for repayment of a loan from the Water Fund.
- The Town expended \$5,400,413 on capital projects: \$1,843,299 for workforce housing; \$893,780 for expansion of amenities at the Frisco Adventure Park; \$1,262,626 for expansion of the Public Works facility; \$112,500 for a traffic study at a major highway exit and the remainder (\$1,288,208) for vehicle and equipment purchases, various street and pathway projects, technology purchases and facility improvements.
- Revenues from REIF were under budget projections by \$84,285.
- A transfer into this fund from the General Fund (see above) exceeded budget by \$1,255,581.

The SCHA 5A Fund has a total fund balance of \$3,412,355, an increase of \$1,022,340 from 2017. Key factors for 2018 are as follows:

- Sales tax revenues generated were over budget by \$313,760
- Some major capital housing project that were originally budgeted in 2018 were not completed, resulting in expenditures under budget by \$1,089,937.

The Town's non-major governmental combined fund balances increased \$44,306.

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

Unrestricted net position for the Water Fund at the end of the current fiscal year were \$4,847,291 while the Marina Fund reported unrestricted net position of \$860,179.

Financial Analysis of the Town's Funds (continued)

Budget variances in the General Fund: The Town's General Fund revenues exceeded budget by \$1,421,803 while General Fund expenditures were under budget by \$1,020,956. Aside from the variance in the amount of required transfer to the Capital Improvement Fund discussed in the fund balance section, the General Fund's significant budget variances are detailed as follows:

Account	Final Budget Variance: Positive / (Negative)	Reason
Revenues:		
Sales Taxes	\$707,845	Increased tourism and increased consumer confidence
Other Taxes	60,704	Increased revenues from recreational and medical marijuana taxes and severance tax
Licenses/Permits	273,594	Business and development permits increased significantly, indicating recovery from economic downturn
Investment Income	76,495	Improving interest rates
Charges for Services	358,317	Frisco Adventure Park, Nordic Center, special events, recreation fees, fines, and building and facility rents higher than budgeted
Expenditures:		
General Government	82,403	Lower health insurance fees and liability insurance than final budget
Public Safety	291,866	Vacant positions throughout year
Public Works	189,356	Road, building and vehicle repairs less than anticipated; vacant positions
Culture and Recreation	417,004	Vacancies in positions as a result of recruiting challenges
Community Development	40,327	Costs associated with special events less than anticipated

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, increased due to infrastructure improvements and additions and replacements of equipment and vehicles. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements in Section D of this report.

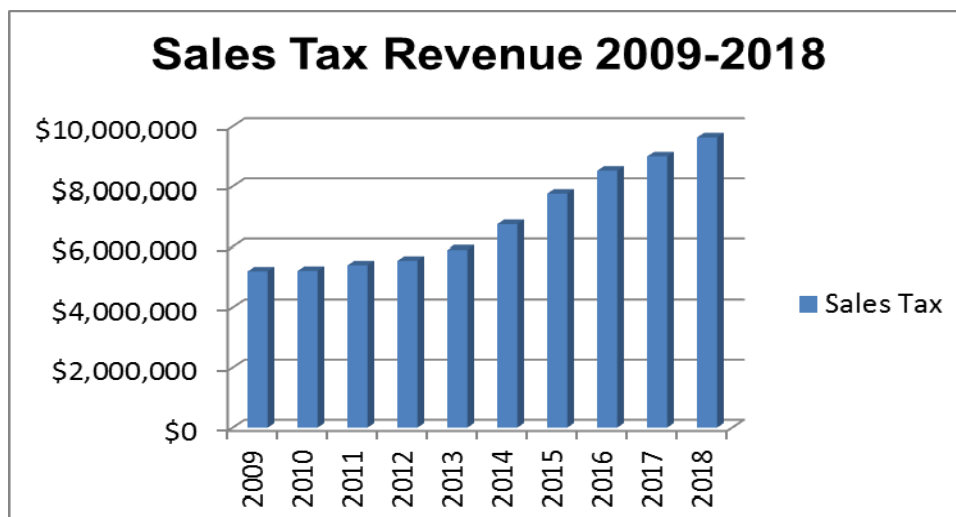
Financial Analysis of the Town's Funds (continued)

Long-term debt: At the end of the current fiscal year, the Town had a total of \$3,810,657 in long-term liabilities, detailed as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Certificates of Participation:					
Series 2010A	\$670,000	\$ -	(\$195,000)	\$475,000	\$200,000
Issuance Premium	2,780	-	(1,254)	1,526	-
Net Certificates of Participation	672,780	-	(196,254)	476,526	200,000
Lease Purchases:					
First & Main, L.L.C	1,024,698	-	(59,012)	965,686	61,373
Vectra Bank Colorado	2,480,000	-	(20,700)	2,459,300	21,200
Net Capital Leases	3,504,698	-	(79,712)	3,424,986	82,573
Net Pension Liability	53,226	-	(53,226)	-	-
Compensated Absences	355,140	258,921	(327,861)	286,200	114,480
Total Governmental Activities Long-term Liabilities	<u>\$4,585,844</u>	<u>\$258,921</u>	<u>(\$657,053)</u>	<u>\$4,187,712</u>	<u>\$397,053</u>
Business-type Activities:					
Compensated Absences	\$33,895	\$33,762	(\$34,328)	\$33,329	\$13,331
Total Business-type Activities Long-term Liabilities	<u>\$33,895</u>	<u>\$33,762</u>	<u>(\$34,328)</u>	<u>\$33,329</u>	<u>\$13,331</u>

Additional information regarding the Town's long-term debt can be found in the Notes to the Financial Statements in Section D of this report.

Sales Tax: Sales tax revenues account for approximately 63% of total General Fund revenues and are the primary source for providing funds for general operations and maintenance for the Town of Frisco. The Town began self-collection of City sales tax as of July 1, 2005, which has led to increased collections. The following chart indicates changes in sales tax over the past ten years:



Request for Information: This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Frisco, Finance Director, PO Box 4100, Frisco, Colorado 80443.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents - Unrestricted	17,640,555	5,194,399	22,834,954
Cash and cash equivalents - Restricted	143,379	-	143,379
Receivables, net:			
Property taxes assessed	170,923	-	170,923
Other taxes	924,472	-	924,472
Intergovernmental	944,226	-	944,226
Employees	26,262	-	26,262
Other	565,618	234,254	799,872
Non-current	30,793	-	30,793
Internal balances	(908,884)	908,884	-
Notes receivable	4,500,000	-	4,500,000
Interest receivable	564,503	-	564,503
Inventories	46,519	70,046	116,565
Prepaid items	1,191	-	1,191
Net pension asset - SWDB	185,598	-	185,598
Capital assets - Not being depreciated	10,003,183	951,554	10,954,737
Capital assets, net of accumulated depreciation	33,475,612	8,204,411	41,680,023
Total Assets	68,313,950	15,563,548	83,877,498
Deferred Outflows of Resources:			
Deferred charge on refunding	17,446	-	17,446
Pension-related deferred outflows - SWDB	263,018	-	263,018
Total Deferred Outflows of Resources	280,464	-	280,464
Liabilities:			
Accounts payable	1,808,154	2,233	1,810,387
Interest payable	40,169	-	40,169
Unearned revenue	73,358	-	73,358
Deposits payable	152,114	-	152,114
Compensated absences:			
Due within one year	114,480	13,331	127,811
Due in more than one year	171,720	19,998	191,718
Debt payable:			
Due within one year	282,573	-	282,573
Due in more than one year	3,618,939	-	3,618,939
Total Liabilities	6,261,507	35,562	6,297,069
Deferred Inflows of Resources:			
Property taxes	159,723	-	159,723
Pension-related deferred inflows - SWDB	78,737	-	78,737
Total Deferred Inflows of Resources	238,460	-	238,460
Net Position:			
Net investment in capital assets	39,594,729	9,155,965	48,750,694
Restricted:			
TABOR emergency reserve	626,000	-	626,000
Pensions - SWDB	185,598	-	185,598
Conservation Trust Fund	50,897	-	50,897
Economic development	546,764	-	546,764
CRCA	-	664,551	664,551
Unrestricted	21,090,459	5,707,470	26,797,929
Total Net Position	62,094,447	15,527,986	77,622,433

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

Town of Frisco, Colorado
Statement of Activities
For the Year Ended December 31, 2018

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Functions/Programs:							
Governmental activities:							
General government	5,805,422	263,086	246,775	-	(5,295,561)		(5,295,561)
Public safety	1,326,397	47,275	27,022	-	(1,252,100)		(1,252,100)
Public works	2,777,951	5,270	-	-	(2,772,681)		(2,772,681)
Community development	1,838,271	468,573	-	30,000	(1,339,698)		(1,339,698)
Culture and recreation	3,634,564	3,368,099	34,746	-	(231,719)		(231,719)
Housing	45,547	125,254	-	-	79,707		79,707
Interest on long-term debt	155,488	-	-	-	(155,488)		(155,488)
Total - Governmental activities	<u>15,583,640</u>	<u>4,277,557</u>	<u>308,543</u>	<u>30,000</u>	<u>(10,967,540)</u>		<u>(10,967,540)</u>
Business-type activities:							
Water	1,006,301	989,542	-	181,775		165,016	165,016
Marina	1,231,122	1,565,693	27,570	466,057		828,198	828,198
Total - Business-type activities	<u>2,237,423</u>	<u>2,555,235</u>	<u>27,570</u>	<u>647,832</u>		<u>993,214</u>	<u>993,214</u>
Total	<u>17,821,063</u>	<u>6,832,792</u>	<u>336,113</u>	<u>677,832</u>	<u>(10,967,540)</u>	<u>993,214</u>	<u>(9,974,326)</u>
General revenues:							
Taxes:							
Sales and use taxes					11,001,605	-	11,001,605
Real estate transfer fees					1,415,715	-	1,415,715
Franchise taxes					318,602	-	318,602
Lodging taxes					534,342	-	534,342
Property and specific ownership taxes					168,344	-	168,344
Miscellaneous taxes					404,064	-	404,064
Investment earnings					390,871	100,764	491,635
Gain on asset disposition					2,127,677	24,922	2,152,599
Miscellaneous					58,563	-	58,563
Total - General revenues and transfers					<u>16,419,783</u>	<u>125,686</u>	<u>16,545,469</u>
Change in Net Position					5,452,243	1,118,900	6,571,143
Net Position - January 1					<u>56,642,204</u>	<u>14,409,086</u>	<u>71,051,290</u>
Net Position - December 31					<u>62,094,447</u>	<u>15,527,986</u>	<u>77,622,433</u>

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

FUND FINANCIAL STATEMENTS



Town of Frisco, Colorado
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Summit County Housing Authority 5A Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents - Unrestricted	7,254,482	3,255,224	6,403,207	727,642	17,640,555
Cash and cash equivalents - Restricted	1,388	-	141,991	-	143,379
Receivables, net of allowance for uncollectible accounts:					
Property taxes	170,923	-	-	-	170,923
Other taxes	583,238	253,767	-	87,467	924,472
Intergovernmental	944,226	-	-	-	944,226
Employees	26,262	-	-	-	26,262
Other	304,082	-	261,536	-	565,618
Non-current	30,793	-	-	-	30,793
Inventory	34,379	-	-	12,140	46,519
Prepaid items	1,191	-	-	-	1,191
Total Assets	9,350,964	3,508,991	6,806,734	827,249	20,493,938
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	1,459,850	85,693	38,316	145	1,584,004
Accrued payroll and related liabilities	224,150	-	-	-	224,150
Internal balances	-	-	908,884	-	908,884
Unearned revenue	69,325	4,033	-	-	73,358
Deposits payable	145,204	6,910	-	-	152,114
Total Liabilities	1,898,529	96,636	947,200	145	2,942,510
Deferred inflows of Resources:					
Property taxes	159,723	-	-	-	159,723
Fund Balances:					
Non-spendable	66,363	-	-	12,140	78,503
Restricted	626,000	3,412,355	141,991	597,661	4,778,007
Committed	-	-	5,717,543	217,303	5,934,846
Assigned	14,662	-	-	-	14,662
Unassigned	6,585,687	-	-	-	6,585,687
Total Fund Balances	7,292,712	3,412,355	5,859,534	827,104	17,391,705
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	9,350,964	3,508,991	6,806,734	827,249	20,493,938

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

Town of Frisco, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2018

Governmental Funds Total Fund Balance		17,391,705
 Amounts reported for governmental activities in the Statement of Net Positions are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost of capital assets	64,924,669	
Accumulated depreciation	<u>(21,445,874)</u>	43,478,795
 Other long-term assets and deferred outflows are not available for current period expenditures and, therefore, are not reported in the funds:		
Long-term promissory note	4,500,000	
Interest earned on long-term promissory note	564,503	
Net pension asset - SWDB	185,598	
Pension related deferred outflows of resources	<u>263,018</u>	5,513,119
 Long-term liabilities and deferred inflows, including debt payable, interest payable, compensated absences and pension related deferred inflows, are not due and payable in the current period and, therefore, are not reported in the funds:		
Certificates of participation	(475,000)	
Premium on issuance of certificates of participation	(1,526)	
Capital leases	(3,424,986)	
Accrued interest	(40,169)	
Accrued compensated absences	(286,200)	
Pension-related deferred inflows of resources	(78,737)	
Deferred refunding costs	<u>17,446</u>	<u>(4,289,172)</u>
 Net Position of Governmental Activities		 <u><u>62,094,447</u></u>

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

Town of Frisco, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General Fund	Summit County Housing Authority 5A Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Revenues:					
Taxes	10,498,855	1,393,760	1,415,715	534,342	13,842,672
Licenses, permits, and fees	627,894	118,316	-	-	746,210
Intergovernmental revenue	273,797	-	-	59,677	333,474
Charges for services	3,521,017	-	-	262	3,521,279
Investment income	126,495	33,324	116,072	13,731	289,622
Rental income	-	6,938	-	-	6,938
Miscellaneous	56,673	-	-	10,085	66,758
Total Revenues	<u>15,104,731</u>	<u>1,552,338</u>	<u>1,531,787</u>	<u>618,097</u>	<u>18,806,953</u>
Expenditures:					
Current:					
General government	3,715,707	45,463	1,500	-	3,762,670
Public safety	1,404,537	-	-	-	1,404,537
Community development	1,522,306	-	-	298,915	1,821,221
Public works	1,891,301	-	-	-	1,891,301
Culture and recreation	2,749,410	-	-	274,876	3,024,286
Capital outlay	-	1,842,920	5,400,413	-	7,243,333
Debt service:					
Principal	-	-	274,712	-	274,712
Interest	-	-	145,370	-	145,370
Total Expenditures	<u>11,283,261</u>	<u>1,888,383</u>	<u>5,821,995</u>	<u>573,791</u>	<u>19,567,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,821,470</u>	<u>(336,045)</u>	<u>(4,290,208)</u>	<u>44,306</u>	<u>(760,477)</u>
Other Financing Sources (Uses):					
Sale of assets	-	1,358,385	769,292	-	2,127,677
Interfund transfers	(2,191,510)	-	2,191,510	-	-
Total Other Financing Sources (Uses)	<u>(2,191,510)</u>	<u>1,358,385</u>	<u>2,960,802</u>	<u>-</u>	<u>2,127,677</u>
Net Change in Fund Balances	1,629,960	1,022,340	(1,329,406)	44,306	1,367,200
Fund Balances - January 1	<u>5,662,752</u>	<u>2,390,015</u>	<u>7,188,940</u>	<u>782,798</u>	<u>16,024,505</u>
Fund Balances - December 31	<u><u>7,292,712</u></u>	<u><u>3,412,355</u></u>	<u><u>5,859,534</u></u>	<u><u>827,104</u></u>	<u><u>17,391,705</u></u>

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

Town of Frisco, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018

Net Change in Fund Balance of Governmental Funds		1,367,200
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation, adjusted for disposal losses incurred:</p>		
Depreciation	(1,884,267)	
Capital outlay	<u>5,603,890</u>	3,719,623
<p>The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net position</p>		
	<u>(192,011)</u>	(192,011)
<p>The issuance of long-term debt (i.e., certificates of participation and capital leases) provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount of principal repayments less debt proceeds reported in the governmental funds:</p>		
Principal repayments	<u>274,712</u>	274,712
<p>Some revenues reported in the Statement of Activities do not provide sources of current financial resources and therefore are not reported as revenue in the governmental funds:</p>		
Accrued interest income	<u>101,250</u>	101,250
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>		
Change in accrued compensated absences	68,940	
Change in accrued interest	(10,116)	
Pension expense	<u>122,645</u>	181,469
Change in Net Position of Governmental Activities		<u><u>5,452,243</u></u>

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

Town of Frisco, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Assets:			
Current assets:			
Cash and cash investments - Unrestricted	3,703,540	1,490,859	5,194,399
Accounts receivable - Other	225,231	9,023	234,254
Inventories	31,659	38,387	70,046
Total - Current assets	3,960,430	1,538,269	5,498,699
Long-term assets:			
Internal balances	908,884	-	908,884
Land and other non-depreciable assets	533,753	417,801	951,554
Property, plant and equipment, net of accumulated depreciation	5,762,652	2,441,759	8,204,411
Total - Long-term assets	7,205,289	2,859,560	10,064,849
Total Assets	11,165,719	4,397,829	15,563,548
Liabilities:			
Current liabilities:			
Accounts payable	219	2,014	2,233
Current portion of compensated absences	8,722	4,609	13,331
Total - Current liabilities	8,941	6,623	15,564
Noncurrent liabilities:			
Compensated absences, net of current portion	13,082	6,916	19,998
Total Liabilities	22,023	13,539	35,562
Net Position			
Net investment in capital assets	6,296,405	2,859,560	9,155,965
Restricted for CRCA projects	-	664,551	664,551
Unrestricted	4,847,291	860,179	5,707,470
Total Net Position	11,143,696	4,384,290	15,527,986

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

Town of Frisco, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Operating Revenues:			
Charges for services	964,017	1,565,693	2,529,710
Water meter sales	23,841	-	23,841
Intergovernmental - Operating grants	-	27,570	27,570
Other operating	1,684	-	1,684
Total Operating Revenues	989,542	1,593,263	2,582,805
Operating Expenses:			
Salaries and benefits	353,367	542,550	895,917
Administrative fees	42,500	20,000	62,500
Professional fees	80,095	22,467	102,562
Supplies	20,515	75,307	95,822
Utilities	55,823	17,983	73,806
Repairs and maintenance	51,058	29,592	80,650
General expenses	83,660	271,791	355,451
Water meter replacements	14,830	-	14,830
Depreciation	304,453	251,432	555,885
Total Operating Expenses	1,006,301	1,231,122	2,237,423
Operating Income (Loss)	(16,759)	362,141	345,382
Non-Operating Revenue (Expenses):			
Intergovernmental - Non-operating grants	12,531	466,057	478,588
Investment income	79,896	20,868	100,764
Gain (loss) on asset disposal	6,775	18,147	24,922
Total Non-Operating Revenues (Expenses)	99,202	505,072	604,274
Income Before Capital Contributions	82,443	867,213	949,656
Capital Contributions:			
Plant investment fees	169,244	-	169,244
Total Capital Contributions	169,244	-	169,244
Change in Net Position	251,687	867,213	1,118,900
Net Position - January 1	10,892,009	3,517,077	14,409,086
Net Position - December 31	11,143,696	4,384,290	15,527,986

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

Town of Frisco, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Cash Flows From Operating Activities:			
Cash received from customers and others	959,249	1,590,298	2,549,547
Cash paid to suppliers for goods and services	(401,386)	(440,259)	(841,645)
Cash paid to employees for services	(351,947)	(544,537)	(896,484)
Net Cash Provided (Used) by Operating Activities	<u>205,916</u>	<u>605,502</u>	<u>811,418</u>
Cash Flows From Noncapital and Related Financing Activities:			
Grant awards	12,531	-	12,531
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>12,531</u>	<u>-</u>	<u>12,531</u>
Cash Flows From Capital and Related Financing Activities:			
Plant investment fees received	169,244	-	169,244
Intergovernmental revenue	-	466,057	466,057
Sale of capital assets	6,775	17,388	24,163
Acquisition of capital assets	(889,329)	(540,227)	(1,429,556)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(713,310)</u>	<u>(56,782)</u>	<u>(770,092)</u>
Cash Flows From Investing Activities:			
Interest received	79,896	20,868	100,764
Principal received on loan receivable	16,398	-	16,398
Net Cash Provided (Used) by Investing Activities	<u>96,294</u>	<u>20,868</u>	<u>117,162</u>
Net Change in Cash and Cash Equivalents	(398,569)	569,588	171,019
Cash and Cash Equivalents - January 1	<u>4,102,109</u>	<u>921,271</u>	<u>5,023,380</u>
Cash and Cash Equivalents - December 31	<u><u>3,703,540</u></u>	<u><u>1,490,859</u></u>	<u><u>5,194,399</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	<u>(16,759)</u>	<u>362,141</u>	<u>345,382</u>
Adjustments:			
Depreciation	304,453	251,432	555,885
(Increase) decrease in accounts receivable	(30,293)	(2,965)	(33,258)
Increase (decrease) in accounts payable	(48,164)	(386)	(48,550)
(Increase) decrease in inventory	(4,741)	(2,733)	(7,474)
Increase (decrease) in accrued benefits	1,420	(1,987)	(567)
Total Adjustments	<u>222,675</u>	<u>243,361</u>	<u>466,036</u>
Net Cash Provided (Used) by Operating Activities	<u><u>205,916</u></u>	<u><u>605,502</u></u>	<u><u>811,418</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018

I. Summary of Significant Accounting Policies

The Town of Frisco, Colorado (the "Town") was incorporated in 1988, under the provisions of Article XX of the Colorado Constitution and Municipal Home Rule Act of 1971. The Town operates under an elected Mayor and Town Council. The Town's major operations include public safety, public works, culture and recreation, community development, administration (general government), and operation of water utilities and the marina. The Town is located in Summit County, Colorado.

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

A. Reporting Entity

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

The accompanying financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. There is one blended component unit reported in the Town's financial statements: The Town of Frisco Finance Authority (the "Authority"). The Authority has been blended into the Capital Improvement Fund.

Town of Frisco Finance Authority (the "Authority")

The Authority was formed in 2002 for the purpose of facilitating Town financings, including the acquisition of real estate, property, and improvements for lease to the Town. The Authority issued Certificates of Participation in 2002 to finance improvements to the Frisco Bay Lakefront Park and Marina, and in 2010 to refinance the 2002 series, as well as finance the construction of recreational amenities at the Frisco Adventure Park.

The formation of the Authority was approved by the Town, and its operations are governed by a Board of Directors appointed by the Town Council. Upon dissolution of the Authority and retirement of all liabilities, all property of the Authority is to be transferred to the Town. While the Town is not legally obligated to pay the indebtedness of the Authority, the Town has agreed to consider providing funds, if needed, to the Authority to make the scheduled debt service payments of the Authority.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (sales taxes, property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the governmental function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

C. Fund Financial Statements

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

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

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The *Capital Improvement Fund* accounts for the Town's real estate transfer fees which are restricted by ordinance for the acquisition of and improvements to the Town's governmental assets.

The *Summit County Housing Authority 5A Fund* accounts for collections of a tax and related development impact fees to be used specifically for affordable housing purposes.

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

The *Water Fund* accounts for the provision of water services to the Town's residents.

The *Marina Fund* accounts for rental fees and services and concessions that take place on the Town's lakefront property.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

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

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt and compensated absences are recorded only when payment is due.

Franchise fees, licenses, and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Sales and lodging taxes collected by vendors at year end on behalf of the Town are also recognized as revenue if collected within 30 days after year end. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

3. Financial Statement Presentation

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are the operation of the water system within the Town and lakefront rentals and concessions. Operating expenses for the enterprise funds include operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

The Town pools deposits and investments of all funds. Each fund's share of the pool is readily identified by the Town's internal records.

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, have been classified as restricted assets on the balance sheet because their use is limited by the applicable covenants. Restricted assets also include certain deposits that have been limited as to usage pursuant to escrow and similar agreements.

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

Pursuant to its Charter, the Town has adopted, by ordinance, an investment policy governing the types of institutions and investments with which it may deposit funds and transact business. Under this policy, the Town may invest in the following type of obligation which corresponds with state statutes:

- U.S. Treasury obligations
- Federal instrumentality securities (AAA)
- Prime commercial paper (A1)
- Eligible banker's acceptances (A1)
- Repurchase agreements collateralized by certain authorized securities
- Local government investment pools (AAAm or AAA or AAA/V-1)
- Non-negotiable certificates of deposit subject to FDIC and / or PDPA
- Money market mutual funds (AAAm, AAA, AAA/V-1)
- Negotiable certificates of deposit subject to FDIC and / or PDPA

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Inventory and Prepaid Items

All inventories are valued at cost using the first-in, first-out method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

The Town uses the consumption method to account for prepaid items. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. Pensions

The Town's police department participates in the Statewide Defined Benefit Plan (the "SWDB") administered by the Fire and Police Pension Association of Colorado ("FPPA"). The SWDB is a cost-sharing multiple-employer defined benefit plan. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to / deductions from the fiduciary net position of the SWDB have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, vehicles and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value.

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

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Capital Assets (continued)

Capital assets (excluding land, certain intangibles, and projects in progress) are depreciated, using the straight-line method, over the following estimated useful lives:

Buildings	25 - 40 years
Building improvements	7 - 25 years
Infrastructure	5 - 30 years
Vehicles	5 - 15 years
Equipment	5 - 10 years

6. Compensated Absences

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

7. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town has two items that qualify for reporting under this category on the government-wide Statement of Net Position: deferred charge on refunding and pension-related deferred outflows.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Pension-related deferred outflows comprise pension contributions made after the measurement date, and the difference between projected and actual earnings, which will be recognized as a reduction of the net pension liability in future periods. For further details, see Note V.E.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in the category. Property taxes, reported in the governmental Balance Sheet and on the Statement of Net Position, are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the Town's net pension obligation are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive SWDB members. For further details, see Note V.E.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement (continued)

8. Fund Equity

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

The Town has adopted a minimum fund balance policy for the General Fund in an amount of seven months of prior year actual expenditures.

9. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

F. Significant Accounting Policies

1. Use of Estimates

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

2. Credit Risk

Receivables in the Town's funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

3. Restricted and Unrestricted Resources

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

4. Comparative Data

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements. Certain 2017 amounts have been reclassified to conform to the 2018 presentation.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

These financial statements include a reconciliation between the total fund balances of all governmental funds as presented on the Governmental Funds Balance Sheet and the net position of governmental activities as reported in the government-wide Statement of Net Position. Additionally, these financial statements include a reconciliation between the total net change in fund balances of all governmental funds as presented on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

The Town followed these procedures in preparing, approving, and enacting its budget for 2018.

- (1) For the 2018 budget year, prior to August 25, 2017, the County Assessor sent to the Town a certified assessed valuation of all taxable property within the Town's boundaries.
- (2) Prior to the end of the 2017 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
- (3) Prior to December 15, 2017, the Town computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget", the Town adopted the proposed budget and an appropriation resolution which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget ordinance, the Town may make the following changes:
 - a) transfer appropriated money between funds;
 - b) approve supplemental appropriations to the extent of revenues in excess of those estimated in the budget;
 - c) approve emergency appropriations; and
 - d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2017 were collected in 2018, and taxes certified in 2018 will be collected in 2019. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

Expenditures / expenses in the General Fund and the Water Fund exceeded their respective appropriations for the year, which may be a violation of Colorado state budget statutes.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$626,000 of the December 31, 2018 year-end fund balance in the General Fund for this purpose, which is the approximate required reserve amount.

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

On November 7, 2000, voters of the Town approved a ballot question that permitted the Town to retain and spend all revenues collected in 2001 and subsequent years, without limitation.

IV. Detailed Notes on all Funds

A. Deposits and Investments

1. Deposits

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). Amounts on deposit in excess of \$250,000, the FDIC-insured limit at each participating institution, must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public as a group. The fair value of the collateral must equal or exceed 102% of the uninsured deposits. At December 31, 2018, the carrying value of the Town's deposits was \$2,819,750. The bank balance of these accounts was \$2,659,506.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

1. Deposits (continued)

At the end of 2018, the Town held deposits and investments with the following maturities:

	Standard & Poor's Rating (Fitch)	Carrying Amounts	Maturities	
			Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 4,268	4,268	-
Checking	Not Rated	1,430,250	1,430,250	-
Savings and money market	Not Rated	1,389,500	1,389,500	-
Certificates of deposit*	Not Rated	763,392	763,392	-
Investments:				
United States instrumentality	AA+	2,941,655	-	2,941,655
Certificates of deposit**	Not Rated	2,857,112	1,700,798	1,156,314
Investment pools	AAAm (AAAf)	13,592,156	13,592,156	-
Total		\$ 22,978,333	18,880,364	4,097,969

*Non-negotiable

**Negotiable

The Town's cash and investments are presented on the Statement of Net Position as follows:

Reconciliation to Statement of Net Position:

Cash and investments - Unrestricted	\$ 22,834,954
Cash and investments - Restricted	143,379
Total	\$ 22,978,333

2. Investments

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

2. Investments (continued)

At December 31, 2018, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. agencies	\$ 2,941,655	-	2,941,655	-
Negotiable certificates of deposit	2,857,112	-	2,857,112	-
Total	\$ 5,798,767	-	5,798,767	-
<u>Investments Measured at Amortized Cost</u>	<u>Total</u>			
C-SAFE	\$ 1,104,241			
CSIP (Local Government Investment Pool)	840,541			
	\$ 1,944,782			
<u>Investments Measured at Net Asset Value</u>	<u>Total</u>			
COLOTRUST	\$ 10,647,374			
CSIP (Term)	1,000,000			
	\$ 11,647,374			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Negotiable certificates of deposits classified in Level 2 are generally valued based upon a matrix or model pricing method.

Interest Rate Risk: In accordance with the Town's investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twenty-four months. In the event the Town's portfolio consists of callable securities, the final maturity date of the security is used as the maturity of the security in order to disclose the maximum liability in the Town's financial reports.

Credit Risk: State law and Town policy limit investments to those authorized by State statutes including U.S. agencies and 2a7-like pools. The Town's investment policy is to apply the prudent-investor rule: A prudent investor shall exercise the judgment and care, under circumstances prevailing, which men of prudence, discretion and intelligence exercise in the management of the property of one another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of their capital.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

2. Investments (continued)

Concentration of Credit Risk: The Town diversifies its investments by security type, individual financial institutions, and maturities. Investments may only be made in those financial institutions which are insured by the FDIC, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, congressionally authorized mortgage lenders and investments that are federally guaranteed. A minimum of 50% of the investable assets of the Town will be maintained in US Treasury obligations, Federal instrumentality securities, repurchase agreements, and local government investment pools. Financial institutions holding Town funds must provide the Town with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Pools: The Town's holdings in investment pools are comprised of balances with COLOTRUST, CSIP and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

B. Receivables

Receivables as of December 31, 2018 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Summit County Housing 5A	Capital Improvement Fund	Lodging Tax Fund	Water Fund	Marina Fund	Total
Property taxes	\$ 170,923	-	-	-	-	-	170,923
Other taxes	583,238	253,767	-	87,467	-	-	924,472
Intergovernmental	944,226	-	-	-	-	-	944,226
Employees	26,262	-	-	-	-	-	26,262
Other	304,082	-	261,536	-	225,231	9,023	799,872
Non-current	30,793	-	-	-	-	-	30,793
Gross Receivables	<u>2,059,524</u>	<u>253,767</u>	<u>261,536</u>	<u>87,467</u>	<u>225,231</u>	<u>9,023</u>	<u>2,896,548</u>
Less: Allowance for uncollectibles	-	-	-	-	-	-	-
Net Receivables	<u><u>\$ 2,059,524</u></u>	<u><u>253,767</u></u>	<u><u>261,536</u></u>	<u><u>87,467</u></u>	<u><u>225,231</u></u>	<u><u>9,023</u></u>	<u><u>2,896,548</u></u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

C. Governmental Note Receivable

On June 3, 2013, the Town accepted a \$4,500,000 Promissory Note from Brynn Grey X, LLC (“Brynn Grey”) as proceeds for the sale of land. The Promissory Note, which is secured by a Deed of Trust on the land, matures in June 2033, and bears simple interest at 2.25% per annum. However, if Brynn Grey completes construction of certain buildings on the land securing the promissory note before June 3, 2018, the Promissory Note is to bear simple interest at 1.75% per annum. The agreement was amended July, 28, 2017 to modify the construction completion requirement in order to include covenanted work force housing. As of December 31, 2018, the Town has accrued interest of \$564,503 on the Promissory Note.

No payment of interest or principal is due during the first 10 years of the Promissory Note’s term, with annual blended payments due beginning June 3, 2024 as follows:

2024	\$ 200,000
2025	200,000
2026	200,000
2027	200,000
2028	200,000
2029 - 2032	1,000,000
2033	4,659,587
Total	<u><u>\$ 6,659,587</u></u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets

Governmental capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 7,954,195	-	-	7,954,195
Intangibles	-	381,528	-	381,528
Construction in progress	257,290	1,558,296	(148,126)	1,667,460
Total Capital Assets Not Being Depreciated	<u>8,211,485</u>	<u>1,939,824</u>	<u>(148,126)</u>	<u>10,003,183</u>
Capital Assets Being Depreciated:				
Buildings and improvements	9,954,384	2,102,800	(393,861)	11,663,323
Infrastructure and improvements	35,253,696	1,231,322	-	36,485,018
Equipment and vehicles	6,694,076	478,070	(399,001)	6,773,145
Total Capital Assets Being Depreciated	<u>51,902,156</u>	<u>3,812,192</u>	<u>(792,862)</u>	<u>54,921,486</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(3,614,281)	(311,924)	201,854	(3,724,351)
Infrastructure and improvements	(12,128,974)	(948,572)	-	(13,077,546)
Equipment and vehicles	(4,419,207)	(623,771)	399,001	(4,643,977)
Total Accumulated Depreciation	<u>(20,162,462)</u>	<u>(1,884,267)</u>	<u>600,855</u>	<u>(21,445,874)</u>
Total Capital Assets Being Depreciated, Net	<u>31,739,694</u>	<u>1,927,925</u>	<u>(192,007)</u>	<u>33,475,612</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,951,179</u>	<u>3,867,749</u>	<u>(340,133)</u>	<u>43,478,795</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Business-type capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land, easements and water rights	\$ 102,562	-	-	102,562
Projects in progress	1,828,256	783,621	(1,762,885)	848,992
Total Capital Assets Not Being Depreciated	<u>1,930,818</u>	<u>783,621</u>	<u>(1,762,885)</u>	<u>951,554</u>
Capital Assets Being Depreciated:				
Buildings and improvements	6,087,630	7,277	-	6,094,907
Infrastructure and improvements	7,501,280	2,134,565	-	9,635,845
Equipment and vehicles	1,804,090	266,978	(252,095)	1,818,973
Total Capital Assets Being Depreciated	<u>15,393,000</u>	<u>2,408,820</u>	<u>(252,095)</u>	<u>17,549,725</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(3,723,061)	(157,816)	-	(3,880,877)
Infrastructure and improvements	(4,000,560)	(226,715)	-	(4,227,275)
Equipment and vehicles	(1,318,665)	(171,354)	252,857	(1,237,162)
Total Accumulated Depreciation	<u>(9,042,286)</u>	<u>(555,885)</u>	<u>252,857</u>	<u>(9,345,314)</u>
Total Capital Assets Being Depreciated, Net	<u>6,350,714</u>	<u>1,852,935</u>	<u>762</u>	<u>8,204,411</u>
Business-type Activities Capital Assets, Net	<u>\$ 8,281,532</u>	<u>2,636,556</u>	<u>(1,762,123)</u>	<u>9,155,965</u>

Depreciation expense for 2018 was charged to Town functions as follows:

Governmental Activities:	
General government	\$ 354,676
Public safety	42,086
Public works	859,331
Community development	15,030
Culture and recreation	613,144
Total Depreciation Expense - Governmental Activities	<u>\$ 1,884,267</u>
Business-type Activities:	
Water Fund	\$ 304,453
Marina Fund	251,432
Total Depreciation Expense - Business-type Activities	<u>\$ 555,885</u>

At December 31, 2018, the Town had \$6,027,834 of fully depreciated assets.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Operating Leases

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

F. Interfund Receivables, Payables, and Transfers

1. Loan Agreement – Water Fund and Capital Improvement Fund

Effective December 31, 2014, the Town's Capital Improvement Fund was authorized to borrow \$1,000,000 from the Town's Water Fund in order to pay for Main Street improvements completed in 2014. Interest will be calculated annually on December 1, beginning in 2015 and continuing through 2029, at a rate equal to the average annual interest rate earned on the Town's idle funds during the preceding eleven months as multiplied by amounts outstanding each year at December 1. Beginning in 2015, blended interest and principal payments of \$30,000 will be paid annually through December 1, 2019. Beginning in 2020, payments will include interest plus a portion of the outstanding balance necessary by estimate to result in full payment of the remaining outstanding amount no later than December 1, 2029.

At December 31, 2018, the principal amount outstanding on this loan was \$908,884. Interest payments made by the Capital Improvement Fund to the Water Fund during 2018 totaled \$13,602, representing an interest rate of 1.47% per annum for the year.

2. Internal Balances

Balances due between funds at December 31, 2018 were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Balance</u>	<u>Purpose</u>
Water Fund	Capital Fund	\$ 908,884	Main Street improvements

3. Transfers

The following interfund transfers occurred during the year ended December 31, 2018:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount Transferred</u>	<u>Purpose of Transfer</u>
Capital Fund	General Fund	\$ 2,191,510	Fund capital projects

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

G. Long-term Liabilities – Governmental Activities

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

1. Refunding Certificates of Participation, Series 2010A

On June 3, 2010, the Authority issued \$1,950,000 in Refunding Certificates of Participation to advance refund Series 2002 Certificates of Participation maturing December 1, 2010 through 2021 with total principal due of \$1,765,000 and bearing interest rates from 4% to 5%. The 2010A Refunding Certificates of Participation bear interest ranging from 2% to 4% and mature in annual increments from December 1, 2010 through 2021.

The net proceeds of \$1,917,775 were deposited with UMB Corporate Trust Services, as trustee, to provide for all future debt service payments on the advance refunded Series 2002 certificates. The reacquisition price exceeded the net carrying amount of the old certificates by \$237,706. This amount is being netted against the new debt and amortized over the life of remaining life of the debt.

2. Lease Purchases

A. First & Main Frisco, L.L.C.

On April 1, 2015, the Town executed a lease purchase agreement with First & Main Frisco, L.L.C. for the purchase of certain real property in the amount of \$1,200,000 and bearing interest at 4% per annum. Blended principal and interest payments are due beginning April 1, 2015 in the amount of \$36,000 and continuing January 1, 2016 through January 1, 2031 in the amount of \$100,000.

B. ZB, N.A. dba Vectra Bank Colorado

On August 24, 2017 the Town executed a non-taxable lease purchase agreement with ZB, N.A. DBA Vectra Bank Colorado to advance refund Series 2010B Certificates of Participation maturing 2021 through 2030 with total rent payments due of \$2,487,000 and bearing interest at 2.6% per annum, to be paid annually December 1, 2017 through 2030.

The net proceeds of \$2,412,441 were deposited with UMB Corporate Trust Services, as trustee, to provide for all future debt service payments on the advance refunded Series 2010B Certificates of Participation.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

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

3. Annual Debt Service Requirements

Aggregate annual debt service requirements to maturity for governmental activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:			
2019	\$ 282,573	121,591	404,164
2020	295,627	111,051	406,678
2021	303,781	99,526	403,307
2022	313,136	89,754	402,890
2023	315,197	80,598	395,795
2024 - 2028	1,656,132	260,395	1,916,527
2029 - 2031	733,540	36,291	769,831
Total Governmental Activities	<u>\$ 3,899,986</u>	<u>799,206</u>	<u>4,699,192</u>

H. Long-term Liabilities – Compensated Absences

The Town has a policy allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the Town's approximate liability for vacation pay earned by employees at December 31, 2018 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. The General Fund has been used in prior years to liquidate the liability for compensated absences.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

I. Long-term Liabilities – Debt Service Schedule

Long-term liability activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Certificates of Participation:					
Series 2010A	\$ 670,000	-	(195,000)	475,000	200,000
Issuance premium	2,780	-	(1,254)	1,526	-
Net Certificates of Participation	672,780	-	(196,254)	476,526	200,000
Lease Purchases:					
First & Main, L.L.C.	1,024,698	-	(59,012)	965,686	61,373
Vectra Bank Colorado	2,480,000	-	(20,700)	2,459,300	21,200
Net Capital Leases	3,504,698	-	(79,712)	3,424,986	82,573
Net pension liability	53,226	-	(53,226)	-	-
Compensated absences	355,140	258,921	(327,861)	286,200	114,480
Total Governmental Activities Long-term Liabilities	<u>\$ 4,585,844</u>	<u>258,921</u>	<u>(657,053)</u>	<u>4,187,712</u>	<u>397,053</u>
Business-type Activities:					
Compensated absences	\$ 33,895	33,762	(34,328)	33,329	13,331
Total Business-type Activities Long-term Liabilities	<u>\$ 33,895</u>	<u>33,762</u>	<u>(34,328)</u>	<u>33,329</u>	<u>13,331</u>

J. Refunded Debt

At various dates, the Town has invested proceeds from refunding debt issues in securities issued by the U.S. government and related agencies and held in escrow trust accounts. The amounts placed in these escrow trust accounts and the interest to be earned on the investments have been timed to adequately meet all debt service requirements of the Town's refunded certificates of participation.

The escrow trust accounts are administered by the trustees and are restricted for the retirement of the refunded debt. The liability for the refunded certificates and the related securities and escrow accounts are not included in the accompanying financial statements, as the Town is only contingently liable for the refunded debt and therefore, the refunded bonds are considered to be extinguished debt. The Town is unable to determine the amount of defeased certificates outstanding at December 31, 2018.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

K. Fund Balance Disclosures

The Town classifies governmental fund balances as follows:

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

Spendable Fund Balance:

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

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority, which is the Town Council. The Town Council must take formal action through either an ordinance or a resolution – both of which are equally binding – to establish, modify or rescind committed fund balance amounts.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Town Council or its management designees. The Town Manager has the authority to establish, modify or rescind assigned fund balance to a specific department or project within a fund, as stated in the Town's adopted financial policies.

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on all Funds (continued)

K. Fund Balance Disclosures (continued)

As of December 31, 2018, fund balances are composed of the following:

<u>Classification</u>	<u>General Fund</u>	<u>Summit County</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>Housing Authority 5A Fund</u>	<u>Capital Improvement Fund</u>		
Non-spendable:					
Inventories	\$ 34,379	-	-	12,140	46,519
Prepays	1,191	-	-	-	1,191
Long-term receivables	30,793	-	-	-	30,793
Restricted:					
State constitution:					
TABOR reserve	626,000	-	-	-	626,000
Conservation Trust	-	-	-	50,897	50,897
Debt service	-	-	141,991	-	141,991
Voter-approved measures for:					
Affordable housing	-	3,412,355	-	-	3,412,355
Economic development	-	-	-	546,764	546,764
Committed:					
Council resolutions:					
Insurance reserve	-	-	-	205,191	205,191
Open space	-	-	-	12,112	12,112
Capital projects	-	-	5,717,543	-	5,717,543
Assigned:					
Due from other governments	8,164	-	-	-	8,164
Cash held for others	6,498	-	-	-	6,498
Unassigned	6,585,687	-	-	-	6,585,687
Total	<u>\$ 7,292,712</u>	<u>3,412,355</u>	<u>5,859,534</u>	<u>827,104</u>	<u>17,391,705</u>

V. Other Information

A. Marina Lease Agreement

In 1994, the Town entered into a lease agreement (the "Lease") with the City and County of Denver ("Denver"), through Denver's Board of Water Commissioners (the "Water Board"), whereby the Town was granted the exclusive right to occupy and use certain real property and water surface covering real property at the Dillon Reservoir (collectively, the "Marina Property"). Under the Lease, the Town is authorized to use the Marina Property for marina operations and other recreational activities, as approved by the Water Board. No water rights were granted to the Town through the Lease.

The Lease calls for the Town to pay annual rent equal to 4% of gross revenue generated from the Marina Property from all sources, including mooring fees collected by the Town. The Town incurred an expense of \$75,348 in connection with the Lease during 2018.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

B. Colorado River Cooperative Agreement

In 2014, the Town received \$200,000 via the Summit County Board of Commissioners and their participation in the Colorado River Cooperative Agreement (the "CRCA"). In 2018, the Town received additional funds in the amount of \$466,057. The CRCA is a cooperative agreement with the Denver Water Board and multiple agencies that have an interest in the use and impacts of the Colorado River and its tributaries. The Marina must use the amounts received for pier redevelopment, including the dredging and excavation of the Marina boat mooring and dock areas. At December 31, 2018, the Marina Fund has restricted net position in the amount of \$664,551, including investment earnings, to meet required project spending.

C. Deferred Compensation Plan

The Town offers its full time, year-round employees a deferred compensation plan created in accordance with section 457 of the Internal Revenue Code (the "457 Plan"). The 457 Plan permits eligible employees to defer a portion of their salary until future years.

All compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the 457 Plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Town does not contribute to the 457 Plan; however, the Town does match participating employees' contributions through a contribution to the Town's 401(a) plan as discussed below. Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service.

Investment decisions within the 457 Plan are determined by the individual participants and, therefore, the 457 Plan's investment concentration varies between participants.

The Town is the Trustee of the 457 Plan and, accordingly, has no liability for losses under the plan. However, the Town does have the duty of due care that would be required of an ordinary prudent investor. Consequently, the 457 Plan is not part of the Town's financial statements.

D. Pension Plan - Section 401(a) Plan

In 2008, the Town established a qualified money purchase pension plan under section 401(a) of the Internal Revenue Code (the "Pension Plan"). The Pension Plan is administered by ICMA Retirement Corporation.

The Pension Plan is a defined contribution plan, in which benefits depend solely on amounts contributed and investment earnings. Employees do not make contributions to the Pension Plan. Rather, the Town makes contributions to the Pension Plan to match a portion of employee contributions to the 457 Plan. Under the terms of the Pension Plan, the Town contributes 3% of each participating employee's salary during the first two years of eligibility and one additional percent for each succeeding year, to a maximum of 7%.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

D. Pension Plan - Section 401(a) Plan (continued)

Town employees are eligible to participate in the Pension Plan upon employment, provided they make elective contributions to the 457 Plan. For employees hired after January 1, 2005, vesting of the Town's contribution is 33% after the first year of employment, with an additional vesting of 33% per year through the third year, when vesting is 100%. Employees hired before January 1, 2005 were 100% vested upon employment.

Pension Plan investment purchases are determined by the individual participants, and therefore, the Pension Plan's investment concentration varies between participants.

The Town's annual pension cost of \$184,843 for the Pension Plan was equal to the Town's required and actual contribution.

The Town may use the plan's forfeitures to pay the costs of the plan or to fund employer contributions. The forfeitures available for spending at December 31, 2018 totaled \$1,580.

While the Town is trustee of the Pension Plan, it has no liability for losses under the Pension Plan. Accordingly, the Pension Plan is not part of the Town's financial statements.

E. FPPA Statewide Defined Benefit Plan

Plan Description: The Statewide Defined Benefit Plan (the "SWDB") is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDB may include clerical and other personnel from fire districts whose services are auxiliary to fire protection.

Contributions: Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employers and employees are contributing at a rate of 8% and 9.5%, respectively, of base salary for a total contribution rate of 17.5% through 2017. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022. Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 21.5% of base salary through 2016. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

E. FPPA Statewide Defined Benefit Plan (continued)

Benefits: On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the SWDB to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1.

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's Separate Retirement Account ("SRA") each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their SRA until retirement, and the SWDB may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that re-entry members have a higher contribution rate. As a result, their SRA has two components; the standard SRA and the re-entry SRA.

The component of a member's SRA attributable to the higher contribution rate is considered the re-entry SRA. The re-entry SRA cannot be used to subsidize the costs for the non-re-entry members. Effective July 1, 2014, the standard SRA contribution rate for members of the SWDB was set at 0 percent. The re-entry SRA contribution rate was set at 3.7 percent.

A member is eligible for an early retirement at age 50 with at least 5 years of credited services or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

E. FPPA Statewide Defined Benefit Plan (continued)

Net Pension (Asset) Liability: At December 31, 2018, the SWDB's fiduciary net position exceeded the total pension liability; consequently, the Town reported an asset of \$185,598 for its proportionate share of the SWDB's net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The Town's proportion of the net pension asset was based on Town contributions to the SWDB for the calendar year 2017, relative to the total contributions of participating employers to the SWDB.

At the December 31, 2017 measurement, the Town's proportionate share was 0.129007%, as compared to 0.147306% at the December 31, 2016 measurement.

For the year ended December 31, 2018, the Town recognized pension revenue of \$245,290.

At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 133,842	2,057
Change of assumptions or other inputs	27,963	-
Net difference between projected and actual earnings on pension plan investments	1	63,016
Changes in proportionate share of contributions	45,998	13,664
Difference between actual and reported contributions recognized	679	-
Contributions subsequent to measurement date	54,535	-
	<u>\$ 263,018</u>	<u>78,737</u>

Contributions subsequent to the measurement date of December 31, 2017, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amortization</u>
2019	\$ 26,243
2020	23,373
2021	(3,411)
2022	(13,344)
2023	23,969
Thereafter	72,916
	<u>\$ 129,746</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

E. FPPA Statewide Defined Benefit Plan (continued)

Actuarial assumptions: The collective total pension liability and actuarially-determined contributions in the December 31, 2017 actuarial valuation were determined using the following actuarial assumptions and other inputs:

<u>Actuarial Assumptions</u>	<u>Total Pension Liability</u>	<u>Actuarially Determined Contributions</u>
	2018	2017
Actuarial Valuation Date - January 1	2018	2017
Actuarial method	Entry Age	Entry Age
	Normal	Normal
Amortization Method	Level % of	Level % of
	Payroll, open	Payroll, open
Amortization Period	30 years	30 years
Long-term Investment Rate of Return	7.5%	7.5%
Projected Salary Increases	4.0% - 14.0%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
Includes inflation at	2.5%	2.5%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

E. FPPA Statewide Defined Benefit Plan (continued)

Actuarial assumptions (continued): Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Global Equity	37.00%	8.33%
Equity Long / Short	9.00%	7.15%
Illiquid Alternatives	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	6.85%
Cash	2.00%	2.26
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

E. FPPA Statewide Defined Benefit Plan (continued)

Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Collective net pension liability (asset)	\$ 156,626,967	\$ (143,865,763)	\$ (393,386,428)
Proportionate share of net pension liability (asset)	\$ 202,060	\$ (185,598)	\$ (507,496)

Pension plan fiduciary net position: Detailed information about the SWDB’s fiduciary net position currently exceeds the total pension liability, resulting in an asset reported by the Town. ’s fiduciary net position is available in FPPA’s comprehensive annual financial report, which can be obtained at: http://www.fppaco.org/annual_reports.htm.

F. FPPA Death and Disability Plan

Plan Description – Firefighters of the Town contribute to the Statewide Death and Disability Plan (“SWDD”). The SWDD is a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. Contributions to the SWDD are used solely for the payment of death and disability benefits. The SWDD was established in 1980 pursuant to Colorado Revised Statutes.

SWDD benefits provide 24-hour coverage for both on- and off-duty members not eligible for normal retirement under a defined benefit plan, or under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member’s disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy – Prior to 1997, the SWDD was primarily funded by the State of Colorado (the “State”), whose contributions were established by Colorado statute. In 1997, the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The SWDD is funded by member or on-behalf of member contributions. Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the SWDD. Contributions may be increased 0.1 percent biennially by the FPPA Board. As of January 1, 2017, the contribution rate is 2.7 percent of base salary. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.7 percent contribution may be paid entirely by the Town or member, or it may be split between the Town and the member as determined at the local level. The Town paid \$18,567 on-behalf of members to the SWDD at December 31, 2018.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

F. FPPA Death and Disability Plan (continued)

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the SWDD. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

G. Cafeteria Plan

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

H. Risk Management

1. Colorado Intergovernmental Risk Sharing Agency

The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the Town is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property, \$600,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2018. The deductible amount paid by the Town for each incident in 2018 was \$1,000; there is no change in coverage from past years. All settlements for the year ended December 31, 2018 were under the maximum coverage allowed.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The Town's share of CIRSA's assets, liabilities and fund equity as of December 31, 2018 (the latest year for which audited data is available) is as follows:

Property and Casualty Pool	Equity Ratio	Share of Surplus (Deficit) Dec. 31/18
Operating Fund	0.603%	\$ 31,332
Loss Fund	0.616%	87,912
Pooled Excess Fund	-0.601%	6,471
Reserve Fund	0.691%	60,344

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

H. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (continued)

CIRSA's combined financial information for the year ended December 31, 2018 (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	\$ 73,548,517
Other assets	10,110,929
Total assets	<u>\$ 83,659,446</u>
Total liabilities	<u>\$ 33,114,953</u>
Net position	<u>\$ 50,544,493</u>
Total revenues	\$ 27,433,840
Total expenses	(29,755,861)
Change in net position	<u>\$ (2,322,021)</u>

A copy of CIRSA's audit report can be obtained by writing to CIRSA, 3665 Cherry Creek North Drive, Denver, CO 80209, or by calling (800)-228-7136.

2. Workers Compensation and Health Insurance

The Town is exposed to various risks of loss related to workers' compensation, unemployment, and general liability. The Town has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage. There is no change in coverage from past years, and settlements have not exceeded coverage for each of the past three fiscal years.

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

The following is a summary of the changes in the balances of claims liabilities during 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Unpaid (prepaid) claims, beginning of year	\$ 78,230	113,799
New claims incurred	1,379,689	595,258
Claim payments	(1,286,643)	(630,827)
	<u>\$ 171,276</u>	<u>78,230</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

I. Claims and Contingencies

1. Legal Claims

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town's management, such claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2018.

2. Federal Funds

Funds received from Federal grants and programs are subject to audit and disallowance on ineligible costs. Management of the Town feels any potential questioned or disallowed costs would not materially affect the fairness of the presentation of the financial statements at December 31, 2018.

J. Subsequent Event

On February 26, 2019, the Town, through its Marina Enterprise Fund, issued \$5,450,000 in Marina Enterprise Revenue Bonds, Series 2019. The interest rate on the bonds is 5% per annum and the maturity date is December 1, 2048. Net proceeds will be used to pay construction costs for marina expansion, debt related issuance costs, and to fund a debt reserve account. Repayment of the bonds will be from the revenues of the Marina Enterprise Fund.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Frisco, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	2018			Final Budget Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property	143,577	143,577	158,901	15,324	145,468
Specific ownership	7,000	7,000	9,443	2,443	8,668
City sales tax	4,375,000	4,375,000	4,679,210	304,210	4,372,568
County sales tax	4,525,000	4,525,000	4,928,635	403,635	4,630,816
Franchise fees	320,000	320,000	318,602	(1,398)	323,924
Other taxes	343,360	343,360	404,064	60,704	393,420
Total - Taxes	9,713,937	9,713,937	10,498,855	784,918	9,874,864
Licenses, Permits, and Fees					
Business and liquor licenses	146,000	146,000	154,999	8,999	147,751
Development	57,500	57,500	87,052	29,552	94,838
Building	150,000	150,000	385,328	235,328	198,986
Other	800	800	515	(285)	427
Total - Licenses, Permits, and Fees	354,300	354,300	627,894	273,594	442,002
Intergovernmental Revenue:					
Highway users	110,000	110,000	137,839	27,839	112,211
County road and bridge	73,000	73,000	80,930	7,930	74,144
Grants	154,000	154,000	27,022	(126,978)	114,563
Motor vehicle registration	14,500	14,500	24,392	9,892	26,432
Other	5,091	5,091	3,614	(1,477)	3,614
Total - Intergovernmental Revenue	356,591	356,591	273,797	(82,794)	330,964
Charges for Services:					
Nordic Center	383,000	383,000	418,495	35,495	341,027
Historic Park	11,500	11,500	16,241	4,741	14,654
Special events	542,200	542,200	528,896	(13,304)	600,092
Recreation fees	276,000	276,000	300,212	24,212	304,918
Frisco Adventure Park fees	1,782,500	1,782,500	2,103,355	320,855	2,021,358
Building rents	40,000	40,000	44,043	4,043	48,465
Police services and fines	65,000	65,000	47,275	(17,725)	61,976
Administration fees	62,500	62,500	62,500	-	62,500
Total - Charges for Services	3,162,700	3,162,700	3,521,017	358,317	3,454,990
Investment Income	50,000	50,000	126,495	76,495	59,365
Other Revenues:					
Other	45,400	45,400	56,673	11,273	52,709
Total Revenues	13,682,928	13,682,928	15,104,731	1,421,803	14,214,894

(Continued)

Town of Frisco, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)
(Continued)

	2018			Final Budget Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Expenditures:					
General Government:					
Interdepartmental services	2,544,041	2,544,041	2,479,461	64,580	1,988,364
Legislative	66,214	66,214	67,705	(1,491)	59,869
Finance	325,127	325,127	309,140	15,987	261,499
Municipal Court	23,635	23,635	23,233	402	22,861
Administrative	774,093	774,093	780,582	(6,489)	697,792
Discretionary funds	65,000	65,000	55,586	9,414	91,414
Total - General Government	<u>3,798,110</u>	<u>3,798,110</u>	<u>3,715,707</u>	<u>82,403</u>	<u>3,121,799</u>
Public Safety:					
Police and animal control	1,696,403	1,696,403	1,404,537	291,866	1,473,245
Community Development:					
Planning and building department	688,094	688,094	690,858	(2,764)	538,379
Marketing and communications	566,228	566,228	559,169	7,059	536,768
Community relations	308,311	308,311	272,279	36,032	253,231
Total - Community Development	<u>1,562,633</u>	<u>1,562,633</u>	<u>1,522,306</u>	<u>40,327</u>	<u>1,328,378</u>
Public Works:					
Streets/properties - Maintenance/improvements	2,080,657	2,080,657	1,891,301	189,356	1,832,232
Culture and Recreation:					
Historic Park	336,723	336,723	259,301	77,422	259,139
Special events	833,583	833,583	736,161	97,422	684,660
Recreation	368,028	368,028	366,456	1,572	365,312
Frisco Adventure Park	1,263,944	1,263,944	1,145,278	118,666	1,195,965
Nordic Center	364,136	364,136	242,214	121,922	209,146
Total - Culture and Recreation	<u>3,166,414</u>	<u>3,166,414</u>	<u>2,749,410</u>	<u>417,004</u>	<u>2,714,222</u>
Total Expenditures	<u>12,304,217</u>	<u>12,304,217</u>	<u>11,283,261</u>	<u>1,020,956</u>	<u>10,469,876</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,378,711</u>	<u>1,378,711</u>	<u>3,821,470</u>	<u>2,442,759</u>	<u>3,745,018</u>
Other Financing Sources (Uses):					
Transfers (out)	(935,929)	(935,929)	(2,191,510)	(1,255,581)	(3,350,000)
Net Change in Fund Balance	442,782	442,782	1,629,960	1,187,178	(395,018)
Fund Balance - January 1	6,337,898	6,337,898	5,662,752	(675,146)	5,267,734
Fund Balance - December 31	<u>6,780,680</u>	<u>6,780,680</u>	<u>7,292,712</u>	<u>512,032</u>	<u>5,662,752</u>

Town of Frisco, Colorado
Summit County Housing Authority 5A Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
County sales tax	1,080,000	1,080,000	1,393,760	313,760	1,285,174
Developer impact fees	165,000	165,000	118,316	(46,684)	36,745
Investment income	7,000	7,000	33,324	26,324	13,209
Rental income	-	-	6,938	6,938	-
Total Revenues	<u>1,252,000</u>	<u>1,252,000</u>	<u>1,552,338</u>	<u>300,338</u>	<u>1,335,128</u>
Expenditures:					
General government	126,320	126,320	45,463	80,857	49,510
Capital outlay	2,852,000	2,852,000	1,842,920	1,009,080	131,592
Total Expenditures	<u>2,978,320</u>	<u>2,978,320</u>	<u>1,888,383</u>	<u>1,089,937</u>	<u>181,102</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,726,320)</u>	<u>(1,726,320)</u>	<u>(336,045)</u>	<u>(789,599)</u>	<u>1,154,026</u>
Other Financing Sources (Uses):					
Sale of assets	1,514,000	1,514,000	1,358,385	(155,615)	-
Net Change in Fund Balance	(212,320)	(212,320)	1,022,340	1,234,660	1,154,026
Fund Balance - January 1	<u>2,186,287</u>	<u>2,186,287</u>	<u>2,390,015</u>	<u>203,728</u>	<u>1,235,989</u>
Fund Balance - December 31	<u><u>1,973,967</u></u>	<u><u>1,973,967</u></u>	<u><u>3,412,355</u></u>	<u><u>1,438,388</u></u>	<u><u>2,390,015</u></u>

Town of Frisco, Colorado
Schedule of Employer's Proportionate Share of Net Pension (Asset) Liability
Statewide Defined Benefit Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *
(Unaudited)

	Measurement period ending December 31				
	2017	2016	2015	2014	2013
Town's portion of the net pension (asset) liability	0.129007%	0.147306%	0.134622%	0.137171%	0.176403%
Town's proportionate share of the net pension (asset) liability	(185,598)	53,226	(2,375)	(154,808)	(157,737)
Town's covered payroll	756,313	756,488	659,263	618,088	772,725
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	24.5%	-7.0%	0.4%	25.0%	20.4%
Plan fiduciary net position as a percentage of the total pension (asset) liability	106.30%	98.21%	100.10%	106.80%	105.80%

* Information is only available beginning in measurement year 2013.

The accompanying notes to RSI are an integral part of these statements.

Town of Frisco, Colorado
Schedule of Town Contributions
Statewide Defined Benefit Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *
(Unaudited)

	Fiscal years ending December 31				
	2018	2017	2016	2015	2014
Contractually required contribution	54,535	60,505	60,519	52,741	49,447
Actual contributions	<u>(54,535)</u>	<u>(60,505)</u>	<u>(60,519)</u>	<u>(52,741)</u>	<u>(49,447)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Town's covered payroll	681,688	756,313	756,488	659,263	618,088
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014

The accompanying notes to RSI are an integral part of these statements.

Town of Frisco, Colorado
Notes to the Required Supplementary Information
December 31, 2018

I. Notes Schedule of Employer's Proportionate Share of Net Pension (Asset) Liability

A. Changes to Assumptions or Other Inputs

1. Changes Since the January 1, 2016 Actuarial Valuation

- No changes.

2. Changes Since the January 1, 2015 Actuarial Valuation

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that it is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

3. Changes Since the January 1, 2014 Actuarial Valuation

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB, are used.

B. Changes of Benefit Terms

No changes during the years presented.

C. Changes of Size or Composition of Population Covered by Benefit Terms

No changes during the years presented.

II. Notes to the Schedule of Town Contributions

A. Changes to Assumptions or Other Inputs

No changes during the years presented.

B. Changes of Benefit Terms

No changes during the years presented.

C. Changes of Size or Composition of Population Covered by Benefit Terms

No changes during the years presented.

SUPPLEMENTARY INFORMATION



Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes - Real estate transfer fees	1,500,000	1,500,000	1,415,715	(84,285)	1,293,353
Intergovernmental grants	404,496	404,496	-	(404,496)	-
Investment income	15,000	15,000	116,072	101,072	37,409
Capital interest subsidy	-	-	-	-	35,668
Total Revenues	1,919,496	1,919,496	1,531,787	(387,709)	1,366,430
Expenditures:					
General government - Agent fees	2,000	2,000	1,500	500	1,500
Capital outlay	6,406,077	6,406,077	5,400,413	1,005,664	1,237,006
Cost of issuance	-	-	-	-	74,559
Debt service:					
Principal	295,540	295,540	274,712	20,828	524,621
Interest	141,085	141,085	145,370	(4,285)	212,837
Total Expenditures	6,844,702	6,844,702	5,821,995	1,022,707	2,050,523
Excess (Deficiency) of Revenues Over Expenditures	(4,925,206)	(4,925,206)	(4,290,208)	634,998	(684,093)
Other Financing Sources (Uses):					
Certificate of participation debt proceeds	-	-	-	-	2,487,000
Payment to refund bond escrow agent	-	-	-	-	(2,412,441)
Sale of assets	10,000	10,000	769,292	759,292	45,973
Transfers in	935,929	935,929	2,191,510	1,255,581	3,350,000
Total Other Financing Sources (Uses)	945,929	945,929	2,960,802	2,014,873	3,470,532
Net Change in Fund Balance	(3,979,277)	(3,979,277)	(1,329,406)	2,649,871	2,786,439
Fund Balance - January 1	5,092,669	5,092,669	7,188,940	2,096,271	4,402,501
Fund Balance - December 31	1,113,392	1,113,392	5,859,534	4,746,142	7,188,940

Town of Frisco, Colorado
Enterprise Fund - Water Fund
Schedule of Revenues, Expenses and Change in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	<u>2018</u>			Variance Positive (Negative)	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:					
Charges for service - User charges	891,000	891,000	964,017	73,017	903,193
Water meter sales	15,000	15,000	23,841	8,841	2,833
Other operating	500	500	1,684	1,184	670
Total Operating Revenues	<u>906,500</u>	<u>906,500</u>	<u>989,542</u>	<u>83,042</u>	<u>906,696</u>
Operating Expenses:					
Salaries and benefits	374,488	374,488	353,367	21,121	302,417
Administrative fees	42,500	42,500	42,500	-	42,500
Professional fees	85,000	85,000	80,095	4,905	43,717
Supplies	47,000	47,000	20,515	26,485	68,279
Utilities	65,000	65,000	55,823	9,177	52,632
Repair and maintenance	60,000	60,000	51,058	8,942	41,258
General expenses	106,825	106,825	83,660	23,165	159,005
Capital outlay	739,500	739,500	889,329	(149,829)	1,159,546
Water meter replacements	30,000	30,000	14,830	15,170	11,582
Total Operating Expenses - Budget Basis	<u>1,550,313</u>	<u>1,550,313</u>	<u>1,591,177</u>	<u>(40,864)</u>	<u>1,880,936</u>
Operating Income (Loss)	<u>(643,813)</u>	<u>(643,813)</u>	<u>(601,635)</u>	<u>42,178</u>	<u>(974,240)</u>
Non-operating Revenues (Expenses):					
Intergovernmental - Non-operating grants	30,094	30,094	12,531	(17,563)	106,681
Investment income	25,000	25,000	79,896	54,896	49,211
Gain (loss) on asset disposal	-	-	6,775	6,775	7,900
Loan principal receipt	30,000	30,000	16,398	(13,602)	130,100
Plant investment fees	200,000	200,000	169,244	(30,756)	224,942
Total Non-operating Revenues (Expenses)	<u>285,094</u>	<u>285,094</u>	<u>284,844</u>	<u>(250)</u>	<u>518,834</u>
Change in Net Positions - Budget Basis	<u>(358,719)</u>	<u>(358,719)</u>	<u>(316,791)</u>	<u>41,928</u>	<u>(455,406)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Loan principal receipt			(16,398)		(130,100)
Capitalized assets			889,329		1,159,546
Depreciation			(304,453)		(282,663)
Change in Net Position - GAAP Basis			<u>251,687</u>		<u>291,377</u>

Town of Frisco, Colorado
Enterprise Fund - Marina Fund
Schedule of Revenues, Expenses and Change in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	<u>2018</u>			Variance Positive (Negative)	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:					
Charges for service - User charges	1,335,500	1,335,500	1,565,693	230,193	1,535,817
Intergovernmental - Operating grants	25,000	25,000	27,570	2,570	32,622
Total Operating Revenues	<u>1,360,500</u>	<u>1,360,500</u>	<u>1,593,263</u>	<u>232,763</u>	<u>1,568,439</u>
Operating Expenses:					
Salaries and benefits	510,670	510,670	542,550	(31,880)	466,067
Administrative fees	20,000	20,000	20,000	-	20,000
Professional fees	44,600	44,600	22,467	22,133	30,732
Supplies	94,600	94,600	75,307	19,293	35,787
Utilities	30,000	30,000	17,983	12,017	14,531
Repair and maintenance	61,000	61,000	29,592	31,408	54,184
General expenses	269,500	269,500	271,791	(2,291)	261,569
Capital outlay	2,186,000	2,186,000	540,227	1,645,773	132,209
Total Operating Expenses	<u>3,216,370</u>	<u>3,216,370</u>	<u>1,519,917</u>	<u>1,696,453</u>	<u>1,015,079</u>
Operating Income (Loss) - Budget Basis	<u>(1,855,870)</u>	<u>(1,855,870)</u>	<u>73,346</u>	<u>1,929,216</u>	<u>553,360</u>
Non-operating Revenues (Expenses):					
Intergovernmental - Non-operating grants	-	-	466,057	466,057	-
Investment income	5,000	5,000	20,868	15,868	5,160
Gain (loss) on asset disposal	3,000	3,000	18,147	15,147	64,473
Loan principal	-	-	-	-	(107,682)
Interest expense	-	-	-	-	(5,287)
Total Non-operating Revenues (Expenses)	<u>8,000</u>	<u>8,000</u>	<u>505,072</u>	<u>497,072</u>	<u>(43,336)</u>
Change in Net Positions - Budget Basis	<u>(1,847,870)</u>	<u>(1,847,870)</u>	<u>578,418</u>	<u>2,426,288</u>	<u>510,024</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Loan principal			-		107,682
Capitalized assets			540,227		132,209
Depreciation			(251,432)		(249,318)
Change in Net Position - GAAP Basis			<u>867,213</u>		<u>500,597</u>

NON-MAJOR GOVERNMENTAL FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Conservation Trust Fund – This fund is used to account for receipt and disbursement of lottery funds. Each year, the State of Colorado distributes a percentage of profits from the sale of lottery tickets to municipalities which may only be used to maintain, acquire or construct recreational facilities, park facilities or open space.

Insurance Reserve Fund – This fund was established by resolution in 2005 to set aside an amount equivalent to six months' of insurance expenditures to cover substantial insurance claims and unforeseen increases in the cost of providing insurance.

Lodging Tax Fund – This fund accounts for the voter-approved 2.35% tax imposed on lodging establishments. Expenditures are restricted to economic development, special events, advertising and promotion, recreation amenities and similar use.

Open Space Fund – This fund accounts for the acquisition and maintenance of open space.



**Town of Frisco, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2018**

	Special Revenue Funds				Total Non-major Governmental Funds
	Conservation Trust Fund	Insurance Reserve Fund	Lodging Tax Fund	Open Space Fund	
Assets:					
Cash and cash equivalents - Unrestricted	50,897	205,191	459,442	12,112	727,642
Receivables, net of allowance for uncollectible accounts:					
Other taxes	-	-	87,467	-	87,467
Inventory	-	-	12,140	-	12,140
Total Assets	50,897	205,191	559,049	12,112	827,249
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	-	-	145	-	145
Total Liabilities	-	-	145	-	145
Fund Balances:					
Non-spendable	-	-	12,140	-	12,140
Restricted	50,897	-	546,764	-	597,661
Committed	-	205,191	-	12,112	217,303
Total Fund Balances	50,897	205,191	558,904	12,112	827,104
Total Liabilities and Fund Balances	50,897	205,191	559,049	12,112	827,249

Town of Frisco, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2018

	Special Revenue Funds				Total Non-major Governmental Funds
	Conservation Trust Fund	Insurance Reserve Fund	Lodging Tax Fund	Open Space Fund	
Revenues:					
Taxes	-	-	534,342	-	534,342
Intergovernmental revenue	29,677	-	30,000	-	59,677
Charges for services	-	-	262	-	262
Investment income	619	3,380	9,465	267	13,731
Miscellaneous	-	-	10,085	-	10,085
Total Revenues	30,296	3,380	584,154	267	618,097
Expenditures:					
Community development	-	-	298,915	-	298,915
Culture and recreation	2,993	-	271,883	-	274,876
Total Expenditures	2,993	-	570,798	-	573,791
Net Change in Fund Balances	27,303	3,380	13,356	267	44,306
Fund Balances - January 1	23,594	201,811	545,548	11,845	782,798
Fund Balances - December 31	50,897	205,191	558,904	12,112	827,104

Town of Frisco, Colorado
Special Revenue Funds - Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	2018			Final Budget Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental - Lottery proceeds	26,000	26,000	29,677	3,677	29,006
Investment income	250	250	619	369	278
Total Revenues	26,250	26,250	30,296	4,046	29,284
Expenditures:					
Culture and recreation	23,900	23,900	2,993	20,907	53,382
Total Expenditures	23,900	23,900	2,993	20,907	53,382
Net Change in Fund Balance	2,350	2,350	27,303	24,953	(24,098)
Fund Balance - January 1	21,942	21,942	23,594	1,652	47,692
Fund Balance - December 31	24,292	24,292	50,897	26,605	23,594

Town of Frisco, Colorado
Special Revenue Funds - Insurance Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Investment income	1,000	1,000	3,380	2,380	1,588
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>3,380</u>	<u>2,380</u>	<u>1,588</u>
Expenditures:					
Claims	65,000	65,000	-	65,000	-
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>	<u>-</u>
Net Change in Fund Balance	(64,000)	(64,000)	3,380	67,380	1,588
Fund Balance - January 1	<u>136,225</u>	<u>136,225</u>	<u>201,811</u>	<u>65,586</u>	<u>200,223</u>
Fund Balance - December 31	<u><u>72,225</u></u>	<u><u>72,225</u></u>	<u><u>205,191</u></u>	<u><u>132,966</u></u>	<u><u>201,811</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Lodging Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes - Lodging tax	490,000	490,000	534,342	44,342	490,541
Intergovernmental - Local grants	30,000	30,000	30,000	-	30,000
Charges for services	1,800	1,800	262	(1,538)	465
Investment income	2,500	2,500	9,465	6,965	3,772
Miscellaneous	6,600	6,600	10,085	3,485	8,164
Total Revenues	<u>530,900</u>	<u>530,900</u>	<u>584,154</u>	<u>53,254</u>	<u>532,942</u>
Expenditures:					
Community development	333,635	333,635	298,915	34,720	285,880
Culture and recreation	309,900	309,900	271,883	38,017	140,221
Total Expenditures	<u>643,535</u>	<u>643,535</u>	<u>570,798</u>	<u>72,737</u>	<u>426,101</u>
Net Change in Fund Balance	(112,635)	(112,635)	13,356	125,991	106,841
Fund Balance - January 1	<u>534,433</u>	<u>534,433</u>	<u>545,548</u>	<u>11,115</u>	<u>438,707</u>
Fund Balance - December 31	<u><u>421,798</u></u>	<u><u>421,798</u></u>	<u><u>558,904</u></u>	<u><u>137,106</u></u>	<u><u>545,548</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Open Space Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	<u>2018</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Investment income	100	100	267	167	94
Total Revenues	100	100	267	167	94
Expenditures:					
Culture and recreation	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Net Change in Fund Balance	100	100	267	167	94
Fund Balance - January 1	11,852	11,852	11,845	(7)	11,751
Fund Balance - December 31	11,952	11,952	12,112	160	11,845

Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Capital Outlay Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Capital Outlay:					
Alley paving	175,000	175,000	142,002	32,998	-
Asphalt overlay and resurface road	525,000	525,000	290,109	234,891	200,463
Bell tower refurbishment	30,000	30,000	-	30,000	-
Bike path system upgrades	-	-	-	-	3,057
Building relocation costs	100,000	100,000	-	100,000	-
Community care center	20,000	20,000	20,000	-	20,000
Computers and technology	217,000	217,000	61,217	155,783	66,311
Consultant - Historic preservation	25,000	25,000	10,517	14,483	8,862
Crack fill streets and bike paths	20,000	20,000	3,349	16,651	20,410
Curb replacement	60,000	60,000	34,227	25,773	37,607
Design/construction Public Works facility	1,350,000	1,350,000	1,262,626	87,374	41,714
Electric vehicle charging station	20,000	20,000	35,956	(15,956)	-
Environmental sustainability	-	-	454	(454)	36,538
Equipment and vehicle leases	37,500	37,500	22,922	14,578	24,910
Facility capital repair	5,000	5,000	-	5,000	105,499
Frisco Adventure Park amenity expansion	1,358,108	1,358,108	893,780	464,328	60,961
Frisco Adventure Park great lawn re-sod	-	-	-	-	8,250
First and Main building	-	-	6,033	(6,033)	4,728
Galena project housing	850,000	850,000	991,254	(141,254)	-
Granite/Galena alley paving	-	-	943	(943)	-
Historic Park deck/stair replacement	-	-	-	-	11,171
Lake Hill analysis/support	20,000	20,000	-	20,000	-
Parking lot reconstruction - Public Works complex	-	-	-	-	25,595
Peninsula forestry management	-	-	-	-	22,122
PRA plan implementation	-	-	-	-	6,939
Property purchases	-	-	852,045	(852,045)	-
Storm system study	-	-	34,780	(34,780)	-
Summit Blvd. sidewalk (Walmart)	150,000	150,000	2,736	147,264	-
Tap grant	489,969	489,969	73,440	416,529	6,488
Traffic study - CDOT exit 203	112,500	112,500	112,500	-	-
Trails enhancement	90,000	90,000	61,777	28,223	67,450
Update planning documents	130,000	130,000	74,984	55,016	-
Vehicles and equipment	596,000	596,000	412,762	183,238	401,935
Wayfinding	25,000	25,000	-	25,000	-
Zoning code update	-	-	-	-	55,996
Total Expenditures - Capital Outlay	<u>6,406,077</u>	<u>6,406,077</u>	<u>5,400,413</u>	<u>1,005,664</u>	<u>1,237,006</u>

LOCAL HIGHWAY FINANCE REPORT



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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Frisco, CO
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of Town of Frisco, CO)	Prepared By: Phone:	Chad Most/Revenue Specialist (970) 668-9127

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)	678,289
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	100,225
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	961,606	b. Snow and ice removal	431,059
3. Other local imposts (from page 2)	427,856	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	431,059
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	331,814
a. Bonds - Original Issues		6. Total (1 through 5)	1,541,387
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)	1,389,462	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)		2. Notes:	
	151,925	a. Interest	
D. Receipts from Federal Government (from page 2)		b. Redemption	
	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)		3. Total (1.c + 2.c)	0
	1,541,387	C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			1,541,387

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
	0	1,541,387	1,541,387	0	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & 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	427,856	g. Other Misc. Receipts	
6. Total (1. through 5.)	427,856	h. Other	
c. Total (a. + b.)	427,856	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	137,839	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	14,086	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	14,086	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	151,925	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	112,500	741	113,241
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		360,454	360,454
(4). System Enhancement & Operation		204,594	204,594
(5). Total Construction (1) + (2) + (3) + (4)	0	565,048	565,048
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	112,500	565,789	678,289
			(Carry forward to page 1)
Notes and Comments:			

STATISTICAL SECTION

This part of the Town of Frisco'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.

Financial Trends – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the government's most significant local revenue source: Town and county sales tax.

Debt Capacity – 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.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help readers understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



Town of Frisco, Colorado
Government-wide Net Position by Category
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 27,154,318	\$ 29,823,965	\$ 30,848,672	\$ 30,105,686	\$ 30,243,989	\$ 32,040,179	\$ 34,078,693	\$ 36,042,985	\$ 35,805,489	\$ 39,594,729
Restricted	275,000	442,000	781,946	869,064	880,133	1,136,803	1,980,373	2,179,572	1,152,548	1,409,259
Unrestricted	12,581,617	8,808,664	6,648,940	8,017,252	12,710,588	12,037,042	12,679,733	14,249,460	19,684,169	21,090,459
Subtotal Governmental Activities Net Position	<u>40,010,935</u>	<u>39,074,629</u>	<u>38,279,558</u>	<u>38,992,002</u>	<u>43,834,710</u>	<u>45,214,024</u>	<u>48,738,799</u>	<u>52,472,017</u>	<u>56,642,206</u>	<u>62,094,447</u>
Business-type Activities										
Net Investment in Capital Assets	7,612,836	7,857,164	7,762,155	7,999,727	7,802,593	7,948,393	7,723,018	7,521,763	8,281,537	9,155,965
Restricted for CRCA projects	-	-	-	-	-	-	-	-	198,940	664,551
Unrestricted	4,062,075	3,877,339	4,064,798	3,992,272	4,505,019	4,791,659	5,368,258	6,095,350	5,928,610	5,707,470
Subtotal Business-type Activities Net Position	<u>11,674,911</u>	<u>11,734,503</u>	<u>11,826,953</u>	<u>11,991,999</u>	<u>12,307,612</u>	<u>12,740,052</u>	<u>13,091,276</u>	<u>13,617,113</u>	<u>14,409,087</u>	<u>15,527,986</u>
Total Primary Government Net Position	<u>\$ 51,685,846</u>	<u>\$ 50,809,132</u>	<u>\$ 50,106,511</u>	<u>\$ 50,984,001</u>	<u>\$ 56,142,322</u>	<u>\$ 57,954,076</u>	<u>\$ 61,830,075</u>	<u>\$ 66,089,130</u>	<u>\$ 71,051,293</u>	<u>\$ 77,622,433</u>

Town of Frisco, Colorado
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 2,392,573	\$ 2,636,309	\$ 2,560,698	\$ 2,618,326	\$ 2,813,821	\$ 3,014,175	\$ 3,215,368	\$ 3,372,782	\$ 3,632,450	\$ 5,805,422
Public Safety	1,400,453	1,302,380	1,272,798	1,353,334	1,441,587	1,450,837	1,311,274	1,464,245	1,517,580	1,326,397
Public Works	2,630,715	2,331,184	2,772,067	2,523,672	2,463,718	2,661,950	2,604,258	2,390,051	2,697,095	2,777,951
Community Development	1,271,179	1,153,120	1,191,969	1,051,224	1,186,800	1,194,044	1,422,842	1,512,826	1,635,078	1,838,271
Culture and Recreation	1,140,096	1,498,443	2,098,979	2,387,598	2,665,626	2,813,730	2,673,080	3,098,379	3,538,985	3,634,564
Housing	20,929	196,697	198,887	171,015	201,348	179,043	69,091	42,728	181,102	45,547
Interest on long-term debt	101,220	163,719	268,101	238,667	246,315	228,200	271,129	262,753	255,106	155,488
Total Governmental Activities Expenses	8,957,165	9,281,852	10,363,499	10,343,836	11,019,215	11,541,979	11,567,042	12,143,764	13,457,396	15,583,640
Business-type Activities:										
Interest on long-term debt	23,158	14,336	7,665	5,824	4,840	4,144	3,427	2,702	5,287	-
Water Fund	697,749	775,773	771,209	823,419	875,880	1,025,562	1,016,423	1,097,277	1,137,475	1,006,302
Marina Fund	744,159	802,476	858,980	944,530	874,024	977,565	980,887	951,376	998,766	1,231,122
Total Business-type Activities Expenses	1,465,066	1,592,585	1,637,854	1,773,773	1,754,744	2,007,271	2,000,737	2,051,355	2,141,528	2,237,424
Total Primary Government Expenses	10,422,231	10,874,437	12,001,353	12,117,609	12,773,959	13,549,250	13,567,779	14,195,119	15,598,924	17,821,064
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	236,199	287,911	287,617	298,642	339,703	439,635	433,333	350,659	288,696	263,086
Public Safety	23,278	24,407	19,982	26,717	31,499	26,898	19,356	41,461	35,748	47,275
Public Works	10,480	17,819	23,530	15,830	13,052	9,447	10,997	8,422	4,480	5,270
Community Development	206,798	209,383	225,698	213,588	263,445	274,096	287,170	194,122	290,400	468,573
Culture and Recreation	463,878	680,245	1,246,113	1,550,609	2,048,170	2,184,285	2,708,891	2,998,380	3,283,299	3,368,099
Housing	71,914	53,040	58,691	76,515	54,950	200,279	139,848	116,626	36,745	125,254
Operating Grants and Contributions	254,764	237,379	235,399	233,261	225,754	306,029	323,147	363,938	364,857	308,543
Capital Grants and Contributions	30,000	64,645	182,189	188,375	396,097	112,228	78,510	78,614	65,668	30,000
Total Governmental Activities Program Revenues	1,297,311	1,574,829	2,279,219	2,603,537	3,372,670	3,552,897	4,001,252	4,152,222	4,369,893	4,616,100
Business-type Activities:										
Charges for Services:										
Water	793,588	804,291	885,274	804,159	1,112,007	802,865	891,006	900,407	906,696	989,542
Marina	741,687	764,486	827,234	751,417	793,406	1,021,668	1,288,181	1,439,922	1,535,817	1,565,693
Operating Grants and Contributions	26,837	20,982	20,868	4,975	18,915	26,376	26,385	27,645	32,622	27,570
Capital Grants and Contributions	-	36,226	-	-	104,046	532,386	117,137	153,241	331,623	647,832
Total Business-type Activities Program Revenues	1,562,112	1,625,985	1,733,376	1,560,551	2,028,374	2,383,295	2,322,709	2,521,215	2,806,758	3,230,637
Total Program Revenues	2,859,423	3,200,814	4,012,595	4,164,088	5,401,044	5,936,192	6,323,961	6,673,437	7,176,651	7,846,737
Net (Expense)/Revenue										
Governmental Activities	(7,558,634)	(7,543,304)	(7,816,179)	(7,501,632)	(7,400,230)	(7,760,882)	(7,294,661)	(7,728,789)	(8,832,397)	(10,812,052)
Business-type Activities	120,204	47,736	103,187	(207,398)	278,470	380,168	325,399	472,562	670,517	993,213
Interest on Long Term Debt	(124,378)	(178,055)	(275,766)	(244,491)	(251,155)	(232,344)	(274,556)	(265,455)	(260,393)	(155,488)
Total Primary Government Net (Expense) Revenue	(7,562,808)	(7,673,623)	(7,988,758)	(7,953,521)	(7,372,915)	(7,613,058)	(7,243,818)	(7,521,682)	(8,422,273)	(9,974,327)
General Revenues and Transfers										
Governmental Activities:										
Taxes:										
Property Taxes	134,281	165,309	163,923	131,194	133,336	133,516	135,115	151,002	154,136	168,344
Sales and use Taxes	5,323,363	5,342,233	5,513,403	5,675,383	6,044,997	7,006,282	7,929,300	8,722,133	10,288,559	11,001,605
Real Estate Transfer Tax	501,254	565,093	792,486	805,152	920,533	1,044,365	1,487,185	1,389,027	1,293,352	1,415,715
Franchise Taxes	279,227	297,721	300,992	287,203	313,906	328,507	319,524	320,432	323,924	318,602
Lodging Taxes	246,741	239,089	261,429	285,434	325,768	388,199	426,458	471,041	490,541	534,342
Other Taxes	38,926	25,871	27,602	57,740	55,795	179,962	302,658	356,527	393,420	404,064
Transfers	41,000	42,500	42,500	62,500	(21,445)	-	-	-	-	-
Interest and Other	180,725	92,901	186,874	1,148,141	4,716,360	287,565	283,144	314,599	313,756	2,577,111
Total General Activities	6,745,517	6,770,717	7,289,209	8,452,747	12,489,250	9,368,396	10,883,384	11,724,761	13,257,888	16,419,783
Business-type Activities										
Transfers	(41,000)	(42,500)	(42,500)	(62,500)	21,445	-	-	-	-	-
Interest and Other	60,153	68,689	39,430	440,771	20,538	56,416	29,252	55,977	126,744	125,686
Total Business-type Activities	19,153	26,189	(3,070)	378,271	41,983	56,416	29,252	55,977	126,744	125,686
Total General Revenues and Transfers	6,764,670	6,796,906	7,286,139	8,831,018	12,531,233	9,424,812	10,912,636	11,780,738	13,384,432	16,545,469
Changes in Net Position										
Governmental Activities	(914,337)	(936,306)	(795,071)	712,448	4,842,705	1,379,314	3,317,594	3,733,219	4,170,185	5,452,243
Business-type Activities	116,199	59,589	92,452	165,049	315,613	432,440	351,224	525,837	791,974	1,118,899
Total Government Changes in Net Position	\$ (798,138)	\$ (876,717)	\$ (702,619)	\$ 877,497	\$ 5,158,318	\$ 1,811,754	\$ 3,668,818	\$ 4,259,056	\$ 4,962,159	\$ 6,571,142

Town of Frisco, Colorado
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011 (*)	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved for:										
Prepaid items and inventory	\$ 2,172	\$ 23,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term loans receivable	27,539	23,920	-	-	-	-	-	-	-	-
Emergencies	275,000	442,000	-	-	-	-	-	-	-	-
Unreserved:										
Designated for capital projects	10,000	10,000	-	-	-	-	-	-	-	-
Undesignated, reported in:										
General Fund	3,636,267	2,462,794	-	-	-	-	-	-	-	-
Non-Spendable	-	-	40,412	40,865	63,151	54,861	49,193	46,433	63,425	66,363
Restricted	-	-	309,000	350,000	332,000	377,000	478,000	468,000	596,000	626,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	195,282	425,285	497,510	419,941	244,002	16,396	14,637	14,662
Unassigned	-	-	2,631,208	2,944,642	3,767,001	5,045,942	5,477,024	4,736,905	4,988,690	6,585,687
Total General Fund	<u>3,950,978</u>	<u>2,962,611</u>	<u>3,175,902</u>	<u>3,760,792</u>	<u>4,659,662</u>	<u>5,897,744</u>	<u>6,248,219</u>	<u>5,267,734</u>	<u>5,662,752</u>	<u>7,292,712</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Designated for capital projects	-	274,861	-	-	-	-	-	-	-	-
Capital Improvement Fund	4,877,677	3,898,350	-	-	-	-	-	-	-	-
Other Non-Major Governmental Funds	3,101,548	1,188,048	-	-	-	-	-	-	-	-
Non-Spendable	-	-	-	-	-	-	14,070	13,194	12,597	12,140
Restricted	-	-	472,946	519,064	865,682	1,077,331	1,665,273	2,028,323	3,144,301	4,152,007
Committed	-	-	658,159	633,174	608,475	643,286	2,067,690	4,295,350	7,204,859	5,934,846
Assigned	-	-	3,232,313	4,064,942	3,169,091	1,215,757	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>7,979,225</u>	<u>5,361,259</u>	<u>4,363,418</u>	<u>5,217,180</u>	<u>4,643,248</u>	<u>2,936,374</u>	<u>3,747,033</u>	<u>6,336,867</u>	<u>10,361,757</u>	<u>10,098,993</u>
Total Governmental Funds										
Reserved	304,711	489,817	-	-	-	-	-	-	-	-
Unreserved	11,625,492	7,834,053	-	-	-	-	-	-	-	-
Non-Spendable	-	-	40,412	40,865	63,151	54,861	63,263	59,627	76,022	78,503
Restricted	-	-	781,946	869,064	1,197,682	1,454,331	2,143,273	2,496,323	3,740,301	4,778,007
Committed	-	-	658,159	633,174	608,475	643,286	2,067,690	4,295,350	7,204,859	5,934,846
Assigned	-	-	3,427,595	4,490,227	3,666,601	1,635,698	244,002	16,396	14,637	14,662
Unassigned	-	-	2,631,208	2,944,642	3,767,001	5,045,942	5,477,024	4,736,905	4,988,690	6,585,687
Total Governmental Funds Balance	<u>\$ 11,930,203</u>	<u>\$ 8,323,870</u>	<u>\$ 7,539,320</u>	<u>\$ 8,977,972</u>	<u>\$ 9,302,910</u>	<u>\$ 8,834,118</u>	<u>\$ 9,995,252</u>	<u>\$ 11,604,601</u>	<u>\$ 16,024,509</u>	<u>\$ 17,391,705</u>

(*) GASB Statement No. 54 was implemented in 2011, changing fund balance categories.

Town of Frisco, Colorado
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues										
Taxes	\$ 6,523,791	\$ 6,636,888	\$ 7,059,836	\$ 7,242,107	\$ 7,794,319	\$ 9,080,831	\$ 10,600,007	\$ 11,410,162	\$ 12,943,932	\$ 13,842,672
Licenses, Permits, and Fees	320,102	348,234	366,526	379,410	429,595	604,633	554,513	459,556	482,663	746,210
Intergovernmental Revenue	268,260	269,820	359,307	353,497	249,217	251,625	260,675	264,873	325,407	333,474
Charges for Services	689,490	919,204	1,473,766	1,810,988	2,299,298	2,527,796	3,042,026	3,379,179	3,526,155	3,521,279
Investment Income	141,463	79,631	46,219	24,054	18,426	26,019	25,702	68,115	115,715	289,622
Capital Interest Subsidy	-	-	52,189	52,189	48,040	48,405	48,510	48,614	35,668	-
Rental Income	-	-	-	-	-	-	-	-	-	6,938
Reimbursements	-	-	-	-	318,057	33,823	-	-	-	-
Miscellaneous	70,845	71,026	128,057	135,166	94,419	97,401	116,920	119,634	50,820	66,758
Total Revenues	<u>8,013,951</u>	<u>8,324,803</u>	<u>9,485,900</u>	<u>9,997,411</u>	<u>11,251,371</u>	<u>12,670,533</u>	<u>14,648,353</u>	<u>15,750,133</u>	<u>17,480,360</u>	<u>18,806,953</u>
Expenditures										
General Government	2,300,605	2,344,072	2,392,648	2,233,891	2,501,631	2,869,845	2,974,825	3,101,416	3,172,809	3,762,670
Public Safety	1,301,162	1,247,748	1,222,019	1,316,176	1,411,394	1,405,463	1,289,834	1,464,557	1,473,245	1,404,537
Community Development	1,255,222	1,153,994	1,232,307	1,229,758	1,347,553	1,327,128	1,398,025	1,492,743	1,614,258	1,821,221
Public Works	1,597,000	1,627,492	1,703,666	1,674,290	1,700,686	1,748,004	1,635,124	1,680,766	1,832,232	1,891,301
Culture and Recreation	1,037,660	1,436,439	1,599,962	1,773,975	1,939,011	2,068,343	2,244,931	2,454,242	2,907,825	3,024,286
Capital Outlay	1,463,891	6,578,913	1,695,474	779,913	1,819,204	3,479,100	5,481,490	3,147,180	1,368,598	7,243,333
Debt Service:										
Cost of issuance	-	127,831	-	-	-	-	-	-	74,559	-
Principal	172,778	219,186	277,534	409,078	502,582	665,122	780,197	578,488	524,621	274,712
Interest	95,368	146,135	219,859	828,328	211,538	206,668	244,383	246,992	212,837	145,370
Total Expenditures	<u>9,223,686</u>	<u>14,881,810</u>	<u>10,343,469</u>	<u>10,245,409</u>	<u>11,433,599</u>	<u>13,769,673</u>	<u>16,048,809</u>	<u>14,166,384</u>	<u>13,180,984</u>	<u>19,567,430</u>
Excess of Revenues										
Over/(Under) Expenditures	<u>(1,209,735)</u>	<u>(6,557,007)</u>	<u>(857,569)</u>	<u>(247,998)</u>	<u>(182,228)</u>	<u>(1,099,140)</u>	<u>(1,400,456)</u>	<u>1,583,749</u>	<u>4,299,376</u>	<u>(760,477)</u>
Other Financing Sources/(Uses)										
Certificate of Participation proceeds	-	4,450,000	-	-	-	-	-	-	2,487,000	-
Premium on COPs issued	-	20,791	-	-	-	-	-	-	-	-
Capital interest subsidy	-	24,645	-	-	-	-	-	-	-	-
Payment to refund bond escrow agent	-	(1,917,775)	-	-	-	-	-	-	(2,412,441)	-
Lease Purchase Proceeds	-	366,579	-	494,859	370,922	477,184	1,765,000	-	-	-
Sales of Assets	36,799	6,436	73,020	1,191,790	136,240	153,163	796,590	25,600	45,973	2,127,677
Transfers In	-	2,700,000	-	-	-	-	-	-	3,350,000	2,191,510
Transfers Out	-	(2,700,000)	-	-	-	-	-	-	(3,350,000)	(2,191,510)
Total Other Financing Sources (Uses)	<u>36,799</u>	<u>2,950,676</u>	<u>73,020</u>	<u>1,686,649</u>	<u>507,162</u>	<u>630,347</u>	<u>2,561,590</u>	<u>25,600</u>	<u>120,532</u>	<u>2,127,677</u>
Net Change in Fund Balances	<u>\$ (1,172,936)</u>	<u>\$ (3,606,331)</u>	<u>\$ (784,549)</u>	<u>\$ 1,438,651</u>	<u>\$ 324,934</u>	<u>\$ (468,793)</u>	<u>\$ 1,161,134</u>	<u>\$ 1,609,349</u>	<u>\$ 4,419,908</u>	<u>\$ 1,367,200</u>
Debt Service as a Percentage of Noncapital Expenditures	3.5%	4.4%	5.8%	13.1%	7.4%	8.5%	9.7%	7.5%	6.2%	3.4%

Town of Frisco, Colorado
General Governmental Tax Revenues by Source
(Major Component of Revenue Base)
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenue Source										
City Sales Tax	\$ 2,532,695	\$ 2,577,170	\$ 2,643,657	\$ 2,727,768	\$ 2,916,281	\$ 3,397,819	\$ 3,842,561	\$ 4,189,692	\$ 4,372,568	\$ 4,679,210
County Sales Tax	2,651,259	2,618,520	2,741,574	2,810,720	2,979,759	3,444,028	3,899,533	4,328,048	4,630,816	4,928,635
Housing Authority Tax	139,408	146,438	128,311	136,896	148,941	164,435	186,973	204,393	1,285,174	1,393,760
Property Tax	128,221	159,896	158,539	126,029	127,301	126,849	128,253	143,493	145,468	158,901
Lodging Tax	246,741	239,089	261,290	285,434	325,768	388,199	426,458	471,041	490,541	534,342
Real Estate Investment Fee Tax	501,254	565,093	792,486	805,152	920,533	1,044,365	1,487,185	1,389,027	1,293,353	1,415,715
Franchise Tax	279,227	297,721	300,992	287,203	313,906	328,507	319,524	320,432	323,924	318,602
Specific Ownership Tax	6,060	5,413	5,384	5,165	6,035	6,667	6,862	7,509	8,668	9,443
Miscellaneous Tax	38,926	27,547	27,602	57,740	55,795	179,962	302,658	356,527	393,420	404,064
Total Revenues	<u>\$ 6,523,791</u>	<u>\$ 6,636,887</u>	<u>\$ 7,059,835</u>	<u>\$ 7,242,107</u>	<u>\$ 7,794,319</u>	<u>\$ 9,080,831</u>	<u>\$ 10,600,007</u>	<u>\$ 11,410,162</u>	<u>\$ 12,943,932</u>	<u>\$ 13,842,672</u>
% change from prior year	-16.1%	1.7%	6.4%	2.6%	7.6%	16.5%	16.7%	7.6%	13.4%	6.9%
Percentage of Total										
City Sales Tax	38.8%	38.8%	37.4%	37.7%	37.4%	37.4%	36.3%	36.7%	33.8%	33.8%
County Sales Tax	40.6%	39.5%	38.8%	38.8%	38.2%	37.9%	36.8%	37.9%	35.8%	35.6%
Housing Authority Tax	2.1%	2.2%	1.8%	1.9%	1.9%	1.8%	1.8%	1.8%	9.9%	10.1%
Property Tax	2.0%	2.4%	2.2%	1.7%	1.6%	1.4%	1.2%	1.3%	1.1%	1.1%
Lodging Tax	3.8%	3.6%	3.7%	3.9%	4.2%	4.3%	4.0%	4.1%	3.8%	3.9%
Real Estate Investment Fee Tax	7.7%	8.5%	11.2%	11.1%	11.8%	11.5%	14.0%	12.2%	10.0%	10.2%
Franchise Tax	4.3%	4.5%	4.3%	4.0%	4.0%	3.6%	3.0%	2.8%	2.5%	2.3%
Specific Ownership Tax	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Miscellaneous Tax	0.6%	0.4%	0.4%	0.8%	0.7%	2.0%	2.9%	3.1%	3.0%	2.9%
Total Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: Town of Frisco Financial Statements

Town of Frisco, Colorado
Taxable Sales and Sales Tax Collections by Category
Last Ten Fiscal Years

	2009		2010		2011		2012		2013		2014		2015		2016		2017		2018			
Taxable Sales																						
Retail - General	\$ 32,932,800	25%	\$33,022,900	25%	\$ 35,877,800	27%	\$37,765,575	27%	\$ 38,616,625	26%	\$38,779,875	23%	\$40,289,125	21%	\$41,582,225	20%	\$42,519,550	19%	\$46,533,150	19%	\$46,533,150	19%
Grocery	18,838,975	15%	17,481,150	13%	17,482,825	13%	17,006,300	12%	27,351,950	19%	30,163,475	18%	38,176,500	20%	43,208,775	20%	48,184,100	21%	48,818,750	20%	48,818,750	20%
Restaurants	22,208,200	17%	23,241,375	18%	24,423,825	18%	25,124,850	18%	17,475,500	12%	29,173,050	17%	33,167,975	17%	36,662,925	17%	37,483,825	17%	40,972,200	17%	40,972,200	17%
Hotels & Inns	8,007,925	6%	7,872,025	6%	8,158,625	6%	9,174,875	7%	9,872,450	7%	11,744,800	7%	12,671,570	7%	13,103,850	6%	12,961,625	6%	13,576,850	6%	13,576,850	6%
Utility	8,825,200	7%	9,793,225	8%	8,851,300	7%	8,245,450	6%	9,122,625	6%	10,014,700	6%	10,087,375	5%	10,022,475	5%	10,388,350	5%	10,023,600	4%	10,023,600	4%
Home Improvement	7,328,200	6%	6,317,750	5%	6,723,675	5%	6,872,700	5%	7,092,675	5%	8,489,475	5%	9,262,600	5%	10,704,500	5%	12,575,300	6%	16,000,550	7%	16,000,550	7%
Automotive	7,062,275	5%	6,870,225	5%	7,559,800	6%	6,889,925	5%	7,709,400	5%	8,060,875	5%	8,466,700	4%	9,318,900	4%	9,076,550	4%	8,566,450	4%	8,566,450	4%
Recreation	6,305,875	5%	6,811,950	5%	7,031,000	5%	6,400,750	5%	7,572,575	5%	7,657,350	4%	8,955,050	5%	9,413,650	4%	9,232,025	4%	9,865,900	4%	9,865,900	4%
Liquor	4,458,375	3%	4,397,400	3%	4,587,250	3%	4,791,875	3%	5,331,200	4%	5,806,625	3%	7,661,150	4%	8,658,600	4%	8,797,750	4%	9,614,100	4%	9,614,100	4%
Home Furnishings	3,875,100	3%	4,042,775	3%	3,735,975	3%	4,477,825	3%	5,090,125	3%	5,647,100	3%	6,097,875	3%	8,037,600	4%	8,485,400	4%	7,954,225	3%	7,954,225	3%
Vacation Rentals	3,262,950	3%	3,119,725	2%	3,271,550	2%	3,915,200	3%	4,347,575	3%	5,284,475	3%	6,059,050	3%	7,315,175	3%	9,508,150	4%	11,560,775	5%	11,560,775	5%
Clothing	1,901,575	1%	2,115,600	2%	2,255,175	2%	2,492,750	2%	2,779,150	2%	2,937,025	2%	3,119,125	2%	3,822,725	2%	4,280,900	2%	4,620,075	2%	4,620,075	2%
Gifts	1,635,575	1%	1,462,525	1%	1,771,250	1%	2,326,925	2%	2,193,025	1%	2,683,600	2%	2,871,750	1%	3,129,850	1%	2,958,025	1%	3,170,775	1%	3,170,775	1%
Marijuana	-	0%	-	0%	-	0%	-	0%	-	0%	2,406,450	1%	4,319,100	2%	5,327,100	2%	5,911,925	3%	5,943,125	2%	5,943,125	2%
Health & Beauty	821,150	1%	1,458,575	1%	1,234,600	1%	1,274,900	1%	1,416,300	1%	1,915,850	1%	1,966,850	1%	1,442,575	1%	1,426,850	1%	1,635,450	1%	1,635,450	1%
Office	1,245,450	1%	1,180,875	1%	974,375	1%	941,050	1%	900,750	1%	860,775	1%	866,350	0%	947,325	0%	1,107,450	0%	1,207,800	1%	1,207,800	1%
Arts & Crafts	889,175	1%	848,700	1%	832,100	1%	883,750	1%	788,800	1%	699,250	0%	672,875	0%	487,275	0%	398,700	0%	406,575	0%	406,575	0%
Total	\$129,598,800	100%	\$130,036,575	100%	\$134,771,125	100%	\$138,584,700	100%	\$147,630,825	100%	\$171,324,750	100%	\$193,811,200	100%	\$213,185,525	100%	\$225,296,475	100%	\$240,470,350	100%	\$240,470,350	100%

	2009 (*)		2010 (*)		2011 (*)		2012 (*)		2013 (*)		2014 (*)		2015 (*)		2016 (*)		2017 (*)		2018 (*)			
Sales Tax Collected																						
Retail - General	\$ 1,317,312	25%	\$ 1,320,916	25%	\$ 1,435,112	27%	\$ 1,510,623	27%	\$ 1,544,665	26%	\$ 1,551,195	23%	\$ 1,611,565	21%	\$ 1,663,289	20%	\$ 1,700,782	19%	\$ 1,861,326	19%	\$ 1,861,326	19%
Grocery	753,559	15%	\$699,246	13%	699,313	13%	680,252	12%	699,020	12%	1,206,539	18%	1,527,060	20%	1,728,351	20%	1,927,364	21%	1,952,750	20%	1,952,750	20%
Restaurants	888,328	17%	\$929,655	18%	976,953	18%	1,004,994	18%	1,094,078	19%	1,166,922	17%	1,326,719	17%	1,466,517	17%	1,499,353	17%	1,638,888	17%	1,638,888	17%
Hotels & Inns	320,317	6%	\$314,881	6%	326,345	6%	369,995	7%	364,905	6%	469,792	7%	506,870	7%	524,154	6%	518,465	6%	543,074	6%	543,074	6%
Utility	353,008	7%	\$391,729	8%	354,052	7%	329,818	6%	394,898	7%	400,588	6%	403,495	5%	400,899	5%	415,534	5%	400,944	4%	400,944	4%
Home Improvement	293,128	6%	\$252,710	5%	268,947	5%	274,908	5%	283,707	5%	339,579	5%	370,504	5%	428,180	5%	503,012	6%	640,022	7%	640,022	7%
Automotive	282,491	5%	\$274,809	5%	302,392	6%	275,597	5%	308,376	5%	322,435	5%	338,668	4%	372,756	4%	363,062	4%	342,658	4%	342,658	4%
Recreation	252,235	5%	\$272,478	5%	281,240	5%	256,030	5%	302,903	5%	306,294	4%	358,202	5%	376,546	4%	369,281	4%	394,636	4%	394,636	4%
Liquor	178,335	3%	\$175,896	3%	183,490	3%	191,675	3%	213,248	4%	232,265	3%	306,446	4%	346,344	4%	351,910	4%	384,564	4%	384,564	4%
Home Furnishings	155,004	3%	\$161,711	3%	149,439	3%	179,113	3%	203,605	3%	225,884	3%	243,915	3%	321,504	4%	339,416	4%	318,169	3%	318,169	3%
Vacation Rentals	130,518	3%	\$124,789	2%	130,862	2%	156,608	3%	173,903	3%	211,379	3%	242,362	3%	292,607	3%	380,326	4%	462,431	5%	462,431	5%
Clothing	76,063	1%	\$84,624	2%	90,207	2%	99,710	2%	111,166	2%	117,481	2%	124,765	2%	152,909	2%	171,236	2%	184,803	2%	184,803	2%
Gifts	65,423	1%	\$58,501	1%	70,850	1%	93,077	2%	87,721	1%	107,344	2%	114,870	1%	125,194	1%	118,321	1%	126,831	1%	126,831	1%
Marijuana	-	0%	-	0%	-	0%	-	0%	-	0%	96,258	1%	172,764	2%	213,084	2%	236,477	3%	237,725	2%	237,725	2%
Health & Beauty	32,846	1%	\$58,343	1%	49,384	1%	50,996	1%	56,652	1%	36,634	1%	42,674	1%	57,703	1%	57,074	1%	65,418	1%	65,418	1%
Office	49,818	1%	\$47,227	1%	38,975	1%	37,642	1%	36,030	1%	34,431	1%	34,654	0%	37,893	0%	44,298	0%	48,312	1%	48,312	1%
Arts & Crafts	35,567	1%	\$33,948	1%	33,284	1%	35,350	1%	30,356	1%	27,970	0%	26,915	0%	19,491	0%	15,948	0%	16,263	0%	16,263	0%
Total	\$5,183,952	100%	\$5,201,463	100%	\$5,390,845	100%	\$5,543,388	100%	\$5,905,233	100%	\$6,852,990	100%	\$7,752,448	100%	\$8,527,421	100%	\$9,011,859	100%	\$9,618,814	100%	\$9,618,814	100%

Revenues and sales taxes are reported by category. Publication of revenues and sales taxes paid by a specific individual business is prohibited (Frisco Town Code Section 160-3.3).

Source: Town of Frisco Sales Tax Reports

(*) Sales tax collected includes penalties and interest for late filings.

**Town of Frisco, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Town of Frisco	Summit County	State of Colorado	Special District SCHA	Total
2009	2.00%	2.75%	2.90%	0.125%	7.775%
2010	2.00%	2.75%	2.90%	0.125%	7.775%
2011	2.00%	2.75%	2.90%	0.125%	7.775%
2012	2.00%	2.75%	2.90%	0.125%	7.775%
2013	2.00%	2.75%	2.90%	0.125%	7.775%
2014	2.00%	2.75%	2.90%	0.125%	7.775%
2015	2.00%	2.75%	2.90%	0.125%	7.775%
2016	2.00%	2.75%	2.90%	0.125%	7.775%
2017	2.00%	2.75%	2.90%	0.725%	8.375%
2018	2.00%	2.75%	2.90%	0.725%	8.375%

SCHA = Summit Combined Housing Authority

Source: Town of Frisco

Town of Frisco, Colorado
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 (1)	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2009	120,968,250	58,622,980	10,764,800	2,132,760	(7,098,250)	192,488,790	0.798	1,766,355,300	10.90%
2010	121,948,300	58,252,590	9,515,580	2,261,970	(7,088,055)	191,978,840	0.798	1,773,527,010	10.82%
2011	97,099,380	50,124,330	7,915,720	2,535,720	(6,897,170)	157,675,150	0.798	1,428,753,740	11.04%
2012	98,265,000	49,966,770	8,024,510	3,289,950	(7,152,781)	159,546,230	0.798	1,445,828,980	11.03%
2013	97,741,030	49,960,620	7,781,030	3,485,300	(7,144,447)	158,967,980	0.798	1,439,060,360	11.05%
2014	99,013,910	51,214,520	7,145,550	3,408,490	(7,145,527)	160,782,470	0.798	1,456,917,990	11.04%
2015	111,708,420	57,215,610	7,552,220	3,453,070	(7,285,660)	179,929,320	0.798	1,638,616,050	10.98%
2016	113,382,220	59,152,950	6,161,630	3,475,090	(7,569,380)	182,171,890	0.798	1,661,604,940	10.96%
2017	122,504,530	66,069,220	7,028,550	3,605,210	(7,331,050)	199,207,520	0.798	1,965,945,320	10.13%
2018	123,094,770	66,599,240	7,027,120	3,433,300	(7,448,810)	200,154,430	0.798	1,941,086,430	10.31%

(1) Tax-Exempt Property is not included in any other columns and therefore is not taken out of Total Taxable Assessed Value

Source: Summit County Assessor's Office

**Town of Frisco, Colorado
Property Tax Levies and Collections
Last Ten Fiscal Years**

Tax Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Levy
2008	2009	129,434	128,005	98.90%	(46)	127,959	98.86%
2009	2010	153,606	152,802	99.48%	752	153,554	99.97%
2010	2011	153,199	152,900	99.80%	(328)	152,572	99.59%
2011	2012	125,825	125,556	99.79%	195	125,751	99.94%
2012	2013	127,318	127,135	99.86%	(43)	127,092	99.82%
2013	2014	126,849	126,677	99.86%	(72)	126,605	99.81%
2014	2015	128,304	127,899	99.68%	162	128,061	99.81%
2015	2016	143,584	143,261	99.78%	(2)	143,259	99.77%
2016	2017	145,373	145,199	99.88%	97	145,296	99.95%
2017	2018	158,968	158,625	99.78%	70	158,695	99.83%

Property taxes are levied in year X1 and are paid in the following year X2

Source: Summit County Treasurer's Office

**Town of Frisco, Colorado
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Direct	Overlapping			Total	
	Town of Frisco	Summit County	Summit School District	Lake Dillon Fire Protection District		Frisco Sanitation District
2009	0.798	12.602	20.936	8.295	0.000	42.631
2010	0.798	12.595	18.364	8.279	0.000	40.036
2011	0.798	12.796	20.202	8.284	0.000	42.080
2012	0.798	12.824	20.031	9.021	0.000	42.674
2013	0.798	12.789	20.275	9.014	0.000	42.876
2014	0.798	15.173	20.135	9.016	0.000	45.122
2015	0.798	15.072	19.618	9.026	0.000	44.514
2016	0.798	15.086	21.151	9.023	0.000	46.058
2017	0.798	14.986	20.525	9.003	0.000	45.312
2018	0.798	19.643	20.417	9.007	0.000	49.865

Sources: Summit County Assessor's Office, Summit County School District, Lake Dillon Fire District, Town of Frisco Financial Statements

**Town of Frisco, Colorado
Legal Debt Margin
Fiscal Year 2018**

	Assessed Value
Maximum Debt Allowed:	
Actual Value	1,941,086,430
Debt Limit (3% of valuation)	0.03
Legal Debt Limit	\$ 58,232,593
Debt Applicable to Limit:	
Total Bonds Outstanding	\$ 476,526
Less: Sales and Use Tax Revenue Bonds	-
Debt Subject to Limitation	\$ 476,526
Debt Limit	\$ 58,232,593
less: Total Net Debt Applicable to Limit	476,526
Legal Debt Margin	\$ 57,756,067
 Total Net Debt Applicable to Limit as a percentage of debt limit	0.8%

Note: Per Colorado Revised Statutes, Section 31-15-302, legal debt margin is limited to 3% of actual taxable value, excepting general obligation debt serviced by enterprise funds and revenue bonds.

Sources: Summit County Assessor's Office and Town of Frisco Financial Statements

Town of Frisco, Colorado
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Median Family Income (1)	Outstanding Debt per Median Income	Population	Outstanding Debt Per Capita
	Capital Leases	Certificates of Participation	Ground Lease and Lease Option	Notes Payable					
2009	132,405	1,765,000	-	-	1,897,405	85,100	4.49%	2,852	665
2010	354,797	4,395,790	-	-	4,750,587	87,200	1.84%	2,694	1,763
2011	237,263	4,232,281	-	-	4,469,544	88,600	1.98%	2,675	1,671
2012	488,044	4,064,070	-	-	4,552,114	89,800	1.97%	2,712	1,679
2013	526,384	3,891,168	-	-	4,417,552	92,100	2.08%	2,753	1,605
2014	508,445	3,718,584	-	-	4,227,029	90,800	2.15%	2,829	1,494
2015	1,668,248	3,541,319	-	-	5,209,567	86,600	1.66%	2,890	1,803
2016	1,269,759	3,359,381	-	-	4,629,140	81,500	1.76%	2,931	1,579
2017	3,504,698	672,780	-	-	4,177,478	88,600	2.12%	3,123	1,338
2018	3,424,986	476,526	-	-	3,901,512	90,600	2.32%	*	*

* Statistics not yet released for 2018

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
Population and Personal Income information is found in the Demographic and Economic Statistics schedule.

Sources: State of Colorado, Department of Local Affairs (DOLA), Demography Office, Town of Frisco Financial Statements

(1) Information from the Summit Combined Housing Authority's Annual Area Median Income (AMI) for a four-person household, Summit County only.

Town of Frisco, Colorado
Computation of Direct and Overlapping Debt
Fiscal Year 2018

<u>Jurisdiction</u>	<u>2018 Assessed Value</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Town</u>	<u>Amount Applicable to Town</u>
Direct Debt:				
Town of Frisco	\$ 200,154,430	\$ 3,901,512	100.00%	\$ 3,901,512
<i>Total Direct Debt</i>		<u>3,901,512</u>		
Summit County	1,897,719,190	-	10.55%	-
Summit School District	1,883,475,430	84,705,000	10.63%	9,001,488
Lake Dillon Fire Protection District	871,675,960	-	22.96%	-
Frisco Sanitation District	215,160,240	-	93.03%	-
<i>Total Direct and Overlapping Debt</i>		<u>84,705,000</u>		
Total Direct and Overlapping Debt				<u><u>\$ 12,903,000</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Summit County Assessor's Office. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of outstanding debt of those overlapping governments that are borne by the residents and businesses of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**Town of Frisco, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Frisco Population (1)	Summit County Population (1)	Median Family Income (2)	Per Capita Income (3)	School Enrollment (4)	Unemployment Rate (5)
2009	2,852	27,783	85,100	41,321	816	6.40%
2010	2,694	28,073	87,200	42,835	811	7.80%
2011	2,675	27,906	88,600	44,800	815	7.50%
2012	2,712	28,145	89,800	46,220	815	7.20%
2013	2,753	28,637	92,100	49,369	770	4.40%
2014	2,829	29,404	90,800	50,685	807	3.40%
2015	2,890	29,928	86,600	54,615	832	2.50%
2016	2,931	30,367	81,500	58,386	963	2.10%
2017	3,123	30,555	88,600	64,446	965	1.50%
2018	*	*	90,600	*	1,014	1.60%

* Statistics not yet released for 2018

Sources:

- (1) Information from the State of Colorado, Department of Local Affairs (DOLA), Demography Office.
- (2) Information from the Summit Combined Housing Authority's Annual Area Median Income (AMI) for a four person household, Summit County only.
- (3) Bureau of Economic Analysis, U.S. Department of Commerce, Summit County only
- (4) Summit County School District
- (5) Colorado Department of Labor and Employment - LMI Gateway, Summit County

**Town of Frisco, Colorado
Principal Employers
Fiscal Year 2018**

Employer	Employee # Range 2017	(1) Percentage of Total County Employment
St. Anthony Summit Medical Center *	100 - 249	0.005 - 0.013%
Summit High School *	100 - 249	0.005 - 0.013%
Whole Foods	100 - 249	0.005 - 0.013%
KCNC	100 - 249	0.005 - 0.013%
Wal-Mart	100 - 249	0.005 - 0.013%
Summit Middle School *	50 - 99	0.005 - 0.013%
Baymont Inn & Suites-Lake Dillon	50 - 99	0.003 - 0.005%
Holiday Inn Frisco	50 - 99	0.003 - 0.005%
Safeway	50 - 99	0.003 - 0.005%
Summit County Ambulance *	50 - 99	0.003 - 0.005%
Summit Stage *	50 - 99	0.003 - 0.005%
Town of Frisco	50 - 99	0.003 - 0.005%
(1) Total Employees within Summit County:	20,273	

* Business not within municipal limits of the Town of Frisco

Number of employees is only given in ranges

(1) Colorado LMI Gateway
Unable to get total employees within Town of Frisco
Information is not available for previous years

Town of Frisco, Colorado
Full-Time Equivalent Town Government Employees by Function / Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government *	9	9	9	9	8	9	9	9	9	10
Public Safety	15	15	15	15	16	15	16	17	17	17
Public Works	19	19	19	19	19	19	19	20	21	21
Community Development	6	6	6	6	6	6	6	6	6	8
Culture and Recreation	6	11	11	11	14	14	16	17	19	21
Water	3	3	3	3	3	3	4	4	3	3
Marina	2	2	2	2	3	3	3	3	4	4
Total	60	65	65	65	69	69	73	76	79	84

Note: Full-time equivalents are for budgeted positions as of December 31st.

Source: Town of Frisco Human Resources

* Does not include Town Council (7)

Town of Frisco, Colorado
Operating Indicators by Function
Fiscal Years 2009 - 2018

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>General Government</u>										
Council meetings	19	20	20	22	20	22	21	25	25	24
Business licenses	1,135	1,193	1,321	1,357	1,464	1,457	1,472	1,498	1,539	1,539
Sales tax licenses	830	848	900	934	967	1,003	1,034	1,096	1,117	1,257
Elections	1	1	0	0	1	0	0	1	0	1
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8	8
Physical arrests	146	141	176	215	175	157	186	135	116	133
Traffic violations	1,079	1,411	1,288	951	631	883	638	653	367	501
Parking violations	22	23	35	22	16	44	30	23	49	80
<u>Public Works</u>										
Miles of streets	17.75	17.75	17.75	18	18	18	18	18	19	19
Total Town area (square miles)	2	2	2	2	2	2	2	2	2	2
<u>Community Development</u>										
Building permits issued	145	154	167	158	169	157	209	190	196	239
COs issued	32	35	124	91	83	73	46	59	52	72
Planning Commission meetings	18	18	13	15	16	16	14	14	24	20
<u>Culture and Recreation</u>										
Parks	10	10	10	10	10	10	10	10	10	10
Historic Park and Museum	1	1	1	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1	1	1	1
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2
Miles of trails	11.5	11.5	11.5	12	12	12	12	12	12	12
Nordic ski trails	43 km	43 km	43 km	43 km	43 km	43 km	43 km	43 km	43 km	43 km
Outdoor ice rinks	1	1	1	1	1	1	1	1	1	1
Baseball, soccer, and multi-use fields	2	2	2	2	2	2	2	2	2	2
Bike Park	0	0	1	1	1	1	1	1	1	1
<u>Housing</u>										
Impact Fees (\$2 or less/sq ft, new construction)	21,024 sq ft	34,626 sq ft	29,812 sq ft	45,101 sq ft	40,613 sq ft	105,053 sq ft	85,066 sq ft	70,176 sq ft	24,035 sq ft	69,580 sq ft
<u>Municipal Water</u>										
Number of water service connections	1,916	1,925	2,105	1,903	1,906	1,935	1,954	1,960	1,998	2,036
Daily average water consumption in million gallons	0.758 mgd	0.786 mgd	0.658 mgd	0.740 mgd	0.607 mgd	0.600 mgd	0.617 mgd	.657 mgd	.736 mgd	.699 mgd
Miles of water mains	32.5	32.5	32.5	32.5	32.8	33	33	33	33	33
<u>Marina</u>										
Service and storage buildings	3	4	4	4	4	4	4	4	4	4
Offices	1	1	1	1	1	1	1	1	1	1
Lighthouses	1	1	1	1	1	1	1	1	1	1
Restaurants	1	1	1	1	1	1	1	1	1	1
Docks	11	11	11	13	12	12	11	12	12	12
Paddle boats	36	44	45	45	62	33	36	56	31	53
Power boats	13	15	14	14	14	10	14	14	13	12

Source: Town of Frisco Human Resources