

Town of Frisco, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013



**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, 2013**

Table of Contents

	Page(s)
INTRODUCTORY SECTION	
Letter of Transmittal	i – vi
Certificate of Achievement for Excellence in Financial Reporting – 2012	vii
Organizational Chart	viii
List of Elected and Administrative Officials	ix
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	A1 – A2
Management’s Discussion and Analysis	B1 – B8
Government-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	C3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	C4
Statement of Net Position – Proprietary Funds	C5
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	C6
Statement of Cash Flows – Proprietary Funds	C7
Notes to the Financial Statements	D1 – D23
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund	E1 – E2
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Special Revenue Funds:	
Capital Improvement Fund	E3

**Town of Frisco, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013
(continued)**

Table of Contents

	Page(s)
FINANCIAL SECTION (continued)	
Supplementary Information:	
Combining Balance Sheet – Non-major Governmental Funds	F1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	F2
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Special Revenue Funds:	
Conservation Trust Fund	F3
Summit County Housing Authority 5A Fund	F4
Insurance Reserve Fund	F5
Lodging Tax Fund	F6
Open Space Fund	F7
Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Enterprise Fund – Water Fund	F8
Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Enterprise Fund – Marina Fund	F9
Capital Improvement Fund - Schedule of Capital Outlay Expenditures – Budget (GAAP Basis) and Actual	F10
Local Highway Finance Report	F11 – F12
STATISTICAL SECTION	
Government-wide Net Position by Category	G1
Changes in Net Position	G2
Fund Balances – Governmental Funds	G3
Changes in Fund Balances – Governmental Funds	G4
General Government Tax Revenues by Source	G5
Taxable Sales and Sales Tax Collections by Category	G6
Direct and Overlapping Sales Tax Rates	G7
Assessed Value and Actual Value of Taxable Property	G8
Property Tax Levies and Collections	G9

**Town of Frisco, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013
(continued)**

Table of Contents

	Page(s)
STATISTICAL SECTION (continued):	
Direct and Overlapping Property Tax Rates	G10
Legal Debt Margin	G11
Ratios of Outstanding Debt by Type	G12
Computation of Direct and Overlapping Debt	G13
Demographic and Economic Statistics	G14
Principal Employers	G15
Full Time Equivalent Town Government Employees by Function/ Program	G16
Operating Indicators by Function	G17



TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

May 30, 2014

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, 2013. 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, 2013 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, now, 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 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 we continue to develop into a modern, sustainable, family-oriented community.

The Town of Frisco currently has approximately 2,700 full-time residents and became officially chartered as a Colorado home-rule municipality in 1988. The Town is approximately 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

TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

mountain range, and is bordered on the east by Lake Dillon reservoir. Frisco 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 also 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 the 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. 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 2013, 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

TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

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 of many world-class ski resorts and a wide variety of other outdoor recreational attractions, including Lake Dillon and millions of acres of protected wilderness, draw 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, Holiday Inn, Best Western, six (6) 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 2013 continued to include 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 2013 included Wal-Mart, Safeway, Town of Frisco, Holiday Inn, Best Western 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 in Frisco and in Summit County, commute from other areas.

The Town continues to be financially sound. The effects of a national economic downturn became apparent locally at the end of 2008, and 2009 was a very challenging year. In 2010 and 2011, revenues began to stabilize and solid growth once again returned in 2012 and 2013. 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. Council also had the flexibility to approve various capital project expenditures that otherwise might not have occurred.

TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

A recent review of the Town's financial position 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. These COPs, along with a small number of vehicle and equipment leases, constitute the Town's debt liabilities.

The primary challenge Frisco faces in both the short- and long-term continues to be a dependence on sales tax revenues. In 2013, sales tax revenues comprised slightly more than 65% 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. Since then, local compliance rates have surged. The 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 recently came to terms on an agreement to bring regional organic grocer Whole Foods, Inc. to the site; the grand opening occurred at the end of April 2014. Additional restaurants and retailers are expected in the near future. Revitalization of the Town's two commercial areas, Main Street and Summit Boulevard, also continues to be a priority. 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 aims 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. The third winter season of operations ended in April of 2013 and was a tremendous success. The Town will revisit the Peninsula Recreation Area Master Plan in 2014 to prioritize possible upgrades in the future. The Town anticipates that these facilities will 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. In addition, the conservative budgetary and reserve philosophies that form the basis of revenue and expenditure decisions continue to provide for some flexibility.

Additional challenges for the Town of Frisco include national economic uncertainty, the approach of both residential and commercial build-out, and affordable housing issues. To address the uncertainty of the short- and long-term economic outlook throughout 2009 and 2010, the Town reduced expenditures, drew down reserve balances, instituted merit and limited hiring freezes, and considered possible reductions to the level of governmental service. Efforts continue to ensure that projected expenditures are in line with projected revenues. 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 properties, particularly in the Rocky Mountain region, has driven the price of housing up, sometimes 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. Citizens of Summit County approved a measure in late 2006 enacting a 0.125% additional sales tax and an impact fee on new construction that will fund affordable housing projects. The

TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

Town realizes, however, that the relatively small amount of revenue generated, though a step in the right direction, will not entirely address the problem. As such, 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 are currently underway. The Town Council remains committed to addressing attainable housing issues moving forward.

The most significant capital projects in 2013 were upgrading streets and infrastructure to accommodate the new Whole Foods Market and additional retail space at Lusher Court, along with the continuation of design work for the revitalization of Main Street. Other significant capital expenditures included environmental sustainability projects and maintenance and updates for current Town assets.

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 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 nine (9) 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. Due to the national economic downturn in late 2008, Town Council temporarily suspended the nine (9) month reserve in the General Fund in an effort to maintain current levels of service. The Town has seen steady economic recovery for the past two years and those reserves are slowly being replenished. Additionally, the Town experienced a severe drought in 2012, which impacted Marina operations. Reserves in that fund are currently below requirements. The other reserve policies remain in place.

Due to the continuing economic uncertainty, 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.

TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

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 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, 2012

Executive Director/CEO



COMMUNITY OF FRISCO

FRISCO TOWN COUNCIL



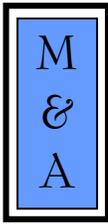
**TOWN OF FRISCO, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2013**

Elected Officials

Mayor	Gary Wilkinson
Mayor Pro-tem	Woody Van Gundy
Council Members	Kent Willis
	Larry Sawyer
	Kathleen Bartz
	Kim Cancelosi
	Tom Connolly

Administrative Officials

Town Manager	Bill Efting
Town Attorney	Thad Renaud
Town Clerk	Deborah Wohlmuth
Finance Director	Bonnie Moinet
Police Chief	Tom Wickman
Public Works Director	Tim Mack
Community Development Director	Jocelyn Mills
Marketing Director	Vanessa Agee
Recreation Director	Diane McBride



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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, 2013, 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.

Member: American Institute of Certified Public Accountants

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

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

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

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, 2013, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

The budgetary fund 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, combining fund financial statements, individual non-major fund budgetary schedules, the *Local Highway Finance Report*, and the statistical tables listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the Town's financial statements. The combining fund financial statements, individual non-major fund budgetary schedules, and the *Local Highway Finance Report* are the responsibility of management and were 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 sections 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.
May 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Frisco, Colorado

Management's Discussion and Analysis

December 31, 2013

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, 2013. 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-vi 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 spite of the reserve requirements the Town implemented in prior years, the Town of Frisco was not immune to the challenges brought by the economic downturn that began in 2008 and continued through early 2011. In 2012, the Town began to see signs of recovery and in 2013 began to replenish its reserves to levels that will provide stability for the long term. Drought conditions, however, severely impacted the Town's marina operations in the form of increased costs to keep the marina functional.

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 assets 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 C5 – C7 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 2013 and 2012:

	Town of Frisco's Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
Assets:						
Current and other assets	\$14,787,456	\$9,882,242	\$4,562,225	\$4,037,443	\$19,349,681	\$13,919,685
Capital assets	34,533,858	34,657,799	7,802,593	7,999,727	42,336,451	42,657,526
Total Assets	<u>49,321,314</u>	<u>44,540,041</u>	<u>12,364,818</u>	<u>12,037,170</u>	<u>61,686,132</u>	<u>56,577,211</u>
Deferred Outflows of Resources	127,683	160,861	-	-	127,683	160,861
Liabilities:						
Other liabilities	1,398,865	1,244,512	33,335	25,931	1,432,200	1,270,440
Long-term liabilities	4,088,566	4,337,070	23,871	19,241	4,112,437	4,356,311
Total Liabilities	<u>5,487,431</u>	<u>5,581,582</u>	<u>57,206</u>	<u>45,171</u>	<u>5,544,637</u>	<u>5,626,751</u>
Deferred Inflows of Resources	126,856	127,318	-	-	126,856	127,318
Net Position:						
Net investment in capital assets	30,243,989	30,105,686	7,802,593	7,999,727	38,046,582	38,105,413
Restricted	880,133	869,064	-	-	880,133	869,064
Unrestricted	12,710,588	8,017,252	4,505,019	3,992,272	17,215,607	12,009,524
Total Net Position	<u>\$43,834,710</u>	<u>\$38,992,002</u>	<u>\$12,307,612</u>	<u>\$11,991,999</u>	<u>\$56,142,322</u>	<u>\$50,984,001</u>

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 69% 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 assets, 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 \$1,305,903 due to reconfiguration of the Lusher Court intersection, enhancements to Main Street, paving and overlay, water mains to Interstate Parcel and Peak One Neighborhood sites and replacement of fleet at the marina. Additionally, the Town purchased vehicles, equipment, and computers for operations.

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 2013 and 2012:

	Town of Frisco's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
REVENUES:						
Program revenues:						
Charges for services	\$2,750,819	\$2,181,901	\$1,905,413	\$1,555,576	\$4,656,232	\$3,737,477
Operating grants and contributions	225,754	233,261	18,915	4,975	244,669	238,236
Capital grants and contributions	396,097	188,375	104,046	-	500,143	188,375
General revenues:						
Property and S.O. taxes	133,336	131,194	-	-	133,336	131,194
Sales and use taxes	6,044,997	5,675,383	-	-	6,044,997	5,675,383
Real estate transfer tax	920,533	805,152	-	-	920,533	805,152
Franchise taxes	313,906	287,203	-	-	313,906	287,203
Lodging taxes	325,768	285,434	-	-	325,768	285,434
Other taxes	55,795	57,740	-	-	55,795	57,740
Interest and other	4,716,360	1,148,141	20,538	440,771	4,736,898	1,588,912
Total Revenues	15,883,365	10,993,784	2,048,912	2,001,322	17,932,277	12,995,106
EXPENSES:						
Program Expenses						
General Government	2,813,826	2,618,326	-	-	2,813,821	2,618,326
Public Safety	1,441,587	1,353,334	-	-	1,441,587	1,353,334
Public works	2,463,718	2,523,672	-	-	2,463,718	2,523,672
Community development	1,186,800	1,051,224	-	-	1,186,800	1,051,224
Culture and recreation	2,665,626	2,387,598	-	-	2,665,626	2,387,598
Housing	201,348	171,015	-	-	201,348	171,015
Interest	246,315	238,667	-	-	246,315	238,667
Marina Fund	-	-	878,864	950,354	878,864	950,354
Water Fund	-	-	875,880	823,419	875,880	823,419
Total Expenses	11,019,220	10,343,836	1,754,744	1,773,773	12,773,964	12,117,609
Increase in Net Position Before Transfers	4,864,145	649,948	294,168	227,549	5,158,313	877,497
Transfers	(21,445)	62,500	21,445	(62,500)	-	-
Net Position-Beginning (Restated)	38,992,010	38,279,562	11,991,999	11,826,950	50,984,009	50,106,512
Net Position - Ending	\$43,834,710	\$38,992,010	\$12,307,612	\$11,991,999	\$56,142,322	\$50,984,009

Overview of the Financial Statements (continued)

Governmental activities: Governmental activities increased the Town's net position by \$4,842,700 in 2013. Key elements of this increase are as follows:

- Real estate investment fees, city and county sales taxes, development and building fees, charges for services for the Frisco Adventure Park, special events, and lodging taxes exceeded original budget projections by \$20,533; \$216,040; \$102,850; \$429,119; \$34,872; and \$45,768; respectively. Additionally, the Town sold property for \$4,500,000.
- Governmental activities were subsidized by tax revenue. Community development and culture and recreation activities were the most effective at covering their costs due to fees charged for services and participation in programs.

Business-type activities: Business-type activities increased the Town's net assets by \$315,613 in 2013. Key elements of this increase are as follows:

- Total user charges and plant investment fees exceeded original budgeted amounts by \$14,864 and \$171,863 respectively.
- Aggregate operating expenses, excluding capital outlay, were over budget projections by \$46,612.
- Water mains at the Whole Foods project and the Peak One Neighborhood were deeded to the Town, valued at \$187,991; the Marina Fund replaced some of its fleet for a combined cost of \$60,858.

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 \$9,302,910; an increase of \$324,934 from the prior year's ending fund balances. The following schedule details ending fund balances for the past several years:

Fund	2009	2010	2011	2012	2013
General	\$3,950,978	\$2,962,611	\$3,175,902	\$3,760,796	\$4,659,662
Capital Improvement	4,877,677	4,173,211	3,232,313	4,064,942	3,486,640
Conservation Trust	7,540	24,634	16,175	18,035	43,686
Open Space	1,799,890	109,982	110,617	110,887	111,083
Summit County Housing 5A	460,109	465,991	456,771	501,029	504,447
Insurance Reserve	323,539	260,676	197,116	197,598	197,947
Lodging Tax	510,470	326,765	350,427	324,689	299,445
	<u>\$11,930,203</u>	<u>\$8,323,870</u>	<u>\$7,539,321</u>	<u>\$8,977,976</u>	<u>\$9,302,910</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 \$3,767,001 while the total fund balance increased from 2012 to \$4,659,662. 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 45% of total 2013 General Fund expenditures, while total fund balance represents 55% of that same amount.

The fund balance of the Town of Frisco's General Fund increased by \$898,866 during the current fiscal year. Key factors for 2013 are as follows:

- General Fund revenues were \$833,500 more than budgeted, an indication that the national economic downturn is recovering.
- 2013 expenditures were less than budgeted by \$33,198; primarily due to overall budget tightening and unfilled positions for part of the year.

The Capital Improvement Fund has a total fund balance of \$3,486,640, which decreased \$578,302 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 2013 are as follows:

- The Town's debt service for 2013 totaled \$505,484: \$172,902 for 2010 Certificates of Participation and the balance (\$332,582) for equipment leases.
- The Town expended \$1,662,618 on capital projects: \$812,028 to reconfigure Lusher Court intersection, \$73,376 for Main Street Early Action Plan, and the remainder for various street and pathway projects.
- Revenues from REIF exceeded budget projections by \$20,533; additionally, infrastructure adjoining the Interstate Parcel development, valued at \$318,057, was contributed to the Town.

The Town's non-major governmental combined fund balances increased \$4,370.

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 assets for the Water Fund at the end of the current fiscal year were \$5,427,577 while the Marina Fund reported unrestricted net assets of (\$922,558). The Marina Fund required a significant capital outlay in order to reconfigure infrastructure and for additional staffing to allow operations during drought conditions. The Marina Fund is slowly working towards a positive fund balance in all categories.

Financial Analysis of the Town's Funds (continued)

Budget variances in the General Fund: The Town's General Fund revenues were over budget by \$833,500 while General Fund expenditures were under budget by \$33,198. The General Fund's significant budget variances are detailed as follows:

<u>Account</u>	<u>Variance: Positive (Negative)</u>	<u>Reason</u>
Revenues:		
Sales Taxes	\$216,040	Recovery from economic downturn, increased consumer confidence
Franchise Fees	13,906	Increased visitation resulting in higher usage of utilities
Licenses/Permits	112,596	Building and development permits increased, indicating recovery from economic downturn
Investment Income	(1,774)	Continued low interest rates
Charges for Services	503,092	Frisco Adventure Park, special event, recreation fees, fines, and building rents higher than budgeted
Intergovernmental	(9,310)	Highway users' fees and County road and bridge revenues lower than anticipated
Expenditures:		
General Government	(134,145)	Higher health insurance fees
Public Safety	6,914	Vacant positions throughout year
Public Works	50,041	Road, building and vehicle repairs less than anticipated
Culture and Recreation	91,161	Significant savings in seasonal salaries as a result of restructuring responsibilities
Community Development	19,226	Vacant positions throughout year

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, decreased 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.

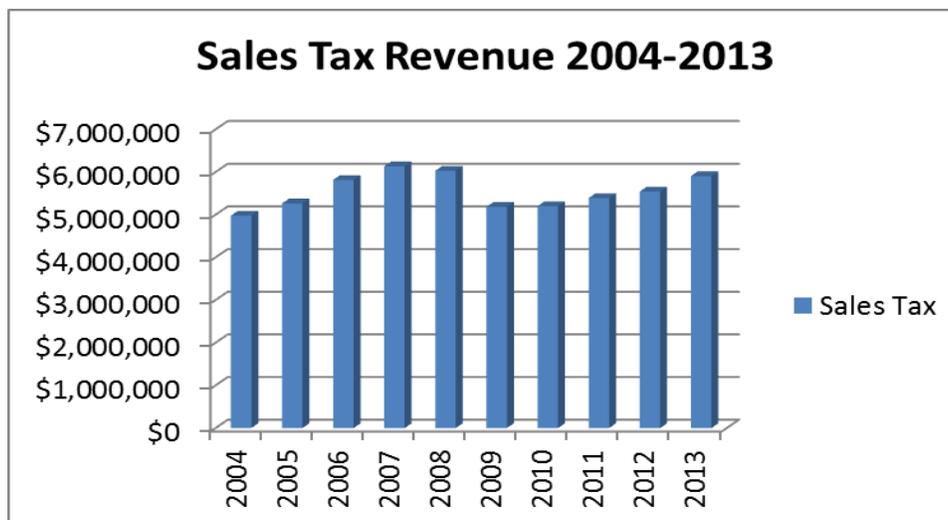
Financial Analysis of the Town's Funds (continued)

Long-term debt: At the end of the current fiscal year, the Town had a total of \$4,112,437 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	\$1,550,000	-	(170,000)	1,380,000	170,000
Series 2010B	2,500,000	-		2,500,000	-
Issuance Premium	14,070	-	(2,902)	11,168	-
Net Certificates of Participation	4,064,070		(172,902)	3,891,168	170,000
Capital Leases	488,044	370,922	(332,582)	526,384	330,650
Compensated Absences	232,680	40,680	(27,254)	246,106	74,442
Total Governmental Activities					
Long -term Liabilities	<u>\$4,784,794</u>	<u>411,602</u>	<u>(532,738)</u>	<u>4,663,658</u>	<u>575,092</u>
Business-type Activities:					
Compensated Absences	\$32,069	7,716	-	39,785	15,914
Total Business-type Activities					
Long-term Liabilities	<u>\$32,069</u>	<u>7,716</u>	<u>-</u>	<u>39,785</u>	<u>15,914</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 57% of total governmental 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, P.O. Box 4100, Frisco, Colorado 80443.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents - Unrestricted	7,845,388	4,717,281	12,562,669
Cash and cash equivalents - Restricted	374,875	-	374,875
Receivables, net:			
Property taxes assessed	129,172	-	129,172
Other taxes	408,057	-	408,057
Intergovernmental	557,513	-	557,513
Employees	8,361	-	8,361
Other	424,894	224,126	649,020
Non-current	39,509	-	39,509
Internal balances	417,792	(417,792)	-
Notes receivable	4,500,000	7,115	4,507,115
Inventories	17,447	31,495	48,942
Prepaid items	6,195	-	6,195
Interest receivable	58,253	-	58,253
Capital assets, not being depreciated	8,247,871	178,869	8,426,740
Capital assets, net of accumulated depreciation	26,285,987	7,623,724	33,909,711
Total Assets	49,321,314	12,364,818	61,686,132
Deferred Outflows of Resources:			
Deferred charge on refunding	127,683	-	127,683
Liabilities:			
Accounts payable	729,377	1,011	730,388
Interest payable	24,338	-	24,338
Unearned revenue	26,986	16,411	43,397
Deposits payable	43,072	-	43,072
Compensated absences:			
Due within one year	74,442	15,913	90,355
Due in more than one year	171,664	23,871	195,535
Debt payable:			
Due within one year	500,650	-	500,650
Due in more than one year	3,916,902	-	3,916,902
Total Liabilities	5,487,431	57,206	5,544,637
Deferred Outflows of Resources:			
Property taxes	126,856	-	126,856
Net Position:			
Invested in capital assets, net of related debt	30,243,989	7,802,593	38,046,582
Restricted:			
TABOR emergency reserve	332,000	-	332,000
Other purposes	548,133	-	548,133
Unrestricted	12,710,588	4,505,019	17,215,607
Total Net Position	43,834,710	12,307,612	56,142,322

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

Town of Frisco, Colorado
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	2,813,826	339,703	190,189	-	(2,283,934)		(2,283,934)
Public safety	1,441,587	31,499	2,000	-	(1,408,088)		(1,408,088)
Public works	2,463,718	13,052	-	318,057	(2,132,609)		(2,132,609)
Community development	1,186,800	263,445	726	30,000	(892,629)		(892,629)
Culture and recreation	2,665,626	2,048,170	32,839	48,040	(536,577)		(536,577)
Housing	201,348	54,950	-	-	(146,398)		(146,398)
Interest on long-term debt	246,315	-	-	-	(246,315)		(246,315)
Total - Governmental activities	<u>11,019,220</u>	<u>2,750,819</u>	<u>225,754</u>	<u>396,097</u>	<u>(7,646,550)</u>		<u>(7,646,550)</u>
Business-type activities:							
Water	875,880	1,112,007	574	104,046		340,747	340,747
Marina	878,864	793,406	18,341	-		(67,117)	(67,117)
Total - Business-type activities	<u>1,754,744</u>	<u>1,905,413</u>	<u>18,915</u>	<u>104,046</u>		<u>273,630</u>	<u>273,630</u>
Total	<u>12,773,964</u>	<u>4,656,232</u>	<u>244,669</u>	<u>500,143</u>	<u>(7,646,550)</u>	<u>273,630</u>	<u>(7,372,920)</u>
General revenues:							
Taxes:							
Sales and use taxes					6,044,997	-	6,044,997
Real estate transfer taxes					920,533	-	920,533
Franchise taxes					313,906	-	313,906
Lodging taxes					325,768	-	325,768
Property and specific ownership taxes					133,336	-	133,336
Miscellaneous taxes					55,795	-	55,795
Investment earnings					76,679	13,232	89,911
Gain (loss) on asset disposition					4,636,240	7,306	4,643,546
Miscellaneous					3,441	-	3,441
Transfers					(21,445)	21,445	-
Total - General revenues and transfers					<u>12,489,250</u>	<u>41,983</u>	<u>12,531,233</u>
Change in Net Position					4,842,700	315,613	5,158,313
Net Position - January 1 (Restated)					<u>38,992,010</u>	<u>11,991,999</u>	<u>50,984,009</u>
Net Position - December 31					<u>43,834,710</u>	<u>12,307,612</u>	<u>56,142,322</u>

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

(THIS PAGE INTENTIONALLY LEFT BLANK)



FUND FINANCIAL STATEMENTS



Town of Frisco, Colorado
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents - Unrestricted	4,298,341	2,886,584	1,078,255	8,263,180
Cash and cash equivalents - Restricted	57,326	317,549	-	374,875
Receivables, net of allowance for uncollectible accounts:				
Property Taxes	129,172	-	-	129,172
Other taxes	329,616	-	78,440	408,056
Other governments	557,513	-	-	557,513
Employees	8,361	-	-	8,361
Other	106,837	318,057	-	424,894
Non-current	39,509	-	-	39,509
Prepaid items	6,195	-	-	6,195
Inventory	17,447	-	-	17,447
Total Assets	5,550,317	3,522,190	1,156,695	10,229,202
Liabilities and Fund Equity:				
Liabilities:				
Accounts/vouchers payable	429,164	35,550	87	464,801
Accrued payroll and related liabilities	261,285	-	-	261,285
Unearned revenue	25,125	-	-	25,125
Deposits payable	48,225	-	-	48,225
Total Liabilities	763,799	35,550	87	799,436
Deferred inflows of Resources:				
Property taxes	126,856	-	-	126,856
Total Deferred Inflows of Resources	126,856	-	-	126,856
Fund Balances:				
Non Spendable	63,151	-	-	63,151
Restricted	332,000	317,549	548,135	1,197,684
Committed	-	-	608,473	608,473
Assigned	497,510	3,169,091	-	3,666,601
Unassigned	3,767,001	-	-	3,767,001
Total Fund Balance	4,659,662	3,486,640	1,156,608	9,302,910
Total Liabilities, Deferred Inflows, and Fund Balances	5,550,317	3,522,190	1,156,695	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,533,858
Other long-term assets are not available for current period expenditures and, therefore, are not reported in the funds.	4,558,254
Long-term liabilities, including debt payable, interest payable, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,560,313)

Net Position of Governmental Activities	43,834,710
------------------------------------------------	-------------------

Town of Frisco, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Non- major Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	6,399,077	920,533	474,709	7,794,319
Licenses, permits, and fees	374,645	-	54,950	429,595
Intergovernmental revenue	190,190	-	59,027	249,217
Charges for services	2,296,991	-	2,307	2,299,298
Investment income	10,226	6,144	2,056	18,426
Capital interest subsidy	-	48,040	-	48,040
Reimbursements	-	318,057	-	318,057
Miscellaneous	77,246	-	17,173	94,419
Total Revenues	<u>9,348,375</u>	<u>1,292,774</u>	<u>610,222</u>	<u>11,251,371</u>
Expenditures:				
Current:				
General government	2,455,369	1,500	44,762	2,501,631
Public safety	1,411,394	-	-	1,411,394
Community development	1,112,244	-	235,309	1,347,553
Public works	1,700,686	-	-	1,700,686
Culture and recreation	1,769,816	-	169,195	1,939,011
Capital outlay	-	1,662,618	156,586	1,819,204
Debt service:				
Principal	-	502,582	-	502,582
Interest	-	211,538	-	211,538
Total Expenditures	<u>8,449,509</u>	<u>2,378,238</u>	<u>605,852</u>	<u>11,433,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>898,866</u>	<u>(1,085,464)</u>	<u>4,370</u>	<u>(182,228)</u>
Other Financing Sources (Uses):				
Lease purchase proceeds	-	370,922	-	370,922
Sale of assets	-	136,240	-	136,240
Total Other Financing Sources (Uses)	<u>-</u>	<u>507,162</u>	<u>-</u>	<u>507,162</u>
Net Change in Fund Balances	898,866	(578,302)	4,370	324,934
Fund Balances - January 1	<u>3,760,796</u>	<u>4,064,942</u>	<u>1,152,238</u>	<u>8,977,976</u>
Fund Balances - December 31	<u>4,659,662</u>	<u>3,486,640</u>	<u>1,156,608</u>	<u>9,302,910</u>

Net Change in Fund Balance of Governmental Funds 324,934

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay, adjusted for disposal gain or losses incurred. 4,376,059

The issuance of long-term debt (i.e., 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 assets. This is the amount of principal repayments reported in the governmental funds, less capital lease proceeds. 131,660

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. 58,253

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. (48,206)

Change in Net Position of Governmental Activities 4,842,700

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

Town of Frisco, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Assets:			
Current assets:			
Cash and cash equivalents	4,716,781	500	4,717,281
Accounts receivable	208,275	15,851	224,126
Inventories	31,495	-	31,495
Total - Current assets	4,956,551	16,351	4,972,902
Long-term assets:			
Notes receivable	7,115	-	7,115
Interfund receivable	493,364	-	493,364
Land and other non depreciable assets	151,278	27,591	178,869
Property, plant and equipment, net of accumulated depreciation	4,696,271	2,927,453	7,623,724
Total - Long-term assets	5,348,028	2,955,044	8,303,072
Total Assets	10,304,579	2,971,394	13,275,974
Liabilities:			
Current liabilities:			
Accounts payable	-	1,011	1,011
Due to other funds	-	417,792	417,792
Unearned revenue	-	16,411	16,411
Current portion of compensated absences	11,781	4,132	15,913
Total - Current liabilities	11,781	439,346	451,127
Noncurrent liabilities:			
Compensated absences, net of current portion	17,672	6,199	23,871
Interfund payable	-	493,364	493,364
Total - Noncurrent liabilities	17,672	499,563	517,235
Total Liabilities	29,453	938,909	968,362
Net Position			
Invested in capital assets	4,847,549	2,955,044	7,802,593
Unrestricted	5,427,577	(922,558)	4,505,019
Total Net Position	10,275,126	2,032,486	12,307,612

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, 2013

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Operating Revenues:			
Charges for services	813,958	793,406	1,607,364
Water meter sales	26,186	-	26,186
Other operating	574	-	574
Total Operating Revenues	840,718	793,406	1,634,124
Operating Expenses:			
Salaries and benefits	308,197	316,739	624,936
Administrative fees	42,500	20,000	62,500
Professional fees	60,633	10,580	71,213
Supplies	25,022	78,279	103,301
Utilities	57,705	27,072	84,777
Repairs and maintenance	25,284	40,431	65,715
General expenses	64,273	155,137	219,410
Water meter replacements	26,132	-	26,132
Depreciation	308,635	245,785	554,420
Total Operating Expenses	918,381	894,023	1,812,404
Operating Income (Loss)	(77,663)	(100,617)	(178,280)
Non-Operating Revenue (Expenses):			
State and federal grants	-	18,341	18,341
Investment income	13,232	-	13,232
Gain (loss) on asset disposal	-	7,306	7,306
Interest expense	-	(4,840)	(4,840)
Total Non-Operating Revenues (Expenses)	13,232	20,807	34,039
Income Before Capital Contributions	(64,431)	(79,810)	(144,241)
Capital Contributions:			
Capital contribution - Capital Improvement Fund	83,945	-	83,945
Capital contribution - Developer	104,046	-	104,046
Plant investment fees	271,863	-	271,863
Total Capital Contributions	459,854	-	459,854
Change in Net Position	395,423	(79,810)	315,613
Net Position - January 1 (Restated)	9,879,703	2,112,296	11,991,999
Net Position - December 31	10,275,126	2,032,486	12,307,612

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, 2013

	Business-type Activities		
	Enterprise	Enterprise	Total
	Fund - Water	Fund - Marina	
	Fund	Fund	
Cash Flows From Operating Activities:			
Cash received from customers and others	787,367	791,265	1,578,632
Cash paid to suppliers for goods and services	(315,366)	(314,762)	(630,128)
Cash paid to employees for services	(301,675)	(315,545)	(617,222)
Other cash receipts	574	266	840
Net Cash Provided (Used) by Operating Activities	170,900	161,224	332,124
Cash Flows From Capital and Related Financing Activities:			
Plant investment fees received	271,863	-	271,863
Sale of capital assets	-	13,293	13,293
Interest expense	-	(4,840)	(4,840)
Principal repayments on loan payable	-	4,840	4,840
Acquisition of capital assets	(114,427)	(60,858)	(175,285)
Net Cash Provided (Used) by Capital and Related Financing Activities	157,436	(47,565)	109,871
Cash Flows From Noncapital and Related Financing Activities:			
Grants awards	-	18,341	18,341
Net Cash Provided (Used) by Noncapital and Related Financing Activities	-	18,341	18,341
Cash Flows From Investing Activities:			
Interest received	13,232	-	13,232
Principal received on note receivable	2,022	-	2,022
Principal received on loan receivable	127,160	-	127,160
Net Cash Provided (Used) by Investing Activities	142,414	-	142,414
Net Change in Cash and Cash Equivalents	470,750	-	602,750
Cash and Cash Equivalents - January 1	4,246,031	500	4,246,531
Cash and Cash Equivalents - December 31	4,716,781	500	4,849,281
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	(77,663)	(100,617)	(178,280)
Adjustments:			
Depreciation expense	308,635	245,785	554,420
(Increase) decrease in accounts receivable	(52,778)	(5,734)	(58,511)
Increase (decrease) in accounts payable	-	727	727
(Increase) decrease in inventory	(13,817)	-	(13,817)
Increase (decrease) in unearned revenue	-	3,593	3,593
Increase (decrease) in due from other funds	-	16,276	16,276
Increase (decrease) in accrued benefits	6,521	1,194	7,715
Total Adjustments	248,562	261,841	510,403
Net Cash Provided (Used) by Operating Activities	170,900	161,224	332,124
Non-Cash Investing, Non-Capital Financing, and Financing Activities:			
Contribution of capital assets from Developer	104,046	-	104,046
Capital Improvement Fund	83,945	-	83,945
Total Non-cash Activities	187,991	-	187,991

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, 2013

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, 2013
(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 for the acquisition of and improvements to the Town's governmental assets.

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, 2013
(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 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, 2013
(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 includes operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Financial Statement Accounts

1. Cash 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. Investments are stated at fair value.

Cash and cash equivalents include demand deposits, certificates of deposit, local government investment pools (COLOTRUST and C-SAFE), and U.S. government-backed securities.

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.

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.

Payments to vendors for services that will benefit periods beyond December 31, 2013 are recorded as prepaid items in both government-wide and fund financial statements.

4. 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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Capital Assets (continued)

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 estimated fair market value at the date of donation.

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

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

Capital assets (excluding land) 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

5. 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.

6. 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 one item that qualifies for reporting under this category on the government-wide Statement of Net Position, deferred charge on refunding.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

6. Deferred Outflows and Inflows of Resources (continued)

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.

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 one item that qualifies for reporting in this category, unavailable revenue from property taxes, reported in the governmental balance sheet and on the Statement of Net Position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

7. 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 nine months of annual appropriated expenditures, which has been temporarily suspended due to current economic conditions.

8. 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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies (continued)

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes a reconciliation between the fund balance of total governmental funds and net position of governmental activities as reported in the government-wide Statement of Net Position. One element of the reconciliation explains "Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds". This \$34,533,858 difference represents property, plant, and equipment of \$49,236,760 less accumulated depreciation of \$14,702,902.

Another element of that reconciliation explains "Other long-term assets are not available for current period expenditures and therefore are not reported in the funds". This \$4,558,254 difference comprises the balance for the long-term promissory note of \$4,500,000 and the related interest receivable of \$58,253, which is described further at Note IV.C.2.

Additionally, the reconciliation states that long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This \$4,560,313 difference includes debt payable of \$3,880,000, premium on issuance of \$11,168, capital leases of \$526,384, accrued compensated absences of \$246,106, interest payable of \$24,338, less deferred debt refunding costs of \$127,683.

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between net change in fund balances of governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense."

The \$4,376,059 difference represents depreciation of \$1,435,598 less capital outlay of \$1,311,657, adjusted for net activity of sales and trade-ins on disposals of \$4,500,000.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

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

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

The reconciliation also explains that issuance and repayment of long-term debt increases and decreases, respectively, the current financial resources of the governmental funds, but neither transaction affects net position. The \$131,660 difference represents lease proceeds for capital asset acquisitions in the amount of \$370,922, less principal repayments on certificates of participation of \$170,000 and capital lease repayments of \$332,582.

The reconciliation includes revenues which do not provide sources of current financial resources in the amount of \$58,253 for interest income.

The reconciliation also explains some expenses reported in the Statement of Activities do not require the use of current financial resources. The \$48,206 difference represents an overall increase in accrued compensation of \$13,426, and a net increase in interest payable of \$34,780.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

An annual budget and appropriation ordinance is adopted by Town Council in accordance with the Town's Home Rule Charter. Budgets are prepared on the basis of GAAP for all funds, except the Water Fund and Marina Fund for which budgets have been adopted on a non-GAAP budget and are reconciled to GAAP below:

	Water Fund	Marina Fund
Change in Net Position - Budget Basis	\$ 528,800	(22,043)
add/(less):		
Principal repayment	(127,160)	127,160
Capitalized assets	302,418	60,858
Depreciation	(308,635)	(245,785)
Change in Net Position - GAAP Basis	\$ 395,423	(79,810)

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 2013.

- (1) For the 2013 budget year, prior to August 25, 2012, 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 2012 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
- (3) Prior to December 15, 2012, the Town computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (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 2012 were collected in 2013, and taxes certified in 2013 will be collected in 2014. 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.

During the year, the Town's Capital Improvement Fund and Marina Fund expenditures exceeded appropriations. This may be a violation of Colorado State Statute.

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 \$332,000 of the December 31, 2013 year-end fund balance in the General Fund for this purpose, which is the approximate required reserve amount.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

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

The Town'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 federal insurance levels 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, 2013, the carrying value of the Town's deposits was \$5,739,548. The bank balance of these accounts was \$5,078,746. At the end of 2013, the Town held deposits and investments with the following maturities:

	Standard & Poor's Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 2,818	\$ 2,818	-
Checking	Not Rated	898,070	898,070	-
Savings and money market	Not Rated	2,687,685	2,687,685	-
Certificates of deposit	Not Rated	1,733,183	773,699	959,484
Investments:				
United States instrumentality	AA+	485,268	-	485,268
Investment pools	AAAm	7,130,519	7,130,519	-
		<u>\$ 12,937,543</u>	<u>\$ 11,492,791</u>	<u>1,444,752</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

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	\$ 12,562,668
Cash and investments - Restricted	374,875
Total	<u><u>\$ 12,937,543</u></u>

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.

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.

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Receivables

Receivables as of December 31, 2013 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Capital Improvement Fund	Summit County Housing 5A	Lodging Tax Fund	Water Fund	Marina Fund	Total
Property taxes	\$ 129,172	-	-	-	-	-	129,172
Other taxes	329,616	-	28,512	49,928	-	-	408,056
Intergovernmental	557,513	-	-	-	-	-	557,513
Employees	8,361	-	-	-	-	-	8,361
Other	106,837	318,057	-	-	208,275	15,851	649,020
Non-current	39,509	-	-	-	-	-	39,509
Gross Receivables	1,171,008	318,057	28,512	49,928	208,275	15,851	1,791,631
Less: Allowance for uncollectibles	-	-	-	-	-	-	-
Net Receivables	<u>\$ 1,171,008</u>	<u>318,057</u>	<u>28,512</u>	<u>49,928</u>	<u>208,275</u>	<u>15,851</u>	<u>1,791,631</u>

C. Notes Receivable

1. Governmental Note Receivable

On June 3, 2013 the Town accepted a \$4,500,000 Promissory Note ("Note") from Brynn Grey X, LLC ("Brynn Grey") as proceeds for the sale of land. The 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 Note before June 3, 2018, the Note is to bear simple interest at 1.75% per annum. No payment of interest or principal is due during the first 10 years of the 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>\$ 6,659,587</u>

2. Business-type Note Receivable

The Town entered an agreement in 1997 with Summit County Housing Authority (the "Housing Authority") whereby 50% of the tap fees due the Town in respect of the Housing Authority's Ophir Mountain Village residential development (\$44,800) were paid upon issuance of Certificates of Occupancy, and the remaining \$44,800 was to be paid to the Town in 120 quarterly blended installments of \$568, with the unpaid balance to bear interest at 3% per annum. At December 31, 2013, the outstanding balance of unpaid tap fees was \$7,115.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 7,954,195	-	-	7,954,195
Construction in progress	208,854	84,822	-	293,676
Total Capital Assets, Not Being Depreciated	<u>8,163,049</u>	<u>84,822</u>	<u>-</u>	<u>8,247,871</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	8,403,236	34,723	-	8,437,959
Infrastructure and improvements	26,745,008	763,991	-	27,508,999
Equipment and vehicles	4,970,663	428,121	(356,853)	5,041,931
Total Capital Assets Being Depreciated	<u>40,118,907</u>	<u>1,226,835</u>	<u>(356,853)</u>	<u>40,988,889</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(2,461,868)	(215,228)	-	(2,677,096)
Infrastructure and improvements	(8,102,011)	(738,156)	-	(8,840,167)
Equipment and vehicles	(3,060,278)	(482,214)	356,853	(3,185,639)
Total Accumulated Depreciation	<u>(13,624,157)</u>	<u>(1,435,598)</u>	<u>356,853</u>	<u>(14,702,902)</u>
Total Capital Assets, Being Depreciated, Net	<u>26,494,750</u>	<u>(208,763)</u>	<u>-</u>	<u>26,285,987</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,657,799</u>	<u>(123,941)</u>	<u>-</u>	<u>34,533,858</u>
	<u>Beginning Balance (Restated)</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	-	76,307	-	76,307
Total Capital Assets, Not Being Depreciated	<u>102,562</u>	<u>76,307</u>	<u>-</u>	<u>178,869</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	5,964,419	-	-	5,964,419
Infrastructure and improvements	7,072,394	187,991	-	7,260,385
Equipment and vehicles	1,372,904	98,978	(12,177)	1,459,705
Total Capital Assets Being Depreciated	<u>14,409,717</u>	<u>286,969</u>	<u>(12,177)</u>	<u>14,684,509</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(2,939,298)	(154,373)	-	(3,093,671)
Infrastructure and improvements	(2,942,307)	(208,840)	-	(3,151,147)
Equipment and vehicles	(630,950)	(191,207)	6,190	(815,967)
Total Accumulated Depreciation	<u>(6,512,555)</u>	<u>(554,420)</u>	<u>6,190</u>	<u>(7,060,785)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,897,162</u>	<u>(267,451)</u>	<u>(5,987)</u>	<u>7,623,724</u>
Business-type Activities Capital Assets, Net	<u>\$ 7,999,724</u>	<u>(191,144)</u>	<u>(5,987)</u>	<u>7,802,593</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Depreciation expense for 2013 was charged to Town functions as follows:

Governmental Activities:

General government	\$ 154,047
Public safety	36,571
Public works	759,747
Community development	18,010
Culture and recreation	467,223
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,435,598</u></u>

Business-type Activities:

Water Fund	\$ 308,635
Marina Fund	245,785
Total Depreciation Expense - Business-type Activities	<u><u>\$ 554,420</u></u>

At December 31, 2013, the Town had \$1,681,211 of fully depreciated assets.

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 Marina Fund

On February 1, 2005, the Town's Marina Fund was authorized to borrow \$1,200,000 from the Town's Water Fund in order to begin operations as a newly formed enterprise fund of the Town. Under the terms of the loan agreement, interest accruing on the outstanding principal amount during the calendar year commencing immediately following January 1 is to equal the highest rate for the closing two-year U.S. Treasury Note rate reported by *Wall Street Journal* plus 0.5%, but not to exceed 10%. Interest accrued on the loan is payable December 1, 2005, December 1, 2006, December 1, 2007, and June 1, 2008. Payments of both principal and interest are due thereafter on December 1 of each year, commencing December 1, 2008 through December 1, 2025.

At December 31, 2013, the principal amount outstanding on this loan was \$493,364. Interest payments made by the Marina Fund to the Water Fund during 2013 totaled \$4,840, representing an interest rate of 0.78% per annum for the year.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Detailed Notes on all Funds (continued)

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

2. Transfers

The following interfund transfers occurred during the year ended December 31, 2013:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount Transferred</u>	<u>Purpose of Transfer</u>
General Fund	Water Fund	\$ 42,500	Administrative charges
General Fund	Marina Fund	\$ 20,000	Administrative charges

During 2013, \$83,945 of water line improvements completed by the Capital Improvement Fund were contributed to the Water Fund.

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. Certificates of Participation (Build America Bonds), Series 2010B

On June 3, 2010, the Authority issued \$2,500,000 of Taxable Certificates of Participation (Taxable Build America Bonds). The Certificates of Participation bear interest ranging from 5.20% to 6.28% and mature in annual increments on December 1, 2021; December 1, 2022; December 1, 2025; and December 1, 2030. The net proceeds of \$2,450,000 were placed with the trustee to be used to finance the construction of recreational facilities located at the Frisco Adventure Park. The Authority has leased the constructed addition to the Town for a period which runs concurrent with the term to maturity of the Series 2010B Certificates of Participation. Lease revenues of the Authority are pledged to service the debt of the Series 2010B Certificates of Participation.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Detailed Notes on all Funds (continued)

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

2. Certificates of Participation (Build America Bonds), Series 2010B (continued)

Under the Build America Bonds program, the Authority will receive a federal subsidy known as the “BAB Credit” equal to 35% of corresponding interest as provided under the American Recovery and Reinvestment Act of 2009. Due to Federal legislation the Town’s subsidy was reduced to 26.3% for June 2013 and to 27.8% until September 30, 2014. The subsidy rate is not currently determinable beyond September 30, 2014. For 2013, the aggregate BAB Credit totaled \$48,040.

3. Annual Debt Service Requirements

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:			
2014	\$ 170,000	196,749	366,749
2015	175,000	192,499	367,499
2016	180,000	187,249	367,249
2017	185,000	181,399	366,399
2018	195,000	174,924	369,924
2019 - 2023	1,080,000	750,020	1,830,020
2024 - 2028	1,300,000	433,738	1,733,738
2029 - 2030	595,000	56,520	651,520
Total Governmental Activities	<u>\$ 3,880,000</u>	<u>2,173,098</u>	<u>6,053,098</u>

4. Capital Leases

The Town has entered into lease agreements for heavy equipment in 2010, 2012, and 2013, with interest rates ranging between 1.09% and 3.95% per annum. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Capital leases are serviced by the Capital Improvement Fund. The assets acquired under these financing arrangements are recorded as equipment at a gross amount of \$1,355,909 within governmental activities.

Future lease payments for the Town are as follows:

Governmental Activities:	
2014	\$ 340,563
2015	200,351
	<u>540,914</u>
less: interest	(14,530)
Total Governmental Activities	<u>\$ 526,384</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Detailed Notes on all Funds (continued)

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, 2013 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.

I. Long-term Liabilities – Debt Service Schedule

Long-term liability activity for the year ended December 31, 2013 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	\$ 1,550,000	-	(170,000)	1,380,000	170,000
Series 2010B	2,500,000	-	-	2,500,000	-
Issuance premium	14,070	-	(2,902)	11,168	-
Net Certificates of Participation	4,064,070	-	(172,902)	3,891,168	170,000
Capital leases	488,044	370,922	(332,582)	526,384	330,650
Compensated absences	232,680	40,680	(27,254)	246,106	74,442
Total Governmental Activities Long-term Liabilities	<u>\$ 4,784,794</u>	<u>\$ 411,602</u>	<u>\$ (532,738)</u>	<u>\$ 4,663,658</u>	<u>\$ 575,092</u>
Business-type Activities:					
Compensated absences	\$ 32,069	7,716	-	39,785	15,914
Total Business-type Activities Long-term Liabilities	<u>\$ 32,069</u>	<u>7,716</u>	<u>-</u>	<u>39,785</u>	<u>15,914</u>

J. Refunded Bonds

At various dates, the Town has invested proceeds from refunding bond 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 bonds.

The escrow trust accounts are administered by the trustees and are restricted for the retirement of the refunded debt. The liability for the refunded bonds 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 bonds outstanding at December 31, 2013.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Detailed Notes on all Funds (continued)

K. Fund Balance Disclosures

The City 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. The Town has restricted \$332,000 for TABOR emergency reserve, \$43,686 in grant proceeds, \$317,549 for debt service, and \$504,447 in accordance with voter approved tax increases dedicated to affordable housing.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Town Council. The Town's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Town's platform to review and/or make changes to each department's budget. The budget is formally presented to the Town Council via an advertised public process for the review, revisions and final approval by year-end. All subsequent budget requests made during the year, after Town Council approval, must be presented via a public process and again approved by the Town Council. The Town Council must take formal action through resolution to establish, modify or rescind committed fund balance amounts. The Town has committed \$197,947 for insurance reserves, \$111,083 for open space dedications, and \$299,445 of lodging tax receipts for future community enhancements.

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. The Town has assigned \$3,169,091 for future capital projects and \$497,510 for cash positions held for others.

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, 2013
(Continued)

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 \$32,242 in connection with the Lease during 2013.

B. 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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

V. Other Information (continued)

C. 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 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 \$165,127 for the Pension Plan was equal to the Town's required and actual contribution.

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.

D. Fire and Police Pension Plan

The Town contributes to the Statewide Defined Benefit Plan, a cost sharing, multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association ("FPPA"). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. This is a non-contributory plan. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan. Title 31, Article 30 of the Colorado Revised Statutes ("C.R.S."), as amended, assigns the authority to establish benefit provisions to the state legislature.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 303-770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

V. Other Information (continued)

D. Fire and Police Pension Plan (continued)

Required contribution rates for both Plan members and the Town are established by Title 31, Article 30, Part 10, C.R.S., as amended. The contribution rate for Plan members and the Town is 8% of covered salaries. The Town's actual contributions to the Statewide Defined Benefit Plan for the years ended December 31, 2013, 2012, and 2011 were \$61,818, \$58,224, and \$56,040, respectively. The Town's actual contributions were 100% of required contributions for the years ended December 31, 2013, 2012, and 2011.

E. 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.

F. 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, 2013. The deductible amount paid by the Town for each incident in 2013 was \$1,000; there is no change in coverage from past years. All settlements for the year-ended December 31, 2013 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, 2012, (the latest year for which audited data is available) is as follows:

<u>Property and Casualty Pool</u>	<u>Equity Ratio</u>	<u>Share of Surplus (Deficit) Dec. 31/13</u>
Operating Fund (1990-2013)	0.453%	\$ 19,349
Loss Fund (1990-2013)	0.690%	96,320
Pooled Excess Fund (1990-2013)	0.442%	23,326
Reserve Fund (1990-2013)	0.694%	59,061

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

V. Other Information (continued)

F. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (continued)

CIRSA's combined financial information for the year ended December 31, 2013, (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	\$ 72,534,417
Other assets	6,644,595
Total assets	<u>\$ 79,179,012</u>
Total liabilities	<u>\$ 37,237,831</u>
Net position	<u>\$ 41,941,181</u>
Total revenues	\$ 22,240,069
Total expenses	(17,710,467)
Change in net position	<u>\$ 4,529,602</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 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Unpaid (prepaid) claims, beginning of year	\$ 48,490	80,972
New claims incurred	565,031	447,531
Claim payments	(570,826)	(480,013)
Unpaid (prepaid) claims, end of year	<u>\$ 42,695</u>	<u>48,490</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

V. Other Information (continued)

G. 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, 2013.

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, 2013.

H. Restatement of Prior Periods

1. Governmental Activities

During 2013, the Town implemented Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which requires bond issuance costs, previously reported as an asset and amortized, to be recognized as an outflow at the time such costs are incurred. As such, the financial statements report a restatement of the Town's beginning governmental net position by \$104,253, which was the unamortized debt issuance costs at December 31, 2012.

2. Business-type Activities

The beginning net position of the Town's Water Fund was restated by \$400,048 to reflect infrastructure assets deeded to the Town by a developer in previous periods.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Frisco, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes:				
General property	125,825	127,301	1,476	126,029
Specific ownership	5,000	6,035	1,035	5,165
City sales tax	2,790,000	2,916,281	126,281	2,727,768
County sales tax	2,890,000	2,979,759	89,759	2,810,720
Franchise fees	300,000	313,906	13,906	287,203
Other taxes	53,300	55,795	2,495	57,740
Total - Taxes	<u>6,164,125</u>	<u>6,399,077</u>	<u>234,952</u>	<u>6,014,625</u>
License and Permits:				
Business and liquor licenses	116,500	124,871	8,371	114,458
Development	43,750	65,665	21,915	65,600
Building	100,000	180,935	80,935	120,534
Other	1,800	3,174	1,374	2,303
Total - License and Permits	<u>262,050</u>	<u>374,645</u>	<u>112,596</u>	<u>302,895</u>
Intergovernmental:				
Highway users	105,000	106,567	1,567	107,363
County road and bridge	75,000	64,992	(10,008)	63,765
Grants	5,000	3,923	(1,077)	10,070
Motor vehicle registration	14,500	14,708	208	15,342
Total - Intergovernmental	<u>199,500</u>	<u>190,190</u>	<u>(9,310)</u>	<u>196,540</u>
Charges for Services:				
Nordic Center	12,600	17,242	4,642	9,272
Historic Park	26,000	17,654	(8,346)	18,290
Special events	502,300	537,172	34,872	508,485
Recreation fees	165,000	184,752	19,752	110,333
Frisco Adventure Park fees	882,000	1,311,119	429,119	918,073
Building rents	50,000	57,883	7,883	72,919
Fines	93,500	108,669	15,169	93,675
Administration fees	62,500	62,500	-	62,500
Total - Charges for Services	<u>1,793,900</u>	<u>2,296,991</u>	<u>503,092</u>	<u>1,793,547</u>
Investment Income	<u>12,000</u>	<u>10,226</u>	<u>(1,774)</u>	<u>12,763</u>
Other Revenues:				
Other	83,300	77,246	(6,054)	55,643
Total - Other Revenues	<u>83,300</u>	<u>77,246</u>	<u>(6,054)</u>	<u>55,643</u>
Total Revenues	<u>8,514,875</u>	<u>9,348,375</u>	<u>833,500</u>	<u>8,376,013</u>

(Continued)

Town of Frisco, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)
(Continued)

	2013		Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
Expenditures:				
General Government:				
Interdepartmental services	1,444,181	1,599,074	(154,893)	1,398,450
Legislative	59,621	57,198	2,423	58,037
Finance	224,001	223,028	973	213,766
Municipal Court	19,504	19,468	36	17,447
Administrative	527,667	514,609	13,058	458,848
Discretionary funds	46,250	41,992	4,258	48,900
Total - General Government	2,321,224	2,455,369	(134,145)	2,195,448
Public Safety:				
Police and animal control	1,418,308	1,411,394	6,914	1,316,176
Community Development:				
Planning and building department	478,117	447,336	30,781	421,289
Marketing and communications	441,560	456,805	(15,245)	390,481
Community relations	211,793	208,103	3,690	191,376
Total - Community Development	1,131,470	1,112,244	19,226	1,003,146
Public Works:				
Streets/properties - Maintenance/improvements	1,750,727	1,700,686	50,041	1,674,290
Culture and Recreation:				
Historic Park	198,423	202,234	(3,811)	177,683
Special events	571,675	562,454	9,221	517,424
Recreation	249,707	228,145	21,562	173,187
Nordic Center	-	-	-	85
Frisco Adventure Park	841,172	776,983	64,189	733,684
Total - Culture and Recreation	1,860,977	1,769,816	91,161	1,602,063
Total Expenditures	8,482,706	8,449,509	33,198	7,791,123
Net Change in Fund Balance	32,169	898,866	866,697	584,890
Fund Balance - January 1	3,453,624	3,760,796	307,172	3,175,906
Fund Balance - December 31	3,485,793	4,659,662	1,173,869	3,760,796

Town of Frisco, Colorado
Special Revenue Funds - Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	2013		2012	
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Real estate transfer fees	900,000	920,533	20,533	805,152
Intergovernmental grants	-	-	-	100,000
Investment income	23,000	6,144	(16,856)	8,523
Reimbursements	-	318,057	318,057	-
Capital interest subsidy	52,000	48,040	(3,960)	52,189
Other	-	-	-	64,860
Total Revenues	975,000	1,292,774	317,774	1,030,724
Expenditures:				
Capital outlay	1,254,250	1,662,618	(408,368)	645,839
Debt service	790,361	714,120	76,241	1,237,406
Agent fees	2,000	1,500	500	1,500
Total Expenditures	2,046,611	2,378,238	(331,627)	1,884,745
Excess (Deficiency) of Revenues Over Expenditures	(1,071,611)	(1,085,464)	(13,853)	(854,021)
Other Financing Sources (Uses):				
Lease purchase proceeds	-	370,922	370,922	494,860
Sale of asset	25,000	136,240	111,240	1,191,790
Total Other Financing Sources (Uses)	25,000	507,162	482,162	1,686,650
Net Change in Fund Balance	(1,046,611)	(578,302)	468,309	832,629
Fund Balance - January 1	3,728,064	4,064,942	336,878	3,232,313
Fund Balance - December 31	2,681,453	3,486,640	805,187	4,064,942

SUPPLEMENTARY INFORMATION



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.

Summit County Housing Authority 5A Fund – This fund is used to account for the voter approved temporary (10 year) sales and use tax of .125% and a development impact fee of two dollars or less per square foot of new construction to be used for affordable housing purposes.

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, 2013**

	Special Revenue Funds					Total Non-major Governmental Funds
	Conservation Trust Fund	Summit County Housing Authority 5A Fund	Insurance Reserve Fund	Lodging Tax Fund	Open Space Fund	
Assets:						
Cash and cash equivalents - Unrestricted	43,686	475,935	197,947	249,603	111,083	1,078,254
Receivables, net of allowance for uncollectible accounts:						
Other taxes	-	28,512	-	49,928	-	78,440
Total Assets	<u>43,686</u>	<u>504,447</u>	<u>197,947</u>	<u>299,531</u>	<u>111,083</u>	<u>1,156,694</u>
Liabilities and Fund Equity:						
Liabilities:						
Accounts/vouchers payable	-	-	-	86	-	86
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>86</u>	<u>-</u>	<u>86</u>
Fund Balances:						
Restricted	43,686	504,447	-	-	-	548,133
Committed	-	-	197,947	299,445	111,083	608,475
Total Fund Balances	<u>43,686</u>	<u>504,447</u>	<u>197,947</u>	<u>299,445</u>	<u>111,083</u>	<u>1,156,608</u>
Total Liabilities and Fund Balances	<u>43,686</u>	<u>504,447</u>	<u>197,947</u>	<u>299,531</u>	<u>111,083</u>	<u>1,156,694</u>

Town of Frisco, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue Funds					Total Non-major Governmental Funds
	Conservation Trust Fund	Summit County Housing Authority 5A Fund	Insurance Reserve Fund	Lodging Tax Fund	Open Space Fund	
Revenues:						
Taxes	-	148,941	-	325,768	-	474,709
Licenses, permits, and fees	-	54,950	-	-	-	54,950
Intergovernmental revenue	29,027	-	-	30,000	-	59,027
Charges for services	-	-	-	2,307	-	2,307
Investment income	56	875	349	580	196	2,056
Miscellaneous	-	-	-	17,173	-	17,173
Total Revenues	29,083	204,766	349	375,828	196	610,222
Expenditures:						
General government	-	44,762	-	-	-	44,762
Community development	-	-	-	235,309	-	235,309
Culture and recreation	3,432	-	-	165,763	-	169,195
Capital outlay	-	156,586	-	-	-	156,586
Total Expenditures	3,432	201,348	-	401,072	-	605,852
Net Change in Fund Balances	25,652	3,418	349	(25,244)	196	4,370
Fund Balances - January 1	18,035	501,029	197,598	324,689	110,887	1,152,238
Fund Balances - December 31	43,686	504,447	197,947	299,445	111,083	1,156,608

Town of Frisco, Colorado
Special Revenue Funds - Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental - Lottery proceeds	27,000	29,027	2,027	26,956
Investment income	250	56	(194)	33
Total Revenues	<u>27,250</u>	<u>29,083</u>	<u>1,833</u>	<u>26,988</u>
Expenditures:				
Culture and recreation	13,000	3,432	9,568	25,128
Total Expenditures	<u>13,000</u>	<u>3,432</u>	<u>9,568</u>	<u>25,128</u>
Net Change in Fund Balance	14,250	25,651	11,401	1,860
Fund Balance - January 1	<u>16,424</u>	<u>18,035</u>	<u>1,611</u>	<u>16,175</u>
Fund Balance - December 31	<u><u>30,674</u></u>	<u><u>43,686</u></u>	<u><u>13,012</u></u>	<u><u>18,035</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Summit County Housing Authority 5A Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
County sales tax	140,000	148,941	8,941	136,896
Developer impact fees	75,000	54,950	(20,050)	76,515
Investment income	2,500	875	(1,625)	1,162
Other income	-	-	-	700
	<u>217,500</u>	<u>204,766</u>	<u>(12,734)</u>	<u>215,273</u>
Total Revenues				
Expenditures:				
Administration	45,000	44,762	238	36,941
Capital outlay	214,500	156,586	57,914	134,075
	<u>259,500</u>	<u>201,348</u>	<u>58,152</u>	<u>171,015</u>
Total Expenditures				
Net Change in Fund Balance	(42,000)	3,418	45,418	44,258
Fund Balance - January 1	<u>464,271</u>	<u>501,029</u>	<u>36,758</u>	<u>456,771</u>
Fund Balance - December 31	<u><u>422,271</u></u>	<u><u>504,447</u></u>	<u><u>82,176</u></u>	<u><u>501,029</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Insurance Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	2013			2012
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment income	1,200	349	(851)	482
Total Revenues	1,200	349	(851)	482
Expenditures:				
Claims liability	65,000	-	65,000	-
Total Expenditures	65,000	-	65,000	-
Net Change in Fund Balance	(63,800)	349	64,149	482
Fund Balance - January 1	199,416	197,598	(1,818)	197,116
Fund Balance - December 31	135,616	197,947	62,331	197,598

Town of Frisco, Colorado
Special Revenue Funds - Lodging Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	2013			2012
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Lodging tax	280,000	325,768	45,768	285,434
Local grants	30,000	30,000	-	30,000
Charges for services	20,000	2,307	(17,693)	17,441
Investment income	2,000	580	(1,420)	821
Other income	11,800	17,173	5,373	13,963
Total Revenues	343,800	375,828	32,028	347,659
Expenditures:				
Culture and recreation	184,760	165,763	18,997	146,784
Community development	251,837	235,309	16,528	226,612
Total Expenditures	436,597	401,072	35,525	373,396
Net Change in Fund Balance	(92,797)	(25,244)	67,553	(25,737)
Fund Balance - January 1	302,348	324,690	22,342	350,427
Fund Balance - December 31	209,551	299,446	89,895	324,690

Town of Frisco, Colorado
Special Revenue Funds - Open Space Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Investment income	500	196	(304)	270
Total Revenues	<u>500</u>	<u>196</u>	<u>(304)</u>	<u>270</u>
Expenditures:				
Culture and recreation	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	500	196	(304)	270
Fund Balance - January 1	<u>111,616</u>	<u>110,887</u>	<u>(729)</u>	<u>110,617</u>
Fund Balance - December 31	<u><u>112,116</u></u>	<u><u>111,083</u></u>	<u><u>(1,033)</u></u>	<u><u>110,887</u></u>

Town of Frisco, Colorado
Enterprise Fund - Water Fund
Schedule of Revenues, Expenses and Change in Fund Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	2013		Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
Operating Revenues:				
User charges	814,000	813,958	(42)	773,229
Water meter sales	10,000	26,186	16,186	14,872
Other operating	600	574	(26)	390
Total Operating Revenues	824,600	840,718	16,118	788,491
Operating Expenses:				
Salaries and benefits	291,844	308,197	(16,353)	290,163
Administrative fees	42,500	42,500	-	42,500
Professional fees	65,000	60,633	4,367	62,219
Supplies and chemicals	18,050	25,022	(6,972)	25,366
Utilities	52,000	57,705	(5,705)	56,302
Repair and maintenance	28,250	25,284	2,966	34,613
General expenses	48,950	64,273	(15,323)	50,249
Capital outlay	770,000	302,418	467,582	103,551
Water meter replacements	20,000	26,132	(6,132)	21,183
Total Expenses	1,336,594	912,164	424,430	686,146
Operating Income (Loss)	(511,994)	(71,446)	440,548	102,345
Non-operating Revenues (Expenses):				
Principal repayment	132,000	127,160	(4,840)	126,176
Plant investment fees	100,000	271,863	171,863	16,058
Capital contribution - Capital Fund	-	83,945	83,945	-
Capital contribution - Developer	-	104,046	104,046	-
Investment income	22,000	13,232	(8,768)	16,174
Total Non-operating Revenues (Expenses)	254,000	600,246	346,246	158,408
Change in Net Assets - Budget Basis	(257,994)	528,800	786,794	260,753
Reconciliation to GAAP Basis:				
Adjustments:				
Loan repayment		(127,160)		(126,176)
Capitalized assets		302,418		103,551
Depreciation		(308,635)		(283,326)
Change in Net Position - GAAP Basis		395,423		(45,198)

Town of Frisco, Colorado
Enterprise Fund - Marina Fund
Schedule of Revenues, Expenses and Change in Fund Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:				
User charges	778,500	793,406	14,906	751,417
Total Operating Revenues	<u>778,500</u>	<u>793,406</u>	<u>14,906</u>	<u>751,417</u>
Operating Expenses:				
Salaries and benefits	328,629	316,739	11,890	314,502
Administrative fees	20,000	20,000	-	20,000
Professional fees	20,000	10,580	9,420	28,484
Supplies	57,650	78,279	(20,629)	67,239
Utilities	20,000	27,072	(7,072)	21,651
Repair and maintenance	51,000	40,431	10,569	96,491
General expenses	147,500	155,137	(7,637)	179,298
Capital outlay	41,200	60,858	(19,658)	246,060
Total Expenses	<u>685,979</u>	<u>709,096</u>	<u>(23,118)</u>	<u>973,723</u>
Operating Income (Loss)	<u>92,521</u>	<u>84,310</u>	<u>(8,211)</u>	<u>(222,307)</u>
Non-operating Revenues (Expenses):				
State and federal grants	28,000	18,341	(9,659)	4,585
Investment income	-	-	-	-
Gain (loss) on asset disposal	5,000	7,306	2,306	24,549
Principal repayment	(132,000)	(127,160)	4,840	(126,176)
Interest expense	-	(4,840)	(4,840)	(5,824)
Total Non-operating Revenues (Expenses)	<u>(99,000)</u>	<u>(106,353)</u>	<u>(7,353)</u>	<u>(102,866)</u>
Change in Net Assets - Budget Basis	<u>(6,479)</u>	<u>(22,043)</u>	<u>(15,564)</u>	<u>(325,173)</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Principal repayment		127,160		126,176
Capitalized assets		60,858		246,060
Depreciation		(245,785)		(236,867)
Change in Net Position - GAAP Basis		<u>(79,810)</u>		<u>(189,804)</u>

Town of Frisco, Colorado
Special Revenue Funds - Capital Improvement Fund
Schedule of Capital Outlay Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for December 31, 2012)

	2013		Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
Capital Outlay:				
Asphalt Overlay and Resurface Road	125,000	84,175	40,825	-
Bike Path System Upgrades	8,750	2,128	6,622	2,476
Bike Terrain Park	-	-	-	44,952
Capital Projects	-	-	-	270
Computers and Technology	37,000	12,094	24,906	60,171
Curb Replacement	-	-	-	23,875
Energy Performance Contract	-	-	-	7,000
Environmental Sustainability	30,000	28,000	2,000	9,000
Equipment and Vehicle Leases	-	33,534	(33,534)	34,231
Facility Capital Repair	62,500	50,091	12,409	23,775
General Street Maintenance	-	-	-	96,731
Historic Park Structure Preservation	-	-	-	4,135
Lusher Court Offsite Facilities	500,000	812,028	(312,028)	-
Main Street Mater Plan Early Action	100,000	73,376	26,624	160,146
Peninsula Forestry Management	25,000	9,936	15,064	18,074
PRA Parking Lot Improvements	12,000	8,603	3,397	-
PRA Plan Implementation	118,000	17,732	100,268	-
Summit Blvd Masonry Work	100,000	68,500	31,500	-
Ten Mile Creek Bridge Rail Repair	66,000	200	65,800	-
Vehicles and Equipment	20,000	425,870	(405,870)	161,003
Zoning Code Update	50,000	36,352	13,648	-
Total Expenditures - Capital Outlay	1,254,250	1,662,618	(408,368)	645,839

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 2013
This Information From The Records Of (example - City of _ or County of Town of Frisco, CO)	Prepared By: Phone: Chad M. 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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	765,229
3. Other local imposts (from page 2)	565,627
4. Miscellaneous local receipts (from page 2)	-
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	-
7. Total (1 through 6)	1,330,856
B. Private Contributions	
C. Receipts from State government (from page 2)	120,572
D. Receipts from Federal Government (from page 2)	-
E. Total receipts (A.7 + B + C + D)	1,451,428

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	781,808
2. Maintenance:	99,693
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	259,590
c. Other	
d. Total (a. through c.)	259,590
4. General administration & miscellaneous	
5. Highway law enforcement and safety	310,337
6. Total (1 through 5)	1,451,428
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	-
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	-
3. Total (1.c + 2.c)	-
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,451,428

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	1,451,428	1,451,428	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2013	
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	565,627	g. Other Misc. Receipts	
6. Total (1. through 5.)	565,627	h. Other	
c. Total (a. + b.)	565,627	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	106,567	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	14,005	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.)	14,005	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	120,572	3. Total (1. + 2.g)	-
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			-
b. Engineering Costs		109,326	109,326
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation		185,391	185,391
(4). System Enhancement & Operation		487,091	487,091
(5). Total Construction (1) + (2) + (3) + (4)		-	672,482
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		-	781,808
			(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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 22,178,309	\$ 20,866,322	\$ 22,444,107	\$ 25,446,877	\$ 26,874,051	\$ 27,154,318	\$ 29,823,965	\$ 30,848,672	\$ 30,105,686	\$ 30,243,989
Restricted	245,000	300,000	290,000	312,000	330,000	275,000	442,000	781,946	869,064	880,133
Unrestricted	9,832,799	12,615,901	13,873,817	14,316,244	13,721,221	12,581,617	8,808,664	6,648,940	8,017,252	12,710,588
Subtotal Governmental Activities Net Position	<u>32,256,108</u>	<u>33,782,223</u>	<u>36,607,924</u>	<u>40,075,121</u>	<u>40,925,272</u>	<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>
Business-type Activities										
Net Investment in Capital Assets	3,594,380	4,607,053	5,004,283	4,905,815	7,504,391	7,612,836	7,857,164	7,762,155	7,999,727	7,802,593
Unrestricted	3,983,012	5,782,302	5,610,753	6,237,680	4,054,324	4,062,075	3,877,339	4,064,798	3,992,272	4,505,019
Subtotal Business-type Activities Net Position	<u>7,577,392</u>	<u>10,389,355</u>	<u>10,615,036</u>	<u>11,143,495</u>	<u>11,558,715</u>	<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>
Total Primary Government Net Position	<u>\$ 39,833,500</u>	<u>\$ 44,171,578</u>	<u>\$ 47,222,960</u>	<u>\$ 51,218,616</u>	<u>\$ 52,483,987</u>	<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>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General Government	\$ 1,919,001	\$ 1,980,516	\$ 2,036,314	\$ 2,128,358	\$ 2,335,984	\$ 2,392,573	\$ 2,636,309	\$ 2,560,698	\$ 2,618,326	\$ 2,813,821
Public Safety	872,612	922,379	1,081,809	1,186,645	1,325,704	1,400,453	1,302,380	1,272,798	1,353,334	1,441,587
Public Works	1,828,092	2,173,950	1,940,042	2,284,503	2,422,999	2,630,715	2,331,184	2,772,067	2,523,672	2,463,718
Community Development	795,653	745,244	925,059	983,463	1,215,797	1,271,179	1,153,120	1,191,969	1,051,224	1,186,800
Culture and Recreation	568,450	465,151	646,850	1,136,151	1,298,595	1,140,096	1,498,443	2,098,979	2,387,598	2,665,626
Housing	-	-	-	27,822	75,881	20,929	196,697	198,887	171,015	201,348
Interest on long-term debt	165,435	164,517	108,387	89,500	96,825	101,220	163,719	268,101	238,667	246,315
Total Governmental Activities Expenses	6,149,243	6,451,757	6,738,461	7,836,442	8,771,785	8,957,165	9,281,852	10,363,499	10,343,836	11,019,215
Business-type Activities:										
Interest on long-term debt	-	54,014	57,240	63,600	53,640	23,158	14,336	7,665	5,824	4,840
Water Fund	716,093	727,481	780,539	699,536	635,490	697,749	775,773	771,209	823,419	875,880
Marina Fund	-	443,485	539,502	625,099	670,489	744,159	802,476	858,980	944,530	874,024
Total Business-type Activities Expenses	716,093	1,224,980	1,377,281	1,388,235	1,359,619	1,465,066	1,592,585	1,637,854	1,773,773	1,754,744
Total Primary Government Expenses	6,865,336	7,676,737	8,115,742	9,224,677	10,131,404	10,422,231	10,874,437	12,001,353	12,117,609	12,773,959
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	200,693	256,396	275,757	208,708	243,926	236,199	287,911	287,617	298,642	339,703
Public Safety	-	9,750	10,699	10,355	11,140	23,278	24,407	19,982	26,717	31,499
Public Works	-	14,157	6,070	12,333	12,044	10,480	17,819	23,530	15,830	13,052
Community Development	273,797	366,170	265,071	178,589	231,622	206,798	209,383	225,698	213,588	263,445
Culture and Recreation	106,626	78,835	92,445	332,952	378,719	463,878	680,245	1,246,113	1,550,609	2,048,170
Housing	-	-	-	6,300	39,957	71,914	53,040	58,691	76,515	54,950
Operating Grants and Contributions	226,675	209,787	223,631	256,768	215,884	254,764	237,379	235,399	233,261	225,754
Capital Grants and Contributions	-	-	-	906,059	5,000	30,000	64,645	182,189	188,375	396,097
Total Governmental Activities Program Revenues	807,791	935,095	873,673	1,912,064	1,138,292	1,297,311	1,574,829	2,279,219	2,603,537	3,372,670
Business-type Activities:										
Charges for Services:										
Water	588,959	1,446,423	749,545	692,500	735,095	793,588	804,291	885,274	804,159	1,112,007
Marina	-	451,158	585,794	767,474	790,298	741,687	764,486	827,234	751,417	793,406
Operating Grants and Contributions	-	165	99	535	2,789	26,837	20,982	20,868	4,975	18,915
Capital Grants and Contributions	157,280	-	-	147,002	12,010	-	36,226	-	-	104,046
Total Business-type Activities Program Revenues	746,239	1,897,746	1,335,438	1,607,511	1,540,192	1,562,112	1,625,985	1,733,376	1,560,551	2,028,374
Total Program Revenues	1,554,030	2,832,841	2,209,111	3,519,575	2,678,484	2,859,423	3,200,814	4,012,595	4,164,088	5,401,044
Net (Expense)/Revenue										
Governmental Activities	(5,176,017)	(5,352,145)	(5,756,401)	(5,834,878)	(7,536,668)	(7,558,634)	(7,543,304)	(7,816,179)	(7,501,632)	(7,400,230)
Business-type Activities	30,146	726,780	15,397	282,876	234,213	120,204	47,736	103,187	(207,398)	278,470
Interest on Long Term Debt	(165,435)	(218,531)	(165,627)	(153,100)	(150,465)	(124,378)	(178,055)	(275,766)	(244,491)	(251,155)
Total Primary Government										
Net (Expense) Revenue	(5,311,306)	(4,843,896)	(5,906,631)	(5,705,102)	(7,452,920)	(7,562,808)	(7,673,623)	(7,988,758)	(7,953,521)	(7,372,915)
General Revenues and Transfers										
Governmental Activities:										
Taxes:										
Property Taxes	97,921	99,635	109,388	110,603	133,809	134,281	165,309	163,923	131,194	133,336
Sales and use Taxes	4,979,301	5,264,564	5,815,680	6,319,048	6,227,472	5,323,363	5,342,233	5,513,403	5,675,383	6,044,997
Real Estate Transfer Tax	1,107,321	1,346,658	1,356,572	1,488,980	753,312	501,254	565,093	792,486	805,152	920,533
Franchise Taxes	238,040	242,821	271,781	268,928	307,143	279,227	297,721	300,992	287,203	313,906
Lodging Taxes	219,148	256,429	293,999	319,885	324,085	246,741	239,089	261,429	285,434	325,768
Other Taxes	30,552	24,697	34,227	28,488	27,629	38,926	25,871	27,602	57,740	55,795
Transfers	-	(1,972,153)	-	35,000	41,000	41,000	42,500	42,500	62,500	(21,445)
Interest and Other	180,544	1,780,124	808,842	820,644	669,194	180,725	92,901	186,874	1,148,141	4,716,360
Total General Activities	6,852,827	7,042,775	8,690,489	9,391,576	8,483,644	6,745,517	6,770,717	7,289,209	8,452,747	12,489,250
Business-type Activities:										
Transfers	-	1,972,153	-	(35,000)	(41,000)	(41,000)	(42,500)	(42,500)	(62,500)	21,445
Interest and Other	43,651	167,044	267,524	344,184	275,647	60,153	68,689	39,430	440,771	20,538
Total Business-type Activities	43,651	2,139,197	267,524	309,184	234,647	19,153	26,189	(3,070)	378,271	41,983
Total General Revenues and Transfers	6,896,478	9,181,972	8,958,013	9,700,760	8,718,291	6,764,670	6,796,906	7,286,139	8,831,018	12,531,233
Changes in Net Position										
Governmental Activities	1,511,375	1,526,113	2,825,701	3,467,198	850,151	(914,337)	(936,306)	(795,071)	712,448	4,842,705
Business-type Activities	73,797	2,811,963	225,681	528,460	415,220	116,199	59,589	92,452	165,049	315,613
Total Government Changes in Net Position	\$ 1,585,172	\$ 4,338,076	\$ 3,051,382	\$ 3,995,658	\$ 1,265,371	\$ (798,138)	\$ (876,717)	\$ (702,619)	\$ 877,497	\$ 5,158,318

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

	2004	2005	2006	2007	2008	2009	2010	2011 (*)	2012	2013
General Fund										
Reserved for:										
Prepaid items and inventory	\$ 17,068	\$ 4,924	\$ 3,950	\$ 3,514	\$ 16,964	\$ 2,172	\$ 23,897	\$ -	\$ -	\$ -
Long-term loans receivable	-	-	-	-	-	27,539	23,920	-	-	-
Emergencies	245,000	166,374	290,000	312,000	330,000	275,000	442,000	-	-	-
Unreserved:										
Designated for capital projects	10,000	10,000	10,000	10,000	10,000	10,000	10,000	-	-	-
Undesignated, reported in:										
General Fund	4,091,976	5,815,097	7,715,159	5,144,127	3,825,701	3,636,267	2,462,794	-	-	-
Non-Spendable	-	-	-	-	-	-	-	40,412	40,865	63,151
Restricted	-	-	-	-	-	-	-	309,000	350,000	332,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	195,282	425,285	497,510
Unassigned	-	-	-	-	-	-	-	2,631,208	2,944,642	3,767,001
Total General Fund	4,364,044	5,996,395	8,019,109	5,469,641	4,182,665	3,950,978	2,962,611	3,175,902	3,760,792	4,659,662
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Designated for capital projects	-	-	-	-	-	-	274,861	-	-	-
Capital Improvement Fund	4,764,465	5,669,876	4,428,927	6,263,308	5,956,550	4,877,677	3,898,350	-	-	-
Other Non-Major Governmental Funds	1,076,470	1,289,046	1,751,105	2,574,401	2,963,925	3,101,548	1,188,048	-	-	-
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	472,946	519,064	865,682
Committed	-	-	-	-	-	-	-	658,159	633,174	608,475
Assigned	-	-	-	-	-	-	-	3,232,313	4,064,942	3,169,091
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	5,840,935	6,958,922	6,180,032	8,837,709	8,920,475	7,979,225	5,361,259	4,363,418	5,217,180	4,643,248
Total Governmental Funds										
Reserved	262,068	171,298	293,950	315,514	346,964	304,711	489,817	-	-	-
Unreserved	9,942,911	12,784,019	13,905,191	13,991,836	12,756,176	11,625,492	7,834,053	-	-	-
Non-Spendable								40,412	40,865	63,151
Restricted								781,946	869,064	1,197,682
Committed								658,159	633,174	608,475
Assigned								3,427,595	4,490,227	3,666,601
Unassigned								2,631,208	2,944,642	3,767,001
Total Governmental Funds Balance	\$ 10,204,979	\$ 12,955,317	\$ 14,199,141	\$ 14,307,350	\$ 13,103,140	\$ 11,930,203	\$ 8,323,870	\$ 7,539,320	\$ 8,977,972	\$ 9,302,910

(*) 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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues										
Taxes	\$ 6,672,283	\$ 7,234,805	\$ 7,881,648	\$ 8,535,932	\$ 7,773,449	\$ 6,523,791	\$ 6,636,888	\$ 7,059,836	\$ 7,242,107	\$ 7,794,319
Licenses, Permits, and Fees	335,127	441,905	339,875	244,122	335,415	320,102	348,234	366,526	379,410	429,595
Intergovernmental Revenue	226,675	206,412	218,840	1,153,576	217,384	268,260	269,820	359,307	353,497	249,217
Charges for Services	245,989	266,715	289,219	525,524	600,479	689,490	919,204	1,473,766	1,810,988	2,299,298
Investment Income	103,827	296,654	546,812	788,731	555,535	141,463	79,631	46,219	24,054	18,426
Capital Interest Subsidy	-	-	-	-	-	-	-	52,189	52,189	48,040
Reimbursements	-	-	-	-	-	-	-	-	-	318,057
Miscellaneous	76,717	30,362	38,861	34,268	47,330	70,845	71,026	128,057	135,166	94,419
Total Revenues	<u>7,660,618</u>	<u>8,476,853</u>	<u>9,315,255</u>	<u>11,282,153</u>	<u>9,529,592</u>	<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>
Expenditures										
General Government	1,731,293	1,741,449	1,834,478	2,379,635	2,806,355	2,300,605	2,344,072	2,392,648	2,233,891	2,501,631
Public Safety	858,326	914,435	1,047,004	1,147,971	1,276,684	1,301,162	1,247,748	1,222,019	1,316,176	1,411,394
Community Development	769,556	772,192	942,782	971,211	943,756	1,255,222	1,153,994	1,232,307	1,229,758	1,347,553
Public Works	1,244,104	1,332,842	1,296,521	1,405,195	1,666,111	1,597,000	1,627,492	1,703,666	1,674,290	1,700,686
Culture and Recreation	367,248	687,730	449,978	1,004,832	1,037,820	1,037,660	1,436,439	1,599,962	1,773,975	1,939,011
Capital Outlay	1,165,503	1,332,756	1,711,574	4,049,145	2,944,567	1,463,891	6,578,913	1,695,474	779,913	1,819,204
Debt Service:										
Principal	324,313	321,927	1,038,989	142,161	267,979	172,778	219,186	277,534	409,078	502,582
Interest	167,606	154,001	112,363	103,899	98,208	95,368	146,135	219,859	828,328	211,538
Total Expenditures	<u>6,627,949</u>	<u>7,257,332</u>	<u>8,433,689</u>	<u>11,204,049</u>	<u>11,041,480</u>	<u>9,223,686</u>	<u>14,753,979</u>	<u>10,343,469</u>	<u>10,245,409</u>	<u>11,433,599</u>
Excess of Revenues Over/(Under) Expenditures	<u>1,032,669</u>	<u>1,219,521</u>	<u>881,566</u>	<u>78,104</u>	<u>(1,511,888)</u>	<u>(1,209,735)</u>	<u>(6,429,176)</u>	<u>(857,569)</u>	<u>(247,998)</u>	<u>(182,228)</u>
Other Financing Sources/(Uses)										
Certificate of Participation proceeds	-	-	-	-	-	-	4,450,000	-	-	-
Premium on COPs issued	-	-	-	-	-	-	20,791	-	-	-
Capital interest subsidy	-	-	-	-	-	-	24,645	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-	-	(1,917,775)	-	-	-
Cost of issuance	-	-	-	-	-	-	(127,831)	-	-	-
Lease Purchase Proceeds	-	-	96,418	-	190,335	-	366,579	-	494,859	370,922
Sales of Assets	-	1,530,797	265,840	30,106	117,344	36,799	6,436	73,020	1,191,790	136,240
Transfers In	300,000	345,480	300,000	4,426,014	1,887,597	-	2,700,000	-	-	-
Transfers Out	(300,000)	(345,480)	(300,000)	(4,426,014)	(1,887,597)	-	(2,700,000)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,530,797</u>	<u>362,258</u>	<u>30,106</u>	<u>307,679</u>	<u>36,799</u>	<u>2,822,845</u>	<u>73,020</u>	<u>1,686,649</u>	<u>507,162</u>
Net Change in Fund Balances	<u>\$ 1,032,669</u>	<u>\$ 2,750,318</u>	<u>\$ 1,243,824</u>	<u>\$ 108,210</u>	<u>\$ (1,204,209)</u>	<u>\$ (1,172,936)</u>	<u>\$ (3,606,331)</u>	<u>\$ (784,549)</u>	<u>\$ 1,438,651</u>	<u>\$ 324,934</u>
Debt Service as a Percentage of Noncapital Expenditures	9.0%	8.0%	17.1%	3.4%	4.5%	3.5%	4.5%	5.8%	13.1%	7.4%

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenue Source										
City Sales Tax	\$ 2,405,527	\$ 2,540,370	\$ 2,825,970	\$ 2,977,098	\$ 2,924,953	\$ 2,532,695	\$ 2,577,170	\$ 2,643,657	\$ 2,727,768	\$ 2,916,281
County Sales Tax	2,573,774	2,724,195	2,989,710	3,155,322	3,105,434	2,651,259	2,618,520	2,741,574	2,810,720	2,979,759
Housing Authority Tax	-	-	-	186,628	197,084	139,408	146,438	128,311	136,896	148,941
Property Tax	92,162	93,538	102,534	103,601	126,796	128,221	159,896	158,539	126,029	127,301
Lodging Tax	219,148	256,429	293,999	319,885	324,085	246,741	239,089	261,290	285,434	325,768
Real Estate Investment Fee Tax	1,107,321	1,346,658	1,356,572	1,488,980	753,312	501,254	565,093	792,486	805,152	920,533
Franchise Tax	238,040	242,821	271,781	268,928	307,143	279,227	297,721	300,992	287,203	313,906
Specific Ownership Tax	5,759	6,097	6,854	7,002	7,013	6,060	5,413	5,384	5,165	6,035
Miscellaneous Tax	30,552	24,697	34,228	28,488	27,629	38,926	27,547	27,602	57,740	55,795
Total Revenues	<u>\$ 6,672,283</u>	<u>\$ 7,234,805</u>	<u>\$ 7,881,648</u>	<u>\$ 8,535,932</u>	<u>\$ 7,773,449</u>	<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>
% change from prior year	28.6%	8.4%	8.9%	8.3%	-8.9%	-16.1%	1.7%	6.4%	2.6%	7.6%
Percentage of Total										
City Sales Tax	36.1%	35.1%	35.9%	34.9%	37.6%	38.8%	38.8%	37.4%	37.7%	37.4%
County Sales Tax	38.6%	37.7%	37.9%	37.0%	39.9%	40.6%	39.5%	38.8%	38.8%	38.2%
Housing Authority Tax	0.0%	0.0%	0.0%	2.2%	2.5%	2.1%	2.2%	1.8%	1.9%	1.9%
Property Tax	1.4%	1.3%	1.3%	1.2%	1.6%	2.0%	2.4%	2.2%	1.7%	1.6%
Lodging Tax	3.3%	3.5%	3.7%	3.7%	4.2%	3.8%	3.6%	3.7%	3.9%	4.2%
Real Estate Investment Fee Tax	16.6%	18.6%	17.2%	17.4%	9.7%	7.7%	8.5%	11.2%	11.1%	11.8%
Franchise Tax	3.6%	3.4%	3.4%	3.2%	4.0%	4.3%	4.5%	4.3%	4.0%	4.0%
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	0.5%	0.3%	0.4%	0.3%	0.4%	0.6%	0.4%	0.4%	0.8%	0.7%
Total Revenues	<u>100.0%</u>									

Source: Town of Frisco Financial Statements

Town of Frisco, Colorado
Taxable Sales and Sales Tax Collections by Category
Fiscal Years 2012 - 2013

	2013		2012	
		Percentage of Total		Percentage of Total
<u>Taxable Sales</u>				
Retail - General	\$ 38,616,625	26%	\$ 37,765,575	27%
Restaurants	27,351,950	19%	25,124,850	18%
Grocery	17,475,500	12%	17,006,300	12%
Utility	9,872,450	7%	8,245,450	6%
Hotels & Inns	9,122,625	6%	9,174,875	7%
Automotive	7,709,400	5%	6,889,925	5%
Recreation	7,572,575	5%	6,400,750	5%
Home Improvement	7,092,675	5%	6,872,700	5%
Liquor	5,331,200	4%	4,791,875	3%
Home Furnishings	5,090,125	3%	4,477,825	3%
Vacation Rentals	4,347,575	3%	3,915,200	3%
Clothing	2,779,150	2%	2,492,750	2%
Gifts	2,193,025	1%	2,326,925	2%
Health & Beauty	1,416,300	1%	1,274,900	1%
Office	900,750	1%	941,050	1%
Arts & Crafts	758,900	1%	883,750	1%
Total	\$ 147,630,825	100%	\$ 138,584,700	100%

	2013 (*)		2012 (*)	
		Percentage of Total		Percentage of Total
<u>Sales Tax Collected</u>				
Retail - General	\$ 1,544,665	26%	\$ 1,510,623	27%
Restaurants	1,094,078	19%	1,004,994	18%
Grocery	699,020	12%	680,252	12%
Utility	394,898	7%	329,818	6%
Hotels & Inns	364,905	6%	366,995	7%
Automotive	308,376	5%	275,597	5%
Recreation	302,903	5%	256,030	5%
Home Improvement	283,707	5%	274,908	5%
Liquor	213,248	4%	191,675	3%
Home Furnishings	203,605	3%	179,113	3%
Vacation Rentals	173,903	3%	156,608	3%
Clothing	111,166	2%	99,710	2%
Gifts	87,721	1%	93,077	2%
Health & Beauty	56,652	1%	50,996	1%
Office	36,030	1%	37,642	1%
Arts & Crafts	30,356	1%	35,350	1%
Total	\$ 5,905,233	100%	\$ 5,543,388	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
2004	2.00%	2.75%	2.90%		7.650%
2005	2.00%	2.75%	2.90%		7.650%
2006	2.00%	2.75%	2.90%		7.650%
2007	2.00%	2.75%	2.90%	0.125%	7.775%
2008	2.00%	2.75%	2.90%	0.125%	7.775%
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%

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
2004									
2005									
2006									
2007	\$ 96,947,820	\$ 51,984,600	8,807,010	\$ 2,255,480	\$ (6,275,412)	\$ 159,994,910	0.798	\$ 1,435,371,713	11.15%
2008	99,633,810	51,693,020	8,735,530	2,136,200	(6,187,832)	162,198,560	0.798	1,467,451,515	11.05%
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%

(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

Prior year information not readily available

**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
2003	2004	\$ 92,910	\$ 92,320	99.36%	\$ (158)	\$ 92,162	99.20%
2004	2005	93,760	93,356	99.57%	(4)	93,352	99.56%
2005	2006	102,413	102,244	99.84%	(5)	102,239	99.83%
2006	2007	103,454	103,360	99.91%	23	103,383	99.93%
2007	2008	126,817	125,929	99.30%	(241)	125,688	99.11%
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%

In 1997, the Town of Frisco over-levied, resulting in no collections from 1998-2001.

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
2004	0.798	12.144	23.832	8.345	1.347	46.466
2005	0.798	12.404	22.910	8.289	0.000	44.401
2006	0.798	12.364	22.848	8.311	0.000	44.321
2007	0.798	11.491	22.090	8.275	0.000	42.654
2008	0.798	11.448	22.291	8.286	0.000	42.823
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

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 2013

	Assessed Value
Maximum Debt Allowed:	
Actual Value	\$ 1,439,060,360
Debt Limit (3% of valuation)	0.03
Legal Debt Limit	\$ 43,171,811
Debt Applicable to Limit:	
Total Bonds Outstanding	\$ 3,891,168
Less: Sales and Use Tax Revenue Bonds	-
Debt Subject to Limitation	\$ 3,891,168
Debt Limit	\$ 43,171,811
less: Total Net Debt Applicable to Limit	3,891,168
Legal Debt Margin	\$ 39,280,643
Total Net Debt Applicable to Limit as a percentage of debt limit	9.0%

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					
2004	\$ 62,423	\$ 2,280,000	\$ 1,020,000	\$ -	\$ 3,362,423	\$ 76,100	2.26%	2,763	\$ 1,217
2005	182,559	2,180,000	870,000	-	3,232,559	78,400	2.43%	2,754	1,174
2006	209,988	2,080,000	-	-	2,289,988	78,400	3.42%	2,762	829
2007	167,827	1,980,000	-	-	2,147,827	78,800	3.67%	2,782	772
2008	195,183	1,875,000	-	-	2,070,183	81,300	3.93%	2,806	738
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%	2,792	1,701
2011	237,263	4,232,281	-	-	4,469,544	88,600	1.98%	2,693	1,660
2012	488,044	4,064,070	-	-	4,552,114	89,800	1.97%	2,684	1,696
2013	526,384	3,891,168	-	-	4,417,552	92,100	2.08%	2,713	1,628

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

(2) 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 2013

<u>Jurisdiction</u>	<u>2013 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	\$ 158,967,980	\$ 4,417,522	100.00%	\$ 4,417,522
<i>Total Direct Debt</i>		<u>4,417,522</u>		
Summit County	1,543,400,370	-	10.30%	-
Summit School District	1,536,204,510	47,586,342	10.35%	4,924,282
Lake Dillon Fire Protection District	727,305,660	-	21.86%	-
Frisco Sanitation District	171,750,050	-	92.56%	-
<i>Total Direct and Overlapping Debt</i>		<u>47,586,342</u>		
Total Direct and Overlapping Debt				<u><u>\$ 9,341,804</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)
2004	2,763	26,707	\$ 76,100	\$ 36,860	855	4.3%
2005	2,754	26,623	78,400	38,740	844	3.9%
2006	2,762	26,839	78,400	43,147	833	3.2%
2007	2,782	27,163	78,800	44,012	848	2.8%
2008	2,806	27,464	81,300	45,957	808	3.8%
2009	2,852	27,783	85,100	41,321	816	6.40%
2010	2,792	28,073	87,200	42,835	811	7.80%
2011	2,693	27,964	88,600	44,800	815	7.50%
2012	2,684	28,167	89,800	46,220	815	7.20%
2013	2,713	*	92,100	*	770	4.40%

* Statistics not yet released for 2013

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

**Town of Frisco, Colorado
Principal Employers
Fiscal Year 2013**

Employer	Employee # Range 2013	(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%
Wal-Mart	100 - 249	0.005 - 0.013%
Backcountry Brewery	50 - 99	0.003 - 0.005%
Best Western-Lake Dillon Lodge	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 Middle School *	50 - 99	0.003 - 0.005%
Summit Stage *	50 - 99	0.003 - 0.005%
Town of Frisco	50 - 99	0.003 - 0.005%
Water Dance Townhomes	50 - 99	0.003 - 0.005%
(1) Total Employees within Summit County:	18,205	

* Business not within municipal limits of the Town of Frisco

Number of employees is only given in ranges

(1) 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government *	8	9	9	9	9	9	9	9	9	9
Public Safety	13	13	14	15	15	15	15	15	15	15
Public Works	15	16	16	16	18	19	19	19	19	19
Community Development	7	6	6	6	6	6	6	6	6	6
Culture and Recreation	3	3	4	4	4	6	11	11	11	13
Water	4	4	4	4	3	3	3	3	3	3
Marina	0	1	1	2	2	2	2	2	2	3
Total	50	52	54	56	57	60	65	65	65	68

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 2007 - 2013

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>General Government</u>							
Council meetings	*	21	19	20	20	22	20
Business licenses	*	935	1,135	1,193	1,321	1,357	1,464
Sales tax licenses	*	813	830	848	900	934	967
Elections	*	2	1	1	0	0	1
<u>Public Safety</u>							
Police stations	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8
Physical arrests	421	605	146	141	176	215	175
Traffic violations	798	710	1,079	1,411	1,288	951	631
Parking violations	27	14	22	23	35	22	16
<u>Public Works</u>							
Miles of streets	17.5	17.75	17.75	17.75	17.75	18	18
Total Town area (square miles)	1.75	2	2	2	2	2	2
<u>Community Development</u>							
Building permits issued	*	102	145	154	167	158	169
COs issued	*	146	32	35	124	91	83
Planning Commission meetings	*	20	18	18	13	15	16
<u>Culture and Recreation</u>							
Parks	10	10	10	10	10	10	10
Historic Park and Museum	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1
Volleyball courts	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2
Miles of trails	11.5	11.5	11.5	11.5	11.5	12	12
Nordic ski trails	43 km	43 km	43 km	43 km	43 km	43 km	43 km
Outdoor ice rinks	1	1	1	1	1	1	1
Baseball, soccer, and multi-use fields	2	2	2	2	2	2	2
Bike Park	0	0	0	0	1	1	1
<u>Housing</u>							
Impact Fees (\$2 or less/sq ft, new construction)	*	70,242 sq ft	21,024 sq ft	34,626 sq ft	29,812 sq ft	45,101 sq ft	40,613 sq ft
<u>Municipal Water</u>							
Number of water service connections	1,825	1,825	1,916	1,925	2,105	1,903	1,906
Daily average water consumption in million gallons	0.72 mgd	0.70 mgd	0.758 mgd	0.786 mgd	0.658 mgd	0.740 mgd	0.607 mgd
Miles of water mains	31	31	32.5	32.5	32.5	32.5	32.8
<u>Marina</u>							
Service and storage buildings	3	3	3	4	4	4	4
Offices	1	1	1	1	1	1	1
Lighthouses	1	1	1	1	1	1	1
Restaurants	1	1	1	1	1	1	1
Docks	4	5	11	11	11	13	12
Paddle boats	21	36	36	44	45	45	62
Power boats	13	13	13	15	14	14	14

* Information not readily available

Information not readily available for 2004 - 2006

Source: Town of Frisco Human Resources