

**Town of Frisco, Colorado**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2015**



**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, 2015**

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## INTRODUCTORY SECTION





# TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

June 8, 2016

**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, 2015. 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, 2015 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

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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 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 2015, it is important to note the primary goal of the Town Council as set forth in its mission statement:

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

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

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

## **Factors Affecting Financial Condition**

**Local Economy:** The Town of Frisco, as a central location within Summit County boasting convenient highway access, relies on tourism as its main economic driver. The proximity 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, Whole Foods, Holiday Inn, Baymont Inn and Suites, 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 2015 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 2015 included Wal-Mart, Safeway, Whole Foods, Town of Frisco, Holiday Inn, Baymont Inn and Suites, and an assortment of lodging, restaurant, retail and construction-related businesses. In addition, a number of entities outside of the municipal limits provide employment for a large portion of the Frisco populace. These include Copper Mountain Ski Resort, St. Anthony's Summit Medical Center, and the Summit County School District. However, many employees currently working in Frisco, largely due to high housing costs and a shortage of housing in Frisco and in Summit County, commute from other areas.

The Town continues to be financially sound. The effects of a 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, lasting through the present day. Because Town management relies on a conservative projection philosophy, a build-up of reserves prior to 2008 allowed the Town to maintain levels of governmental service throughout the downturn. Council also

# TOWN of FRISCO

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had the flexibility to approve various capital project expenditures that otherwise might not have occurred. 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 2015, sales tax revenues comprised slightly less than 63% of General Fund revenues. As sales tax revenues are extremely volatile and susceptible to many outside forces beyond the direct control of Town government, Frisco has consistently focused on developing strategies to address the issue. In 2005, the Town began local sales tax collection. 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 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 have since opened and more 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 fifth winter season of operations ended in April of 2015 and was a tremendous success. The Town will revisit the Peninsula Recreation Area Master Plan in 2016 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

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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 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 were completed in 2014 and 2015, respectively. The Town Council remains committed to addressing attainable housing issues moving forward.

The most significant capital projects in 2015 were related to the revitalization and reconstruction of Main Street and purchase of a building adjacent to Town Hall and the Historic Park and Museum. 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 seven (7) months of fund expenditures for the prior year. Favorable General Fund balances above the required reserves at the end of each year are now required by Council to be transferred into the Capital Improvements Fund. Both the Water Fund and the Marina Fund are required to maintain an excess in reserve equaling 33.3% of the prior year's expenditures. The Town has also set aside limited funds in the Insurance Reserve Fund, which will be used to augment expenditures on employee benefits and insurance should the need arise. The Town has seen steady economic recovery for the past three years and reserves are slowly being replenished.

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.

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

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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, 2014**

Executive Director/CEO



**ORGANIZATIONAL CHART**

**COMMUNITY OF FRISCO**

**FRISCO TOWN COUNCIL**

**Town Attorney**  
Prosecuting Attorney  
Municipal Court Judge

**TOWN ADMINISTRATION**  
Town Manager  
Town Clerk  
Executive Assistant

**COMMUNITY DEVELOPMENT DEPARTMENT**  
Planning  
Zoning  
Building

**POLICE DEPARTMENT**  
Administration  
Municipal Court  
Law Enforcement  
Investigation

**PUBLIC WORKS DEPARTMENT**  
Administration  
Streets  
Buildings  
Fleet  
Grounds  
Water

**COMMUNITY RELATIONS DEPARTMENT**  
Marketing  
Special Events  
Information Center

**FINANCE DEPARTMENT**  
Audit  
Budget  
Revenue  
Human Resources  
Payroll  
Accounts Payable  
Utility Billing

**RECREATION AND CULTURAL DEPARTMENT**  
Adventure Park  
Marina  
Historic Park  
Summer/Winter Programs & Activities  
Athletic Events

For more detailed information, please refer to the individual department organizational charts in the Policy Question section.

**TOWN OF FRISCO, COLORADO  
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS  
December 31, 2015**

**Elected Officials**

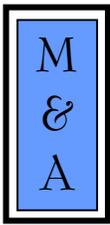
Mayor	Gary Wilkinson
Mayor Pro-tem	Larry Sawyer
Council Members	Kim Cancelosi
	Kathleen Bartz
	Hunter Mortensen
	Tom Connolly
	Dan Kibbie

**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	Rick Higgins
Community Development Director	Joyce Allgaier
Marketing Director	Vanessa Agee
Recreation Director	Diane McBride

## FINANCIAL SECTION





# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frisco, Colorado (the "Town"), as of and for the year ended December 31, 2015, 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*

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**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, 2015, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Notes V.E. and V.G. to the financial statements, the Town adopted Governmental Accounting Standards Board Statement No.68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27s*, during 2015. Our opinion is not modified with respect to this matter.

***Other Matters***

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

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

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

***Other Matters (continued)***

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

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**June 8, 2016**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# Town of Frisco, Colorado

## Management's Discussion and Analysis

### December 31, 2015

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, 2015. 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 2015, a greatly improved economy, along with favorable climate conditions, a strong tourism market and development of a retail complex, continued to contribute to replenishment of the Town's reserves to levels that will provide stability for the long term.

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

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

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

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

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

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

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

## Overview of the Financial Statements (continued)

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages 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 2015 and 2014:

	<u>Town of Frisco's Net Position</u>					
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
<b>Assets:</b>						
Current and other assets	\$16,084,574	\$14,622,637	\$ 5,420,532	\$4,884,659	\$21,505,106	\$19,507,296
Capital assets	39,216,016	36,169,065	7,723,018	7,948,393	46,939,034	44,117,458
<b>Total Assets</b>	<u>55,300,590</u>	<u>50,791,702</u>	<u>13,143,550</u>	<u>12,833,052</u>	<u>68,444,140</u>	<u>63,624,754</u>
<b>Deferred Outflows of Resources:</b>						
	167,890	98,144	-	-	167,890	98,144
<b>Liabilities:</b>						
Other liabilities	1,735,146	1,641,047	34,433	58,986	1,769,579	1,700,033
Long-term liabilities	4,847,762	3,906,471	17,841	34,014	4,865,603	3,940,485
<b>Total Liabilities</b>	<u>6,582,908</u>	<u>5,547,518</u>	<u>52,274</u>	<u>93,000</u>	<u>6,635,182</u>	<u>5,640,518</u>
<b>Deferred Inflows of Resources:</b>						
	146,773	128,304	-	-	146,773	128,304
<b>Net Position:</b>						
Net investment in capital assets	34,078,693	32,040,180	7,723,018	7,948,393	41,801,711	39,988,573
Restricted	1,980,373	1,136,803	-	-	1,980,373	1,136,803
Unrestricted	12,679,733	12,037,041	5,368,258	4,791,659	18,047,991	16,828,700
<b>Total Net Position</b>	<u>\$48,738,799</u>	<u>\$45,214,024</u>	<u>\$13,091,276</u>	<u>\$12,740,052</u>	<u>\$61,830,075</u>	<u>\$57,954,076</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 \$4,553,968 due to enhancements to Main Street, lease purchase of a building, completion of a maintenance building, paving and overlay, 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 2015 and 2014:

#### Town of Frisco's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 3,599,595	\$ 3,134,640	\$ 2,179,187	\$ 1,824,533	\$ 5,778,782	\$ 4,959,173
Operating grants and contributions	323,147	306,029	26,385	26,376	349,532	\$332,405
Capital grants and contributions	78,510	112,228	117,137	532,386	195,647	\$644,614
General revenues:						
Property taxes	135,115	133,516	-	-	135,115	\$133,516
Sales and use taxes	7,929,300	7,006,282	-	-	7,929,300	\$7,006,282
Real estate transfer tax	1,487,185	1,044,365	-	-	1,487,185	\$1,044,365
Franchise taxes	319,524	328,507	-	-	319,524	\$328,507
Lodging taxes	426,458	388,199	-	-	426,458	\$388,199
Other taxes	302,658	179,962	-	-	302,658	\$179,962
Interest and other	283,144	287,565	29,252	56,416	312,396	\$343,981
<b>Total Revenues</b>	<u>14,884,636</u>	<u>12,921,293</u>	<u>2,351,961</u>	<u>2,439,711</u>	<u>17,236,597</u>	<u>15,361,004</u>
<b>EXPENSES:</b>						
Program Expenses						
General Government	3,215,368	3,014,175	-	-	3,215,368	3,014,175
Public Safety	1,311,274	1,450,837	-	-	1,311,274	1,450,837
Public works	2,604,258	2,661,950	-	-	2,604,258	2,661,950
Community development	1,422,842	1,194,044	-	-	1,422,842	1,194,044
Culture and recreation	2,673,080	2,813,730	-	-	2,673,080	2,813,730
Housing	69,091	179,043	-	-	69,091	179,043
Interest	271,129	228,200	-	-	271,129	228,200
Marina	-	-	1,016,423	981,709	1,016,423	981,709
Water	-	-	984,314	1,025,562	984,314	1,025,562
<b>Total Expenses</b>	<u>11,567,042</u>	<u>11,541,979</u>	<u>2,000,737</u>	<u>2,007,271</u>	<u>13,567,779</u>	<u>13,549,250</u>
<b>Increase in Net Position</b>	3,317,594	1,379,314	351,224	432,440	3,668,818	1,811,754
<b>Net Position-Beginning (Restated)</b>	45,421,205	43,834,710	12,740,052	12,307,612	58,161,257	56,142,322
<b>Net Position - Ending</b>	<u>\$48,738,799</u>	<u>\$45,214,024</u>	<u>\$13,091,276</u>	<u>\$12,740,052</u>	<u>\$61,830,075</u>	<u>\$57,954,076</u>

## Overview of the Financial Statements (continued)

### Governmental activities:

For the year ended December 31, 2015, the Town adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the related GASB No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68, which is effective for financial statements for periods beginning after June 15, 2014. For the Town, the effect of implementing this standard was to change how it accounts and reports the FPPA net pension asset. Implementation of the standard resulted in a restatement of the prior period governmental Net Position as follows:

Net Position December 31, 2014 as originally stated	\$45,214,024
Deferred outflows of resources – cost share plan	49,447
Net pension asset – cost share plan	<u>157,734</u>
Net Position, December 31, 2014 as restated	<u>\$45,421,205</u>

Governmental activities increased the Town's net position by \$3,317,594 in 2015. Key elements of this increase are as follows:

- The following sources of revenue exceeded original budget projections as follows: real estate investment fees - \$387,185; licenses and building and development fees - \$75,757; city and county sales taxes - \$1,029,067; impact fees - \$64,848; special events - \$30,263; recreation and Adventure Park fees - \$652,617; building rents - \$13,207; fines - \$75,348; and lodging taxes - \$51,458.
- 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 \$351,224 in 2015. Key elements of this increase are as follows:

- Total user charges exceeded original budgeted amounts by \$339,771.
- Plant investment fee projections were under budget by \$82,863.
- Aggregate operating expenses, excluding capital outlay, were over budget projections by \$61,099.
- Construction continued on a new well site at a cost of \$47,956.

## 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 \$9,995,252; an increase of \$1,161,134 from the prior year's ending fund balances. The following schedule details ending fund balances for the past several years:

<u>Fund</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General	\$3,175,902	\$3,760,796	\$4,659,662	\$5,897,744	\$6,248,219
Capital Improvement	\$3,232,313	\$4,064,942	\$3,486,640	\$1,533,285	\$2,174,649
Conservation Trust	\$16,175	\$18,035	\$43,686	\$67,893	\$68,698
Open Space	\$110,617	\$110,887	\$111,083	\$111,409	\$11,684
Summit County Housing 5A	\$456,771	\$501,029	\$504,447	\$691,910	\$951,566
Insurance Reserve	\$197,116	\$197,598	\$197,947	\$198,528	\$199,065
Lodging Tax	\$350,427	\$324,689	\$299,446	\$333,349	\$341,371
	<u>\$7,539,321</u>	<u>\$8,977,976</u>	<u>\$9,302,911</u>	<u>\$8,834,118</u>	<u>\$9,995,252</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 \$5,477,024 while the total fund balance increased from 2014 to \$6,248,219. 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 61% of total 2015 General Fund expenditures, while total fund balance represents 69% of that same amount.

The fund balance of the Town of Frisco's General Fund increased by \$350,475 during the current fiscal year. Key factors for 2015 are as follows:

- General Fund revenues were \$2,025,012 more than budgeted, an indication that the local, state and national economies are recovering.
- 2015 expenditures were less than budgeted by \$358,502, primarily due to overall conservative spending and unfilled positions for part of the year.
- Fund balance in excess of the 7 month reserve that is required to be transferred to the Capital Improvement Fund exceeded budget by \$2,363,599.

The Capital Improvement Fund has a total fund balance of \$2,174,649, an increase of \$641,364 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 2015 are as follows:

- The Town's debt service for 2015 totaled \$1,024,580: \$367,499 for 2010 Certificates of Participation; \$100,000 for lease purchase payment for the 1<sup>st</sup> and Main Street building; \$30,000 for repayment of a loan from the Water Fund and the balance (\$527,081) for equipment leases.
- The Town expended \$5,448,361 on capital projects: \$3,152,188 for Main Street Early Action Plan; \$1,200,000 for purchase of the 1<sup>st</sup> & Main Street building; \$97,360 to complete a maintenance building at the Peninsula Recreation Area and the remainder for various street and pathway projects.
- Revenues from REIF exceeded budget projections by \$387,105.
- A transfer into this fund from the General Fund (see above) exceeded budget by \$2,363,599.

The Town's non-major governmental combined fund balances increased \$169,295.

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

Unrestricted net position for the Water Fund at the end of the current fiscal year were \$5,582,304 while the Marina Fund reported unrestricted net position of (\$214,046). 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 net position in all categories.

## Financial Analysis of the Town's Funds (continued)

**Budget variances in the General Fund:** The Town's General Fund revenues exceeded budget by \$2,025,012 while General Fund expenditures were under budget by \$358,502. Aside from the variance in the amount of required transfer to the Capital Improvement Fund discussed in the fund balance section, the General Fund's significant budget variances are detailed as follows:

<u>Account</u>	<u>Variance: Positive (Negative)</u>	<u>Reason</u>
<b>Revenues:</b>		
Sales Taxes	\$992,094	Increased tourism and increased consumer confidence
Other Taxes	118,058	Increased revenues from recreational and marijuana taxes and severance tax
Licenses/Permits	76,365	Building and development permits increased, indicating recovery from economic downturn
Investment Income	6,748	Continued low interest rates
Charges for Services	782,277	Frisco Adventure Park, special event, recreation fees, fines, and building and facility rents higher than budgeted
<b>Expenditures:</b>		
General Government	(232,746)	Higher health insurance fees and liability insurance
Public Safety	172,279	Vacant positions throughout year
Public Works	214,260	Road, building and vehicle repairs less than anticipated
Culture and Recreation	143,070	Significant savings in seasonal salaries as a result of restructuring responsibilities
Community Development	61,639	Vacant positions throughout year

**Capital assets:** The Town's government-wide capital assets, net of accumulated depreciation, increased due to infrastructure improvements, building purchase 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.

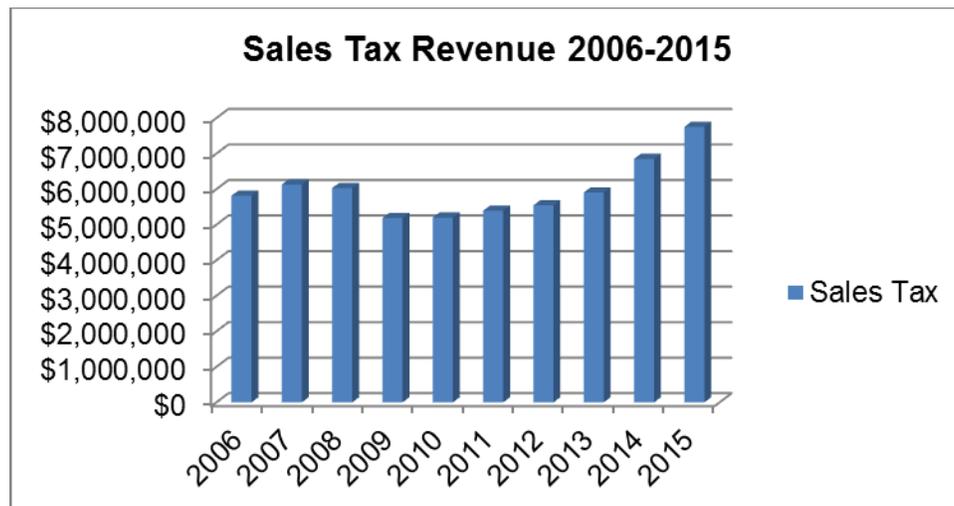
## Financial Analysis of the Town's Funds (continued)

**Long-term debt:** At the end of the current fiscal year, the Town had a total of \$4,916,346 in long-term liabilities, detailed as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Certificates of Participation:					
Series 2010A	\$1,210,000	\$ -	(\$175,000)	\$1,035,000	\$180,000
Series 2010B	2,500,000	-	-	2,500,000	-
Issuance Premium	8,584	-	(2,265)	6,319	-
Net Certificates of Participation	3,718,584		(177,265)	3,541,319	180,000
Capital Leases	508,445	1,765,000	(605,197)	1,668,248	398,488
Compensated Absences	300,862	242,500	(222,223)	321,139	104,456
<b>Total Governmental Activities</b>					
<b>Long-term Liabilities</b>	<u>\$4,527,891</u>	<u>\$2,007,500</u>	<u>(\$1,004,685)</u>	<u>\$5,530,706</u>	<u>\$682,944</u>
<b>Business-type Activities:</b>					
Compensated Absences	\$56,690	\$28,823	(\$55,777)	\$29,736	\$11,895
<b>Total Business-type Activities</b>					
<b>Long-term Liabilities</b>	<u>\$56,690</u>	<u>\$28,823</u>	<u>(\$55,777)</u>	<u>\$29,736</u>	<u>\$11,895</u>

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

**Sales Tax:** Sales tax revenues account for approximately 63% of total 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, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents - Unrestricted	9,709,376	4,175,908	13,885,284
Cash and cash equivalents - Restricted	318,633	199,476	518,109
Receivables, net:			
Property taxes assessed	146,965	-	146,965
Other taxes	545,403	-	545,403
Intergovernmental	709,983	-	709,983
Employees	24,426	-	24,426
Other	401,053	237,547	638,600
Non-current	17,887	-	17,887
Internal balances	(750,089)	750,089	-
Notes receivable	4,500,000	-	4,500,000
Interest receivable	260,753	-	260,753
Inventories	28,839	57,512	86,351
Prepaid items	16,537	-	16,537
Net pension asset	154,808	-	154,808
Capital assets - Not being depreciated	12,666,362	596,968	13,263,330
Capital assets - net of accumulated depreciation	26,549,654	7,126,050	33,675,704
<b>Total Assets</b>	<b>55,300,590</b>	<b>13,143,550</b>	<b>68,444,140</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	72,244	-	72,244
Pension related deferred outflows	95,646	-	95,646
<b>Total Deferred Outflows of Resources</b>	<b>167,890</b>	<b>-</b>	<b>167,890</b>
<b>Liabilities:</b>			
Accounts payable	786,307	18,029	804,336
Interest payable	22,026	-	22,026
Unearned revenue	87,416	4,509	91,925
Deposits payable	156,453	-	156,453
Compensated absences:			
Due within one year	104,456	11,895	116,351
Due in more than one year	216,683	17,841	234,524
Debt payable:			
Due within one year	578,488	-	578,488
Due in more than one year	4,631,079	-	4,631,079
<b>Total Liabilities</b>	<b>6,582,908</b>	<b>52,274</b>	<b>6,635,182</b>
<b>Deferred Inflows of Resources:</b>			
Property taxes	143,584	-	143,584
Pension related deferred inflows	3,189	-	3,189
<b>Total Deferred Inflows of Resources</b>	<b>146,773</b>	<b>-</b>	<b>146,773</b>
<b>Net Position:</b>			
Net Investment in capital assets	34,078,693	7,723,018	41,801,711
Restricted:			
TABOR emergency reserve	478,000	-	478,000
Pensions	154,808	-	154,808
Other purposes	1,347,565	-	1,347,565
Unrestricted	12,679,733	5,368,258	18,047,991
<b>Total Net Position</b>	<b>48,738,799</b>	<b>13,091,276</b>	<b>61,830,075</b>

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

**Town of Frisco, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2015**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs:</b>							
Governmental activities:							
General government	3,215,368	433,333	204,186	-	(2,577,849)		(2,577,849)
Public safety	1,311,274	19,356	88,320	-	(1,203,598)		(1,203,598)
Public works	2,604,258	10,997	-	-	(2,593,261)		(2,593,261)
Community development	1,422,842	287,170	380	30,000	(1,105,292)		(1,105,292)
Culture and recreation	2,673,080	2,708,891	30,261	48,510	114,582		114,582
Housing	69,091	139,848	-	-	70,757		70,757
Interest on long-term debt	271,129	-	-	-	(271,129)		(271,129)
<b>Total - Governmental activities</b>	<u>11,567,042</u>	<u>3,599,595</u>	<u>323,147</u>	<u>78,510</u>	<u>(7,565,790)</u>		<u>(7,565,790)</u>
Business-type activities:							
Water	984,314	891,006	-	117,137		23,829	23,829
Marina	1,016,423	1,288,181	26,385	-		298,143	298,143
<b>Total - Business-type activities</b>	<u>2,000,737</u>	<u>2,179,187</u>	<u>26,385</u>	<u>117,137</u>		<u>321,972</u>	<u>321,972</u>
<b>Total</b>	<u>13,567,779</u>	<u>5,778,782</u>	<u>349,532</u>	<u>195,647</u>	<u>(7,565,790)</u>	<u>321,972</u>	<u>(7,243,818)</u>
<b>General revenues:</b>							
Taxes:							
Sales and use taxes					7,929,300	-	7,929,300
Real estate transfer taxes					1,487,185	-	1,487,185
Franchise taxes					319,524	-	319,524
Lodging taxes					426,458	-	426,458
Property and specific ownership taxes					135,115	-	135,115
Miscellaneous taxes					302,658	-	302,658
Investment earnings					126,953	17,741	144,694
Gain on asset disposition					135,033	11,511	146,544
Miscellaneous					21,158	-	21,158
<b>Total - General revenues and transfers</b>					<u>10,883,384</u>	<u>29,252</u>	<u>10,912,636</u>
<b>Change in Net Position</b>					3,317,594	351,224	3,668,818
<b>Net Position - January 1 (Restated)</b>					<u>45,421,205</u>	<u>12,740,052</u>	<u>58,161,257</u>
<b>Net Position - December 31</b>					<u>48,738,799</u>	<u>13,091,276</u>	<u>61,830,075</u>

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

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**FUND FINANCIAL STATEMENTS**



**Town of Frisco, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2015**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Non- major Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash and cash equivalents - Unrestricted	5,433,232	2,810,383	1,465,761	9,709,376
Cash and cash equivalents - Restricted	925	317,708	-	318,633
Receivables, net of allowance for uncollectible accounts:				
Property taxes	146,965	-	-	146,965
Other taxes	452,850	-	92,553	545,403
Other governments	709,983	-	-	709,983
Employees	24,426	-	-	24,426
Other	297,023	104,030	-	401,053
Non-current	17,887	-	-	17,887
Internal balances	223,011	-	-	223,011
Prepaid items	16,537	-	-	16,537
Inventory	14,769	-	14,070	28,839
<b>Total Assets</b>	<u>7,337,608</u>	<u>3,232,121</u>	<u>1,572,384</u>	<u>12,142,113</u>
<b>Liabilities and Fund Equity:</b>				
<b>Liabilities:</b>				
Accounts/vouchers payable	611,945	84,372	-	696,317
Accrued payroll and related liabilities	81,051	-	-	81,051
Internal balances	-	973,100	-	973,100
Unearned revenue	85,722	-	-	85,722
Deposits payable	167,087	-	-	167,087
<b>Total Liabilities</b>	<u>945,805</u>	<u>1,057,472</u>	<u>-</u>	<u>2,003,277</u>
<b>Deferred inflows of Resources:</b>				
Property taxes	143,584	-	-	143,584
<b>Total Deferred Inflows of Resources</b>	<u>143,584</u>	<u>-</u>	<u>-</u>	<u>143,584</u>
<b>Fund Balances:</b>				
Non spendable	49,193	-	14,070	63,263
Restricted	478,000	317,708	1,347,565	2,143,273
Committed	-	1,856,941	210,749	2,067,690
Assigned	244,002	-	-	244,002
Unassigned	5,477,024	-	-	5,477,024
<b>Total Fund Balance</b>	<u>6,248,219</u>	<u>2,174,649</u>	<u>1,572,384</u>	<u>9,995,252</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>7,337,608</u>	<u>3,232,121</u>	<u>1,572,384</u>	

**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.	39,216,016
Other long-term assets and deferred outflows are not available for current period expenditures and, therefore, are not reported in the funds.	5,011,207
Long-term liabilities and deferred inflows, including debt payable, interest payable, compensated absences, and pension-related deferred inflows, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(5,483,676)</u>

**Net Position of Governmental Activities** 48,738,799

**Town of Frisco, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

	<b>General Fund</b>	<b>Capital Improvement Fund</b>	<b>Non- major Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Taxes	8,499,391	1,487,185	613,431	10,600,007
Licenses, permits, and fees	414,665	-	139,848	554,513
Intergovernmental revenue	204,186	-	56,489	260,675
Charges for services	3,041,052	-	974	3,042,026
Investment income	18,748	3,040	3,914	25,702
Capital interest subsidy	-	48,510	-	48,510
Miscellaneous	103,500	-	13,420	116,920
<b>Total Revenues</b>	<b>12,281,542</b>	<b>1,538,735</b>	<b>828,076</b>	<b>14,648,353</b>
<b>Expenditures:</b>				
Current:				
General government	2,937,326	1,537	35,962	2,974,825
Public safety	1,289,834	-	-	1,289,834
Community development	1,150,900	-	247,125	1,398,025
Public works	1,635,124	-	-	1,635,124
Culture and recreation	2,002,366	-	242,565	2,244,931
Capital outlay	-	5,448,361	33,129	5,481,490
Debt service:				
Principal	-	780,197	-	780,197
Interest	-	244,383	-	244,383
<b>Total Expenditures</b>	<b>9,015,550</b>	<b>6,474,478</b>	<b>558,781</b>	<b>16,048,809</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,265,992</b>	<b>(4,935,743)</b>	<b>269,295</b>	<b>(1,400,456)</b>
<b>Other Financing Sources (Uses):</b>				
Lease purchase proceeds	-	1,765,000	-	1,765,000
Transfers in (out)	(2,915,517)	3,015,517	(100,000)	-
Sale of assets	-	796,590	-	796,590
<b>Total Other Financing Sources (Uses)</b>	<b>(2,915,517)</b>	<b>5,577,107</b>	<b>(100,000)</b>	<b>2,561,590</b>
<b>Net Change in Fund Balances</b>	<b>350,475</b>	<b>641,364</b>	<b>169,295</b>	<b>1,161,134</b>
<b>Fund Balances - January 1</b>	<b>5,897,744</b>	<b>1,533,285</b>	<b>1,403,089</b>	<b>8,834,118</b>
<b>Fund Balances - December 31</b>	<b>6,248,219</b>	<b>2,174,649</b>	<b>1,572,384</b>	<b>9,995,252</b>

**Net Change in Fund Balance of Governmental Funds** 1,161,134

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation, adjusted for disposal gain or losses incurred. 3,046,954

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 position. This is the amount of principal repayments reported in the in the governmental funds, less capital lease proceeds. (984,802)

Some revenues reported in the Statement of Activities do not provide sources of current financial resources and therefore are not reported as revenues in governmental funds. 101,250

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. (6,942)

**Change in Net Position of Governmental Activities** **3,317,594**

**Town of Frisco, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2015**

	<b>Business-type Activities</b>		
	<b>Enterprise Fund - Water Fund</b>	<b>Enterprise Fund - Marina Fund</b>	<b>Total</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash investments - Unrestricted	4,175,008	900	4,175,908
Cash and cash investments - Restricted	-	199,476	199,476
Accounts receivable	196,458	41,089	237,547
Inventories	32,348	25,164	57,512
<b>Total - Current assets</b>	<b>4,403,814</b>	<b>266,629</b>	<b>4,670,443</b>
<b>Long-term assets:</b>			
Internal balances	1,210,080	-	1,210,080
Land and other non depreciable assets	569,377	27,591	596,968
Property, plant and equipment, net of accumulated depreciation	4,306,452	2,819,598	7,126,050
<b>Total - Long-term assets</b>	<b>6,085,909</b>	<b>2,847,189</b>	<b>8,933,098</b>
<b>Total Assets</b>	<b>10,489,723</b>	<b>3,113,818</b>	<b>13,603,541</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	17,268	761	18,029
Due to other funds	-	223,011	223,011
Unearned revenue	-	4,509	4,509
Current portion of compensated absences	5,729	6,166	11,895
<b>Total - Current liabilities</b>	<b>40,265</b>	<b>234,830</b>	<b>275,095</b>
<b>Noncurrent liabilities:</b>			
Compensated absences, net of current portion	8,593	9,248	17,841
Interfund payable	-	236,980	236,980
<b>Total - Noncurrent liabilities</b>	<b>8,593</b>	<b>246,228</b>	<b>254,821</b>
<b>Total Liabilities</b>	<b>48,858</b>	<b>481,058</b>	<b>529,915</b>
<b>Net Position</b>			
Invested in capital assets	4,875,829	2,847,189	7,723,018
Unrestricted	5,565,036	(214,429)	5,350,607
<b>Total Net Position</b>	<b>10,440,865</b>	<b>2,632,760</b>	<b>13,073,625</b>

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, 2015**

	<b>Business-type Activities</b>		
	<b>Enterprise Fund - Water Fund</b>	<b>Enterprise Fund - Marina Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for services	855,217	1,288,181	2,143,398
Water meter sales	33,436	-	33,436
Other operating	2,353	-	2,353
<b>Total Operating Revenues</b>	<b>891,006</b>	<b>1,288,181</b>	<b>2,179,187</b>
<b>Operating Expenses:</b>			
Salaries and benefits	308,467	388,318	696,785
Administrative fees	42,500	20,000	62,500
Professional fees	64,187	28,922	93,109
Supplies	31,945	63,822	95,767
Utilities	60,366	26,544	86,910
Repairs and maintenance	64,970	57,226	122,196
General expenses	51,379	195,856	247,235
Water meter replacements	42,730	-	42,730
Depreciation	317,770	232,263	550,033
<b>Total Operating Expenses</b>	<b>984,314</b>	<b>1,012,951</b>	<b>1,997,265</b>
<b>Operating Income (Loss)</b>	<b>(93,308)</b>	<b>275,230</b>	<b>181,922</b>
<b>Non-Operating Revenue (Expenses):</b>			
State and federal grants	-	26,385	26,385
Investment income	17,393	348	17,741
Gain (loss) on asset disposal	-	11,511	11,511
Interest expense	-	(3,472)	(3,472)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>17,393</b>	<b>34,772</b>	<b>52,165</b>
<b>Income Before Capital Contributions</b>	<b>(75,915)</b>	<b>310,002</b>	<b>234,087</b>
<b>Capital Contributions:</b>			
Plant investment fees	117,137	-	117,137
<b>Total Capital Contributions</b>	<b>117,137</b>	<b>-</b>	<b>117,137</b>
<b>Change in Net Position</b>	<b>41,222</b>	<b>310,002</b>	<b>351,224</b>
<b>Net Position - January 1</b>	<b>10,416,911</b>	<b>2,323,141</b>	<b>12,740,052</b>
<b>Net Position - December 31</b>	<b>10,458,133</b>	<b>2,633,143</b>	<b>13,091,276</b>

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, 2015**

	<b>Business-type Activities</b>		
	<b>Enterprise Fund - Water Fund</b>	<b>Enterprise Fund - Marina Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers and others	869,263	1,274,540	2,143,803
Cash paid to suppliers for goods and services	(339,561)	(519,146)	(858,707)
Cash paid to employees for services	(336,928)	(386,811)	(723,739)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>192,774</b>	<b>368,583</b>	<b>561,357</b>
<b>Cash Flows From Noncapital and Related Financing Activities:</b>			
Grants awards	-	26,385	26,385
<b>Net Cash Provided (Used) by Noncapital and Related Financing Activities</b>	<b>-</b>	<b>26,385</b>	<b>26,385</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Plant investment fees received	117,137	-	117,137
Sale of capital assets	-	13,661	13,661
Interest expense	-	(3,472)	(3,472)
Principal repayments on loan payable	-	(128,528)	(128,528)
Acquisition of capital assets	(79,563)	(277,201)	(356,764)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>37,574</b>	<b>(395,540)</b>	<b>(357,966)</b>
<b>Cash Flows From Investing Activities:</b>			
Interest received	17,393	348	17,741
Principal received on loan receivable	160,462	-	160,462
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>177,855</b>	<b>348</b>	<b>178,203</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>408,203</b>	<b>(224)</b>	<b>407,979</b>
<b>Cash and Cash Equivalents - January 1</b>	<b>3,766,805</b>	<b>200,600</b>	<b>3,967,405</b>
<b>Cash and Cash Equivalents - December 31</b>	<b>4,175,008</b>	<b>200,376</b>	<b>4,375,384</b>
<b>Comprised of:</b>			
Cash and cash investments - Unrestricted	4,175,008	900	4,175,908
Cash and cash investments - Restricted	-	199,476	199,476
	<b>4,175,008</b>	<b>200,376</b>	<b>4,375,384</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	(93,308)	275,230	181,922
<b>Adjustments:</b>			
Depreciation expense	317,770	232,263	550,033
(Increase) decrease in accounts receivable	(21,743)	(13,184)	(34,927)
Increase (decrease) in accounts payable	17,268	(626)	16,642
(Increase) decrease in inventory	1,248	1,601	2,849
Increase (decrease) in deferred revenue	-	(457)	(457)
Increase (decrease) in due from other funds	-	(127,751)	(127,751)
Increase (decrease) in accrued benefits	(28,461)	1,507	(26,954)
<b>Total Adjustments</b>	<b>286,082</b>	<b>93,353</b>	<b>379,435</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>192,774</b>	<b>368,583</b>	<b>561,357</b>

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, 2015**

**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, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements**

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

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

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

**C. Fund Financial Statements**

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

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

The Town reports the following major governmental funds:

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

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

The 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, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

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

**1. Long-term Economic Focus and Accrual Basis**

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

**2. Current Financial Focus and Modified Accrual Basis**

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

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

**3. Financial Statement Presentation**

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

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(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, CSIP 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, 2015 are recorded as prepaid items in both government-wide and fund financial statements.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**4. Pensions**

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

**5. Capital Assets**

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

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**6. Compensated Absences**

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

**7. Deferred Outflows and Inflows of Resources**

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

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

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement (continued)**

**8. Fund Equity**

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

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

**9. Interfund Transactions**

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

**F. Significant Accounting Policies**

**1. Use of Estimates**

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

**2. Credit Risk**

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

**3. Restricted and Unrestricted Resources**

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**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 the 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 \$39,216,016 difference represents property, plant, and equipment of \$56,247,947 less accumulated depreciation of \$17,031,928.

Another element of that reconciliation explains "Other long-term assets and deferred outflows are not available for current period expenditures and therefore are not reported in the funds". This \$5,011,207 difference comprises the balance for the long-term promissory note of \$4,500,000, the related interest receivable of \$260,753, which is described further at Note IV.C.1, the net pension asset of \$154,808 and pension related deferred outflows of \$95,646. The pension related items are further described at Note V.E.

Additionally, the reconciliation states that long-term liabilities and deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. This \$5,483,676 difference includes debt payable of \$3,535,000, premium on issuance of \$6,319, capital leases of \$1,668,247, accrued compensated absences of \$321,139, pension related deferred inflows of \$3,189, interest payable of \$22,026, less deferred debt refunding costs of \$72,244.

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between the net change in fund balances of governmental funds and 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 \$3,046,954 difference represents depreciation of \$1,532,653 less capital outlay of \$5,241,164, adjusted for net activity of sales and trade-ins on disposals of \$661,557.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(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 \$984,802 difference represents lease proceeds for capital asset acquisitions in the amount of \$1,765,000, less principal repayments on certificates of participation of \$175,000 and capital lease repayments of \$605,198.

The reconciliation includes revenues which do not provide sources of current financial resources in the amount of \$101,250 for interest income.

The reconciliation also explains that some expenses reported in the Statement of Activities do not require the use of current financial resources. The \$6,942 difference represents an overall change in accrued compensation of \$20,277, net increase in interest payable of \$26,746, and current year pension expense of \$(40,081).

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

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

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

The Town followed these procedures in preparing, approving, and enacting its budget for 2015.

- (1) For the 2015 budget year, prior to August 25, 2014, 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 2014 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
- (3) Prior to December 15, 2014, the Town computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget", the Town adopted the proposed budget and an appropriation resolution which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget ordinance, the Town may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of those estimated in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2014 were collected in 2015, and taxes certified in 2015 will be collected in 2016. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

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

**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 \$478,000 of the December 31, 2015 year-end fund balance in the General Fund for this purpose, which is the approximate required reserve amount.

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

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds**

**A. Deposits and Investments (continued)**

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, 2015, the carrying value of the Town's deposits was \$5,335,284. The bank balance of these accounts was \$5,634,086. At the end of 2015, the Town held deposits and investments with the following maturities:

	<u>Standard &amp; Poor's Rating</u>	<u>Carrying Amounts</u>	<u>Maturities</u>	
			<u>Less than one year</u>	<u>Less than five years</u>
<b>Deposits:</b>				
Petty cash	Not Rated	\$ 3,718	\$ 3,718	-
Checking	Not Rated	1,150,804	1,150,804	-
Savings and money market	Not Rated	2,478,497	2,478,497	-
Certificates of deposit	Not Rated	1,702,265	995,566	706,699
<b>Investments:</b>				
United States instrumentality	AA+	975,575	-	975,575
Investment pools	AAAm	8,092,534	8,092,534	-
		<u>\$ 14,403,393</u>	<u>\$ 12,721,119</u>	<u>1,682,274</u>

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	\$ 13,885,284
Cash and investments - Restricted	518,109
<b>Total</b>	<u>\$ 14,403,393</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.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**A. Deposits and Investments (continued)**

**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.

**B. Receivables**

Receivables as of December 31, 2015 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	\$ 146,965	-	-	-	-	-	146,965
Other taxes	452,850	-	28,366	64,187	-	-	545,403
Intergovernmental	709,983	-	-	-	-	-	709,983
Employees	24,426	-	-	-	-	-	24,426
Other	297,023	104,030	-	-	196,458	41,089	638,600
Non-current	17,887	-	-	-	-	-	17,887
Gross Receivables	1,649,134	104,030	28,366	64,187	196,458	41,089	2,083,264
Less: Allowance for uncollectibles	-	-	-	-	-	-	-
<b>Net Receivables</b>	<b>\$ 1,649,134</b>	<b>104,030</b>	<b>28,366</b>	<b>64,187</b>	<b>196,458</b>	<b>41,089</b>	<b>2,083,264</b>

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**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. As of December 31, 2015 the Town has accrued interest of \$260,753 on this Note. 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
<b>Total</b>		<u><u>\$ 6,659,587</u></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, 2015, this note was paid in full.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 7,954,195	-	-	7,954,195
Construction in progress	2,292,674	3,152,188	(732,695)	4,712,167
Total Capital Assets Not Being Depreciated	<u>10,246,869</u>	<u>3,152,188</u>	<u>(732,695)</u>	<u>12,666,362</u>
Capital Assets Being Depreciated:				
Buildings and improvements	8,466,424	2,020,555	(733,874)	9,753,105
Infrastructure and improvements	27,922,905	226,076	-	28,148,981
Equipment and vehicles	5,341,558	575,040	(237,102)	5,679,496
Total Capital Assets Being Depreciated	<u>41,730,887</u>	<u>2,821,671</u>	<u>(970,976)</u>	<u>43,581,582</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(2,893,320)	(243,206)	73,387	(3,063,139)
Infrastructure and improvements	(9,594,113)	(760,227)	-	(10,354,340)
Equipment and vehicles	(3,321,261)	(529,220)	236,032	(3,614,449)
Total Accumulated Depreciation	<u>(15,808,694)</u>	<u>(1,532,653)</u>	<u>309,419</u>	<u>(17,031,928)</u>
Total Capital Assets Being Depreciated, Net	<u>25,922,193</u>	<u>1,289,018</u>	<u>(661,557)</u>	<u>26,549,654</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 36,169,062</u>	<u>4,441,206</u>	<u>(1,394,252)</u>	<u>39,216,016</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>				
Capital Assets Not Being Depreciated:				
Land, easements and water rights	\$ 102,562	-	-	102,562
Projects in progress	476,406	47,956	(29,956)	494,406
Total Capital Assets Not Being Depreciated	<u>578,968</u>	<u>47,956</u>	<u>(29,956)</u>	<u>596,968</u>
Capital Assets Being Depreciated:				
Buildings and improvements	6,050,854	12,700	-	6,063,554
Infrastructure and improvements	7,401,938	35,000	-	7,436,938
Equipment and vehicles	1,444,434	261,108	(43,028)	1,662,514
Total Capital Assets Being Depreciated	<u>14,897,226</u>	<u>308,808</u>	<u>(43,028)</u>	<u>15,163,006</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(3,249,952)	(158,187)	-	(3,408,139)
Infrastructure and improvements	(3,365,236)	(214,107)	-	(3,579,343)
Equipment and vehicles	(912,613)	(177,739)	40,878	(1,049,474)
Total Accumulated Depreciation	<u>(7,527,801)</u>	<u>(550,033)</u>	<u>40,878</u>	<u>(8,036,956)</u>
Total Capital Assets Being Depreciated, Net	<u>7,369,425</u>	<u>(241,225)</u>	<u>(2,150)</u>	<u>7,126,050</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 7,948,393</u>	<u>(193,269)</u>	<u>(32,106)</u>	<u>7,723,018</u>

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**D. Capital Assets (continued)**

Depreciation expense for 2015 was charged to Town functions as follows:

**Governmental Activities:**

General government	\$ 153,692
Public safety	36,499
Public works	819,477
Community development	18,011
Culture and recreation	504,974
<b>Total Depreciation Expense - Governmental Activities</b>	<u><u>\$ 1,532,653</u></u>

**Business-type Activities:**

Water Fund	\$ 317,770
Marina Fund	232,263
<b>Total Depreciation Expense - Business-type Activities</b>	<u><u>\$ 550,033</u></u>

At December 31, 2015, the Town had \$4,807,605 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, 2015, the principal amount outstanding on this loan was \$236,980. Interest payments made by the Marina Fund to the Water Fund during 2015 totaled \$3,472, representing an interest rate of 0.95% per annum for the year.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

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

**2. Loan Agreement – Water Fund and Capital Improvement Fund**

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

At December 31, 2015, the principal amount outstanding on this loan was \$973,100. Interest payments made by the Capital Improvement Fund to the Water Fund during 2015 totaled \$3,100, representing an interest rate of 0.31% per annum for the year.

**3. Internal Balances**

Balances due between funds at December 31, 2015 were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Balance</u>	<u>Purpose</u>
General Fund	Marina Fund	\$ 223,011	Temporary cash flow
Water Fund	Marina Fund	236,980	Start up operations
Water Fund	Capital Fund	973,100	Main Street improvements

**4. Transfers**

The following interfund transfers occurred during the year ended December 31, 2015:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount Transferred</u>	<u>Purpose of Transfer</u>
Capital Fund	General Fund	\$ 2,915,517	Fund capital projects
Capital Fund	Open Space Fund	100,000	Fund capital projects

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**G. Long-term Liabilities – Governmental Activities**

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

**1. Refunding Certificates of Participation, Series 2010A**

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

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

**2. 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 5.2% 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 that 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.

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 27.8% for June 2014 and to 20.5% until September 30, 2015. The subsidy rate is not currently determinable beyond September 30, 2015. For 2015, the aggregate BAB Credit totaled \$48,510.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

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

**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>
<b>Governmental Activities:</b>			
2016	\$ 180,000	187,249	367,249
2017	185,000	181,399	366,399
2018	195,000	174,924	369,924
2019	200,000	167,612	367,612
2020	210,000	160,112	370,112
2021 - 2025	1,160,000	640,945	1,800,945
2026 - 2030	1,405,000	271,610	1,676,610
<b>Total Governmental Activities</b>	<u>\$ 3,535,000</u>	<u>1,783,851</u>	<u>5,318,851</u>

**4. Capital Leases**

The Town has entered into lease agreements for heavy equipment, 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 \$2,613,106 within governmental activities.

Future lease payments for the Town are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Governmental Activities:</b>			
2016	\$ 398,488	55,143	453,631
2017	245,062	46,062	291,124
2018	59,012	40,988	100,000
2019	61,373	38,627	100,000
2020	63,827	36,173	100,000
2021 - 2025	359,539	140,461	500,000
2026 - 2030	437,434	62,566	500,000
2031	43,513	1,741	45,254
<b>Total Governmental Activities</b>	<u>\$ 1,668,248</u>	<u>421,761</u>	<u>2,090,009</u>

**H. Long-term Liabilities – Compensated Absences**

The Town has a policy allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the Town's approximate liability for vacation pay earned by employees at December 31, 2015 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. The General Fund has been used in prior years to liquidate the liability for compensated absences.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**I. Long-term Liabilities – Debt Service Schedule**

Long-term liability activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of Participation:					
Series 2010A	\$ 1,210,000	-	(175,000)	1,035,000	180,000
Series 2010B	2,500,000	-	-	2,500,000	-
Issuance premium	8,584	-	(2,265)	6,319	-
Net Certificates of Participation	3,718,584	-	(177,265)	3,541,319	180,000
Capital leases	508,445	1,765,000	(605,197)	1,668,248	398,488
Compensated absences	300,862	242,500	(222,223)	321,139	104,456
<b>Total Governmental Activities Long-term Liabilities</b>	<u>\$ 4,527,891</u>	<u>2,007,500</u>	<u>(1,004,685)</u>	<u>5,530,706</u>	<u>682,944</u>
<b>Business-type Activities:</b>					
Compensated absences	\$ 56,690	28,823	(55,777)	29,736	11,895
<b>Total Business-type Activities Long-term Liabilities</b>	<u>\$ 56,690</u>	<u>28,823</u>	<u>(55,777)</u>	<u>29,736</u>	<u>11,895</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, 2015.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**K. Fund Balance Disclosures**

The Town classifies governmental fund balances as follows:

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

*Spendable Fund Balance:*

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

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

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

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

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**K. Fund Balance Disclosures (continued)**

As of December 31, 2015, fund balances are composed of the following:

<u>Classification</u>	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Non-spendable:</b>				
Inventories	\$ 14,769	\$ -	\$ 14,070	\$ 28,839
Prepays	16,537	-	-	16,537
Long-term receivables	17,887	-	-	17,887
<b>Restricted:</b>				
State constitution - TABOR reserve	478,000	-	-	478,000
Debt service	-	317,708	-	317,708
State constitution - Conservation Trust	-	-	68,698	68,698
Voter-approved measure - Affordable housing	-	-	951,566	951,566
Voter-approved measure - Economic development	-	-	327,301	327,301
<b>Committed:</b>				
Council resolution - Insurance reserve	-	-	199,065	199,065
Council resolution - Open space	-	-	11,684	11,684
Council resolution - Capital projects	-	1,856,941	-	1,856,941
<b>Assigned:</b>				
Internal balances	223,011	-	-	223,011
Due from other governments	10,357	-	-	10,357
Cash held for others	10,634	-	-	10,634
<b>Unassigned</b>	<b>5,477,024</b>	<b>-</b>	<b>-</b>	<b>5,477,024</b>
<b>Total</b>	<b>\$ 6,248,219</b>	<b>\$ 2,174,649</b>	<b>\$ 1,572,384</b>	<b>\$ 9,995,252</b>

**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 \$45,971 in connection with the Lease during 2015.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**B. Colorado River Cooperative Agreement**

In 2014 the Town received \$200,000 via the Summit County Board of Commissioners and their participation in the Colorado River Cooperative Agreement (the "CRCA"). The CRCA is a cooperative agreement with the Denver Water Board and multiple agencies that have an interest in the use and impacts of the Colorado River and its tributaries. The Marina must use the amounts received for pier redevelopment, including the dredging and excavation of the Marina boat mooring and dock areas. At December 31, 2015, the Marina Fund has restricted cash in the amount of \$199,476 to meet required project spending.

**C. Deferred Compensation Plan**

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

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

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

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

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

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

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

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

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

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

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

The Town's annual pension cost of \$166,640 for the Pension Plan was equal to the Town's required and actual contribution.

The Town may use the plan's forfeitures to pay the costs of the plan or to fund employer contributions. The forfeitures available for spending at December 31, 2015 totaled \$1,741.

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

**E. FPPA Statewide Defined Benefit Plan**

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

*Contributions:* Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers are contributing at a rate of 8% of base salary for a total contribution rate of 16% through 2014. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022. Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20% of base salary through 2014. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**E. FPPA Statewide Defined Benefit Plan (continued)**

*Contributions (continued):* The contribution rate for members and employers of affiliated social security employers is 4% of base salary for a total contribution rate of 8% effective January 1, 2007 through 2014. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**E. FPPA Statewide Defined Benefit Plan (continued)**

*Net Pension Asset:* At December 31, 2015, the Town reported an asset of \$154,808 for its proportionate share of the net pension liability. (The Town reported an asset because the Plan's fiduciary net position currently exceeds the total pension liability.) The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2015. The Town's proportion of the net pension liability was based on Town contributions to the Plan for the calendar year 2014 relative to the total contributions of participating employers to the Plan.

At December 31, 2014, the Town proportion was 0.137171%, as compared to 0.176403% at December 31, 2013.

For the year ended December 31, 2015, the Town recognized pension (revenue) expense of \$(40,081).

At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 3,189
Change of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	8,879	-
Changes in proportionate share of contributions	31,754	-
Difference between actual and reported contributions recognized	-	-
Contributions subsequent to measurement date	55,013	-
	<u>\$ 95,646</u>	<u>\$ 3,189</u>

Contributions subsequent to the measurement date of December 31, 2014, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amortization</u>
2016	\$ (7,798)
2017	(7,798)
2018	(7,798)
2019	(7,798)
2020	(7,798)
Thereafter	1,546
	<u>\$ (37,444)</u>

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**E. FPPA Statewide Defined Benefit Plan (continued)**

*Actuarial assumptions:* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry Age Normal
Amortization Method	Level % of Payroll, open
Amortization Period	30 years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term investment Rate of Return	7.50%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%
Includes inflation at	3.00%

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

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

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**E. FPPA Statewide Defined Benefit Plan (continued)**

*Actuarial Assumptions (continued):* Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Expected Rate</u>
Global Equity	40.00%	8.90%
Equity Long / Short	10.00%	7.50%
Illiquid Alternatives	18.00%	10.50%
Fixed Income	15.00%	4.60%
Absolute Return	12.00%	6.50%
Managed Futures	4.00%	5.50%
Cash	1.00%	2.50%
Total	<u>100.00%</u>	

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**E. FPPA Statewide Defined Benefit Plan (continued)**

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

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Collective net pension liability (asset)	\$ 106,403,288	\$ (112,857,546)	\$ (295,749,798)
Proportionate share of net pension liability (asset)	\$ 145,954	\$ (154,808)	\$ (405,683)

*Pension plan fiduciary net position:* Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at: [http://www.fppaco.org/annual\\_reports.htm](http://www.fppaco.org/annual_reports.htm).

**F. 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.

**G. 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, 2015. The deductible amount paid by the Town for each incident in 2015 was \$1,000; there is no change in coverage from past years. All settlements for the year-ended December 31, 2015 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.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**G. Risk Management (continued)**

**1. Colorado Intergovernmental Risk Sharing Agency (continued)**

The Town's share of CIRSA's assets, liabilities and fund equity as of December 31, 2015, (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. 31/14</u>
Operating Fund (1996-2014)	0.453%	\$ 27,450
Loss Fund (1996-2014)	0.655%	85,802
Pooled Excess Fund (1996-2014)	0.853%	27,143
Reserve Fund (1996-2014)	0.692%	59,557

CIRSA's combined financial information for the year ended December 31, 2015, (the latest year for which audited data is available) is summarized as follows:

<b>Assets:</b>	
Cash and investments	\$ 80,334,087
Other assets	5,954,977
<b>Total assets</b>	<u>\$ 86,289,064</u>
 <b>Total liabilities</b>	 <u>\$ 39,544,707</u>
 <b>Net position</b>	 <u>\$ 46,744,357</u>
 Total revenues	 \$ 25,465,310
Total expenses	(27,643,670)
<b>Change in net position</b>	<u>\$ (2,178,360)</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").

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**G. Risk Management (continued)**

**2. Workers Compensation and Health Insurance (continued)**

The following is a summary of the changes in the balances of claims liabilities during 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Unpaid (prepaid) claims, beginning of year	\$ 114,160	42,695
New claims incurred	1,119,665	1,273,902
Claim payments	<u>(1,072,833)</u>	<u>(1,202,437)</u>
Unpaid (prepaid) claims, end of year	<u>\$ 160,992</u>	<u>114,160</u>

**H. 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, 2015.

**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, 2015.

**G. Net Position Restatement**

For the year ended December 31, 2015, the Town adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* ("GASB 68"), and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* ("GASB 71"), which are effective for financial statements for periods beginning after June 15, 2014. GASB 68 revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. GASB 68 requires employers participating in the FPPA programs to record the plans' net pension asset (liability), as defined in GASB 68.

**Town of Frisco, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**G. Net Position Restatement (continued)**

For the Town, the effect of implementing this standard was to change how it accounts and reports the net pension asset. Implementation of the standard resulted in a restatement of the prior period Net Position as follows:

	<b>Governmental Activities</b>
Net Position, December 31, 2014, as originally stated	\$ 45,214,024
Deferred outflows of resources - cost share plan	49,447
Net pension asset - cost share plan	157,734
Net Position, December 31, 2014 as restated	\$ 45,421,205

**REQUIRED SUPPLEMENTARY INFORMATION**



**Town of Frisco, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<b>2015</b>		<b>Variance Positive (Negative)</b>	<b>2014</b>
	<b>Original and Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>				
<b>Taxes:</b>				
General property	126,525	128,253	1,728	126,849
Specific ownership	6,000	6,862	862	6,667
City sales tax	3,350,000	3,842,561	492,561	3,397,819
County sales tax	3,400,000	3,899,533	499,533	3,444,028
Franchise fees	319,000	319,524	524	328,507
Other taxes	184,600	302,658	118,058	179,962
<b>Total - Taxes</b>	<b>7,386,125</b>	<b>8,499,391</b>	<b>1,113,266</b>	<b>7,483,832</b>
<b>License and Permits:</b>				
Business and liquor licenses	126,000	132,953	6,953	139,280
Development	59,500	77,382	17,882	72,685
Building	150,000	200,922	50,922	189,880
Other	2,800	3,408	608	2,509
<b>Total - License and Permits</b>	<b>338,300</b>	<b>414,665</b>	<b>76,365</b>	<b>404,354</b>
<b>Intergovernmental:</b>				
Highway users	105,000	112,278	7,278	109,565
County road and bridge	65,000	65,423	423	64,670
Grants	6,500	10,841	4,341	6,521
Motor vehicle registration	15,000	15,644	644	14,632
<b>Total - Intergovernmental</b>	<b>191,500</b>	<b>204,186</b>	<b>12,686</b>	<b>195,388</b>
<b>Charges for Services:</b>				
Nordic Center	19,775	31,333	11,558	20,788
Historic Park	16,500	15,784	(716)	15,553
Special events	538,000	568,263	30,263	535,411
Recreation fees	207,000	261,864	54,864	223,866
Frisco Adventure Park fees	1,269,000	1,866,753	597,753	1,413,726
Building rents	55,000	68,207	13,207	73,590
Fines	91,000	166,348	75,348	180,771
Administration fees	62,500	62,500	-	62,500
<b>Total - Charges for Services</b>	<b>2,258,775</b>	<b>3,041,052</b>	<b>782,277</b>	<b>2,526,205</b>
<b>Investment Income</b>	<b>12,000</b>	<b>18,748</b>	<b>6,748</b>	<b>14,890</b>
<b>Other Revenues:</b>				
Other	69,830	103,500	33,670	82,915
<b>Total - Other Revenues</b>	<b>69,830</b>	<b>103,500</b>	<b>33,670</b>	<b>82,915</b>
<b>Total Revenues</b>	<b>10,256,530</b>	<b>12,281,542</b>	<b>2,025,012</b>	<b>10,707,584</b>

(Continued)

**Town of Frisco, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**  
**(Continued)**

	<b>2015</b>		<b>Variance Positive (Negative)</b>	<b>2014</b>
	<b>Original and Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
Interdepartmental services	1,763,447	1,993,979	(230,532)	1,917,514
Legislative	59,668	55,737	3,931	59,021
Finance	240,869	246,329	(5,460)	235,756
Municipal Court	21,234	21,282	(48)	20,181
Administrative	569,362	565,170	4,192	543,215
Discretionary funds	50,000	54,829	(4,829)	48,376
<b>Total - General Government</b>	<b>2,704,580</b>	<b>2,937,326</b>	<b>(232,746)</b>	<b>2,824,063</b>
<b>Public Safety:</b>				
Police and animal control	1,462,113	1,289,834	172,279	1,405,463
<b>Community Development:</b>				
Planning and building department	481,535	453,438	28,097	468,942
Marketing and communications	493,919	465,645	28,274	425,442
Community relations	237,085	231,817	5,268	220,606
<b>Total - Community Development</b>	<b>1,212,539</b>	<b>1,150,900</b>	<b>61,639</b>	<b>1,114,990</b>
<b>Public Works:</b>				
Streets/properties - Maintenance/improvements	1,849,384	1,635,124	214,260	1,748,004
<b>Culture and Recreation:</b>				
Historic Park	214,022	200,360	13,662	187,572
Special events	641,008	626,763	14,245	596,453
Recreation	274,763	276,448	(1,685)	271,431
Frisco Adventure Park	1,015,643	898,795	116,848	821,526
<b>Total - Culture and Recreation</b>	<b>2,145,436</b>	<b>2,002,366</b>	<b>143,070</b>	<b>1,876,982</b>
<b>Total Expenditures</b>	<b>9,374,052</b>	<b>9,015,550</b>	<b>358,502</b>	<b>8,969,502</b>
<b>Excess of Revenues over Expenditures</b>	<b>882,478</b>	<b>3,265,992</b>	<b>2,383,514</b>	<b>1,738,082</b>
<b>Other Financing Sources (Uses):</b>				
Transfers (out)	(551,918)	(2,915,517)	(2,363,599)	(500,000)
<b>Total other Financing Sources</b>	<b>(551,918)</b>	<b>(2,915,517)</b>	<b>(2,363,599)</b>	<b>(500,000)</b>
<b>Net Change in Fund Balance</b>	<b>330,560</b>	<b>350,475</b>	<b>19,915</b>	<b>1,238,082</b>
<b>Fund Balance - January 1</b>	<b>4,928,880</b>	<b>5,897,744</b>	<b>968,864</b>	<b>4,659,662</b>
<b>Fund Balance - December 31</b>	<b>5,259,440</b>	<b>6,248,219</b>	<b>988,779</b>	<b>5,897,744</b>

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

	<u>2014</u>	<u>2013</u>
Town's portion of the net pension asset	0.137171%	0.176403%
Town's proportionate share of the net pension asset	154,808	157,737
Town's covered-employee payroll	618,088	875,338
Town's proportionate share of the net pension asset as a percentage of its covered-employee payroll	25%	18%
Plan fiduciary net position as a percentage of the total pension asset	106.80%	105.80%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2013 for the employer plan.

**Notes to the Schedule of Employer's Proportionate Share of the Net Pension Asset / Liability for the year ended December 31, 2014**

**Note 1. Changes of assumptions.**

No changes during the year(s) presented above.

**Note 2. Changes of benefit terms.**

No changes during the year(s) presented above.

**Note 3. Changes of size or composition of population covered by benefit terms.**

No changes during the year(s) presented above.

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

	<b>2014</b>
Contractually required contribution	49,447
Actual contributions	(49,447)
Contribution deficiency (excess)	-
Town's covered-employee payroll	620,482
Contributions as a percentage of covered-employee payroll	8.0%

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

**Notes to the Schedule of Town Contributions for the Year Ended December 31, 2014**

**Note 1. Changes of assumptions.**

No changes during the year(s) presented above.

**Note 2. Changes of benefit terms.**

No changes during the year(s) presented above.

**Note 3. Changes of size or composition of population covered by benefit terms.**

No changes during the year(s) presented above.

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**SUPPLEMENTARY INFORMATION**



**Town of Frisco, Colorado**  
**Capital Improvement Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<b>2015</b>			<b>2014</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>				
Real estate transfer fees	1,100,000	1,487,185	387,185	1,044,365
Investment income	8,500	3,040	(5,460)	7,334
Reimbursements	-	-	-	33,823
Capital interest subsidy	48,431	48,510	79	48,405
<b>Total Revenues</b>	<b>1,156,931</b>	<b>1,538,735</b>	<b>381,804</b>	<b>1,133,927</b>
<b>Expenditures:</b>				
Capital outlay	3,740,250	5,448,361	(1,708,111)	3,344,339
Debt service	990,716	1,024,580	(33,864)	871,790
Agent fees	1,500	1,537	(37)	1,500
<b>Total Expenditures</b>	<b>4,732,466</b>	<b>6,474,478</b>	<b>(1,742,012)</b>	<b>4,217,629</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,575,535)</b>	<b>(4,935,743)</b>	<b>(1,360,208)</b>	<b>(3,083,702)</b>
<b>Other Financing Sources (Uses):</b>				
Interfund loan proceeds	-	-	-	1,000,000
Lease purchase proceeds	576,500	1,765,000	1,188,500	477,184
Sale of assets	765,000	796,590	31,590	153,163
Transfers in	651,918	3,015,517	2,363,599	500,000
<b>Total Other Financing Sources (Uses)</b>	<b>1,993,418</b>	<b>5,577,107</b>	<b>3,583,689</b>	<b>2,130,347</b>
<b>Net Change in Fund Balance</b>	<b>(1,582,117)</b>	<b>641,364</b>	<b>2,223,481</b>	<b>(953,355)</b>
<b>Fund Balance - January 1 - Budget Basis</b>	<b>2,634,959</b>	<b>1,533,285</b>	<b>(1,101,674)</b>	<b>3,486,640</b>
<b>Fund Balance - December 31 - Budget Basis</b>	<b>1,052,842</b>	<b>2,174,649</b>	<b>1,121,807</b>	<b>2,533,285</b>
<b>Reconciliation to GAAP Basis:</b>				
<b>Adjustments:</b>				
Interfund loan proceeds		-		(1,000,000)
<b>Fund Balance - December 31 - GAAP Basis</b>		<b>2,174,649</b>		<b>1,533,285</b>

**Town of Frisco, Colorado**  
**Enterprise Fund - Water Fund**  
**Schedule of Revenues, Expenses and Change in Fund Net Position**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<b>2015</b>			<b>2014</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
<b>Operating Revenues:</b>				
User charges	867,263	855,217	(12,046)	768,684
Water meter sales	22,500	33,436	10,936	34,181
Other operating	500	2,353	1,853	718
<b>Total Operating Revenues</b>	<b>890,263</b>	<b>891,006</b>	<b>743</b>	<b>803,583</b>
<b>Operating Expenses:</b>				
Salaries and benefits	359,337	308,467	50,870	334,899
Administrative fees	42,500	42,500	-	42,500
Professional fees	70,000	64,187	5,813	78,296
Supplies and chemicals	27,000	31,945	(4,945)	21,111
Utilities	52,000	60,366	(8,366)	56,103
Repair and maintenance	29,500	64,970	(35,470)	67,366
General expenses	56,150	51,379	4,771	64,377
Capital outlay	1,307,000	79,563	1,227,437	620,718
Water meter replacements	25,000	42,730	(17,730)	36,636
<b>Total Expenses</b>	<b>1,968,487</b>	<b>746,107</b>	<b>1,222,380</b>	<b>1,322,006</b>
<b>Operating Income (Loss) - Budget Basis</b>	<b>(1,078,224)</b>	<b>144,899</b>	<b>1,223,123</b>	<b>(518,423)</b>
<b>Non-operating Revenues (Expenses):</b>				
Principal repayment	132,000	160,462	28,462	127,856
Plant investment fees	200,000	117,137	(82,863)	235,062
Capital contribution - Developer	-	-	-	97,324
Sale of assets	-	-	-	12,830
Investment income	16,000	17,393	1,393	18,548
<b>Total Non-operating Revenues (Expenses)</b>	<b>348,000</b>	<b>294,992</b>	<b>(53,008)</b>	<b>491,620</b>
<b>Change in Net Assets - Budget Basis</b>	<b>(730,224)</b>	<b>439,891</b>	<b>1,170,115</b>	<b>(26,803)</b>
<b>Reconciliation to GAAP Basis:</b>				
<b>Adjustments:</b>				
Loan repayment		(160,462)		(127,856)
Capitalized assets		79,563		620,718
Depreciation		(317,770)		(324,274)
<b>Change in Net Position - GAAP Basis</b>		<b>41,222</b>		<b>141,785</b>

**Town of Frisco, Colorado**  
**Enterprise Fund - Marina Fund**  
**Schedule of Revenues, Expenses and Change in Fund Net Position**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Operating Revenues:</b>				
User charges	947,300	1,288,181	340,881	1,021,668
<b>Total Operating Revenues</b>	<u>947,300</u>	<u>1,288,181</u>	<u>340,881</u>	<u>1,021,668</u>
<b>Operating Expenses:</b>				
Salaries and benefits	380,246	388,318	(8,072)	359,349
Administrative fees	20,000	20,000	-	20,000
Professional fees	20,000	28,922	(8,922)	27,005
Supplies	71,100	63,822	7,278	57,420
Utilities	20,000	26,544	(6,544)	25,934
Repair and maintenance	51,000	57,226	(6,226)	50,062
General expenses	162,300	195,856	(33,556)	203,886
Capital outlay	285,500	277,201	8,299	90,844
<b>Total Expenses</b>	<u>1,010,146</u>	<u>1,057,889</u>	<u>(47,743)</u>	<u>834,500</u>
<b>Operating Income (Loss) - Budget Basis</b>	(62,846)	230,292	293,138	187,168
<b>Non-operating Revenues (Expenses):</b>				
State and federal grants	28,000	26,385	(1,615)	25,658
Intergovernmental	-	-	-	200,000
Investment income	-	348	348	845
Gain (loss) on asset disposal	5,000	11,511	6,511	24,193
Principal repayment	(121,600)	(128,528)	(6,928)	(127,856)
Interest expense	(10,400)	(3,472)	6,928	(4,144)
<b>Total Non-operating Revenues (Expenses)</b>	<u>(99,000)</u>	<u>(93,756)</u>	<u>5,244</u>	<u>118,696</u>
<b>Change in Net Assets - Budget Basis</b>	<u>(161,846)</u>	136,536	<u>298,382</u>	305,864
<b>Reconciliation to GAAP Basis:</b>				
<b>Adjustments:</b>				
Principal repayment		128,528		127,856
Capitalized assets		277,201		90,844
Depreciation		(232,263)		(233,909)
<b>Change in Net Position - GAAP Basis</b>		<u>310,002</u>		<u>290,655</u>

## NON-MAJOR GOVERNMENTAL FUNDS

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

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

*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, 2015**

	<b>Special Revenue Funds</b>					<b>Total Non-major Governmental Funds</b>
	<b>Conservation Trust Fund</b>	<b>Summit County Housing Authority 5A Fund</b>	<b>Insurance Reserve Fund</b>	<b>Lodging Tax Fund</b>	<b>Open Space Fund</b>	
<b>Assets:</b>						
Cash and cash equivalents - Unrestricted	68,698	923,200	199,065	263,114	11,684	1,465,761
Receivables, net of allowance for uncollectible accounts:						
Other taxes	-	28,366	-	64,187	-	92,553
Inventory	-	-	-	14,070	-	14,070
<b>Total Assets</b>	<u>68,698</u>	<u>951,566</u>	<u>199,065</u>	<u>341,371</u>	<u>11,684</u>	<u>1,572,384</u>
<b>Liabilities and Fund Equity:</b>						
<b>Liabilities:</b>						
Accounts/vouchers payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>						
Non spendable	-	-	-	14,070	-	14,070
Restricted	68,698	951,566	-	327,301	-	1,347,565
Committed	-	-	199,065	-	11,684	210,749
<b>Total Fund Balances</b>	<u>68,698</u>	<u>951,566</u>	<u>199,065</u>	<u>341,371</u>	<u>11,684</u>	<u>1,572,384</u>
<b>Total Liabilities and Fund Balances</b>	<u>68,698</u>	<u>951,566</u>	<u>199,065</u>	<u>341,371</u>	<u>11,684</u>	<u>1,572,384</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, 2015**

	<b>Special Revenue Funds</b>					<b>Total Non-major Governmental Funds</b>
	<b>Conservation Trust Fund</b>	<b>Summit County Housing Authority 5A Fund</b>	<b>Insurance Reserve Fund</b>	<b>Lodging Tax Fund</b>	<b>Open Space Fund</b>	
<b>Revenues:</b>						
Taxes	-	186,973	-	426,458	-	613,431
Licenses, permits, and fees	-	139,848	-	-	-	139,848
Intergovernmental revenue	26,489	-	-	30,000	-	56,489
Charges for services	-	-	-	974	-	974
Investment income	201	1,926	537	975	275	3,914
Miscellaneous	-	-	-	13,420	-	13,420
<b>Total Revenues</b>	<b>26,690</b>	<b>328,747</b>	<b>537</b>	<b>471,827</b>	<b>275</b>	<b>828,076</b>
<b>Expenditures:</b>						
General government	-	35,962	-	-	-	35,962
Community development	-	-	-	247,125	-	247,125
Culture and recreation	25,885	-	-	216,680	-	242,565
Capital outlay	-	33,129	-	-	-	33,129
<b>Total Expenditures</b>	<b>25,885</b>	<b>69,091</b>	<b>-</b>	<b>463,805</b>	<b>-</b>	<b>558,781</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>805</b>	<b>259,656</b>	<b>537</b>	<b>8,022</b>	<b>275</b>	<b>269,295</b>
<b>Other Financing Sources (Uses)</b>						
Transfers (out)	-	-	-	-	(100,000)	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>	<b>(100,000)</b>
<b>Net Change in Fund Balances</b>	<b>805</b>	<b>259,656</b>	<b>537</b>	<b>8,022</b>	<b>(99,725)</b>	<b>169,295</b>
<b>Fund Balances - January 1</b>	<b>67,893</b>	<b>691,910</b>	<b>198,528</b>	<b>333,349</b>	<b>111,409</b>	<b>1,403,089</b>
<b>Fund Balances - December 31</b>	<b>68,698</b>	<b>951,566</b>	<b>199,065</b>	<b>341,371</b>	<b>11,684</b>	<b>1,572,384</b>

**Town of Frisco, Colorado**  
**Special Revenue Funds - Conservation Trust Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>		<u>Variance Positive (Negative)</u>	<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental - Lottery proceeds	27,000	26,489	(511)	26,237
Investment income	100	201	101	162
<b>Total Revenues</b>	<u>27,100</u>	<u>26,690</u>	<u>(410)</u>	<u>26,399</u>
<b>Expenditures:</b>				
Culture and recreation	35,500	25,885	9,615	2,192
<b>Total Expenditures</b>	<u>35,500</u>	<u>25,885</u>	<u>9,615</u>	<u>2,192</u>
<b>Net Change in Fund Balance</b>	(8,400)	805	9,205	24,207
<b>Fund Balance - January 1</b>	<u>62,786</u>	<u>67,893</u>	<u>5,107</u>	<u>43,686</u>
<b>Fund Balance - December 31</b>	<u><u>54,386</u></u>	<u><u>68,698</u></u>	<u><u>14,312</u></u>	<u><u>67,893</u></u>

**Town of Frisco, Colorado**  
**Special Revenue Funds - Summit County Housing Authority 5A Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<b>2015</b>			<b>2014</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>				
County sales tax	150,000	186,973	36,973	164,435
Developer impact fees	75,000	139,848	64,848	200,279
Investment income	1,500	1,926	426	1,792
<b>Total Revenues</b>	<b>226,500</b>	<b>328,747</b>	<b>102,247</b>	<b>366,506</b>
<b>Expenditures:</b>				
Administration	45,000	35,962	9,038	44,282
Capital outlay	200,000	33,129	166,871	134,761
<b>Total Expenditures</b>	<b>245,000</b>	<b>69,091</b>	<b>175,909</b>	<b>179,043</b>
<b>Net Change in Fund Balance</b>	<b>(18,500)</b>	<b>259,656</b>	<b>278,156</b>	<b>187,463</b>
<b>Fund Balance - January 1</b>	<b>600,946</b>	<b>691,910</b>	<b>90,964</b>	<b>504,447</b>
<b>Fund Balance - December 31</b>	<b>582,446</b>	<b>951,566</b>	<b>369,120</b>	<b>691,910</b>

**Town of Frisco, Colorado**  
**Special Revenue Funds - Insurance Reserve Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment income	600	537	(63)	581
<b>Total Revenues</b>	<u>600</u>	<u>537</u>	<u>(63)</u>	<u>581</u>
<b>Expenditures:</b>				
Claims liability	65,000	-	65,000	-
<b>Total Expenditures</b>	<u>65,000</u>	<u>-</u>	<u>65,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(64,400)	537	64,937	581
<b>Fund Balance - January 1</b>	<u>198,547</u>	<u>198,528</u>	<u>(19)</u>	<u>197,947</u>
<b>Fund Balance - December 31</b>	<u><u>134,147</u></u>	<u><u>199,065</u></u>	<u><u>64,918</u></u>	<u><u>198,528</u></u>

**Town of Frisco, Colorado**  
**Special Revenue Funds - Lodging Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<b>2015</b>			<b>2014</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues:</b>				
Lodging tax	375,000	426,458	51,458	388,199
Local grants	30,000	30,000	-	30,000
Charges for services	1,650	974	(676)	1,591
Investment income	800	975	175	934
Other income	14,600	13,420	(1,180)	14,486
<b>Total Revenues</b>	<b>422,050</b>	<b>471,827</b>	<b>49,777</b>	<b>435,210</b>
<b>Expenditures:</b>				
Culture and recreation	254,600	216,680	37,920	176,666
Community development	285,842	247,125	38,717	224,641
<b>Total Expenditures</b>	<b>540,442</b>	<b>463,805</b>	<b>76,637</b>	<b>401,307</b>
<b>Net Change in Fund Balance</b>	<b>(118,392)</b>	<b>8,022</b>	<b>126,414</b>	<b>33,903</b>
<b>Fund Balance - January 1</b>	<b>284,830</b>	<b>333,349</b>	<b>48,519</b>	<b>299,446</b>
<b>Fund Balance - December 31</b>	<b>166,438</b>	<b>341,371</b>	<b>174,933</b>	<b>333,349</b>

**Town of Frisco, Colorado**  
**Special Revenue Funds - Open Space Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	<u>2015</u>			<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment income	-	275	275	326
<b>Total Revenues</b>	<u>-</u>	<u>275</u>	<u>275</u>	<u>326</u>
<b>Expenditures:</b>				
Culture and recreation	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	275	275	326
<b>Other Financing Sources (Uses)</b>				
Transfers (Out) - Capital Improvement Fund	(100,000)	(100,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(100,000)	(99,725)	275	326
<b>Fund Balance - January 1</b>	<u>111,333</u>	<u>111,409</u>	<u>76</u>	<u>111,083</u>
<b>Fund Balance - December 31</b>	<u><u>11,333</u></u>	<u><u>11,684</u></u>	<u><u>351</u></u>	<u><u>111,409</u></u>

**Town of Frisco, Colorado**  
**Capital Improvement Fund**  
**Schedule of Capital Outlay Expenditures**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Amounts for December 31, 2014)**

	2015		Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
<b>Capital Outlay:</b>				
Alley paving - Survey & engineering	-		-	21,550
Asphalt overlay/resurface road	100,000	54,527	45,473	145,340
Bike path system upgrades	8,750	14,435	(5,685)	257
Community survey	10,000	3,450	6,550	-
Computers/technology	56,000	70,314	(14,314)	104,310
Curb replacement	40,000	39,160	840	16,675
Environmental sustainability	30,000	30,000	-	30,242
Equipment/vehicles leases	-	30,647	(30,647)	31,910
Facility capital repair	122,500	62,340	60,160	57,582
First and Main barnyard building	-	2,597	(2,597)	-
Irrigation ststem - Bike park	-	-	-	16,795
Lusher Court off-site facilities	-	-	-	33,821
Main St. master plan early action	2,661,500	3,152,188	(490,688)	1,284,035
Property purchases	-	1,200,000	(1,200,000)	-
Peninsula forestry management	25,000	6,269	18,731	15,597
PRA plan implementation	10,000	97,360	(87,360)	751,762
Snowguns with trailers	-	-	-	31,000
Summit Blvd. masonry work	100,000	100,000	-	111,230
Ten Mile Creek bridge rail repair	-	-	-	68,500
Tiller-snowcat	-	-	-	7,000
Vehicles/equipment	576,500	575,574	926	563,412
Zoning code update	-	9,500	(9,500)	53,321
<b>Total Expenditures - Capital Outlay</b>	<b>3,740,250</b>	<b>5,448,361</b>	<b>(1,708,111)</b>	<b>3,344,339</b>

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**LOCAL HIGHWAY FINANCE REPORT**



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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Frisco, Colorado
	YEAR ENDING : December 2015
This Information From The Records Of (example - City of _ or County of ) Town of Frisco, Colorado	Prepared By: Chad M. Most/Revenue Specialist Phone: (970) 668-9127

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,435,237
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	55,828
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	756,558	b. Snow and ice removal	271,134
3. Other local imposts (from page 2)	3,206,036	c. Other	
4. Miscellaneous local receipts (from page 2)	-	d. Total (a. through c.)	271,134
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	326,690
a. Bonds - Original Issues		6. Total (1 through 5)	4,088,889
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	
7. Total (1 through 6)	3,962,594	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	-
<b>C. Receipts from State government</b> (from page 2)	126,295	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	-	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	4,088,889	b. Redemption	
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	4,088,889

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	4,088,889	4,088,889	-	-

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2015

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
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	3,206,036	g. Other Misc. Receipts	
6. Total (1. through 5.)	3,206,036	h. Other	
c. Total (a. + b.)	3,206,036	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	112,278	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	14,017	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.)	14,017	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	126,295	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			-
b. Engineering Costs		34,714	34,714
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation		228,497	228,497
(4). System Enhancement & Operation		3,172,026	3,172,026
(5). Total Construction (1) + (2) + (3) + (4)	-	3,400,523	3,400,523
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	3,435,237	3,435,237
			(Carry forward to page 1)

Notes and Comments:

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## 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 22,444,107	\$ 25,446,877	\$ 26,874,051	\$ 27,154,318	\$ 29,823,965	\$ 30,848,672	\$ 30,105,686	\$ 30,243,989	\$ 32,040,179	\$ 34,078,693
Restricted	290,000	312,000	330,000	275,000	442,000	781,946	869,064	880,133	1,136,803	1,980,373
Unrestricted	<u>13,873,817</u>	<u>14,316,244</u>	<u>13,721,221</u>	<u>12,581,617</u>	<u>8,808,664</u>	<u>6,648,940</u>	<u>8,017,252</u>	<u>12,710,588</u>	<u>12,037,042</u>	<u>12,679,733</u>
<b>Subtotal Governmental Activities Net Position</b>	<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>	<u>45,214,024</u>	<u>48,738,799</u>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	5,004,283	4,905,815	7,504,391	7,612,836	7,857,164	7,762,155	7,999,727	7,802,593	7,948,393	7,723,018
Unrestricted	<u>5,610,753</u>	<u>6,237,680</u>	<u>4,054,324</u>	<u>4,062,075</u>	<u>3,877,339</u>	<u>4,064,798</u>	<u>3,992,272</u>	<u>4,505,019</u>	<u>4,791,659</u>	<u>5,368,258</u>
<b>Subtotal Business-type Activities Net Position</b>	<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>	<u>12,740,052</u>	<u>13,091,276</u>
<b>Total Primary Government Net Position</b>	<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>	<u>\$ 57,954,076</u>	<u>\$ 61,830,075</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 2,036,314	\$ 2,128,358	\$ 2,335,984	\$ 2,392,573	\$ 2,636,309	\$ 2,560,698	\$ 2,618,326	\$ 2,813,821	\$ 3,014,175	\$ 3,215,368
Public Safety	1,081,809	1,186,645	1,325,704	1,400,453	1,302,380	1,272,798	1,353,334	1,441,587	1,450,837	1,311,274
Public Works	1,940,042	2,284,503	2,422,999	2,630,715	2,331,184	2,772,067	2,523,672	2,463,718	2,661,950	2,604,258
Community Development	925,059	983,463	1,215,797	1,271,179	1,153,120	1,191,969	1,051,224	1,186,800	1,194,044	1,422,842
Culture and Recreation	646,850	1,136,151	1,298,595	1,140,096	1,498,443	2,098,979	2,387,598	2,665,626	2,813,730	2,673,080
Housing	-	27,822	75,881	20,929	196,697	198,887	171,015	201,348	179,043	69,091
Interest on long-term debt	108,387	89,500	96,825	101,220	163,719	268,101	238,667	246,315	228,200	271,129
<b>Total Governmental Activities Expenses</b>	<u>6,738,461</u>	<u>7,836,442</u>	<u>8,771,785</u>	<u>8,957,165</u>	<u>9,281,852</u>	<u>10,363,499</u>	<u>10,343,836</u>	<u>11,019,215</u>	<u>11,541,979</u>	<u>11,567,042</u>
Business-type Activities:										
Interest on long-term debt	57,240	63,600	53,640	23,158	14,336	7,665	5,824	4,840	4,144	3,427
Water Fund	780,539	699,536	635,490	697,749	775,773	771,209	823,419	875,880	1,025,562	1,016,423
Marina Fund	539,502	625,099	670,489	744,159	802,476	858,980	944,530	874,024	977,565	980,887
<b>Total Business-type Activities Expenses</b>	<u>1,377,281</u>	<u>1,388,235</u>	<u>1,359,619</u>	<u>1,465,066</u>	<u>1,592,585</u>	<u>1,637,854</u>	<u>1,773,773</u>	<u>1,754,744</u>	<u>2,007,271</u>	<u>2,000,737</u>
<b>Total Primary Government Expenses</b>	<u>8,115,742</u>	<u>9,224,677</u>	<u>10,131,404</u>	<u>10,422,231</u>	<u>10,874,437</u>	<u>12,001,353</u>	<u>12,117,609</u>	<u>12,773,959</u>	<u>13,549,250</u>	<u>13,567,779</u>

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

	2006	2007	2008	2009	2010	2011 (*)	2012	2013	2014	2015
<b>General Fund</b>										
Reserved for:										
Prepaid items and inventory	\$ 3,950	\$ 3,514	\$ 16,964	\$ 2,172	\$ 23,897	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term loans receivable	-	-	-	27,539	23,920	-	-	-	-	-
Emergencies	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	-	-	-	-	-
Undesignated, reported in:										
General Fund	7,715,159	5,144,127	3,825,701	3,636,267	2,462,794	-	-	-	-	-
Non-Spendable	-	-	-	-	-	40,412	40,865	63,151	54,861	49,193
Restricted	-	-	-	-	-	309,000	350,000	332,000	377,000	478,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	195,282	425,285	497,510	419,941	244,002
Unassigned	-	-	-	-	-	2,631,208	2,944,642	3,767,001	5,045,942	5,477,024
<b>Total General Fund</b>	<b>8,019,109</b>	<b>5,469,641</b>	<b>4,182,665</b>	<b>3,950,978</b>	<b>2,962,611</b>	<b>3,175,902</b>	<b>3,760,792</b>	<b>4,659,662</b>	<b>5,897,744</b>	<b>6,248,219</b>
<b>All Other Governmental Funds</b>										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Designated for capital projects	-	-	-	-	274,861	-	-	-	-	-
Capital Improvement Fund	4,428,927	6,263,308	5,956,550	4,877,677	3,898,350	-	-	-	-	-
Other Non-Major Governmental Funds	1,751,105	2,574,401	2,963,925	3,101,548	1,188,048	-	-	-	-	-
Non-Spendable	-	-	-	-	-	-	-	-	-	14,070
Restricted	-	-	-	-	-	472,946	519,064	865,682	1,077,331	1,665,273
Committed	-	-	-	-	-	658,159	633,174	608,475	643,286	2,067,690
Assigned	-	-	-	-	-	3,232,313	4,064,942	3,169,091	1,215,757	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>6,180,032</b>	<b>8,837,709</b>	<b>8,920,475</b>	<b>7,979,225</b>	<b>5,361,259</b>	<b>4,363,418</b>	<b>5,217,180</b>	<b>4,643,248</b>	<b>2,936,374</b>	<b>3,747,033</b>
<b>Total Governmental Funds</b>										
Reserved	293,950	315,514	346,964	304,711	489,817	-	-	-	-	-
Unreserved	13,905,191	13,991,836	12,756,176	11,625,492	7,834,053	-	-	-	-	-
Non-Spendable	-	-	-	-	-	40,412	40,865	63,151	54,861	63,263
Restricted	-	-	-	-	-	781,946	869,064	1,197,682	1,454,331	2,143,273
Committed	-	-	-	-	-	658,159	633,174	608,475	643,286	2,067,690
Assigned	-	-	-	-	-	3,427,595	4,490,227	3,666,601	1,635,698	244,002
Unassigned	-	-	-	-	-	2,631,208	2,944,642	3,767,001	5,045,942	5,477,024
<b>Total Governmental Funds Balance</b>	<b>\$ 14,199,141</b>	<b>\$ 14,307,350</b>	<b>\$ 13,103,140</b>	<b>\$ 11,930,203</b>	<b>\$ 8,323,870</b>	<b>\$ 7,539,320</b>	<b>\$ 8,977,972</b>	<b>\$ 9,302,910</b>	<b>\$ 8,834,118</b>	<b>\$ 9,995,252</b>

(\*) 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>										
Taxes	\$ 7,881,648	\$ 8,535,932	\$ 7,773,449	\$ 6,523,791	\$ 6,636,888	\$ 7,059,836	\$ 7,242,107	\$ 7,794,319	\$ 9,080,831	\$ 10,600,007
Licenses, Permits, and Fees	339,875	244,122	335,415	320,102	348,234	366,526	379,410	429,595	604,633	554,513
Intergovernmental Revenue	218,840	1,153,576	217,384	268,260	269,820	359,307	353,497	249,217	251,625	260,675
Charges for Services	289,219	525,524	600,479	689,490	919,204	1,473,766	1,810,988	2,299,298	2,527,796	3,042,026
Investment Income	546,812	788,731	555,535	141,463	79,631	46,219	24,054	18,426	26,019	25,702
Capital Interest Subsidy	-	-	-	-	-	52,189	52,189	48,040	48,405	48,510
Reimbursements	-	-	-	-	-	-	-	318,057	33,823	-
Miscellaneous	38,861	34,268	47,330	70,845	71,026	128,057	135,166	94,419	97,401	116,920
<b>Total Revenues</b>	<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>	<u>12,670,533</u>	<u>14,648,353</u>
<b>Expenditures</b>										
General Government	1,834,478	2,379,635	2,806,355	2,300,605	2,344,072	2,392,648	2,233,891	2,501,631	2,869,845	2,974,825
Public Safety	1,047,004	1,147,971	1,276,684	1,301,162	1,247,748	1,222,019	1,316,176	1,411,394	1,405,463	1,289,834
Community Development	942,782	971,211	943,756	1,255,222	1,153,994	1,232,307	1,229,758	1,347,553	1,327,128	1,398,025
Public Works	1,296,521	1,405,195	1,666,111	1,597,000	1,627,492	1,703,666	1,674,290	1,700,686	1,748,004	1,635,124
Culture and Recreation	449,978	1,004,832	1,037,820	1,037,660	1,436,439	1,599,962	1,773,975	1,939,011	2,068,343	2,244,931
Capital Outlay	1,711,574	4,049,145	2,944,567	1,463,891	6,578,913	1,695,474	779,913	1,819,204	3,479,100	5,481,490
Debt Service:										
Principal	1,038,989	142,161	267,979	172,778	219,186	277,534	409,078	502,582	665,122	780,197
Interest	112,363	103,899	98,208	95,368	146,135	219,859	828,328	211,538	206,668	244,383
<b>Total Expenditures</b>	<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>	<u>13,769,673</u>	<u>16,048,809</u>
<b>Excess of Revenues Over/(Under) Expenditures</b>	<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>	<u>(1,099,140)</u>	<u>(1,400,456)</u>
<b>Other Financing Sources/(Uses)</b>										
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	477,184	1,765,000
Sales of Assets	265,840	30,106	117,344	36,799	6,436	73,020	1,191,790	136,240	153,163	796,590
Transfers In	300,000	4,426,014	1,887,597	-	2,700,000	-	-	-	-	-
Transfers Out	(300,000)	(4,426,014)	(1,887,597)	-	(2,700,000)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<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>	<u>630,347</u>	<u>2,561,590</u>
<b>Net Change in Fund Balances</b>	<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>	<u>\$ (468,793)</u>	<u>\$ 1,161,134</u>
Debt Service as a Percentage of Noncapital Expenditures	17.1%	3.4%	4.5%	3.5%	4.5%	5.8%	13.1%	7.4%	8.5%	9.7%

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenue Source</b>										
City Sales Tax	\$ 2,825,970	\$ 2,977,098	\$ 2,924,953	\$ 2,532,695	\$ 2,577,170	\$ 2,643,657	\$ 2,727,768	\$ 2,916,281	\$ 3,397,819	\$ 3,842,561
County Sales Tax	2,989,710	3,155,322	3,105,434	2,651,259	2,618,520	2,741,574	2,810,720	2,979,759	3,444,028	3,899,533
Housing Authority Tax	-	186,628	197,084	139,408	146,438	128,311	136,896	148,941	164,435	186,973
Property Tax	102,534	103,601	126,796	128,221	159,896	158,539	126,029	127,301	126,849	128,253
Lodging Tax	293,999	319,885	324,085	246,741	239,089	261,290	285,434	325,768	388,199	426,458
Real Estate Investment Fee Tax	1,356,572	1,488,980	753,312	501,254	565,093	792,486	805,152	920,533	1,044,365	1,487,185
Franchise Tax	271,781	268,928	307,143	279,227	297,721	300,992	287,203	313,906	328,507	319,524
Specific Ownership Tax	6,854	7,002	7,013	6,060	5,413	5,384	5,165	6,035	6,667	6,862
Miscellaneous Tax	34,228	28,488	27,629	38,926	27,547	27,602	57,740	55,795	179,962	302,658
<b>Total Revenues</b>	<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>	<u>\$ 9,080,831</u>	<u>\$ 10,600,007</u>
% change from prior year	8.9%	8.3%	-8.9%	-16.1%	1.7%	6.4%	2.6%	7.6%	16.5%	16.7%
<b>Percentage of Total</b>										
City Sales Tax	35.9%	34.9%	37.6%	38.8%	38.8%	37.4%	37.7%	37.4%	37.4%	42.3%
County Sales Tax	37.9%	37.0%	39.9%	40.6%	39.5%	38.8%	38.8%	38.2%	37.9%	42.9%
Housing Authority Tax	0.0%	2.2%	2.5%	2.1%	2.2%	1.8%	1.9%	1.9%	1.8%	2.1%
Property Tax	1.3%	1.2%	1.6%	2.0%	2.4%	2.2%	1.7%	1.6%	1.4%	1.4%
Lodging Tax	3.7%	3.7%	4.2%	3.8%	3.6%	3.7%	3.9%	4.2%	4.3%	4.7%
Real Estate Investment Fee Tax	17.2%	17.4%	9.7%	7.7%	8.5%	11.2%	11.1%	11.8%	11.5%	16.4%
Franchise Tax	3.4%	3.2%	4.0%	4.3%	4.5%	4.3%	4.0%	4.0%	3.6%	3.5%
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	0.4%	0.3%	0.4%	0.6%	0.4%	0.4%	0.8%	0.7%	2.0%	3.3%
<b>Total Revenues</b>	<u>100.0%</u>	<u>116.7%</u>								

Source: Town of Frisco Financial Statements

**Town of Frisco, Colorado**  
**Taxable Sales and Sales Tax Collections by Category**  
**Fiscal Years 2014 - 2015**

<b>Taxable Sales</b>	<b>2015</b>	<b>Percentage of Total</b>	<b>2014</b>	<b>Percentage of Total</b>
Retail - General	\$40,289,125	21%	\$38,779,875	23%
Grocery	\$38,176,500	20%	\$30,163,475	18%
Restaurants	\$33,167,975	17%	\$29,173,050	17%
Hotels & Inns	\$12,671,750	7%	\$11,744,800	7%
Utility	\$10,087,375	5%	\$10,014,700	6%
Home Improvement	\$9,262,600	5%	\$8,489,475	5%
Automotive	\$8,466,700	4%	\$8,060,875	5%
Recreation	\$8,955,050	5%	\$7,657,350	4%
Liquor	\$7,661,150	4%	\$5,806,625	3%
Home Furnishings	\$6,097,875	3%	\$5,647,100	3%
Vacation Rentals	\$6,059,050	3%	\$5,284,475	3%
Clothing	\$3,119,125	2%	\$2,937,025	2%
Gifts	\$2,871,750	1%	\$2,683,600	2%
Marijuana	\$4,319,100	2%	\$2,406,450	1%
Health & Beauty	\$1,066,850	1%	\$915,850	1%
Office	\$866,350	0%	\$860,775	1%
Arts & Crafts	\$672,875	0%	\$699,250	0%
<b>Total</b>	<b>\$ 193,811,200</b>	<b>100%</b>	<b>\$ 171,324,750</b>	<b>100%</b>

<b>Sales Tax Collected</b>	<b>2015 (*)</b>	<b>Percentage of Total</b>	<b>2014 (*)</b>	<b>Percentage of Total</b>
Retail - General	\$1,611,565	21%	\$1,551,195	23%
Grocery	\$1,527,060	20%	\$1,206,539	18%
Restaurants	\$1,326,719	17%	\$1,166,922	17%
Hotels & Inns	\$506,870	7%	\$469,792	7%
Utility	\$403,495	5%	\$400,588	6%
Home Improvement	\$370,504	5%	\$339,579	5%
Automotive	\$338,668	4%	\$322,435	5%
Recreation	\$358,202	5%	\$306,294	4%
Liquor	\$306,446	4%	\$232,265	3%
Home Furnishings	\$243,915	3%	\$225,884	3%
Vacation Rentals	\$242,362	3%	\$211,379	3%
Clothing	\$124,765	2%	\$117,481	2%
Gifts	\$114,870	1%	\$107,344	2%
Marijuana	\$172,764	2%	\$96,258	1%
Health & Beauty	\$42,674	1%	\$36,634	1%
Office	\$34,654	0%	\$34,431	1%
Arts & Crafts	\$26,915	0%	\$27,970	0%
<b>Total</b>	<b>\$ 7,752,448</b>	<b>100%</b>	<b>\$ 6,852,990</b>	<b>100%</b>

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**

<b>Fiscal Year</b>	<b>Town of Frisco</b>	<b>Summit County</b>	<b>State of Colorado</b>	<b>Special District SCHA</b>	<b>Total</b>
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%
2014	2.00%	2.75%	2.90%	0.125%	7.775%
2015	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**

<b>Fiscal Year Ended December 31</b>	<b>Residential Property</b>	<b>Commercial &amp; Industrial Property</b>	<b>Vacant &amp; Agricultural Property</b>	<b>State Assessed</b>	<b>Tax-Exempt Property (1)</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
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%
2014	99,013,910	51,214,520	7,145,550	3,408,490	(7,145,527)	160,782,470	0.798	1,456,917,990	11.04%
2015	111,708,420	57,215,610	7,552,220	3,453,070	(7,285,660)	179,929,320	0.798	1,638,616,050	10.98%

(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**

<b>Tax Year</b>	<b>Collection Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Collections / (Refunds) in Subsequent Years</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Levy</b>
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%
2013	2014	126,849	126,677	99.86%	(72)	126,605	99.81%
2014	2015	128,304	127,899	99.68%	162	128,061	99.81%

Property taxes are levied in tax year X1 and are due / collectible 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**

<b>Fiscal Year</b>	<b>Direct</b>	<b>Overlapping</b>			<b>Total</b>	
	<b>Town of Frisco</b>	<b>Summit County</b>	<b>Summit School District</b>	<b>Lake Dillon Fire Protection District</b>		<b>Frisco Sanitation District</b>
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
2014	0.798	15.173	20.135	9.016	0.000	45.122
2015	0.798	15.072	19.618	9.026	0.000	44.514

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 2015**

	<b>Assessed Value</b>
Maximum Debt Allowed:	
Actual Value	1,638,616,050
Debt Limit (3% of valuation)	0.03
<b>Legal Debt Limit</b>	<b>\$ 49,158,482</b>
Debt Applicable to Limit:	
Total Bonds Outstanding	\$ 3,541,319
Less: Sales and Use Tax Revenue Bonds	-
<b>Debt Subject to Limitation</b>	<b>\$ 3,541,319</b>
Debt Limit	\$ 49,158,482
less: Total Net Debt Applicable to Limit	3,541,319
<b>Legal Debt Margin</b>	<b>\$ 45,617,163</b>
Total Net Debt Applicable to Limit as a percentage of debt limit	7.2%

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					
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%	2,694	1,763
2011	237,263	4,232,281	-	-	4,469,544	88,600	1.98%	2,675	1,671
2012	488,044	4,064,070	-	-	4,552,114	89,800	1.97%	2,712	1,679
2013	526,384	3,891,168	-	-	4,417,552	92,100	2.08%	2,753	1,605
2014	508,445	3,718,584	-	-	4,227,029	90,800	2.15%	2,827	1,495
2015	1,668,248	3,451,319	-	-	5,119,567	86,600	1.69%	*	*

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

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

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

**Town of Frisco, Colorado**  
**Computation of Direct and Overlapping Debt**  
**Fiscal Year 2015**

<u>Jurisdiction</u>	<u>2015 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	\$ 179,929,320	\$ 5,119,567	100.00%	\$ 5,119,567
<i>Total Direct Debt</i>		<u>5,119,567</u>		
Summit County	1,733,916,850	-	10.38%	-
Summit School District	1,725,995,920	24,415,000	10.42%	2,545,182
Lake Dillon Fire Protection District	790,183,030	-	22.77%	-
Frisco Sanitation District	193,874,960	-	92.81%	-
<i>Total Direct and Overlapping Debt</i>		<u>24,415,000</u>		
<b>Total Direct and Overlapping Debt</b>				<u><u>\$ 7,664,749</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**

<b>Fiscal Year</b>	<b>Frisco Population (1)</b>	<b>Summit County Population (1)</b>	<b>Median Family Income (2)</b>	<b>Per Capita Income (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
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	2,694	28,073	87,200	42,835	811	7.80%
2011	2,675	27,906	88,600	44,800	815	7.50%
2012	2,712	28,145	89,800	46,220	815	7.20%
2013	2,753	28,637	92,100	49,369	770	4.40%
2014	2,827	29,404	90,800	50,685	807	3.40%
2015	*	*	86,600	*	832	2.50%

\* Statistics not yet released for 2015

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 2015**

<b>Employer</b>	<b>Employee # Range 2015</b>	<b>(1) Percentage of Total County Employment</b>
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%
Whole Foods	50 - 99	0.003 - 0.005%
<b>(1) Total Employees within Summit County:</b>	<b>20,692</b>	

\* Business not within municipal limits of the Town of Frisco

Number of employees is only given in ranges

**(1) Colorado LMI Gateway**

Unable to get total employees within Town of Frisco

Information is not available for previous years

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

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government *	9	9	9	9	9	9	9	8	9	9
Public Safety	14	15	15	15	15	15	15	16	15	16
Public Works	16	16	18	19	19	19	19	19	19	19
Community Development	6	6	6	6	6	6	6	6	6	6
Culture and Recreation	4	4	4	6	11	11	11	14	14	16
Water	4	4	3	3	3	3	3	3	3	4
Marina	1	2	2	2	2	2	2	3	3	3
<b>Total</b>	<b>54</b>	<b>56</b>	<b>57</b>	<b>60</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>69</b>	<b>69</b>	<b>73</b>

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 - 2015**

<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>2014</u>	<u>2015</u>
<b><u>General Government</u></b>									
Council meetings	*	21	19	20	20	22	20	22	21
Business licenses	*	935	1,135	1,193	1,321	1,357	1,464	1,457	1,472
Sales tax licenses	*	813	830	848	900	934	967	1,003	1,034
Elections	*	2	1	1	0	0	1	0	0
<b><u>Public Safety</u></b>									
Police stations	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8
Physical arrests	421	605	146	141	176	215	175	157	186
Traffic violations	798	710	1,079	1,411	1,288	951	631	883	638
Parking violations	27	14	22	23	35	22	16	44	30
<b><u>Public Works</u></b>									
Miles of streets	17.5	17.75	17.75	17.75	17.75	18	18	18	18
Total Town area (square miles)	1.75	2	2	2	2	2	2	2	2
<b><u>Community Development</u></b>									
Building permits issued	*	102	145	154	167	158	169	157	209
COs issued	*	146	32	35	124	91	83	73	46
Planning Commission meetings	*	20	18	18	13	15	16	16	14
<b><u>Culture and Recreation</u></b>									
Parks	10	10	10	10	10	10	10	10	10
Historic Park and Museum	1	1	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1	1	1
Volleyball courts	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2
Miles of trails	11.5	11.5	11.5	11.5	11.5	12	12	12	12
Nordic ski trails	43 km	43 km	43 km	43 km	43 km	43 km	43 km	43 km	43 km
Outdoor ice rinks	1	1	1	1	1	1	1	1	1
Baseball, soccer, and multi-use fields	2	2	2	2	2	2	2	2	2
Bike Park	0	0	0	0	1	1	1	1	1
<b><u>Housing</u></b>									
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	105,053 sq ft	85,066 sq ft
<b><u>Municipal Water</u></b>									
Number of water service connections	1,825	1,825	1,916	1,925	2,105	1,903	1,906	1,935	1,954
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	0.600 mgd	0.617
Miles of water mains	31	31	32.5	32.5	32.5	32.5	32.8	33	33
<b><u>Marina</u></b>									
Service and storage buildings	3	3	3	4	4	4	4	4	4
Offices	1	1	1	1	1	1	1	1	1
Lighthouses	1	1	1	1	1	1	1	1	1
Restaurants	1	1	1	1	1	1	1	1	1
Docks	4	5	11	11	11	13	12	12	11
Paddle boats	21	36	36	44	45	45	62	33	36
Power boats	13	13	13	15	14	14	14	10	14

\* Information not readily available for 2007

Source: Town of Frisco Human Resources