














**BRECKENRIDGE TOWN COUNCIL  
WORK SESSION  
Tuesday, August 26, 2008**

**ESTIMATED TIMES:**

*The times indicated are intended only as a guide. They are at the discretion of the Mayor, depending on the length of the discussion and are subject to change.*

<b>3:00 – 3:15 pm</b>	<b>I. <u>PLANNING COMMISSION DECISIONS</u></b>	<b>Page 2</b>
<b>3:15 – 3:30 pm</b>	<b>II. <u>LEGISLATIVE REVIEW</u> *</b>	
	Theobald Easement and Deed Ordinances	<b>Page 177</b>
	Skateboarding Ordinance	<b>Page 182</b>
	Citizen Text Warning IGA	<b>Page 188</b>
<b>3:30 – 4:00 pm</b>	<b>III. <u>MANAGERS REPORT</u></b>	
	Public Projects Update	<b>Page 8</b>
	Housing/Childcare Update	<b>Verbal</b>
	Committee Reports	<b>Page 9</b>
	Financials	<b>Page 10</b>
	Ski Area Parking Plan	<b>Page 160</b>
<b>4:00 – 5:00 pm</b>	<b>IV. <u>PLANNING MATTERS</u></b>	
	Mountain Pine Beetle/Defensible Space	<b>Page 161</b>
	Railroad Park	<b>Page 164</b>
<b>5:00 – 6:00 pm</b>	<b>V. <u>OTHER MATTERS</u></b>	
	Maggie Pond/Ice	<b>Page 171</b>
<b>6:00 – 7:00 pm</b>	<b>VI. <u>BOSAC JOINT MEETING</u></b>	<b>Page 172</b>

*Dinner will be served to Town Council, BOSAC and staff*

**\*ACTION ITEMS THAT APPEAR ON THE EVENING AGENDA** **Page 173**

*NOTE: Public hearings are not held during Town Council Work Sessions. The public is invited to attend the Work Session and listen to the Council's discussion. However, the Council is not required to take public comments during Work Sessions. At the discretion of the Council, public comment may be allowed if time permits and, if allowed, public comment may be limited. The Town Council may make a Final Decision on any item listed on the agenda, regardless of whether it is listed as an action item. The public will be excluded from any portion of the Work Session during which an Executive Session is held.*

*Report of Town Manager; Report of Mayor and Council members; Scheduled Meetings and Other Matters are topics listed on the 7:30 pm Town Council Agenda. If time permits at the afternoon work session, the Mayor and Council may discuss these items.*

**MEMORANDUM**

**To:** Town Council

**From:** Peter Grosshuesch

**Date:** August 20, 2008

**Re:** Town Council Consent Calendar from the Planning Commission Decisions of the August 19, 2008, meeting.

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***DECISIONS FROM THE PLANNING COMMISSION AGENDA OF August 19, 2008***

CLASS C APPLICATIONS:

1. Brewer Garage (MGT) PC#2008092; 16 Silver Green

Construct a detached, two-car garage with bonus room totaling 330 sq. ft. of density and 814 sq. ft. of mass. Approved.

2. Busnardo Garage (MGT) PC#2008093; 73 Midnight Sun Road

Construct a detached, two-car garage with bonus room totaling 432 sq. ft. of density and 1,008 sq. ft. of mass. Approved.

3. Alpine Estate Home (CK) PC#2008094; 627 Glen Eagle Loop

Construct a new single-family residence with 5 bedrooms, 6 bathrooms, 6,137 sq. ft. of density and 7,005 sq. ft. of mass for a F.A.R. of 1:6.34. Approved.

**PLANNING COMMISSION MEETING**

**THE MEETING WAS CALLED TO ORDER AT 7:00 P.M.**

**ROLL CALL**

Michael Bertaux	Rodney Allen	Dan Schroder
Mike Khavari	Leigh Girvin	Jim Lamb

Dave Pringle arrived at 7:21PM  
Mr. Mamula, Town Council Liaison, arrived at 7:11 during the first worksession item.

**APPROVAL OF MINUTES**

With no changes, the minutes of the August 5, 2008 Planning Commission meetings were approved unanimously (6-0). Mr. Pringle was absent

**APPROVAL OF AGENDA**

With no changes, the Agenda for the August 19, 2008 Planning Commission meeting was approved unanimously (6-0). Mr. Pringle was absent

**CONSENT CALENDAR:**

1. Brewer Garage (MGT) PC#2008092; 16 Silver Green
2. Busnardo Garage (MGT) PC#200893; 73 Midnight Sun Road
3. Alpine Estate Home (CK) PC#2008094; 627 Glen Eagle Loop

With no motions, the consent calendar was approved unanimously (6-0).

**FINAL HEARINGS:**

1. Peak 8 Building 804 (MM) PC#2008032; 1521 Ski Hill Road

Removed from the Agenda at the Applicant's request. Anticipated to be reviewed at the next hearing on September 2, 2008.

**WORKSESSIONS:**

1. 112 North Main Street Development (MM)

Mr. Mosher presented a proposal for the development of the empty lot at 112 North Main Street into a mixed use development with a restaurant, retail and three townhomes. Mr. Mosher expressed Staff's concerns about maintaining a curb cut for access to the property off of Main Street. Having a driveway here would also reduce the opportunity for creating side yards recommended by the Historic Standards.

Also he asked about the nearly 50% mix of commercial density to residential density, when in the past, we prefer to see more commercial (60% or more) than residential along this portion of Main Street. The northern building aligns with the historic property to the north (old Racer's Edge), but the south building steps forward (the porch will abut the property line) to be 3'-6" back from the façade of Alpine Bank to the south. Alpine Bank is in the Core Commercial character area, but this site is in the Main Street Residential/Commercial character area. The applicant would like to relax this policy along the edge of the Core Commercial edge, to create a better transition. Would the Commission consider relaxing this policy along this edge?

Janet Sutterley, Architect and Agent: Four specific questions: Driveway access currently has two curb cuts, one will be eliminated. By keeping one this we'll open up the side yard with potential easier access for handicap than off the alley behind. Tandem residential parking allows for three more spots, better arrangement for townhomes. These spots will be partially covered allowing the massing of the townhomes to be broken up into three small buildings with small links. Covered spots would be approximately 18 foot deep. The unit's main level entry is at alley level. 1½ story structures are proposed in the front retail restaurant buildings. Priority Policy 2 in the Historic Handbook addresses preserving the view corridor to the Carter Museum. Development is held back along the south property line to enhance the view corridor along the north edge of the Alpine Bank property. Uses of privacy fences along the alley are proposed. Is the percentage mix of commercial / residential acceptable on this site? (Mr. Khavari stated the code allowed both uses.)

Mr. Khavari noted that with this worksession, he could hear from the public.

Mark Hogan, Baker+Hogan+Houx Architects - Mixed uses should be encouraged along Main Street to maintain vitality.

Shervin Rashidi, Applicant – Owner of Quandary Grill: Introduced himself and explained his goals with the property. Envisions 90% of deliveries off the alley. Curb cut and driveway would accommodate easier handicap access to the retail spaces. If the site were to be developed as solely commercial the allowed total density would be 13,700 square feet. By offering a mixed use development the density is actually less. .

Steve Lunney : Introduced himself. Residential will create more character and vitality to the site.

*Commissioner Questions/Comments:*

Mr. Bertaux: Not convinced parking will work with the commercial uses on site. The parking plan is not good planning. There will be conflicts with deliveries, commercial parking and residential parking seeking the same spaces. Positive points should be available for eliminating curb cuts. Not supportive of the tandem parking concept. Supports the staggered alignment off of Alpine Bank as proposed but the design will limit any landscaping ability. Outdoor patio might be an option and would be a popular spot. One of these units should be an employee housing unit.

Mr. Allen: Asked Ms. Sutterley what would be underneath the tandem parking? (Ms. Sutterley – possible basement space or would be filled in as the most economical. Support maintaining the view corridor to meet the Priority Policy. I am fine with the mixed use. Ok with building alignment transition. Sees a potential conflict with the parking layout along the alley. Doesn't have a problem with tandem parking. Reduce townhomes from three to two and make them larger. Loading zone doesn't work well. Trucks always block alley and this will be worse as the alley is narrower along this edge. Need to dedicate a loading zone. Landscaping would be nice to see, maybe at the entrance of the townhomes. Curb cuts elimination should get you some positive points. Main Street parking might be an option especially for handicapped. Once the driveway is eliminated this may open up flexibility. Try to enhance the pedestrian connections through the site.

Mr. Pringle: There simply seems to be too much program on the site. Going up to 12 units per acre has negative impacts and the negative eighteen (-18) points will be difficult to mitigate. Parking must be adequate in this difficult area. There is conflict with public and private parking. Hesitant to think the residential tandem parking will work here. Suggest dropping some of the townhome units. More commercial and less residential is encouraged. Currently sees problem after problem with the proposed density and use for this site. Doesn't understand why the Historic Character Area line changes in the middle of the block. More commercial use is encouraged and the residential layout is causing problems. Perhaps incorporate the residential into the commercial buildings. Not opposed to mixed use but five buildings on this small lot seems to be too much. Fine with the transition from the Core Commercial to North Main Residential Character areas. The two parking spots and curb cut driveway should be eliminated. Negative points are difficult and expensive to make up.

Ms. Girvin: Does Alpine Bank provide access from the street to the alley? (Yes) Doesn't understand where delivery trucks will park and thus is very concerned about the impacts to the public alley access. (Shervin pointed out they can do nothing to resolve this problem and plan to have deliveries be the same as Salt Creek. Point out what is across the street from this project.) There is vegetation on the site. Observed some Lodge Pole pines and wild raspberry bushes. Try to keep the Lodgepole trees. Not in favor of Main Street curb cut. Tandem parking will be a concern. With so many guests visiting a unit, encouraged a parking space per bedroom. Also expect to see outdoor storage of recreational items being stored on one of the tandem spaces. South property line is important to maintain the view corridor to the Carter Museum. Take note that along the alley side there are no buildings taller than one story. Going taller will look out of place. Therefore height consistency is encouraged. Prefers to see employee housing on site too.

Mr. Lamb: Whole problem is having residential in the commercial area. These are conflicting uses in this area. Thinks curb cuts don't have any business on Main Street as they interfere with pedestrian flow. Doesn't think tandem parking works very well. Lessen residential and open some things up. Less program would make things much easier. Alley is narrow will impact deliveries. Building height with Racers Edge is encouraged. Ok with transitioning the setback. Lose one townhome.

Mr. Schroder: Sought clarification regarding number of parking spaces. Janet: 6 public/commercial, 1 handicap, 2 for each residential unit. Parking was major thought process due to residential unit occupants having multiple vehicles. Negative eighteen (-18) points are hard to take. Janet would like to see more above ground square footage. Suggested staggering buildings if the priority policy could be mitigated. Staff explained the Commission could find the priority policy non-applicable in some cases. Parking on Main Street would be nice. Eliminating curb cut is encouraged. Not opposed to tandem parking. Not in favor of access off Main Street. Compress the 3 townhomes to 2. In favor of Staff's alignment recommendation.

Mr. Khavari: Agree with all said. Parking situation creates conflict. Will aligning all the buildings with Racer's Edge create a problem? (Ms. Sutterley noted that the Core Commercial Character Area encourages having the buildings abut the property line at Main Street and the Residential Character Area encourages front yards. A radical step will look odd against a blank wall.) Get rid of curb cut at Main Street. Would like to see a little more view corridor to the Museum than shown. Drop one of the townhome units might help in solving the parking issues. Stepping down makes sense. Landscaping is highly encouraged, need to see more. Tandem parking is difficult.

Mr. Mamula: Agrees with majority of the Commission comments heard. Council would like to decrease curb cuts along Main Street and possible make a Council Goal. Suggest either positive points or credit in the parking service area.

## 2. Home Size Policy (JP)

Mr. Mamula gave a background on the Council's concern of protecting existing neighborhood character and the impact that these neighborhoods face with potential additions and scrap offs. Ms. Puester stated that the policy was based on floor area ratios (FAR) which would relate the lot size to the home size and have only been applied to above ground density and mass. Underground density would be unlimited. The options outlined in the packet memo would apply to those subdivisions without platted building or disturbance envelopes outside of the Conservation District and are based on neighborhood specific size characteristics, such as largest above ground square footage, average square footage, F.A.R.'s etc. Staff asked the Commission to weigh in on the proposed options and whether there are missing details from the analysis or other option alternatives they would like to see. Staff has used the Weisshorn Subdivision as an example and would then go forward with analyzing other applicable subdivisions and bring the results back to the Commission for another worksession.

Mark Truckey: Asked the Commission to help staff shape this policy to take back to Council. The maximum above ground square footages in the options were based on the largest homes existing in the subdivision. The Sustainable Building Code will limit size to an extent and unlikely to see 13,000 square foot home, but you can get there. All neighborhoods without building envelopes are being considered for the policy.

### Public Comment:

Andy Webster, Builder: Character is defined more by appearance than size. Don't restrict folks and limit their ability to build. Have an Architectural Review on the Town's side and limit with that.

Mark Hogan: What neighborhoods are being discussed? (Mr. Neubecker listed off a few subdivisions without platted envelopes). The Weisshorn is a good neighborhood to preserve but others will be very difficult such as Warrior's Mark. Design is more important than size limitation. You can't legislate good design. This will be a tough to extend to other neighborhoods. If you are after character, focus on design policies not size limitations. Strengthen the review process and write design standards similar to the Historic Design Guidelines for each neighborhood character and make those houses a Class B permit. Also, try to encourage accessory apartments, don't discourage them. (Mr. Mamula said that it is difficult to regulate taste. Do not want to tell people what their house must look like. The Town has never been able to stop bad design as you can mitigate with positive points such as landscaping. Historic design guidelines are too complicated for applicants and staff to apply to more properties.)

Craig Campbell, Local builder on builder's association board: Bad architecture will always win over size cap. You can have a small home with bad design. This policy is more of a band aid and does not address character. Go to the neighborhood HOA and have them implement their own design guidelines under their own control.

Jeremy Fisher: Lives in the Weisshorn, under construction of scrap off home there. Let's develop design guidelines. Decide what is charming about the Weisshorn and see that character get followed through with. Hard to regulate bad architecture. What's bad architecture? Our house is larger visually than we realized but thinks that it fits the lot and functions better than the previous home.

Dave Garrett, Christy Heights HOA: HOA has implemented home sizes in covenants. The subdivision is built out and now we are seeing people want to add on. The policy should allow for additions. Sometimes people are restricted in going below grade such as a water flow issue of wetlands. Folks grow in their home over time. Too expensive to buy a larger home elsewhere, easier and cheaper to add onto their existing home.

*Commissioner Questions/Comments:*

Mr. Bertaux: Study other subdivisions numbers and see if an option works universally. There should be language in the policy which states that they either have an envelope, accessory unit or contribution to the SHA as options. Prefers hybrid option and second choice is sliding scale.

Mr. Allen: Long way to go before he would support it. Thinks that Fischer's house fits perfectly. These are evolving neighborhoods. Asks if one option will be applied to all neighborhoods. (Ms. Puester explained different numbers will apply to different neighborhoods, based on their existing conditions and to allow for growth. The policy would apply to those subdivisions without platted envelopes). Are there Weisshorn lots over an acre? (Ms. Girvin pointed out there were six.) Are there other lots in neighborhoods over one acre that this policy would apply to? (Ms. Puester stated that there were very few and would have details once analysis of each subdivision was done.) Is this about character or intensity? (Mr. Mamula said that it's about both and pointed out people are concerned about what your neighbor can do next to you. But mostly its about character.) Supports some type of character preservation but this is tricky. Square footage will differ greatly from neighborhood to neighborhood. 50 foot combined side yard limitation already limits square footage. See where you are trying to go with this but if a home gets too big and overpowers the neighborhood, such as in French Creek, then maybe the neighborhood will evolve to something similar in the future. Is there a difference between a 7,000 and 9,000 square foot home? (Ms. Girvin replied that there is a 2,000 square foot difference, a whole house difference.) Would like to have Commission involved in all discussion concerning all neighborhoods. Smaller may not be better, but better is better.

Mr. Pringle: Resistance to a home size limitation but this is more of a "Neighbor Character Preservation Policy" and should be labeled as such. You really don't want to see the aberration. Policy should be presented as fitting homes into neighborhood. But keep in mind the evolution of home sizes and allow for additions. If you exceed the allowable, maybe have a TDR purchase. Try to build in expectations for people of what their neighbor could do. Kick this further down the road but extend it beyond one particular subdivision.

Ms. Girvin: Pointed out HOA restrictions can change at any time or not be enforced. Applauds the Council for addressing this issue; monstrosities are in-appropriate for many reasons from energy consumption to site disturbance and character. Good design can mitigate character concerns but you can't legislate good design as Mr. Hogan stated. Must start somewhere to preserve community character and it needs to be measureable to work. Weisshorn has a lot of distance between homes and homes are not too large. There is a local family mix in the neighborhood. Soon, locals will not be able to afford the Weisshorn. The hybrid option is equitable. Warrior's Mark is maxed out anyway. Would be surprised if you could add on there with existing codes anyway.

Mr. Lamb: Option 2 will hinder folks with small lots. Prefers the hybrid method. Recommends neighborhood preservation approach. Give this policy a chance. This is something that could work.

Mr. Schroder: In favor of having for home size caps. Large homes are detrimental to the community character. Hopeful that the Sustainable Code will limit larger homes through mitigation factors. Likes the hybrid option because it is more equitable.

Mr. Khavari: The town needs to start somewhere. Believes the Weisshorn is an easy one and that other subdivisions will be more difficult. Sought clarification on how Staff saw the policy being enforced (Staff explained that it would be neighborhood specific most likely. Based on character and existing sizes but allowing for growth beyond that). Warrior's Mark will be a difficult one to research. Prefers Option 1 and 3 as Staff moves forward and would like to see staff present both for each applicable subdivision for the next worksession.

3. Joint PC/TC Meeting Topics

Mr. Neubecker presented a memo concerning topics for the joint meeting with Town Council, tentatively scheduled for

*Commissioner Questions/Comments:*

Mr. Bertaux: Suggested September 23<sup>rd</sup> for a second choice.

Mr. Allen: Likes idea of joint meeting four times a year. Would like to determine council priorities vs staff priorities. Affordable housing might be an item to discuss.

Mr. Pringle: Bear proof trash containers might be an option for discussion. Soft economy might be something to discuss along with deed restrictions, and impact of losing the covenant if foreclosed.

Ms. Girvin: Asked staff to state the Commission top five list.

Mr. Lamb:

Mr. Schroder:

Mr. Khavari: Suggested September 9<sup>th</sup> for a proposed date.

Mr. Mamula: Wants to discuss the liaison position. Would like to make sure that the Commission is quoting the code in all discussions.

***OTHER MATTERS:***

Mr. Neubecker stated that the field trip is still planned for October 8-10. We are waiting for August sales tax numbers to see if we can afford to go to Whistler (our first choice). If revenue is down too much, we'll need to stay closer to home or find a less expensive place.

***ADJOURNMENT:***

The meeting was adjourned at 10:18p.m.

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Mike Khavari, Chair

## Memorandum

**TO:** Town Council  
**FROM:** Tom Daugherty, Town Engineer  
**DATE:** August 21, 2008  
**RE:** Public Projects Update

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### **Wellington Oro WTP**

The construction of the Wellington Oro WTP is ongoing and expected to be substantially complete by mid-September 2008. The process engineer (BioteQ Environmental) is scheduled to be on site in mid-September to begin the 60 day plant commissioning. At the end of the commissioning period in November 2008 we are expecting the plant to be fully operational and at that time the Town will begin reporting results to the EPA. The EPA has been attending recent project meeting and has verbally approved this schedule.

### **Boreas Pass Road**

Staff is working to finalize the design of the improvements to Boreas Pass Road between the Ice Rink and Bright Hope Drive. This section of roadway is badly deteriorated due to high groundwater issues. The construction plans are near completion and have been recently advertised for bidding purposes. Bids are expected to be opened at the end of August 2008 with construction of the project scheduled to begin in September 2008.

Staff is estimating that the reconstruction of approximately 1000 linear feet of roadway and placement of 1000 linear feet of asphalt overlay will take one month. The 1000 linear feet of reconstruction near Bright Hope will require Boreas Pass Road to be closed for approximately 2 weeks to remove and stabilize the roadway. It is expected that traffic will be detoured at French Street and County Road 503 during the duration of the reconstruction. Staff is working to coordinate the closure with the County, fire, police, the school district and residents in the area. An open house is anticipated to be held prior to construction.

### **Utility Undergrounding**

The overhead power lines on Wellington Road have been removed. The asphalt gap will be patched and pedestal that is in the pathway will be removed this fall. There will not be any other undergrounding this year.



**MEMO**

**TO: Mayor & Town Council**

**FROM: Tim Gagen**

**DATE: August 4, 2008**

**RE: Committee Reports**

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**BEDAC Julia Skurski August 14**

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BEDAC discussed the train park for Engine #9. The focus was to provide a recommendation to Council on itemized costs when considering each potential site as well as any additional economic concerns should the train project be approved as proposed by the Breckenridge Heritage Alliance. The BEDAC recommendation will be included in the August 26<sup>th</sup> Town Council packet.

**LLA MJ Loufek August 19**

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- The first Art Gallery Permit was approved for “Art on a Whim”
- A Resolution Adopting Amended Penalty Guidelines For Use In Connection With The Imposition Of Disciplinary Action Against Liquor Licensees was approved. This resolution incorporates the new municipal offense “Licensees Employees not to be Visibly Intoxicated” within the guidelines, and includes specific aggravating and mitigating circumstances.
- An executive session was held relating to “Investigations.”
- Ideas to mitigate some of the problems experienced at last year’s Oktoberfest event were discussed.

**Other Meetings**

CML	Tim Gagen	No Meeting
CAST	Tim Gagen	No Meeting
Public Art Commission	Jen Cram	No Meeting
Summit Leadership Forum	Tim Gagen	No Meeting
Police Advisory Committee	Rick Holman	No Meeting
Wildfire Council	Peter Grosshuesch	No Meeting
Summit Stage	James Phelps	No Meeting
I-70 Coalition	Tim Gagen	No Meeting
NWCCOG	Peter Grosshuesch	No Meeting
SCHA	Tim Gagen	No Meeting

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INTEROFFICE MEMORANDUM

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**TO:** TIM GAGEN, TOWN MANAGER  
**FROM:** FINANCE DEPARTMENT  
**SUBJECT:** JULY FINANCIAL STATUS REPORT  
**DATE:** 8/18/2008

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This report summarizes the financial condition of the Town of Breckenridge for the period January 1, 2008 – July 31, 2008 (58.33% of the fiscal year). The report includes:

- Benchmark comparisons between prior & current year. Percentage variances compare the Town's present revenue streams and expenditures to both historical levels & YTD budget.
- An overview of each of the Town's twelve funds – both revenue and expenditures (*See attachment titled "All Funds"*).
- An overview of each of the Town's twelve funds, net of inter-fund transfers – both revenue and expenditures. Receipts and charges to/from other funds are not reflected in this report (*See attachment titled "All Funds Net of Inter-Funds Transfers"*).
- Review of the Excise Tax Fund (*See attachment titled "Excise Tax Fund"*).
- Review of the General Fund – both consolidated revenue categories and department expenditures (*See attachment titled "General Fund"*).
- Incorporation of fund balance information for Excise Tax Fund and General Fund to include legally required and Council identified reserves.
- A series of tax reports and related business activity and business sector reports.

The balance of the narrative portion of this report highlights the revenue activity of each of the twelve funds under the heading "Revenue Overview by Fund" followed by a section that describes expenditure activity when applicable under the heading "Expenditure Overview by Fund".

**Revenue Overview by Fund:**

**GENERAL FUND:** Revenues are derived from the following sources as a percent of the budget. Recreation Fees 11%, Property Taxes 14%, Miscellaneous Income 3%, Charges for Services 5%, Licenses and Permits 4%, Intergovernmental Revenue and Fines 5%, and Transfers from Other Funds 58%. Recreation Fees are slightly higher than 2008 due to program fees and passes. Property Tax revenues are higher than 2007 due to property valuations and mill levy increases. Investment Income for 2008 is lower than 2007 due to slightly higher market interest rates driving the overall value of portfolio securities down. Charges for Services are higher than 2007 primarily due to Plan Check Fees for a large developer and Parking Permit Revenue. Licenses and Permits are higher than 2007 due primarily to building permits. Intergovernmental revenues are higher than 2007 due to Summit Stage reimbursement for operating the north route. Fines/Forfeitures are higher than 2007 due primarily to penal fines. 2008 year-to-date General Fund revenue (net of transfers) is higher than 2007 by 25%.

**WATER FUND:** Revenues are derived from the following sources, Water Rents, Plant Investment Fees (PIF), Water Service Maintenance Fees (WSMF), Investment Income, and

miscellaneous income. 2008 revenues are higher than 2007 due primarily due to Plant Investment Fees for a large developer.

**CAPITAL FUND:** 2008 revenue is derived from a transfer from the Excise Fund, investment income, Parking District assessment and various grants for projects. 2008 revenues are lower than 2007 primarily due to transfers from the Excise Fund which are budgeted to be less than 2007, and due to the Federal Transportation Grant for the Fleet Maintenance Facility.

**MARKETING FUND:** Revenues (net of transfers) are driven by Business Licenses, Accommodations Tax, Sales Tax and transfers from the Excise Tax Fund. 2008 revenues are higher than 2007 due primarily to transfers from the Excise Tax Fund which are budgeted to be higher than 2007.

**GOLF FUND:** Revenues consist of residential card sales, greens fees, cart rental, driving range fees, investment income, clubhouse rent and a transfer from the Excise Tax Fund. 2008 revenues are lower than 2007 primarily due to resident card sales, green fees, cart fees, and investment income.

**EXCISE TAX FUND:** Sales Tax represents 60% of this fund's budgeted revenue, Real Estate Transfer Tax (RETT) 26%, Accommodation Tax 8%, Investment Income 3%, Cigarette and Franchise Taxes 3%. 2008 revenues are slightly lower than 2007 primarily due to RETT. The major difference between the sales tax revenue reported on this report and the sales tax collection report is the delay in receipt of the County sales tax received from the State the following month. The accompanying tax reports provide more information.

**AFFORDABLE HOUSING FUND:** Revenues are based on sales tax, impact fees, rental of properties owned or leased by the Town, and repayment of housing assistance loans. 2008 revenues are higher than 2007 due to sales tax, impact fees and transfers from the Excise Tax Fund that are budgeted to be significantly higher.

**OPEN SPACE FUND:** Revenues are typically derived from sales tax and investment income and development contributions, 2008 revenues are about level with last year. revenues.

**CONSERVATION TRUST FUND:** Revenues are the Town's share of lottery funds and investment income. The state distributes lottery proceeds on a quarterly basis. Proceeds for the preceding two quarters are slightly higher than 2007.

**GARAGE SERVICES FUND:** Revenue for this fund is derived by charging the departments within the Town a pro-rata cost based on use of Town vehicles. 2008 revenues are higher than 2007 primarily due to internal service revenue from other funds that are budgeted to be higher.

**INFORMATION SERVICES FUND:** Revenues are derived from charging the departments within the Town a pro-rata cost based on their use of I/S services. The internal service revenue for 2008 is budgeted to be higher than the prior year.

**FACILITIES MAINTENANCE FUND:** This fund has been established to provide funding for maintenance and replacement of capital assets. Revenues are derived from other funds associated with primary use of the facility and transfers from the Excise Tax Fund. Revenues are budgeted to be the same as 2007.

**SPECIAL PROJECTS FUND:** This fund is new this year and has been established to provide funding for non-reoccurring and non-routine projects and initiatives. Revenues are derived through transfers from the Excise Fund.

### **Expenditure Overview by Fund:**

Comments below are limited to funds with significant variance from the prior year.

**GENERAL FUND:** 2008 General Government expenditures are higher than 2007 primarily due to personnel costs, and legal services. 2008 Community Development expenditures are higher than 2007 due to personnel costs and consultant fees. Engineering expenditures are slightly higher than 2007 due personnel costs. Parking and Transit expenditures are higher than 2007 primarily due to garage fund allocations, personnel costs, and consultant services. 2008 Police expenditures are higher than 2007 primarily due to personnel costs, computer allocations, and communications equipment. Recreation expenditures are higher than 2007 primarily due to personnel costs, building improvements, and electric/gas costs. Miscellaneous expenditures are lower than 2007 primarily due to the last year's payment of \$3,044,750 for the gondola.

**WATER FUND:** 2008 expenditures are higher than 2007 primarily due to repair and maintenance costs and the Tarn SCADA expenditures. YTD Actual is lower than YTD Budget due to timing of capital projects.

**CAPITAL FUND:** 2008 expenditures are higher than 2007 due to capital expenditures for the Riverwalk Center Roof, Childcare Facility, and Recreation Center capital projects. Expenses are incurred as construction occurs and are subject to the timing of construction. For that reason, historical comparisons are not always useful. In addition, current year "YTD Budget" column is modeled upon last year's spending pattern, and may not always reflect this year's spending activity (YTD Actual). Prior year capital appropriations continue if effect until completed, abandoned or transferred, and are not reflected in current year budgets.

**MARKETING FUND:** Expenditures are primarily for contracted services (BRC) and contributions to community organizations. 2008 expenditures are higher than 2007 primarily due to the BRC monthly payments and grants to other agencies which are both budgeted to be higher than 2007.

**GOLF FUND:** 2008 expenditures are higher than 2007 primarily due to capital expenditures for landscaping equipment.

**EXCISE TAX FUND:** Because the Excise Tax Fund includes transfers to other funds and debt expenditures, any variance between fiscal years is a result of changes in budgeted transfers and changes in debt service payments.

**AFFORDABLE HOUSING FUND:** Expenditures are for down payment assistance loans, rental down payment assistance, childcare support, and other affordable housing related expenditures. 2008 expenditures are higher than 2007 due to payments for property acquisition and childcare support. In addition, current year “YTD Budget” column is modeled upon last year’s spending pattern, and may not always reflect this year’s spending activity (YTD Actual).

**OPEN SPACE FUND:** 2008 expenditures are higher than 2007 due primarily to remediation costs associated with Wellington Oro.

**CONSERVATION TRUST FUND:** 2008 expenditures are budgeted and incurred on a recurring monthly basis, so long as an eligible CIP project has been identified. 2008 is budgeted to be higher than 2007.

**GARAGE SERVICES FUND:** Expenditures for vehicle and equipment maintenance, repair and replacement occur in this fund. 2008 operational expenditures for this period are higher than 2007 primarily due to increased fuel costs and vehicle repair parts. 2008 capital expenditures are primarily for acquisition of new buses. In addition, current year “YTD Budget” column is modeled upon last year’s spending pattern, and may not always reflect this year’s spending activity (YTD Actual).

**INFORMATION SERVICES FUND:** This fund provides telephone, computer equipment, software licenses, repair, and maintenance of the same. 2008 expenditures are higher than last year due primarily to computer and telephone equipment. In addition, current year “YTD Budget” column is modeled upon last year’s spending pattern, and may not always reflect this year’s spending activity (YTD Actual).

**FACILITIES MAINTENANCE FUND:** Expenditures for maintenance and replacement of capital assets occur in this fund.

**SPECIAL PROJECTS FUND:** Expenditures for specified special projects are expended as incurred in this fund. 2008 expenditures are primarily for three buses, Breckenridge Heritage Alliance and other projects budgeted for in this fund.

The All Funds Summary and the All Funds Net of Inter-Fund Transfers Summary report 2008 YTD revenues approximately 10% and 13% higher than 2007 respectively. The current YTD expenditures are approximately 36% higher than 2007 for All Funds Summary and approximately 57% higher than 2007 as shown in the All Funds Net of Inter-Fund Transfers Summary.



**Town of Breckenridge**  
**ALL FUNDS**  
 Current Year to Prior Year Comparison  
 YTD Ending: July 2008

	<u>Prior Year</u>			<u>Actual/Actual</u>  <u>Pct Variance</u>	<u>Current Year</u>				<u>58.33% of FY</u> <u>Pct of Budget</u>  <u>Rec'd/Spent</u>
	<u>YTD</u>	<u>YE</u>	<u>Pct of YE</u>		<u>YTD</u>	<u>YTD</u>	<u>Actual/Budget</u>	<u>Annual</u>	
	<u>Actual</u>	<u>Total</u>	<u>Rec'd/Spent</u>		<u>Actual</u>	<u>Budget</u>	<u>Pct Variance</u>	<u>Budget</u>	
<b>General Fund</b>	14,449,492	23,431,655	61.67	<b>9.35</b>	15,800,792	15,179,150	104.10	23,589,654	66.98
<b>Water Fund</b>	1,627,736	4,308,025	37.78	<b>69.62</b>	2,760,967	1,928,862	143.14	3,424,679	80.62
<b>Capital Fund</b>	3,142,835	13,610,108	23.09	<b>-26.35</b>	2,314,566	1,705,393	135.72	2,871,000	80.62
<b>Marketing Fund</b>	694,696	1,343,453	51.71	<b>19.25</b>	828,437	827,022	100.17	1,457,295	56.85
<b>Golf Fund</b>	1,519,791	2,677,189	56.77	<b>-9.83</b>	1,370,414	1,553,440	88.22	2,541,855	53.91
<b>Excise Tax Fund</b>	11,999,076	21,783,177	55.08	<b>-6.77</b>	11,186,952	13,522,743	82.73	21,570,493	51.86
<b>Affordable Housing Fund</b>	428,724	2,849,329	15.05	<b>328.26</b>	1,836,069	1,030,875	178.11	3,506,041	52.37
<b>Open Space Fund</b>	1,211,472	2,226,421	54.41	<b>0.79</b>	1,220,995	1,315,457	92.82	1,969,000	62.01
<b>Conservation Trust Fund</b>	17,398	35,043	49.65	<b>3.92</b>	18,079	15,228	118.73	30,600	59.08
<b>Garage Services Fund</b>	1,041,056	1,787,169	58.25	<b>17.27</b>	1,220,855	1,187,377	102.82	2,035,504	59.98
<b>Information Services Fund</b>	515,209	883,215	58.33	<b>8.45</b>	558,760	558,760	100.00	957,874	58.33
<b>Facilities Maintenance Fund</b>	251,071	430,408	58.33	<b>0.00</b>	251,072	251,073	100.00	430,410	58.33
<b>Special Projects Fund</b>	0	0	n/m	<b>n/m</b>	1,323,583	1,323,583	100.00	2,269,000	58.33
<b>TOTAL REVENUE</b>	<b>36,898,554</b>	<b>75,365,190</b>	<b>48.96</b>	<b>10.28</b>	<b>40,691,543</b>	<b>40,398,962</b>	<b>100.72</b>	<b>66,653,405</b>	<b>61.05</b>
<b>General Fund</b>	13,916,765	23,239,267	59.88	<b>-14.65</b>	11,878,486	13,144,456	90.37	23,752,046	50.01
<b>Water Fund</b>	1,258,781	3,205,460	39.27	<b>10.43</b>	1,390,023	3,382,072	41.10	5,545,139	25.07
<b>Capital Fund</b>	899,288	7,714,703	11.66	<b>648.14</b>	6,727,906	1,639,750	410.30	2,811,000	239.34
<b>Marketing Fund</b>	763,794	1,293,224	59.06	<b>32.41</b>	1,011,363	1,017,946	99.35	1,689,514	59.86
<b>Golf Fund</b>	969,249	2,106,117	46.02	<b>4.62</b>	1,013,987	1,016,224	99.78	2,446,018	41.45
<b>Excise Tax Fund</b>	10,720,432	23,882,767	44.89	<b>16.64</b>	12,504,183	12,440,157	100.51	21,492,810	58.18
<b>Affordable Housing Fund</b>	22,343	899,952	2.48	<b>n/m</b>	2,200,042	1,680,482	130.92	3,260,608	67.47
<b>Open Space Fund</b>	1,071,907	2,387,617	44.89	<b>51.55</b>	1,624,476	1,138,941	142.63	2,109,027	77.02
<b>Conservation Trust Fund</b>	17,500	30,000	58.33	<b>50.00</b>	26,250	26,250	100.00	45,000	58.33
<b>Garage Services Fund - Ops</b>	610,158	1,614,986	37.78	<b>42.90</b>	871,919	758,089	115.02	1,390,193	62.72
<b>Garage Services Fund - Capital</b>	203,547	100,958	201.62	<b>424.85</b>	1,068,321	266,731	400.52	747,440	142.93
<b>Information Services Fund</b>	522,852	859,713	60.82	<b>4.25</b>	545,049	660,151	82.56	1,015,757	53.66
<b>Facilities Maintenance Fund</b>	0	20,689	0.00	<b>n/m</b>	0	0	n/m	136,722	0.00
<b>Special Projects Fund</b>	0	0	n/m	<b>n/m</b>	1,287,923	1,323,167	97.34	2,268,286	56.78
<b>TOTAL EXPENDITURES</b>	<b>30,976,616</b>	<b>67,355,453</b>	<b>45.99</b>	<b>36.07</b>	<b>42,149,927</b>	<b>38,494,416</b>	<b>109.50</b>	<b>68,709,560</b>	<b>61.35</b>



**Town of Breckenridge**  
**ALL FUNDS NET OF INTER-FUND TRANSFERS**

Current Year to Prior Year Comparison

YTD Ending: July 2008

	Prior Year			Actual/Actual Pct Variance	Current Year			58.33% of FY Pct of Budget	
	YTD	YE	Pct of YE		YTD	YTD	Actual/Budget	Annual	Rec'd/Spent
	Actual	Total	Rec'd/Spent		Actual	Budget	Pct Variance	Budget	
General Fund	6,264,058	9,411,733	66.56	24.89	7,823,041	7,201,398	108.63	9,913,509	78.91
Water Fund	1,627,736	4,308,025	37.78	69.62	2,760,967	1,928,862	143.14	3,424,679	80.62
Capital Fund	1,005,793	5,221,643	19.26	-18.41	820,649	211,476	388.06	310,000	264.73
Marketing Fund	618,862	1,213,453	51.00	5.59	653,437	652,022	100.22	1,157,295	56.46
Golf Fund	1,373,957	2,414,939	56.89	-10.87	1,224,580	1,407,607	87.00	2,291,855	53.43
Excise Tax Fund	11,999,076	21,783,177	55.08	-6.77	11,186,952	13,522,743	82.73	21,570,493	51.86
Affordable Housing Fund	213,485	1,862,906	11.46	114.52	457,979	515,387	88.86	1,143,600	40.05
Open Space Fund	1,211,472	2,226,421	54.41	0.79	1,220,995	1,315,457	92.82	1,969,000	62.01
Conservation Trust Fund	17,398	35,043	49.65	3.92	18,079	15,228	118.73	30,600	59.08
Garage Services Fund	0	2,500	0.00	n/m	35,228	1,750	2,013.02	3,000	1,174.26
Information Services Fund	0	0	n/m	n/m	0	0	n/m	0	n/m
Facilities Maintenance Fund	0	0	n/m	n/m	0	0	n/m	0	n/m
Special Projects Fund	0	0	n/m	n/m	1,323,583	1,323,583	100.00	2,269,000	58.33
<b>TOTAL REVENUE</b>	<b>24,331,837</b>	<b>48,479,838</b>	<b>50.19</b>	<b>13.13</b>	<b>27,525,492</b>	<b>28,095,513</b>	<b>97.97</b>	<b>44,083,031</b>	<b>62.44</b>
General Fund	12,330,576	20,520,974	60.09	-18.10	10,098,275	11,364,690	88.86	20,701,979	48.78
Water Fund	984,948	2,736,031	36.00	14.01	1,122,909	3,114,958	36.05	5,087,229	22.07
Capital Fund	899,288	7,714,703	11.66	648.14	6,727,906	1,639,750	410.30	2,811,000	239.34
Marketing Fund	763,794	1,293,224	59.06	32.41	1,011,363	1,017,946	99.35	1,689,514	59.86
Golf Fund	923,806	2,028,215	45.55	4.34	963,863	966,100	99.77	2,360,091	40.84
Excise Tax Fund	78,669	297,338	26.46	1,761.34	1,464,295	1,400,269	104.57	2,567,288	57.04
Affordable Housing Fund	22,343	899,952	2.48	9,746.58	2,200,042	1,680,482	130.92	3,260,608	67.47
Open Space Fund	1,068,898	2,382,459	44.87	51.67	1,621,153	1,135,618	142.76	2,103,330	77.08
Conservation Trust Fund	0	0	n/m	n/m	0	0	n/m	0	n/m
Garage Services Fund - Ops	610,158	1,614,986	37.78	42.90	871,919	758,089	115.02	1,390,193	62.72
Garage Services Fund - Capital	203,547	100,958	201.62	424.85	1,068,321	266,731	400.52	747,440	142.93
Information Services Fund	520,865	856,307	60.83	4.62	544,908	660,010	82.56	1,015,515	53.66
Facilities Maintenance Fund	0	20,689	0.00	n/m	0	0	n/m	136,722	0.00
Special Projects Fund	0	0	n/m	n/m	1,287,923	1,323,167	97.34	2,268,286	56.78
<b>TOTAL EXPENDITURES</b>	<b>18,406,892</b>	<b>40,465,836</b>	<b>45.49</b>	<b>57.46</b>	<b>28,982,876</b>	<b>25,327,810</b>	<b>114.43</b>	<b>46,139,195</b>	<b>62.82</b>



## Town of Breckenridge

### EXCISE FUND

Current Year to Prior Year Comparison

YTD Ending: July 2008

	<u>Prior Year</u>			Actual/Actual Pct Variance	<u>Current Year</u>				58.33% of FY Pct of Budget Rec'd/Spent
	YTD	YE	Pct of YE		YTD	YTD	Actual/Budget	Annual	
	Actual	Total	Rec'd/Spent		Actual	Budget	Pct Variance	Budget	
<b>Sales Tax</b>	7,162,630	13,040,545	54.93	2.14	7,315,749	8,461,049	86.46	12,955,270	56.47
<b>Accomodations Taxes</b>	1,177,086	1,803,464	65.27	5.44	1,241,078	1,339,127	92.68	1,713,223	72.44
<b>RETT</b>	2,932,683	5,675,235	51.68	-30.13	2,048,990	2,945,481	69.56	5,700,000	35.95
<b>Miscellaneous Taxes</b>	349,512	602,106	58.05	14.20	399,149	402,834	99.09	602,000	66.30
<b>Investment Income</b>	377,164	661,827	56.99	-51.75	181,986	374,252	48.63	600,000	30.33
<b>TOTAL REVENUE</b>	11,999,076	21,783,177	55.08	-6.77	11,186,952	13,522,743	82.73	21,570,493	51.86
<b>Transfers</b>	10,641,763	23,585,429	45.12	16.18	12,363,471	12,363,471	100.00	21,194,522	58.33
<b>Debt Service</b>	78,669	297,338	26.46	78.87	140,712	76,686	183.49	298,288	47.17
<b>TOTAL EXPENDITURES</b>	10,720,432	23,882,767	44.89	16.64	12,504,183	12,440,157	100.51	21,492,810	58.18
<b>YTD EXCESS/(DEFICIT)</b>	1,278,644	-2,099,590			-1,317,231	1,082,586		77,683	
<b>Jan. 1 2008 Fund Balance</b>					10,008,355				
<b>Reserved for Debt Service</b>					-900,000				
<b>UNAUDITED BALANCE</b>					7,791,124				





## Town of Breckenridge

### GENERAL FUND

Current Year to Prior Year Comparison

YTD Ending: July 2008

	<i>Prior Year</i>			<i>Actual/Actual Pct Variance</i>	<i>Current Year</i>				<i>58.33% of FY Pct of Budget Rec'd/Spent</i>
	<i>YTD</i>	<i>YE</i>	<i>Pct of YE</i>		<i>YTD</i>	<i>YTD</i>	<i>Actual/Budget</i>	<i>Annual</i>	
	<i>Actual</i>	<i>Total</i>	<i>Rec'd/Spent</i>		<i>Actual</i>	<i>Budget</i>	<i>Pct Variance</i>	<i>Budget</i>	
<b>REVENUES</b>									
Recreation Fees	1,551,757	2,618,575	59.26	5.01	1,629,519	1,507,787	108.07	2,592,700	62.85
Property Tax	2,036,847	2,187,999	93.09	55.90	3,175,417	3,180,287	99.85	3,359,675	94.52
Investment Income	367,927	828,584	44.40	-6.94	342,394	397,744	86.08	630,000	54.35
Miscellaneous Income	156,364	232,213	67.34	3.66	162,092	110,231	147.05	169,900	95.40
Charges For Services	845,352	1,351,509	62.55	15.62	977,438	749,251	130.46	1,077,450	90.72
Licenses and Permits	671,936	1,144,615	58.70	12.07	753,058	497,990	151.22	842,150	89.42
Intergovernmental	465,841	747,414	62.33	27.86	595,628	611,336	97.43	982,933	60.60
Fines/Forfeitures	168,034	300,824	55.86	11.58	187,495	146,772	127.75	258,700	72.48
Transfers In	8,185,434	14,019,922	58.38	-2.54	7,977,751	7,977,751	100.00	13,676,145	58.33
<b>Revenues</b>	14,449,492	23,431,655	61.67	9.35	15,800,792	15,179,150	104.10	23,589,654	66.98
<b>EXPENDITURES</b>									
General Government	992,458	1,822,663	54.45	18.67	1,177,767	1,418,709	83.02	2,480,385	47.48
Community Development	837,907	1,527,951	54.84	11.46	933,923	1,121,170	83.30	1,919,988	48.64
Engineering	243,619	429,530	56.72	14.64	279,285	288,049	96.96	512,760	54.47
Finance	600,742	1,114,833	53.89	0.43	603,345	690,988	87.32	1,294,176	46.62
Parking and Transit	1,137,040	2,067,358	55.00	37.63	1,564,961	1,670,361	93.69	2,833,036	55.24
Police	1,657,504	2,861,840	57.92	15.24	1,910,105	2,054,712	92.96	3,593,689	53.15
Public Works	2,699,570	5,020,450	53.77	-2.87	2,622,037	2,999,119	87.43	5,378,626	48.75
Recreation	2,329,445	4,329,635	53.80	11.49	2,597,182	2,760,525	94.08	5,048,780	51.44
Miscellaneous	3,354,543	3,529,234	95.05	-96.19	127,700	85,167	149.94	146,000	87.47
Debt Service	63,936	533,002	12.00	-2.74	62,183	55,656	111.73	544,606	11.42
Transfers Out	0	0	n/m	n/m	0	0	n/m	0	n/m
<b>Expenditures</b>	13,916,765	23,236,495	59.89	-14.65	11,878,486	13,144,456	90.37	23,752,046	50.01
<b>Rev Over(Under) Exp</b>	532,727	195,160			3,922,306	2,034,694		-162,392	
<b>Jan. 1 2008 Fund Balance</b>					11,970,176				
Operating Reserve					-5,800,000				
Tabor Reserve					-700,000				
Debt Service Reserve					-1,200,000				
Medical Reserve					-500,000				
<b>Unaudited Balance</b>					7,692,482				

## Affordable Housing Fund

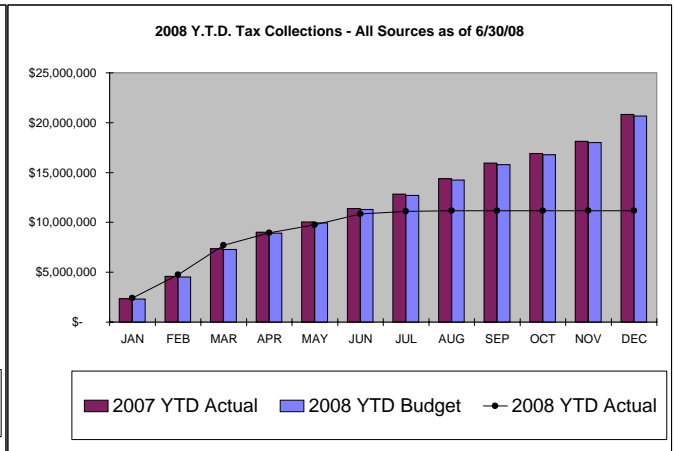
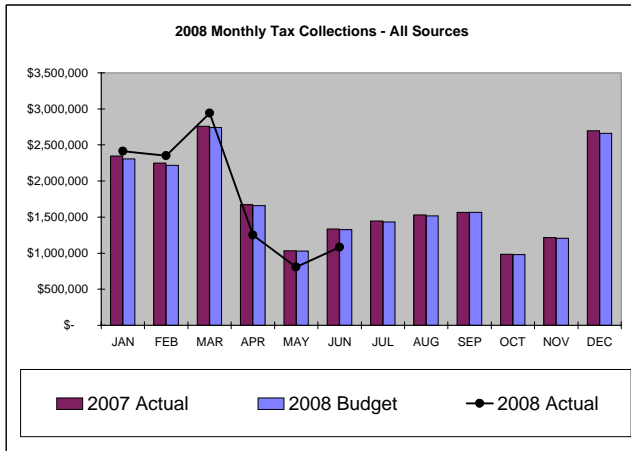
July 2008



	<i>Total Budget</i>	<i>YTD Activity JUL-08</i>	<i>PTD Activity JUL-08</i>	<i>Budget Balance JUL-08</i>	<i>Pct Us JUL-08</i>
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<b>Revenue</b>					
007 0928 41211 SALES TAX	285,600.01	234,096.07	8,067.97	51,503.94	81.97%
007 0928 44350 SHA DEVELOPMENT IMPACT F	800,000.01	202,222.50	86,453.00	597,777.51	25.28%
007 0928 46162 TRF FROM EXCISE TAX FUND	2,362,441.01	1,378,090.56	196,870.08	984,350.45	58.33%
007 0928 49191 INVESTMENT INCOME	10,000.02	3,159.73	1,414.53	6,840.29	31.60%
007 0928 49591 RENTAL INCOME	27,999.97	18,500.54	1,306.56	9,499.43	66.07%
007 0928 49592 MORTGAGE PAYMENTS	20,000.01	0.00	0.00	20,000.01	0.00%
007 0928 TOTAL	<u>3,506,041.03</u>	<u>1,836,069.40</u>	<u>294,112.14</u>	<u>1,669,971.63</u>	<u>52.37%</u>
<b>Total Revenue</b>	<u>3,506,041.03</u>	<u>1,836,069.40</u>	<u>294,112.14</u>	<u>1,669,971.63</u>	<u>52.37%</u>
<b>Expense</b>					
007 0928 52239 MISC R & M SUPPLIES	999.97	0.00	0.00	999.97	0.00%
007 0928 53334 MEMBERSHIP FEES	2,880.01	1,469.00	218.00	1,411.01	51.01%
007 0928 53341 ELECTRIC & GAS	0.00	997.38	77.67	(997.38)	n/m
007 0928 53360 CHILD CARE PROGRAMS	598,628.00	362,713.64	52,119.00	235,914.36	60.59%
007 0928 54446 HOUSING CAPITAL (IMPACT	1,085,600.04	954,662.82	0.00	130,937.22	87.94%
007 0928 54448 HOUSING CAPITAL & PROJEC	1,500,000.01	777,423.85	15,790.91	722,576.16	51.83%
007 0928 57711 GRANTS TO OTHER AGENCIES	72,500.00	102,775.00	30,525.00	(30,275.00)	141.76%
007 0928 TOTAL	<u>3,260,608.03</u>	<u>2,200,041.69</u>	<u>98,730.58</u>	<u>1,060,566.34</u>	<u>67.47%</u>
<b>Total Expense</b>	<u>3,260,608.03</u>	<u>2,200,041.69</u>	<u>98,730.58</u>	<u>1,060,566.34</u>	<u>67.47%</u>

**TOWN OF BRECKENRIDGE**  
**CASH TAX COLLECTIONS - ALL SOURCES - SALES, LODGING, RETT, ACCOMMODATIONS**  
**REPORTED IN THE PERIOD EARNED**

Sales Period	2007 Collections			2008 Budget			2008 Monthly			2008 Year to Date		
	Tax Collected	Year To Date	Percent of Total	Tax Budgeted	Year To Date	Percent of Total	Actual	% Change from 2007	% of Budget	Actual	% Change from 2007	% of Budget
JAN	\$ 2,348,308	\$ 2,348,308	11.3%	\$ 2,308,254	\$ 2,308,254	11.2%	\$ 2,414,468	2.8%	104.6%	\$ 2,414,468	2.8%	11.7%
FEB	\$ 2,247,412	\$ 4,595,720	22.1%	\$ 2,219,423	\$ 4,527,677	21.9%	\$ 2,350,505	4.6%	105.9%	\$ 4,764,973	3.7%	23.1%
MAR	\$ 2,757,097	\$ 7,352,817	35.3%	\$ 2,742,890	\$ 7,270,567	35.2%	\$ 2,939,707	6.6%	107.2%	\$ 7,704,680	4.8%	37.3%
APR	\$ 1,672,447	\$ 9,025,264	43.3%	\$ 1,658,921	\$ 8,929,488	43.2%	\$ 1,249,210	-25.3%	75.3%	\$ 8,953,890	-0.8%	43.4%
MAY	\$ 1,034,214	\$ 10,059,479	48.3%	\$ 1,030,178	\$ 9,959,666	48.2%	\$ 808,893	-21.8%	78.5%	\$ 9,762,783	-2.9%	47.3%
JUN	\$ 1,333,633	\$ 11,393,112	54.7%	\$ 1,327,500	\$ 11,287,166	54.6%	\$ 1,081,794	-18.9%	81.5%	\$ 10,844,577	-4.8%	52.5%
JUL	\$ 1,445,255	\$ 12,838,367	61.6%	\$ 1,430,645	\$ 12,717,811	61.6%	\$ 255,305	-82.3%	17.8%	\$ 11,099,882	-13.5%	53.7%
AUG	\$ 1,530,395	\$ 14,368,763	69.0%	\$ 1,517,698	\$ 14,235,509	68.9%	\$ 67,042	-95.6%	4.4%	\$ 11,166,924	-22.3%	54.1%
SEP	\$ 1,566,855	\$ 15,935,618	76.5%	\$ 1,565,698	\$ 15,801,207	76.5%	\$ -	-100.0%	0.0%	\$ 11,166,924	-29.9%	54.1%
OCT	\$ 986,233	\$ 16,921,851	81.2%	\$ 981,119	\$ 16,782,326	81.3%	\$ -	-100.0%	0.0%	\$ 11,166,924	-34.0%	54.1%
NOV	\$ 1,215,687	\$ 18,137,538	87.1%	\$ 1,208,068	\$ 17,990,393	87.1%	\$ -	-100.0%	0.0%	\$ 11,166,924	-38.4%	54.1%
DEC	\$ 2,696,805	\$ 20,834,342	100.0%	\$ 2,663,700	\$ 20,654,093	100.0%	\$ -	-100.0%	0.0%	\$ 11,166,924	-46.4%	54.1%



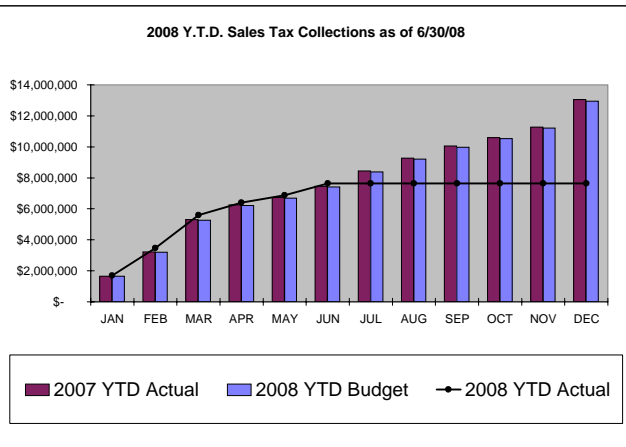
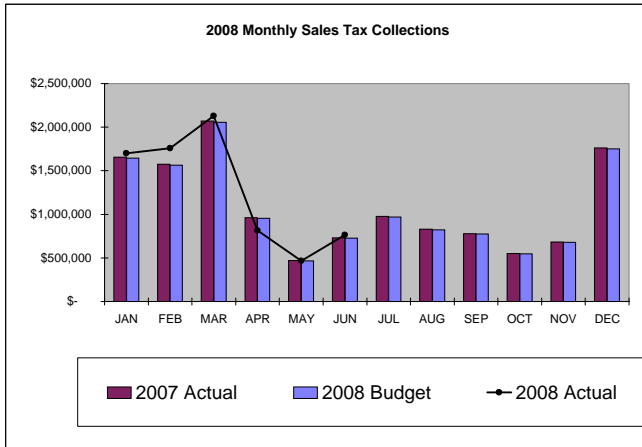
**Prior Year Actual and Current Year Budget Variances**

	TOTAL	Sales	Accommodations	RETT	Housing
vs. June 07 Actual	(251,839)	30,388	(3,290)	(279,030)	93
vs. June 08 Budget	(245,706)	35,171	(118)	(281,313)	553
vs. YTD 07 Actual	(548,535)	170,636	63,991	(795,388)	12,227
vs. YTD 08 Budget	(442,589)	219,414	122,890	(806,686)	21,794

**TOWN OF BRECKENRIDGE  
SALES TAX COLLECTIONS  
REPORTED IN THE PERIOD EARNED**

Sales Period	2007 Collections			2008 Budget			2008 Monthly			2008 Year to Date		
	Tax Collected	Year To Date	Percent of Total	Tax Budgeted	Year To Date	Percent of Total	Actual	% Change from 2007	% of Budget	Actual	% Change from 2007	% of Budget
JAN	\$ 1,655,286	\$ 1,655,286	12.7%	\$ 1,644,461	\$ 1,644,461	12.7%	\$ 1,699,052	2.6%	103.3%	\$ 1,699,052	2.6%	13.1%
FEB	1,573,159	3,228,444	24.8%	1,562,871	3,207,333	24.8%	1,759,932	11.9%	112.6%	3,458,985	7.1%	26.7%
MAR	2,068,772	5,297,217	40.6%	2,055,244	5,262,577	40.6%	2,129,985	3.0%	103.6%	5,588,969	5.5%	43.1%
APR	961,921	6,259,137	48.0%	955,630	6,218,207	48.0%	814,209	-15.4%	85.2%	6,403,179	2.3%	49.4%
MAY	468,712	6,727,849	51.6%	465,647	6,683,854	51.6%	464,918	-0.8%	99.8%	6,868,097	2.1%	53.0%
JUN	731,509	7,459,358	57.2%	726,726	7,410,580	57.2%	761,897	4.2%	104.8%	7,629,994	2.3%	58.9%
JUL	977,334	8,436,692	64.7%	970,943	8,381,523	64.7%	-	-100.0%	0.0%	7,629,994	-9.6%	58.9%
AUG	829,380	9,266,072	71.1%	823,957	9,205,479	71.1%	-	-100.0%	0.0%	7,629,994	-17.7%	58.9%
SEP	779,729	10,045,801	77.0%	774,630	9,980,110	77.0%	-	-100.0%	0.0%	7,629,994	-24.0%	58.9%
OCT	549,408	10,595,209	81.2%	545,815	10,525,925	81.2%	-	-100.0%	0.0%	7,629,994	-28.0%	58.9%
NOV	682,786	11,277,995	86.5%	678,321	11,204,246	86.5%	-	-100.0%	0.0%	7,629,994	-32.3%	58.9%
DEC	\$ 1,762,550	\$ 13,040,545	100.0%	\$ 1,751,024	\$ 12,955,270	100.0%	\$ -	-100.0%	0.0%	\$ 7,629,994	-41.5%	58.9%

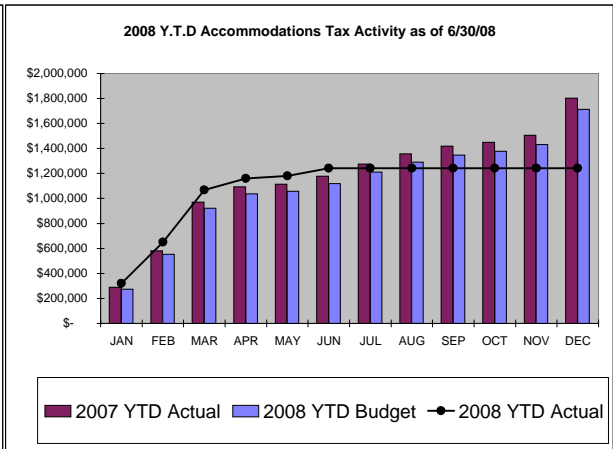
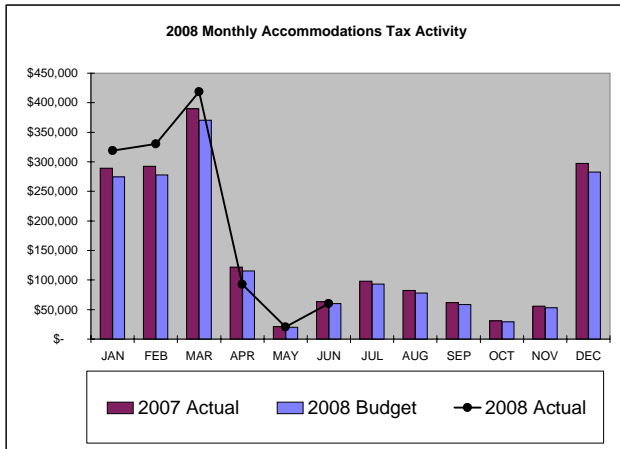
Sales tax amounts reflect collections net of the 3.3% transferred to the Marketing Fund and .5% tax earmarked for Open Space.



**TOWN OF BRECKENRIDGE  
ACCOMMODATION TAX COLLECTIONS  
REPORTED IN THE PERIOD EARNED**

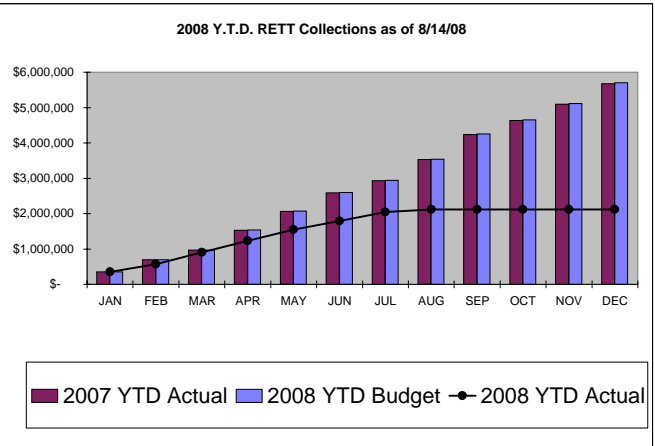
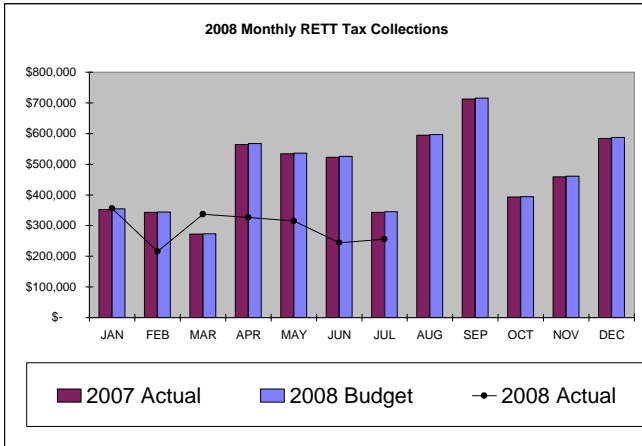
Sales Period	2007 Collections			2008 Budget			2008 Monthly			2008 Year to Date		
	Tax Collected	Year To Date	Percent of Total	Tax Budgeted	Year To Date	Percent of Total	Actual	% Change from 2007	% of Budget	Actual	% Change from 2007	% of Budget
JAN	\$ 288,977	\$ 288,977	16.0%	\$ 274,518	\$ 274,518	16.0%	\$ 319,027	10.4%	116.2%	\$ 319,027	10.4%	18.6%
FEB	292,577	581,554	32.2%	277,937	552,455	32.2%	330,262	12.9%	118.8%	649,289	11.6%	37.9%
MAR	389,705	971,260	53.9%	370,205	922,660	53.9%	418,622	7.4%	113.1%	1,067,911	10.0%	62.3%
APR	121,571	1,092,831	60.6%	115,488	1,038,149	60.6%	92,660	-23.8%	80.2%	1,160,571	6.2%	67.7%
MAY	20,872	1,113,703	61.8%	19,827	1,057,976	61.8%	20,413	-2.2%	103.0%	1,180,984	6.0%	68.9%
JUN	63,384	1,177,086	65.3%	60,212	1,118,188	65.3%	60,094	-5.2%	99.8%	1,241,078	5.4%	72.4%
JUL	98,186	1,275,272	70.7%	93,273	1,211,461	70.7%	-	-100.0%	0.0%	1,241,078	-2.7%	72.4%
AUG	82,172	1,357,445	75.3%	78,060	1,289,522	75.3%	-	-100.0%	0.0%	1,241,078	-8.6%	72.4%
SEP	61,629	1,419,073	78.7%	58,545	1,348,067	78.7%	-	-100.0%	0.0%	1,241,078	-12.5%	72.4%
OCT	30,799	1,449,873	80.4%	29,258	1,377,325	80.4%	-	-100.0%	0.0%	1,241,078	-14.4%	72.4%
NOV	56,042	1,505,915	83.5%	53,238	1,430,563	83.5%	-	-100.0%	0.0%	1,241,078	-17.6%	72.4%
DEC	\$ 297,549	\$ 1,803,464	100.0%	\$ 282,660	\$ 1,713,223	100.0%	\$ -	-100.0%	0.0%	\$ 1,241,078	-31.2%	72.4%

Accommodation tax amounts reflect collections at the 2% rate.



**TOWN OF BRECKENRIDGE  
REAL ESTATE TRANSFER TAX COLLECTIONS  
REPORTED IN THE PERIOD EARNED**

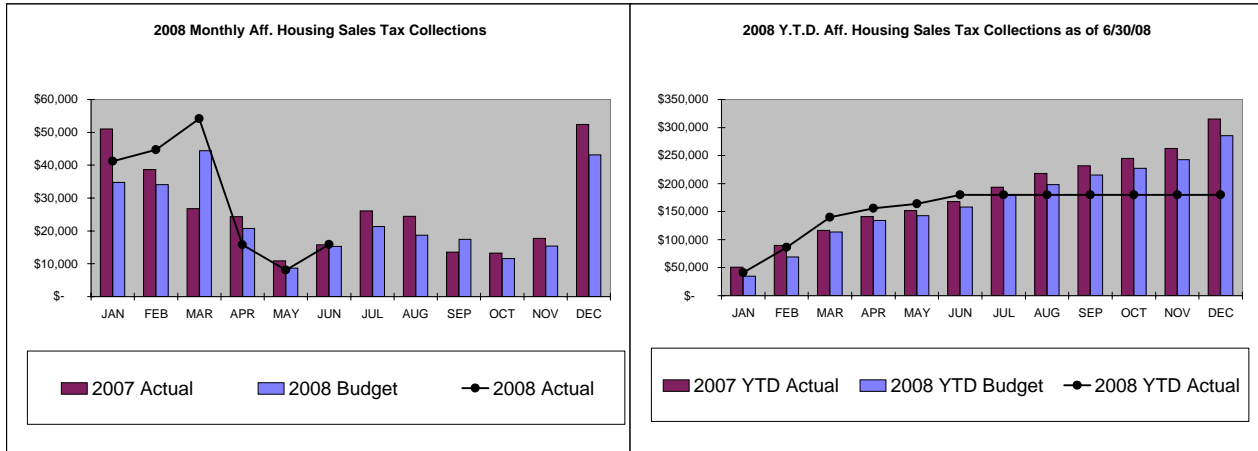
Sales Period	2007 Collections			2008 Budget			2008 Monthly			2008 Year to Date		
	Tax Collected	Year To Date	Percent of Total	Tax Budgeted	Year To Date	Percent of Total	Actual	% Change from 2007	% of Budget	Actual	% Change from 2007	% of Budget
JAN	\$ 352,958	\$ 352,958	6.2%	\$ 354,498	\$ 354,498	6.2%	\$ 355,179	0.6%	100.2%	\$ 355,179	0.6%	6.2%
FEB	342,995	695,953	12.3%	344,492	698,990	12.3%	215,566	-37.2%	62.6%	570,745	-18.0%	10.0%
MAR	271,817	967,770	17.1%	273,003	971,993	17.1%	336,956	24.0%	123.4%	907,701	-6.2%	15.9%
APR	564,624	1,532,394	27.0%	567,088	1,539,081	27.0%	326,521	-42.2%	57.6%	1,234,222	-19.5%	21.7%
MAY	533,680	2,066,074	36.4%	536,009	2,075,090	36.4%	315,494	-40.9%	58.9%	1,549,716	-25.0%	27.2%
JUN	522,999	2,589,073	45.6%	525,282	2,600,371	45.6%	243,969	-53.4%	46.4%	1,793,685	-30.7%	31.5%
JUL	343,610	2,932,683	51.7%	345,109	2,945,481	51.7%	255,305	-25.7%	74.0%	2,048,990	-30.1%	35.9%
AUG	594,349	3,527,032	62.1%	596,942	3,542,423	62.1%	67,042	-88.7%	11.2%	2,116,032	-40.0%	37.1%
SEP	711,996	4,239,028	74.7%	715,103	4,257,526	74.7%	-	-100.0%	0.0%	2,116,032	-50.1%	37.1%
OCT	392,752	4,631,779	81.6%	394,466	4,651,991	81.6%	-	-100.0%	0.0%	2,116,032	-54.3%	37.1%
NOV	459,147	5,090,926	89.7%	461,150	5,113,142	89.7%	-	-100.0%	0.0%	2,116,032	-58.4%	37.1%
DEC	\$ 584,308	\$ 5,675,235	100.0%	\$ 586,858	\$ 5,700,000	100.0%	\$ -	-100.0%	0.0%	\$ 2,116,032	-62.7%	37.1%



**TOWN OF BRECKENRIDGE  
AFFORDABLE HOUSING SALES TAX COLLECTIONS  
REPORTED IN THE PERIOD EARNED**

Sales Period	2007 Collections			2008 Budget			2008 Monthly			2008 Year to Date		
	Tax Collected	Year To Date	Percent of Total	Tax Budgeted	Year To Date	Percent of Total	Actual	% Change from 2007	% of Budget	Actual	% Change from 2007	% of Budget
JAN	\$ 51,087	\$ 51,087	16.2%	\$ 34,776	\$ 34,776	12.2%	\$ 41,210	-19.3%	118.5%	\$ 41,210	-19.3%	14.4%
FEB	38,682	89,768	12.3%	34,123	68,899	11.9%	44,745	15.7%	131.1%	85,955	-4.2%	30.1%
MAR	26,803	116,571	8.5%	44,438	113,337	15.6%	54,144	102.0%	121.8%	140,099	20.2%	49.1%
APR	24,331	140,903	7.7%	20,714	134,051	7.3%	15,820	-35.0%	76.4%	155,919	10.7%	54.6%
MAY	10,950	151,853	3.5%	8,695	142,746	3.0%	8,068	-26.3%	92.8%	163,987	8.0%	57.4%
JUN	15,741	167,594	5.0%	15,281	158,027	5.4%	15,834	0.6%	103.6%	179,821	7.3%	63.0%
JUL	26,125	193,719	8.3%	21,320	179,346	7.5%	-	-100.0%	0.0%	179,821	-7.2%	63.0%
AUG	24,494	218,214	7.8%	18,738	198,085	6.6%	-	-100.0%	0.0%	179,821	-17.6%	63.0%
SEP	13,502	231,715	4.3%	17,420	215,504	6.1%	-	-100.0%	0.0%	179,821	-22.4%	63.0%
OCT	13,274	244,990	4.2%	11,580	227,085	4.1%	-	-100.0%	0.0%	179,821	-26.6%	63.0%
NOV	17,712	262,701	5.6%	15,358	242,443	5.4%	-	-100.0%	0.0%	179,821	-31.5%	63.0%
DEC	\$ 52,398	\$ 315,099	16.6%	\$ 43,157	\$ 285,600	15.1%	\$ -	-100.0%	0.0%	\$ 179,821	-42.9%	63.0%

Affordable Housing Sales Tax reflects money distributed to the Town net of the Housing Authority share and is deposited directly into the Affordable Housing Fund  
Jan. 2007 sales tax receipts include overpayments from a large vendor that have been credited back in later months



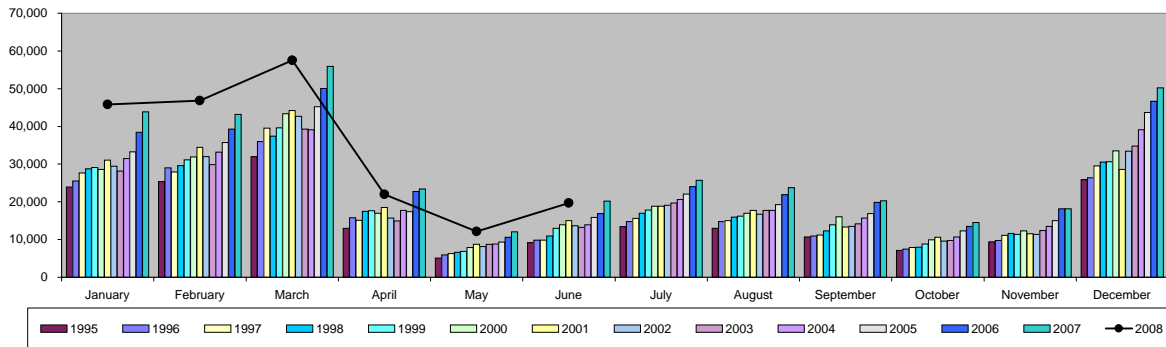
**TOWN OF BRECKENRIDGE  
TAXABLE SALES ANALYSIS BY BUSINESS SECTOR**

(in Thousands of Dollars)

**Total - All Categories**

	Monthly Totals														YTD 2007	YTD 2008	YTD % Change 07-08	
	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008				Monthly 07-08
January	23,917	25,557	27,635	28,801	29,065	28,563	31,078	29,408	28,210	31,448	33,224	38,415	43,866	45,776	4.4%	43,866	45,776	4.4%
February	25,373	28,985	27,917	29,631	31,137	31,869	34,425	31,954	29,893	33,199	35,711	39,290	43,166	46,849	8.5%	87,032	92,625	6.4%
March	32,003	35,967	39,570	37,415	39,642	43,397	44,187	42,716	39,324	39,106	45,253	50,031	55,915	57,566	3.0%	142,947	150,191	5.1%
April	13,019	15,800	15,064	17,458	17,634	17,001	18,459	15,706	14,908	17,721	17,376	22,741	23,444	22,004	-6.1%	166,391	172,195	3.5%
May	5,055	5,898	6,250	6,577	6,911	7,907	8,706	8,186	8,768	8,826	9,294	10,587	12,012	12,143	1.1%	178,403	184,338	3.3%
June	9,173	9,883	9,873	10,959	12,963	13,910	15,001	13,654	13,240	13,953	15,889	16,922	20,217	19,660	-2.8%	198,620	203,998	2.7%
July	13,419	14,775	15,621	16,993	17,806	18,829	18,864	19,056	19,700	20,602	22,029	24,027	25,743	0	-100.0%	224,363	203,998	-9.1%
August	12,942	14,784	14,989	15,987	16,166	16,988	17,725	16,706	17,755	17,734	19,254	21,925	23,730	0	-100.0%	248,093	203,998	-17.8%
September	10,678	10,924	11,202	12,282	13,921	16,062	13,356	13,495	14,159	15,696	16,863	19,861	20,281	0	-100.0%	268,374	203,998	-24.0%
October	7,166	7,464	7,924	7,986	8,797	9,915	10,642	9,550	9,740	10,654	12,297	13,531	14,546	0	-100.0%	282,920	203,998	-27.9%
November	9,399	9,782	11,147	11,637	11,392	12,294	11,559	11,403	12,349	13,460	14,987	18,141	18,160	0	-100.0%	301,080	203,998	-32.2%
December	25,837	26,356	29,535	30,506	30,621	33,530	28,630	33,416	34,822	39,109	43,692	46,637	50,203	0	-100.0%	351,283	203,998	-41.9%

2008 Monthly Sales Tax Activity (in thousands of dollars)





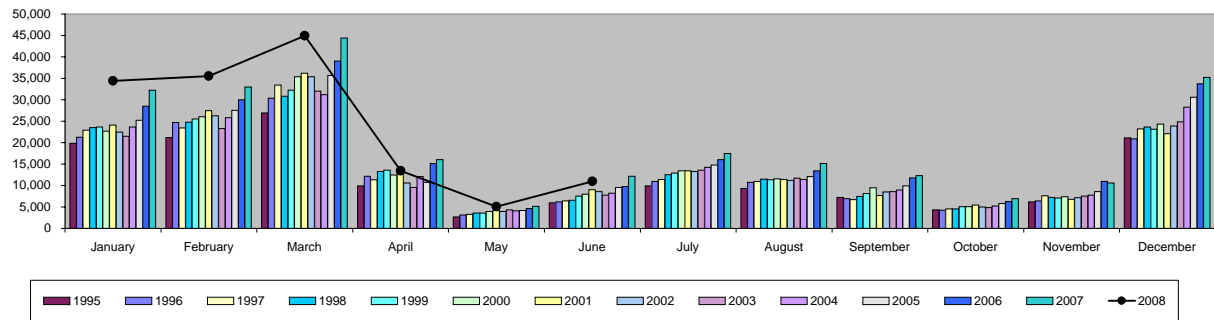
**TOWN OF BRECKENRIDGE  
TAXABLE SALES ANALYSIS BY BUSINESS SECTOR**

(in Thousands of Dollars)

**Retail-Restaurant-Lodging Summary**

	Monthly Totals															YTD 2007	YTD 2008	% Change 07-08
	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Monthly 07-08			
January	19,862	21,263	22,893	23,523	23,629	22,723	24,118	22,465	21,509	23,620	25,240	28,528	32,250	34,415	6.7%	32,250	34,415	6.7%
February	21,191	24,673	23,443	24,805	25,532	26,044	27,464	26,258	23,253	25,826	27,553	29,972	33,022	35,536	7.6%	65,272	69,951	7.2%
March	26,964	30,343	33,414	30,809	32,254	35,348	36,196	35,344	31,988	31,209	35,705	39,051	44,390	44,935	1.2%	109,662	114,886	4.8%
April	9,924	12,182	11,347	13,256	13,579	12,426	13,029	10,587	9,562	12,102	10,773	15,134	16,017	13,429	-16.2%	125,679	128,315	2.1%
May	2,700	3,167	3,264	3,565	3,610	3,949	4,203	3,950	4,331	4,095	4,179	4,647	5,143	5,102	-0.8%	130,822	133,417	2.0%
June	5,955	6,174	6,451	6,588	7,513	8,001	9,058	8,619	7,724	8,217	9,568	9,789	12,198	10,997	-9.8%	143,020	144,414	1.0%
July	9,914	10,950	11,405	12,527	12,944	13,464	13,406	13,292	13,590	14,248	14,766	16,038	17,486	0	-100.0%	160,506	144,414	-10.0%
August	9,292	10,738	10,981	11,517	11,352	11,542	11,407	11,174	11,717	11,429	12,122	13,446	15,151	0	-100.0%	175,657	144,414	-17.8%
September	7,220	6,966	6,687	7,492	8,160	9,443	7,666	8,513	8,599	8,940	9,897	11,761	12,347	0	-100.0%	188,004	144,414	-23.2%
October	4,313	4,232	4,560	4,578	5,049	5,054	5,425	4,991	4,855	5,257	5,824	6,248	6,910	0	-100.0%	194,914	144,414	-25.9%
November	6,203	6,426	7,617	7,255	7,122	7,352	6,816	7,174	7,511	7,771	8,557	10,963	10,616	0	-100.0%	205,530	144,414	-29.7%
December	21,142	20,928	23,219	23,650	23,124	24,361	22,090	23,901	24,818	28,314	30,619	33,736	35,207	0	-100.0%	240,737	144,414	-40.0%

2008 Monthly Sales Tax Activity (in thousands of dollars)



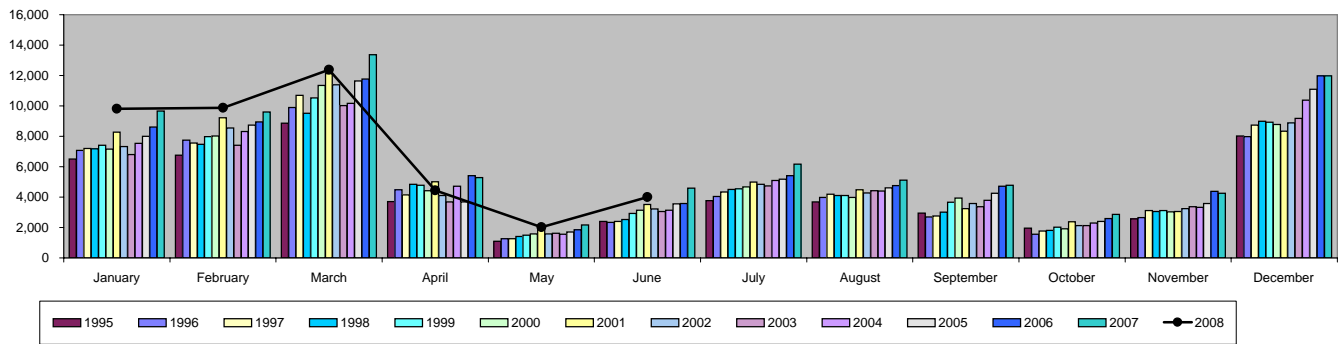
**TOWN OF BRECKENRIDGE  
TAXABLE REVENUE ANALYSIS BY BUSINESS SECTOR**

(in Thousands of Dollars)

**Retail Sales**

	Month To Date															Actual 2007	Actual 2008	YTD % CHG
	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Monthly % CHG			
January	6,497	7,079	7,205	7,173	7,411	7,149	8,271	7,320	6,807	7,545	8,001	8,607	9,665	9,814	1.5%	9,665	9,814	1.5%
February	6,756	7,753	7,568	7,474	7,983	8,024	9,231	8,549	7,418	8,312	8,744	8,942	9,607	9,876	2.8%	19,272	19,690	2.2%
March	8,858	9,902	10,702	9,507	10,525	11,337	12,116	11,390	10,028	10,162	11,632	11,774	13,373	12,379	-7.4%	32,645	32,069	-1.8%
April	3,702	4,481	4,156	4,841	4,789	4,423	5,008	4,105	3,679	4,714	3,678	5,406	5,281	4,451	-15.7%	37,926	36,520	-3.7%
May	1,092	1,263	1,272	1,408	1,492	1,569	2,014	1,583	1,626	1,549	1,708	1,858	2,163	2,026	-6.3%	40,089	38,546	-3.8%
June	2,404	2,335	2,391	2,521	2,931	3,135	3,514	3,227	3,062	3,140	3,565	3,589	4,591	4,008	-12.7%	44,680	42,554	-4.8%
July	3,767	4,040	4,336	4,499	4,543	4,678	4,998	4,838	4,732	5,087	5,174	5,403	6,176	0	-100.0%	50,856	42,554	-16.3%
August	3,693	3,981	4,199	4,109	4,100	3,973	4,492	4,269	4,429	4,397	4,620	4,757	5,110	0	-100.0%	55,966	42,554	-24.0%
September	2,948	2,698	2,753	3,021	3,671	3,944	3,242	3,587	3,370	3,781	4,249	4,726	4,780	0	-100.0%	60,746	42,554	-29.9%
October	1,961	1,563	1,759	1,815	2,024	1,908	2,374	2,132	2,127	2,298	2,404	2,591	2,860	0	-100.0%	63,606	42,554	-33.1%
November	2,561	2,650	3,108	3,060	3,124	3,041	3,057	3,249	3,378	3,326	3,586	4,376	4,263	0	-100.0%	67,869	42,554	-37.3%
December	8,026	7,978	8,746	8,985	8,919	8,782	8,338	8,893	9,184	10,388	11,099	11,971	11,983	0	-100.0%	79,852	42,554	-46.7%

2008 Monthly Sales Tax Activity (in thousands of dollars)



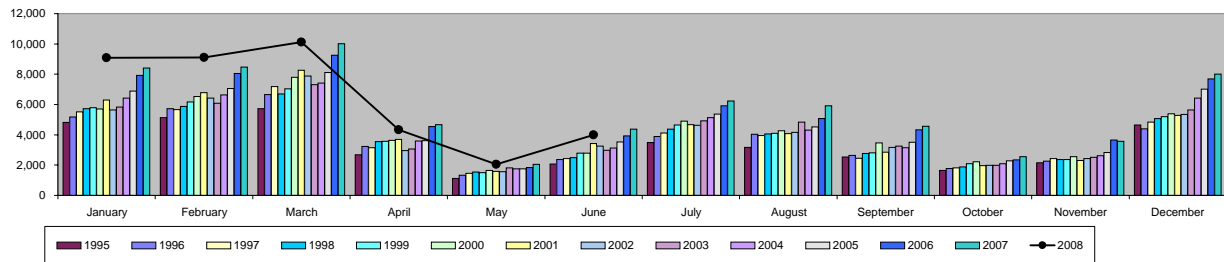
**TOWN OF BRECKENRIDGE  
TAXABLE REVENUE ANALYSIS BY BUSINESS SECTOR**

(in Thousands of Dollars)

**Restaurants/Bars**

	Month To Date															Actual 2007	Actual 2008	YTD % CHG
	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Monthly % CHG			
January	4,810	5,180	5,515	5,723	5,784	5,697	6,300	5,644	5,835	6,425	6,897	7,924	8,414	9,081	7.9%	8,414	9,081	7.9%
February	5,125	5,735	5,667	5,880	6,162	6,519	6,783	6,412	6,092	6,637	7,047	8,058	8,467	9,109	7.6%	16,881	18,190	7.8%
March	5,731	6,651	7,180	6,688	7,031	7,792	8,258	7,870	7,307	7,413	8,117	9,256	10,015	10,129	1.1%	26,896	28,319	5.3%
April	2,683	3,238	3,149	3,548	3,576	3,624	3,706	2,967	3,068	3,595	3,609	4,552	4,676	4,331	-7.4%	31,572	32,650	3.4%
May	1,129	1,329	1,454	1,541	1,492	1,641	1,590	1,561	1,808	1,746	1,760	1,832	2,057	2,055	-0.1%	33,629	34,705	3.2%
June	2,079	2,364	2,437	2,488	2,796	2,779	3,413	3,257	2,982	3,136	3,525	3,938	4,368	3,984	-8.8%	37,997	38,689	1.8%
July	3,491	3,877	4,113	4,380	4,639	4,910	4,675	4,632	4,913	5,138	5,375	5,905	6,236	0	-100.0%	44,233	38,689	-12.5%
August	3,161	4,032	3,953	4,056	4,106	4,270	4,068	4,156	4,832	4,302	4,521	5,067	5,917	0	-100.0%	50,150	38,689	-22.9%
September	2,526	2,641	2,452	2,770	2,814	3,468	2,860	3,169	3,249	3,138	3,498	4,340	4,570	0	-100.0%	54,720	38,689	-29.3%
October	1,643	1,779	1,807	1,870	2,097	2,220	1,959	1,977	1,978	2,100	2,290	2,352	2,546	0	-100.0%	57,266	38,689	-32.4%
November	2,160	2,261	2,428	2,364	2,367	2,558	2,307	2,425	2,520	2,624	2,841	3,651	3,573	0	-100.0%	60,839	38,689	-36.4%
December	4,658	4,402	4,834	5,076	5,191	5,393	5,275	5,354	5,646	6,428	7,017	7,681	7,997	0	-100.0%	68,836	38,689	-43.8%

2008 Monthly Sales Tax Activity (in thousands of dollars)



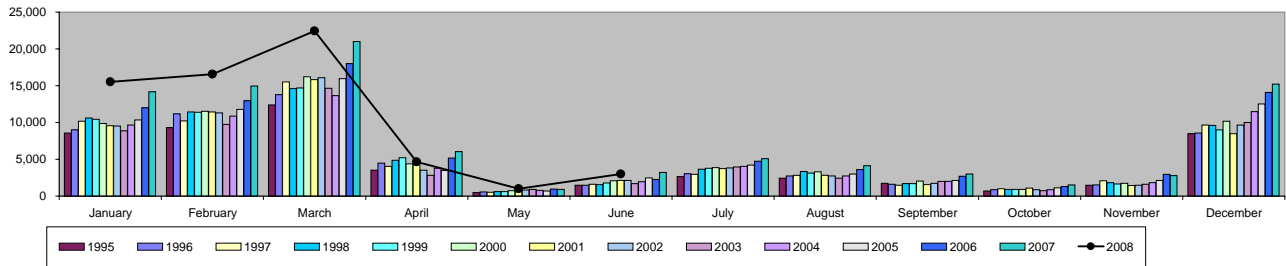
**TOWN OF BRECKENRIDGE  
TAXABLE REVENUE ANALYSIS BY BUSINESS SECTOR**

(in Thousands of Dollars)

**Short-Term Lodging**

	Month To Date															Actual 2007	Actual 2008	YTD % CHG
	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Monthly % CHG			
January	8,555	9,004	10,173	10,627	10,434	9,877	9,547	9,501	8,867	9,650	10,342	11,997	14,171	15,520	9.5%	14,171	15,520	9.5%
February	9,310	11,185	10,208	11,451	11,387	11,501	11,450	11,297	9,743	10,877	11,762	12,972	14,948	16,551	10.7%	29,119	32,071	10.1%
March	12,375	13,790	15,532	14,614	14,698	16,219	15,822	16,084	14,653	13,634	15,956	18,021	21,002	22,427	6.8%	50,121	54,498	8.7%
April	3,539	4,463	4,042	4,867	5,214	4,379	4,315	3,515	2,815	3,793	3,486	5,176	6,060	4,647	-23.3%	56,181	59,145	5.3%
May	479	575	538	616	626	739	599	806	897	800	711	957	923	1,021	10.6%	57,104	60,166	5.4%
June	1,472	1,475	1,623	1,579	1,786	2,087	2,131	2,135	1,680	1,941	2,478	2,262	3,239	3,005	-7.2%	60,343	63,171	4.7%
July	2,656	3,033	2,956	3,648	3,762	3,876	3,733	3,822	3,945	4,023	4,217	4,730	5,074	0	-100.0%	65,417	63,171	-3.4%
August	2,438	2,725	2,829	3,352	3,146	3,299	2,847	2,749	2,456	2,730	2,981	3,622	4,124	0	-100.0%	69,541	63,171	-9.2%
September	1,746	1,627	1,482	1,701	1,675	2,031	1,564	1,757	1,980	2,021	2,150	2,695	2,997	0	-100.0%	72,538	63,171	-12.9%
October	709	890	994	893	928	926	1,092	882	750	859	1,130	1,305	1,504	0	-100.0%	74,042	63,171	-14.7%
November	1,482	1,515	2,081	1,831	1,631	1,753	1,452	1,500	1,613	1,821	2,130	2,936	2,780	0	-100.0%	76,822	63,171	-17.8%
December	8,458	8,548	9,639	9,589	9,014	10,186	8,477	9,654	9,988	11,498	12,503	14,084	15,227	0	-100.0%	92,049	63,171	-31.4%

**2008 Monthly Sales Tax Activity (in thousands of dollars)**



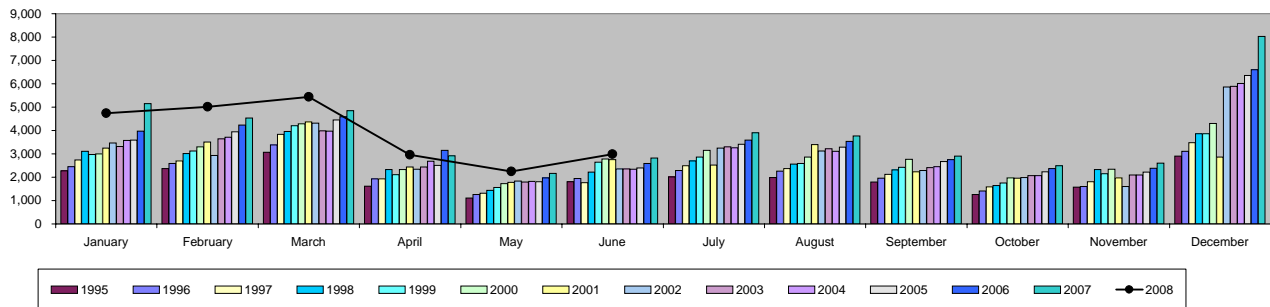
**TOWN OF BRECKENRIDGE  
TAXABLE REVENUE ANALYSIS BY BUSINESS SECTOR**

(in Thousands of Dollars)

**Grocery/Liquor Stores**

	Month To Date															Actual 2007	Actual 2008	YTD % CHG
	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Monthly % CHG			
January	2,280	2,458	2,746	3,104	2,977	2,999	3,242	3,472	3,314	3,570	3,589	3,977	5,149	4,744	-7.9%	5,149	4,744	-7.9%
February	2,371	2,595	2,702	3,020	3,119	3,296	3,501	2,931	3,643	3,714	3,949	4,233	4,536	5,009	10.4%	9,685	9,753	0.7%
March	3,068	3,383	3,839	3,960	4,199	4,282	4,366	4,311	3,988	3,968	4,449	4,585	4,844	5,436	12.2%	14,529	15,189	4.5%
April	1,615	1,928	1,937	2,325	2,105	2,330	2,441	2,336	2,437	2,682	2,503	3,149	2,920	2,959	1.3%	17,449	18,148	4.0%
May	1,103	1,256	1,309	1,440	1,558	1,728	1,779	1,836	1,801	1,823	1,806	1,969	2,169	2,246	3.6%	19,618	20,394	4.0%
June	1,815	1,940	1,772	2,214	2,648	2,784	2,760	2,352	2,354	2,341	2,392	2,584	2,822	2,990	6.0%	22,440	23,384	4.2%
July	2,008	2,283	2,494	2,701	2,862	3,152	2,527	3,253	3,303	3,266	3,414	3,588	3,899	0	-100.0%	26,339	23,384	-11.2%
August	1,993	2,266	2,364	2,559	2,587	2,861	3,404	3,117	3,216	3,103	3,292	3,529	3,771	0	-100.0%	30,110	23,384	-22.3%
September	1,799	1,959	2,122	2,311	2,430	2,765	2,231	2,284	2,409	2,456	2,671	2,757	2,908	0	-100.0%	33,018	23,384	-29.2%
October	1,266	1,407	1,584	1,644	1,748	1,969	1,965	1,990	2,066	2,069	2,239	2,372	2,494	0	-100.0%	35,512	23,384	-34.2%
November	1,578	1,602	1,804	2,330	2,152	2,339	1,970	1,597	2,096	2,096	2,214	2,377	2,600	0	-100.0%	38,112	23,384	-38.6%
December	2,910	3,115	3,477	3,858	3,869	4,305	2,865	5,868	5,897	6,017	6,356	6,604	8,028	0	-100.0%	46,140	23,384	-49.3%

2008 Monthly Sales Tax Activity (in thousands of dollars)



IN 2001 A MAJOR GROCERY/LIQUOR VENDOR CHANGED ITS REPORTING FREQUENCY FROM 12 TO 13 PERIODS  
THE TOWN IS AWARE OF INCONSISTENT FILING PRACTICES THAT HAVE NEGATIVELY IMPACTED COMPARISONS FOR THIS SECTOR.

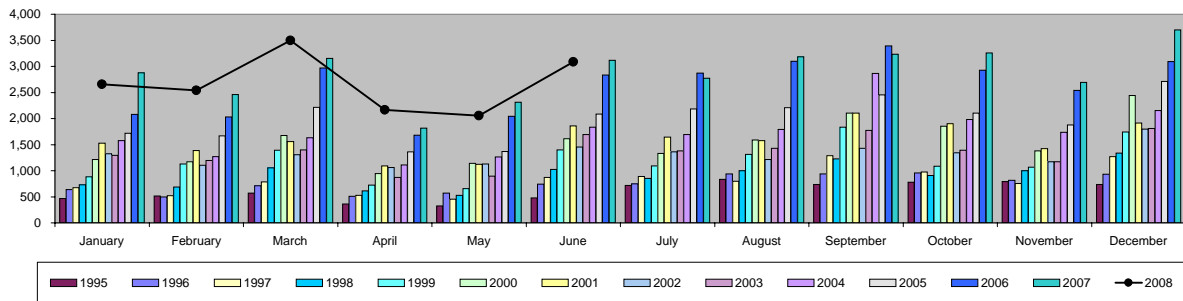
**TOWN OF BRECKENRIDGE  
TAXABLE REVENUE ANALYSIS BY BUSINESS SECTOR**

(in Thousands of Dollars)

**Supplies**

	Month To Date															Actual 2007	Actual 2008	YTD % CHG
	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Monthly % CHG			
January	466	635	676	728	884	1,216	1,527	1,327	1,294	1,574	1,720	2,081	2,876	2,656	-7.6%	2,876	2,656	-7.6%
February	515	499	522	685	1,126	1,170	1,385	1,106	1,197	1,268	1,669	2,029	2,459	2,539	3.3%	5,335	5,195	-2.6%
March	573	712	784	1,055	1,390	1,677	1,558	1,307	1,401	1,630	2,216	2,967	3,156	3,496	10.8%	8,491	8,691	2.4%
April	363	509	525	615	723	946	1,095	1,059	869	1,110	1,359	1,680	1,813	2,168	19.6%	10,304	10,859	5.4%
May	327	571	451	525	654	1,139	1,125	1,128	896	1,261	1,370	2,045	2,314	2,053	-11.3%	12,618	12,912	2.3%
June	476	742	870	1,024	1,400	1,615	1,858	1,455	1,696	1,837	2,083	2,836	3,119	3,085	-1.1%	15,737	15,997	1.7%
July	719	746	892	852	1,093	1,333	1,642	1,364	1,380	1,694	2,186	2,872	2,770	0	-100.0%	18,507	15,997	-13.6%
August	836	936	800	1,001	1,314	1,591	1,578	1,217	1,429	1,794	2,211	3,096	3,187	0	-100.0%	21,694	15,997	-26.3%
September	736	940	1,290	1,230	1,837	2,102	2,105	1,427	1,770	2,865	2,452	3,394	3,234	0	-100.0%	24,928	15,997	-35.8%
October	778	959	976	910	1,083	1,853	1,899	1,342	1,390	1,980	2,107	2,924	3,259	0	-100.0%	28,187	15,997	-43.2%
November	794	819	752	1,003	1,066	1,378	1,425	1,171	1,173	1,737	1,876	2,537	2,693	0	-100.0%	30,880	15,997	-48.2%
December	737	932	1,269	1,337	1,743	2,441	1,915	1,795	1,810	2,151	2,712	3,091	3,697	0	-100.0%	34,577	15,997	-53.7%

**2008 Monthly Sales Tax Activity (in thousands of dollars)**

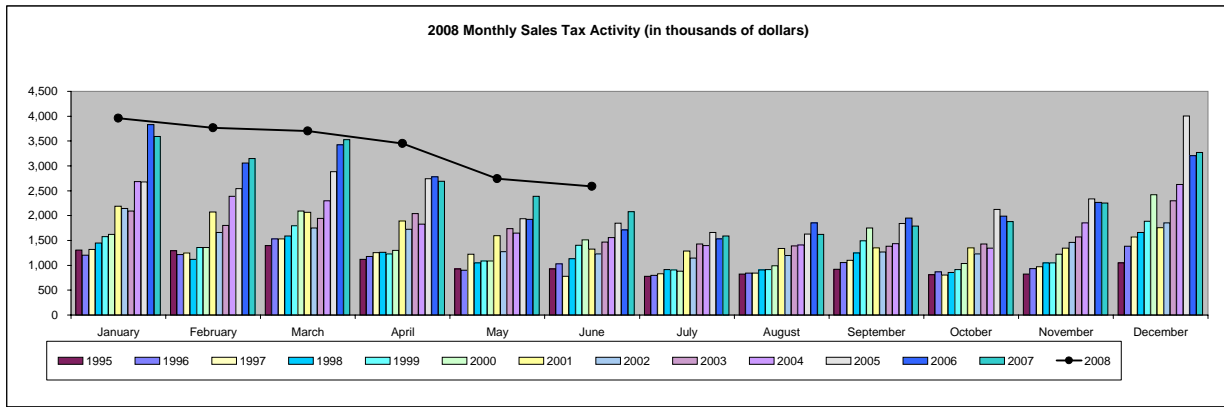


**TOWN OF BRECKENRIDGE  
TAXABLE REVENUE ANALYSIS BY BUSINESS SECTOR**

(in Thousands of Dollars)

**Utilities**

	Month To Date																	
	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Monthly % CHG	Actual 2007	Actual 2008	YTD % CHG
January	1,309	1,201	1,320	1,446	1,575	1,625	2,191	2,144	2,093	2,684	2,675	3,829	3,591	3,961	10.3%	3,591	3,961	10.3%
February	1,296	1,218	1,250	1,121	1,360	1,359	2,075	1,659	1,800	2,391	2,540	3,056	3,149	3,765	19.6%	6,740	7,726	14.6%
March	1,398	1,529	1,533	1,591	1,799	2,090	2,067	1,754	1,947	2,299	2,883	3,428	3,525	3,699	4.9%	10,265	11,425	11.3%
April	1,117	1,181	1,255	1,262	1,227	1,299	1,894	1,724	2,040	1,827	2,741	2,778	2,694	3,448	28.0%	12,959	14,873	14.8%
May	925	904	1,226	1,047	1,089	1,091	1,599	1,272	1,740	1,647	1,939	1,926	2,386	2,742	14.9%	15,345	17,615	14.8%
June	927	1,027	780	1,133	1,402	1,510	1,325	1,228	1,466	1,558	1,846	1,713	2,078	2,588	24.5%	17,423	20,203	16.0%
July	778	796	830	913	907	880	1,289	1,147	1,427	1,394	1,663	1,529	1,588	0	-100.0%	19,011	20,203	6.3%
August	821	844	844	910	913	994	1,336	1,198	1,393	1,408	1,629	1,854	1,621	0	-100.0%	20,632	20,203	-2.1%
September	923	1,059	1,103	1,249	1,494	1,752	1,354	1,271	1,381	1,435	1,843	1,949	1,792	0	-100.0%	22,424	20,203	-9.9%
October	809	866	804	854	917	1,039	1,353	1,227	1,429	1,348	2,127	1,987	1,883	0	-100.0%	24,307	20,203	-16.9%
November	824	935	974	1,049	1,052	1,225	1,348	1,461	1,569	1,856	2,340	2,264	2,251	0	-100.0%	26,558	20,203	-23.9%
December	1,048	1,381	1,570	1,661	1,885	2,423	1,760	1,852	2,297	2,627	4,005	3,206	3,271	0	-100.0%	29,829	20,203	-32.3%



SEVERAL UTILITY VENDORS CHANGED FILING FREQUENCY FROM QUARTERLY TO MONTHLY IN 2001

	automobile		Grocery		Undef		Restaurant		Retail		Short-Term rent		Supplies		Utilities		Totals	Monthly Percentage Change	YTD Percentage Change	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008				2007
January	3,934	-	5,149,288	4,743,994	708,029	951,568	8,413,891	9,080,805	9,664,916	9,814,218	14,171,130	15,520,176	2,872,467	2,656,379	3,590,704	3,960,704	43,866,330	45,776,276	6.8%	6.8%
February	5,182	-	4,536,370	5,008,553	686,695	916,435	8,466,518	9,109,499	9,606,816	9,875,947	14,948,196	16,550,617	2,453,777	2,538,885	3,148,566	3,764,564	43,165,425	46,848,065	14.2%	10.7%
March	4,400	5,040	4,844,106	5,435,988	1,113,228	2,081,915	10,014,834	10,128,801	13,372,863	12,378,599	21,002,349	22,427,283	3,151,399	3,490,740	3,525,399	3,699,285	55,915,350	57,565,736	12.4%	11.3%
April	4,229	1,681	2,919,857	2,958,691	329,031	551,213	4,676,210	4,330,693	5,280,766	4,450,896	6,060,190	4,647,389	1,808,488	2,165,914	2,693,570	3,447,986	23,443,310	22,003,250	21.4%	12.7%
May	4,229	1,681	2,169,066	2,245,861	119,010	316,680	2,057,222	2,054,801	2,162,698	2,026,409	922,858	1,020,589	2,309,745	2,051,018	2,385,815	2,742,383	12,011,635	12,142,742	16.7%	12.9%
June	5,044	6,102	2,821,635	2,990,333	545,043	570,884	4,368,443	3,983,511	4,591,314	4,007,532	3,238,716	3,004,818	3,114,284	3,078,670	2,078,146	2,588,033	20,217,582	19,658,999	7.8%	12.5%
July	2,075	-	3,899,158	-	177,896	-	6,236,174	-	6,175,618	-	5,074,198	-	2,767,486	-	1,587,732	-	25,742,441	-	10.1%	12.2%
August	-	-	3,770,754	-	294,733	-	5,917,461	-	5,109,863	-	4,123,896	-	3,187,252	-	1,620,940	-	23,730,166	-	14.2%	12.4%
September	3,176	-	2,908,183	-	848,866	-	4,569,922	-	4,779,966	-	2,997,145	-	3,230,857	-	1,791,874	-	20,281,123	-	2.3%	11.7%
October	3,262	-	2,494,466	-	234,190	-	2,546,188	-	2,860,296	-	1,503,882	-	3,256,134	-	1,883,098	-	14,547,326	-	4.1%	11.3%
November	3,262	-	2,599,911	-	344,003	-	3,573,227	-	4,262,560	-	2,779,679	-	2,689,477	-	2,251,218	-	18,159,334	-	4.1%	10.9%
December	2,888	-	8,027,944	-	1,506,801	-	7,997,362	-	11,983,285	-	15,227,044	-	3,693,893	-	3,271,077	-	50,203,493	-	2.0%	9.7%
	41,681	14,504	46,140,740	23,383,420	6,907,525	5,390,693	68,837,452	38,688,110	79,850,961	42,553,601	92,049,283	63,170,872	34,535,259	15,981,606	29,828,139	20,202,955	351,283,515	203,995,068		





TOWN OF  
BRECKENRIDGE,  
COLORADO



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR  
ENDED  
DECEMBER 31, 2007



**TOWN OF BRECKENRIDGE, COLORADO**

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Fiscal Year Ended  
December 31, 2007

Prepared by:  
The Finance Department

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**TOWN OF BRECKENRIDGE, COLORADO**

**LIST OF PRINCIPAL OFFICIALS**

**TOWN COUNCIL**

**Ernie Blake, Mayor**  
**Jeffery Bergeron**  
**Eric Mamula**  
**Jennifer McAtamney**  
**Rob Millisor**  
**Dave Rossi**  
**John Warner**

**TOWN STAFF**

**Tim Gagen – Town Manager**  
**Kate Boniface – Assistant Town Manager**  
**Tim Berry – Town Attorney**  
**Peter Grosshuesch – Community Development Director**  
**Tom Daugherty – Town Engineer**  
**Vacant – Financial Services Manager**  
**Erroll Miller – Golf Professional**  
**Rick Holman – Chief of Police**  
**Terry Perkins – Public Works Director**  
**Lynn Zwaagstra – Recreation Director**  
**Tim Walsh – Golf Course Superintendent**

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May 30, 2008

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

### **Formal Transmittal of the Comprehensive Annual Financial Report**

The comprehensive annual financial report of the Town of Breckenridge for the fiscal year ended December 31, 2007, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. Disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and state compliance. The introductory section includes this transmittal letter and the Town's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, the independent auditors' report, the basic financial statements, budgetary comparison schedules and additional supplemental information. The statistical section, which is unaudited, includes selected financial, economic, and demographic information, generally presented on a multi-year basis. The state compliance section contains the Local Highway Finance Report required by the State of Colorado.

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

### **Profile of the Government**

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

The Town operates under the council-manager form of government. The Town Council, an elected body consisting of a mayor and six council members, is responsible for creating policy, including ordinances, resolutions, budget adoption and appointment of the Town Manager. The Town Manager is the chief administrative officer and is responsible for carrying out the Council's policies and over seeing day-to-day operations.

The Town of Breckenridge is located in Summit County, 86 miles west of Denver at 9,603 feet above sea level.

### **Information Useful in Assessing the Government's Economic Condition**

Economic Condition and Outlook. In an economy of continued moderate growth, the Town of

Breckenridge has maintained service levels and continued to add to its reserve balances. The economy has had an improved impact on the tourism industry resulting in growth of certain primary sources of revenue for the Town, particularly real estate transfer taxes, sales taxes, and accommodations taxes. Continued emphasis on prudent fiscal management is one of the primary goals of the Council and the Town management.

Major Initiatives for the Year 2007. Major initiatives identified by Council included implementation of an agreement with the Breckenridge Ski Resort (BSR), including the Town's contribution to the BSR gondola project; continued focus on economic stability to include an emphasis on marketing, business development, and continued stewardship of the environment. The Town priorities continue to align with the Community Visioning Project and other major studies that provide citizens, business owners, second homeowners, and visitors' input about the future of the Town.

Major Initiatives for Subsequent Years. Through an annual planning retreat, the Council has identified future goals including an emphasis on financial stability, enhancing marketing efforts, expanding existing water storage capacity, promoting and protecting affordable housing and day care, enhancing historic preservation, reviewing planning and development codes, furthering efforts to develop and enhance the Town's Riverwalk, acquiring open space parcels, supporting business development, exploring transportation integration and promoting environmental stewardship.

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

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

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

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

Debt Administration. At December 31, 2007, the Town had a number of debt issues outstanding made up of the following:

- \$2,055,000-General Obligation Bonds used for the construction of an indoor ice arena
- \$3,470,000-General Obligation Bonds used for the expansion of the golf course
- \$8,800,000-Certificates of Participation (through the Town of Breckenridge Finance Authority)
- \$4,005,000-CWRPDA Notes Payable used for acquisition of Open Space land

In addition, there are notes payable of \$671,071 (Utility Fund) and capital leases of \$51,440 (Golf Carts) outstanding.

Required debt covenants are currently being met. Pages 38-41 of the notes to the financial statements

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

Cash Management. Throughout the year, cash was primarily invested in Government Pool accounts that invest in U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities, as well as highly rated commercial paper. Total investment income for all funds for the year was \$2,195,220.

The Town's stated investment policy objectives, in order of priority, are safety, liquidity, and return. Town deposits are either insured by federal depository insurance or collateralized under the provisions of the "Public Deposit Protection Act" as required by the State of Colorado, which is further described in Note 2 to the financial statements. All collateral on deposits was held by the Town's agent or a financial institution's trust department in the Town's name.

The Town utilizes the services of an independent money management firm for investment advice. The Town has also maintained the policy of holding securities to maturity. The Town pools its operating funds to improve efficiency in the handling of funds and maximize return.

Risk Management. The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for purposes of property and casualty insurance. CIRSA is an organization created by intergovernmental agreement to provide property and casualty coverage and workers compensation coverage to its members. CIRSA requires that a loss control program be implemented by all members to prevent and reduce losses and injuries to property and persons. As part of the program, premium reductions are given when appropriate program requirements are accomplished. The Town has a well-established Safety Committee to implement policy and behavior consistent with the loss control program. For workers compensation insurance, the Town is presently covered through the Pinnacol Assurance Company.

The Town is partially self-insured for health and dental insurance. For 2007, the Town paid medical claims for employees and covered dependents up to \$55,000 per individual. Stop-loss coverage is purchased from a commercial carrier for coverage in excess of the \$55,000 per individual annually. The Town retains a third party administrator to process all medical claims.

Independent Audit. State statutes and the Town Charter require an annual audit by independent certified public accountants. The accounting firm of Johnson, Holscher and Company, P.C. was selected to complete the audit for 2007. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments.

The auditor's report covers the financial statements of the governmental activities, business-type activities, and each major fund, collectively comprising the Town's basic financial statements.

### **Awards and Acknowledgements**

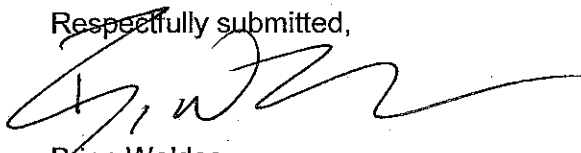
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Breckenridge for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2006. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently

Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2006. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and completion of this CAFR could not have been accomplished without the efforts of the Finance Department staff and other Town Departments. A special thanks is extended to all members of the independent certified public accounting firm for their able assistance and for the professional manner in which they have accomplished this assignment. I also would like to thank the Mayor, 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.

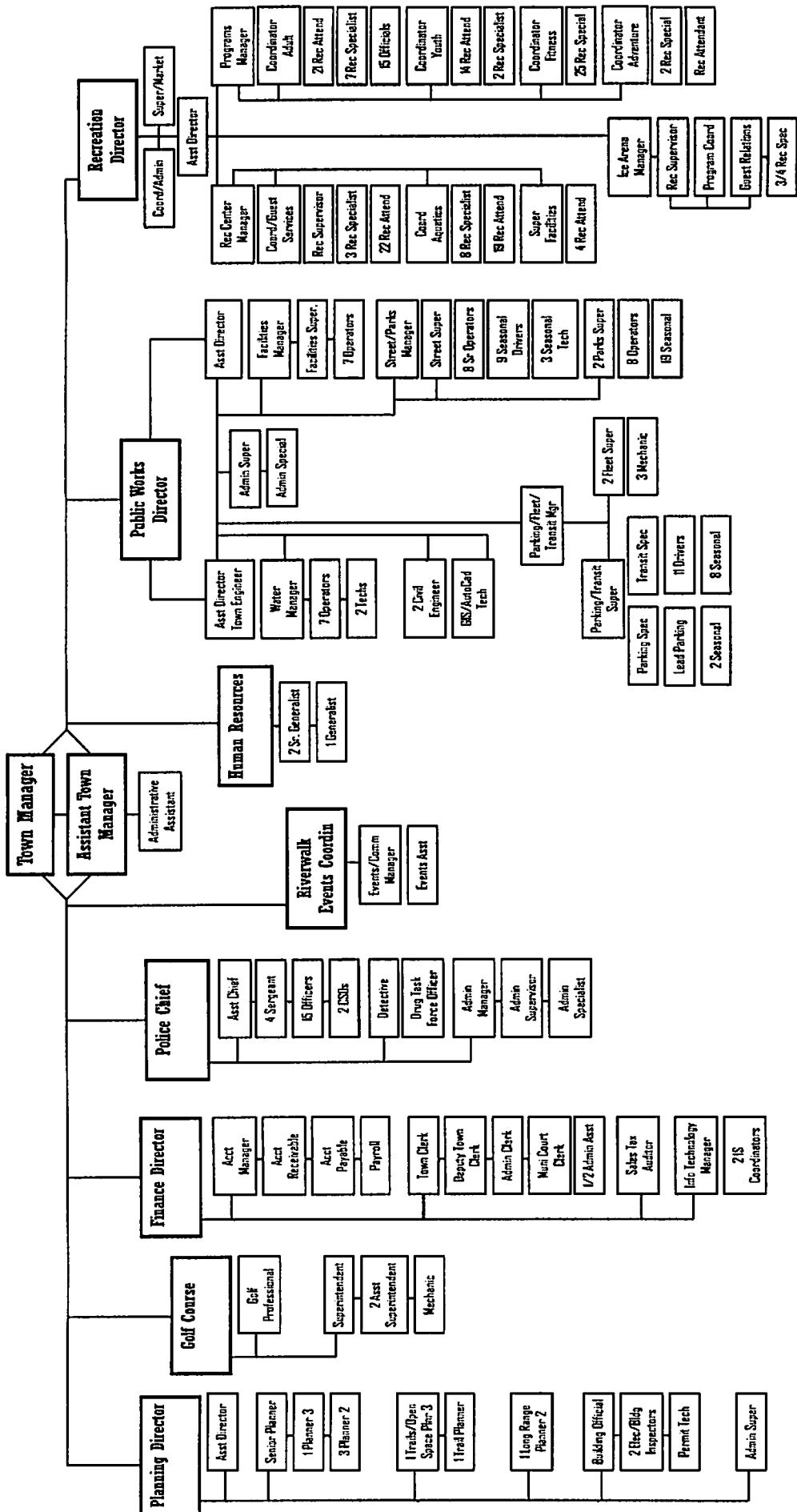
Respectfully submitted,



Brian Waldes  
Financial Services Manager



Roy D. McGinnis  
Accounting Manager



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Breckenridge  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year-Ended  
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

*Jeffrey R. Emery*

Executive Director

## **FINANCIAL SECTION**

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

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Breckenridge, Colorado as of and for the year ended December 31, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Breckenridge, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Breckenridge, Colorado, as of December 31, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison schedules as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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

INDEPENDENT AUDITORS' REPORT (Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Breckenridge, Colorado's basic financial statements. The combining and individual fund financial statements and schedules, and the other information listed in the table of contents are presented for purposes of additional analysis and legal compliance and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Johnson, Holman & Company, P.C.*

March 9, 2007  
Centennial, Colorado

**TOWN OF BRECKENRIDGE, COLORADO**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**December 31, 2007**

This section of the Town of Breckenridge's financial statements provides a narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the Town's financial statements which follow within this section, as well as, the accompanying statistical information, and state compliance sections.

**FINANCIAL HIGHLIGHTS**

- The Town of Breckenridge remains in strong financial condition.
- The assets of the Town of Breckenridge exceeded its liabilities at the close of fiscal year 2007 by \$145,940,758 (*net assets*). Of this amount, \$34,214,668 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2007, the Town of Breckenridge's governmental funds reported a combined ending fund balance of \$35,785,845, an increase of \$5,986,471 compared to fiscal year 2006. \$25,459,890 of the total is considered unreserved and equal to 72% of governmental expenditures.
- At the end of fiscal year 2007, unreserved fund balance for the general fund was \$11,085,879 or 48% of the total general fund expenditures.
- General fund 2007 revenues increased by \$1,247,622 or up 15% as compared to 2006, due, in large part, to building permit revenue, investment earnings, and grants in 2007.
- Governmental funds tax revenues increased by \$1,892,074 or 8% as compared to 2006 results.
- The Town's total long-term debt increased by \$2,005,651 during 2007 primarily due to issuance of additional Certificates of Participation. The new long-term debt was incurred by the Town for costs of a new Child Care Facility Project.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

The **statement of net assets** presents information on all the Town of Breckenridge's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 Town of Breckenridge's net assets changed during the most recent fiscal year. Changes in net assets 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 reported in this statement for some items will result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Breckenridge that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town of Breckenridge include: general government, public safety (police), public works, community development, recreation, marketing, open space acquisition, and affordable housing activities. The Business-type Activities of the Town of Breckenridge include water utility, municipal golf course, and two internal service activities that provide vehicle/equipment and computer/communication support services to the Town's operating departments.

The government-wide financial statements can be found on pages 13-14 of this report.

## **Fund Financial Statements**

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

**Governmental Funds** - *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 *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. This accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *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 short term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Breckenridge maintains six individual governmental funds; General Fund, four Special Revenue Funds, and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund equity for these funds. All funds are considered to be major funds.

The Town of Breckenridge adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

**Proprietary Funds** - The Town of Breckenridge maintains two types of proprietary 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 Utility and Golf Course funds. The Town has three internal service funds. The Town uses internal service funds to account for its Garage, Information Services (I/S), and Facilities Maintenance funds.

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 Utility, Golf Course, Garage, I/S, and Facilities Maintenance funds. All are considered to be major funds of the Town of Breckenridge.

The basic proprietary fund financial statements can be found on pages 19-23 of this report.

## **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-44 of this report.

Required Supplementary Information – This section contains budgetary comparison schedules for the Town's General Fund and major special revenue funds and can be found on pages 45-51.

Additional Supplementary Information – This section contains budget and actual statements for the Town's other funds and can be found on pages 52-60.

## FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

**Net Assets** - As noted earlier, net assets might serve over time as a useful indicator of a government's financial position. In the case of the Town of Breckenridge, assets exceeded liabilities by \$146 million at the close of fiscal year 2007.

Combined net assets of the Town at December 31, were:

### Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current Assets	\$ 39,203,435	\$ 35,531,102	\$ 6,154,375	\$ 4,609,712	\$ 45,357,810	\$ 40,140,814
Capital Assets, net	84,345,095	78,965,054	35,926,972	36,400,599	120,272,067	115,365,653
Other Noncurrent Assets	4,863,831	1,181,197	575,712	757,373	5,439,543	1,938,570
<b>Total Assets</b>	<b>128,412,361</b>	<b>115,677,353</b>	<b>42,657,059</b>	<b>41,767,684</b>	<b>171,069,420</b>	<b>157,445,037</b>
Current Liabilities	6,387,333	5,626,751	797,417	763,040	7,184,750	6,389,791
Noncurrent Liabilities	14,308,412	11,708,004	3,635,500	4,234,712	17,943,912	15,942,716
<b>Total Liabilities</b>	<b>20,695,745</b>	<b>17,334,755</b>	<b>4,432,917</b>	<b>4,997,752</b>	<b>25,128,662</b>	<b>22,332,507</b>
<b>Net Assets</b>						
Invested in Capital Assets net of						
Related Debt	69,600,579	66,778,566	31,811,977	31,728,082	101,412,556	98,506,648
Restricted - Expendable	9,822,793	3,781,803	490,741	658,239	10,313,534	4,440,042
Unrestricted	28,293,244	27,782,229	5,921,424	4,383,611	34,214,668	32,165,840
<b>Total Net Assets</b>	<b>\$ 107,716,616</b>	<b>\$ 98,342,598</b>	<b>\$ 38,224,142</b>	<b>\$ 36,769,932</b>	<b>\$ 145,940,758</b>	<b>\$ 135,112,530</b>

By far the largest portion of the Town of Breckenridge's net assets, 70%, reflects its investment in capital assets (e.g. land, buildings, infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town of Breckenridge uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Breckenridge's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors.

Of the \$45,357,810 in Current Assets of the Total Primary Government includes \$38,998,796 in cash and cash equivalents and investments. This reflects the strong cash balances that the Town of Breckenridge has maintained during 2007.

At the end of 2007, the Town of Breckenridge 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 net assets, unrestricted for the governmental activities, equals 97% of total expenses in the statement of activities for governmental activities for 2007 and 83% of the total government expenses, including Business-Type activities.

The Town of Breckenridge net assets increased by \$10,828,228 during 2007. About \$9.3 million of this increase is from the Governmental Activities and can be attributed to additional investments. The remaining increase in net assets is from Business Activities which can be attributable primarily to increases in contributions (contributed infrastructure) and water rents; and decreases in water line maintenance and repairs.

**Changes in Net Assets** - Governmental activities increased the Town of Breckenridge's net assets by \$9,374,018, adding 7% growth to total net assets. This increase shows the Town continued to experience a growing economy during this fiscal year, allowing Governmental revenues to increase 9% from the preceding year. A summarization of the changes in net assets is as follows:

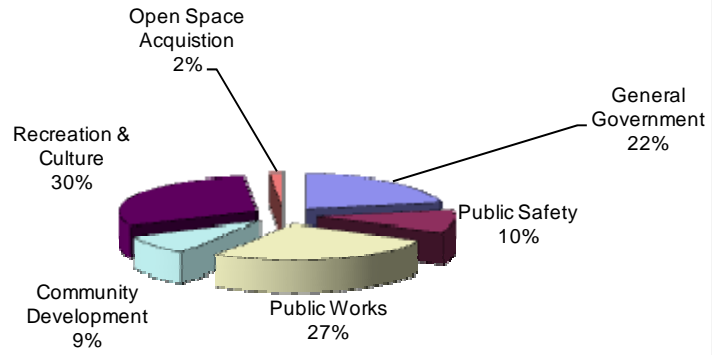
**Condensed Statement of Activities**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Program Revenues:</b>						
Charges for Services	\$ 9,258,208	\$ 7,926,913	\$ 4,564,533	\$ 4,281,782	\$ 13,822,741	\$ 12,208,695
Operating Grants and Contributions	725,298	587,296	-	-	725,298	587,296
Capital Grants and Contributions	1,465,211	3,318,182	1,846,844	1,830,753	3,312,055	5,148,935
Total Program Revenues	<u>11,448,717</u>	<u>11,832,391</u>	<u>6,411,377</u>	<u>6,112,535</u>	<u>17,860,094</u>	<u>17,944,926</u>
<b>General Revenues:</b>						
Tax Revenues	25,954,010	24,061,936	-	-	25,954,010	24,061,936
Unrestricted Grants and Contributions	22,500	29,250	-	-	22,500	29,250
Unrestricted Investment Earnings	1,884,835	1,591,858	310,386	253,822	2,195,221	1,845,680
Other General Revenues	269,104	55,758	1,199	1,395	270,303	57,153
Total General Revenues	<u>28,130,449</u>	<u>25,738,802</u>	<u>311,585</u>	<u>255,217</u>	<u>28,442,034</u>	<u>25,994,019</u>
Total Revenues	<u>39,579,166</u>	<u>37,571,193</u>	<u>6,722,962</u>	<u>6,367,752</u>	<u>46,302,128</u>	<u>43,938,945</u>
<b>Expenditures</b>						
General Government	4,199,262	3,649,961	-	-	4,199,262	3,649,961
Public Safety	3,084,336	3,245,369	-	-	3,084,336	3,245,369
Community Development	2,575,428	5,490,335	-	-	2,575,428	5,490,335
Public Works	8,242,509	7,784,093	-	-	8,242,509	7,784,093
Culture and Recreation	9,067,586	5,374,905	-	-	9,067,586	5,374,905
Interest Expense not Allocated	504,590	593,603	-	-	504,590	593,603
Open Space Acquisition	465,813	437,807	-	-	465,813	437,807
Motor Vehicle Maintenance	1,514,028	1,581,198	-	-	1,514,028	1,581,198
Information System Maintenance	859,713	637,796	-	-	859,713	637,796
Water Operations	-	-	2,833,829	3,510,925	2,833,829	3,510,925
Golf Operations	-	-	2,106,117	2,150,780	2,106,117	2,150,780
Affordable Housing Operations	-	-	-	53,554	-	53,554
Depreciation not Allocated	-	-	-	-	-	-
Total Expenditures	<u>30,513,265</u>	<u>28,795,067</u>	<u>4,939,946</u>	<u>5,715,259</u>	<u>35,453,211</u>	<u>34,510,326</u>
Excess Before Transfers	9,065,901	8,776,126	1,783,016	652,493	10,848,917	9,428,619
Transfers	<u>109,381</u>	<u>49,344</u>	<u>(109,381)</u>	<u>(49,344)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	9,175,282	8,825,470	1,673,635	603,149	10,848,917	9,428,619
Net Assets - Beginning (Restated)	<u>98,562,023</u>	<u>89,517,128</u>	<u>36,769,932</u>	<u>36,166,784</u>	<u>135,331,955</u>	<u>125,683,912</u>
Net Assets - Ending	<u>\$ 107,737,305</u>	<u>\$ 98,342,598</u>	<u>\$ 38,443,567</u>	<u>\$ 36,769,933</u>	<u>\$ 146,180,872</u>	<u>\$ 135,112,531</u>

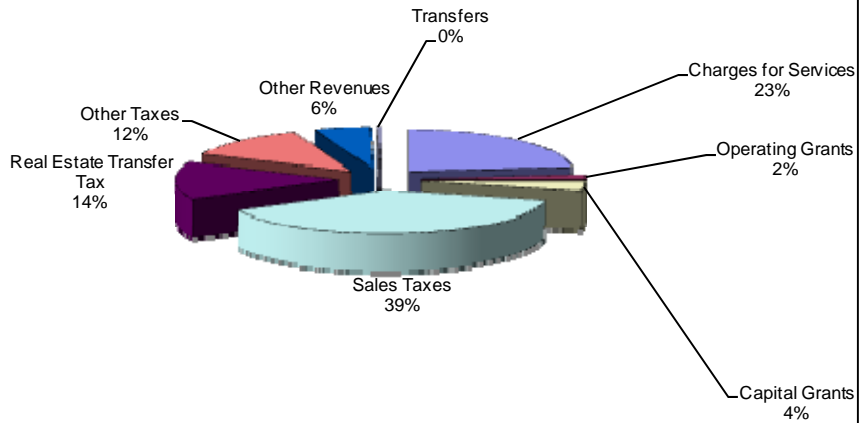
**Governmental Activities**

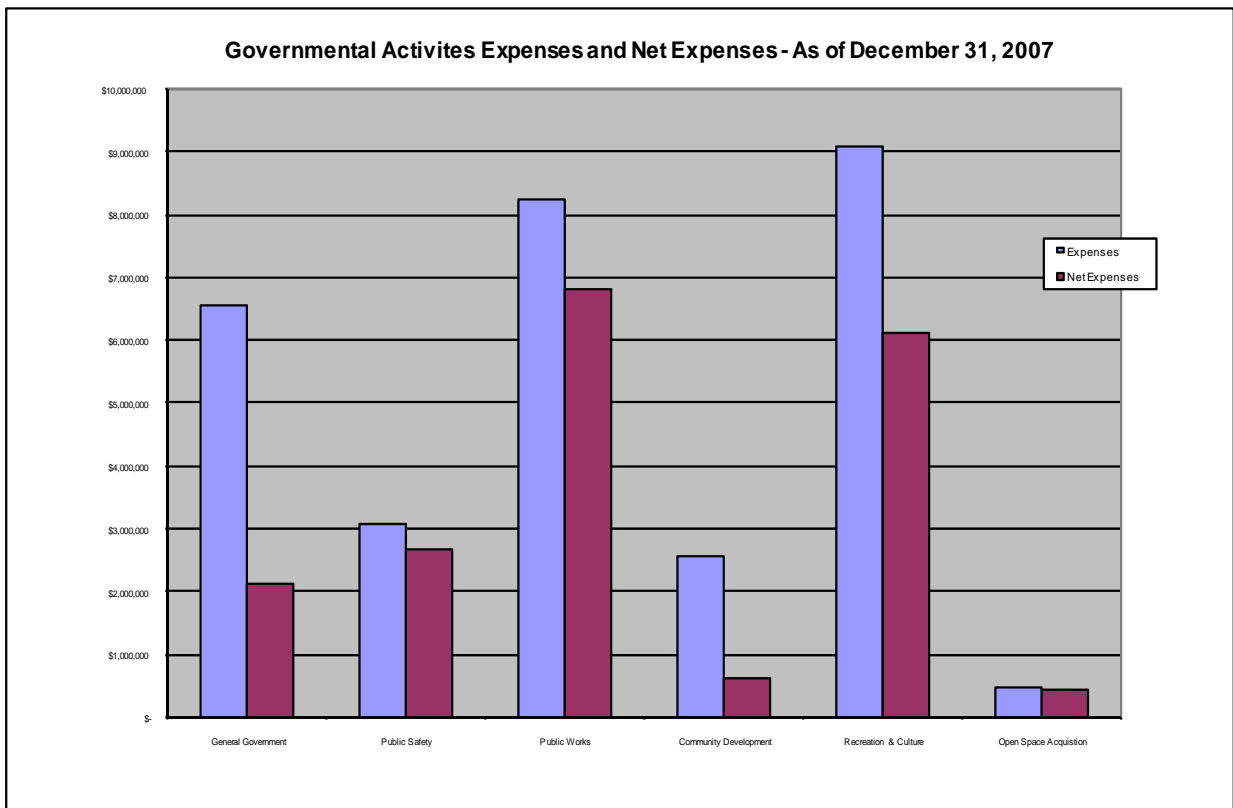
The excess of revenues and other sources over expenditures and other uses for Governmental Activities were \$9,065,901. The following are illustrative summaries of Governmental Activities breaking out revenues and expenses:

**Governmental Activities Expenses - As of December 31, 2007**



**Governmental Activity Revenue by Source - As of December 31, 2007**





**Governmental Activities Analysis:**

Sales & Accommodations Taxes increased by 10% (\$1,644,854) in 2007.  
 Property Tax revenues increased by \$356,826 in 2007, due to new construction.  
 Investment earnings continued to grow during 2007 by \$349,539 from 2006.  
 Most services and programs, including staffing stayed fairly consistent from 2006 to 2007. There were some fee increases in certain Development fees, as well as in Recreation Services.  
 Total Governmental Activities expenditures increased from 2006 to 2007, primarily due to contributions for the Gondola project.  
 Debt Service payments decreased by \$134,039 for 2007 due to no new debt payments. Commencement of debt service payments for the 2007 Certificates of Participation debt issue will begin 2008.

**Business-type Activities**

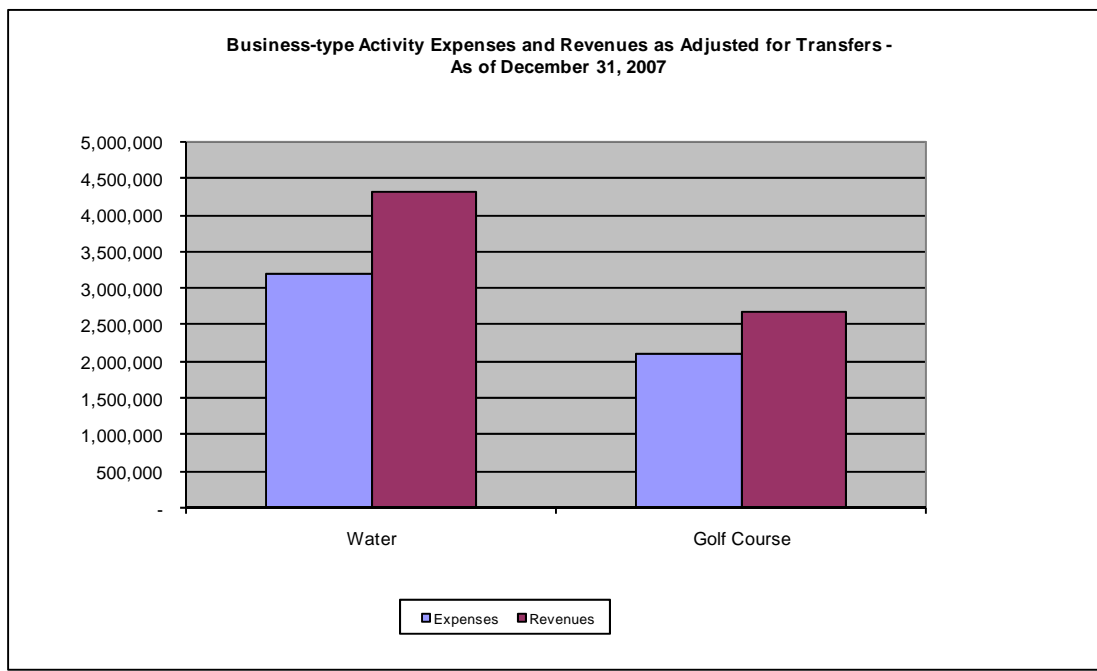
Business type activities include water and golf activities. Net assets in Business-type Activities increased by \$1,673,635. The majority of the increase is primarily due to water rents and decreased distribution maintenance expenses in the Utility Fund. Water rents were raised again in 2007 by 8.5% resulting in higher water rents for 2007 as compared to 2006. These planned higher revenues represented increased operational costs of providing water service and for future replacement of infrastructure.

Within the Utility Fund, Charges for services make up approximately 67% of program revenues with plant investment fees making up another 26%.

The Utility Fund refunded \$371,631 back to the General Fund for reimbursement of administrative, engineering and management services.

The Golf Course Fund reflects competition in a growing economy. Income net of transfers-in was \$308,821, as compared to \$121,948 in 2006. The golf course realized an increase in net assets in the amount of \$571,071. The repayment of debt is the single largest non-operating expense incurred annually.

The following chart demonstrates the current level of recovery for the Town's business type activities:



**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As noted earlier, The Town of Breckenridge uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus on the Town of Breckenridge's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the Town completed the year, its governmental funds reported a combined fund balance of \$35,785,845. Of that fund balance, \$25,110,245 constitutes unreserved fund balance which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for other uses, the largest of which is for Capital Projects of \$7,808,231.

The general fund is the chief operating fund of the Town of Breckenridge. At the end of the current fiscal year, the total general fund balance of \$12,332,879 was unreserved, which represents a liquidity.

The fund balance of the Town of Breckenridge's general fund of \$12,332,879 remained fairly consistent with last year's ending fund balance of \$12,140,490. Although general fund revenues were higher than last year by about \$1 million, expenditures from last year were up by about the same amount, due largely in part to public works projects. Positive factors affecting the general fund were:

- Overall general fund revenues were up for 2007, the majority of that due to building permit inspection revenue, investment interest and grants. General fund revenues (without transfers from other funds) for 2007 were 123% of budget or \$1,777,296 over budget.
- General fund expenditures for 2007 were under final budget by \$1,959,307 or 8%.

The capital projects fund has a total fund balance of \$7,808,231. The increase in fund balance during the current year was \$5,895,405. Like the general fund, the major revenue source for the capital projects fund is the transfer from the excise tax fund. The significant increase in fund balance for this fund is due to appropriations for new capital projects that began this year, i.e., a new childcare facility and a new roof for the Riverwalk Center of which \$2.6 million and \$3.0 million respectively are part of this fund balance.



Special revenue funds have a total fund balance of \$15,644,736, about the same as last year; this includes the special revenue fund, Affordable Housing Fund, that was added this year. The largest revenue source for the special revenue funds in 2007 is taxes (sales, accommodations, real estate transfer and franchise) of \$23,766,010. Although actual tax revenue exceeded anticipated revenue, over \$3 million was transferred to the capital projects fund to fund a new roof for the Riverwalk Center.

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

Unrestricted net assets of the Utility and Golf Course funds at the end of the year amounted to \$6,016,102. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business type activities.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Town Council revised the Town budget four times, three of which impacted the General Fund. These budget amendments fell into the following categories:

- Supplemental appropriations approved shortly after the beginning of the year to reflect projects and purchases not completed in the previous year.
- Supplemental appropriations approved shortly after the beginning of the year to reflect new projects not previously considered.
- Midyear adjustments for other unanticipated projects.

Differences in the General Fund between the original budget and the final amended budget only impacted expenditures, with a total increase in spending authority of \$3,509,289, primarily for the rollover authority for the gondola project of \$3,044,750. General fund revenue exceeded the amended budget by \$1,777,296 primarily due to significantly higher building inspection permits, investment earnings, and intergovernmental grants. Expenditures were under the amended budget by \$1,959,307, primarily due to favorable expenditure variances reflected across all Departments of the Town. With the surplus in revenues and the saving in expenditures, the fund balance increased by \$3,736,603 net of transfers-in at the end of 2007.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

The Town of Breckenridge's investment in capital assets for its governmental and business-type activities as of December 31, 2007 amounts to \$101,412,556 net of related debt, up from \$98,506,648 from the preceding year. This investment in capital assets includes land, buildings, vehicles, parks & recreation, equipment, roads, bridges, trails and utility system infrastructure. The total increase in the Town of Breckenridge's investment in capital assets (net of related debt) for the current fiscal year was \$2,910,363.

Major capital assets acquired during the current fiscal year included the following:

- Recreation Center improvements of \$1,662,000.
- Construction of a new roof for the Riverwalk Center at a year-to-date cost of \$1,215,000.
- Contribution of \$978,000 in water infrastructure from Developers.
- Construction of a childcare facility at a year-to-date cost of \$854,000.
- Purchase of Open Space property totaling \$760,000.
- Highway 9 improvements totaling \$518,000.

The table below provides a summary of total capital assets at December 31:

<b>Governmental Activities</b>				
	<b>Restated Bal.</b>			<b>Balance</b>
	<b>12/31/06</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/07</b>
<b>Capital Assets not being Depreciated:</b>				
Land	\$ 38,418,485	\$ 665,132	\$ -	\$ 39,083,617
<b>Capital Assets being Depreciated:</b>				
Buildings	36,014,391	4,754,026	-	40,768,417
Improvements	5,419,798	281,958	-	5,701,756
Infrastructure	9,137,187	1,485,966	-	10,623,153
Equipment	9,101,847	255,671	-	9,357,518
Equipment - Garage Svc	<u>3,570,143</u>	<u>595,434</u>	-	<u>4,165,577</u>
Total Capital Assets	<u>101,661,851</u>	<u>8,038,187</u>	-	<u>109,700,038</u>
<b>Accum. Depreciation:</b>				
Buildings	9,483,735	1,243,832	-	10,727,567
Improvements	1,006,083	190,523	-	1,196,606
Infrastructure	2,772,888	320,759	-	3,093,647
Equipment	8,038,787	303,333	-	8,342,120
Equipment - Garage Svc	<u>1,511,067</u>	<u>483,936</u>	-	<u>1,995,003</u>
Total Accum. Deprec.	<u>22,812,560</u>	<u>2,542,383</u>	-	<u>25,354,943</u>
<b>Net Capital Assets</b>	<b><u>\$ 78,849,291</u></b>	<b><u>\$ 5,495,804</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 84,345,095</u></b>

<b>Business-type Activities</b>				
	<b>Restated Bal.</b>			<b>Balance</b>
	<b>12/31/06</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/07</b>
<b>Capital Assets not being Depreciated:</b>				
Land	\$ 5,829,311	\$ -	\$ 104,183	\$ 5,725,128
Water and Water Storage Rights	3,190,973	-	-	3,190,973
<b>Capital Assets being Depreciated:</b>				
Buildings	9,037,666	-	-	9,037,666
Improvements	33,253,187	978,200	-	34,231,387
Equipment	<u>2,932,078</u>	<u>153,740</u>	-	<u>3,085,818</u>
Total Capital Assets	<u>54,243,215</u>	<u>1,131,940</u>	<u>104,183</u>	<u>55,270,972</u>
<b>Accum. Depreciation:</b>				
Buildings	4,871,452	330,258	-	5,201,710
Improvements	10,401,432	979,208	-	11,380,640
Equipment	<u>2,634,341</u>	<u>127,309</u>	-	<u>2,761,650</u>
Total Accum. Deprec.	<u>17,907,225</u>	<u>1,436,775</u>	-	<u>19,344,000</u>
<b>Net Capital Assets</b>	<b><u>\$ 36,335,990</u></b>	<b><u>\$ (304,835)</u></b>	<b><u>\$ 104,183</u></b>	<b><u>\$ 35,926,972</u></b>

Note 4 of the financial statements on page 37 provides additional information related to the Town's capital assets.

### Long-Term Debt

At the end of the current fiscal year, the Town of Breckenridge had total bonded debt outstanding of \$ 14,325,000, issued in the form of General Obligation Bonds.

The following is a summary of the Town's outstanding long-term debt as of December 31, 2007:

	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/07</u>	<u>Current</u> <u>Portion</u>
<b>Governmental Activities:</b>					
1998 GO Recreation Bonds	\$ 2,350,000	\$ -	\$ 295,000	\$ 2,055,000	\$ 305,000
2005 CWRPDA Note Payable	4,165,000	-	160,000	4,005,000	165,000
Certificates of Participation	5,760,000	3,620,000	580,000	8,800,000	725,000
Debt Premiums	52,000	150,998	9,000	193,998	-
Accrued Compensated Absences	462,226	921,470	884,347	499,349	49,935
<b>Total Governmental Activities</b>	<b>\$ 12,789,226</b>	<b>\$ 4,692,468</b>	<b>\$ 1,928,347</b>	<b>\$ 15,553,347</b>	<b>\$ 1,244,935</b>
	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/07</u>	<u>Current</u> <u>Portion</u>
<b>Business-Type Activities:</b>					
1999A GO Recreation Bonds	\$ 3,960,000	\$ -	\$ 490,000	\$ 3,470,000	\$ 515,000
Colo Water Conservation Board Note Payable - Blue River	706,437	-	32,366	674,071	33,661
Capital Lease Payable	100,858	-	49,418	51,440	51,440
Accrued Compensated Absences	49,731	77,888	76,900	44,545	4,455
<b>Total Business-Type Activities</b>	<b>\$ 4,817,026</b>	<b>\$ 77,888</b>	<b>\$ 648,684</b>	<b>\$ 4,240,056</b>	<b>\$ 604,556</b>

Note 5 of the financial statements on pages 38-41 provides additional information on the Town's long-term debt.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Tax (including property, sales, accommodations and real estate transfer) revenue accounts for 71% of governmental revenues and is an important source for providing funds for the general operations and maintenance of the Town of Breckenridge.
- The national, state and local economies are projected to show a slow-down in growth throughout 2008. Sales tax revenue for 2008 is budgeted to be 2% above the estimated 2007 year end. Although housing sales nationally are projected to be down for 2008, the Town anticipates that housing sales in Breckenridge will remain at about the same level as 2006, and have budgeted Real Estate Transfer Taxes at the 2007 year end revenues.
- The Town has projected governmental type revenues to be relatively flat with modest increases in some revenue categories for 2008.
- The 2008 budget projects a property tax levy of \$3,240,675 with the mill rate increasing by 1.45 mill in 2008 to 7.52 mills. The mill levy increase was previously approved with the passage of the 1999 bond issues. The additional revenue generated by the mill levy increase will free up existing revenue for continued support of child care, recreation facility improvements and sustainability.
- The water rent rates will increase in 2008 by 8.5%; Plant Investment Fees increased 5% per Single Family Equivalent (SFE) in 2007 and will increase 5% annually thereafter.
- Expenditures for 2008 are based on projections of annual expenditures in 2007 with an increase of 5.3%.

The Town of Breckenridge continues to retain a strong financial position. Continued discipline and scrutiny of initiatives will ensure that future annual operational expenditures remain in balance with future revenues.

Each of these factors was considered in preparing the Town of Breckenridge's budget for the 2008 fiscal year.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Breckenridge's finances for those with an interest in the government's finances. If you have questions concerning any of the information provided in this report or requests for additional financial information, please contact the Town's Finance Department at 150 Ski Hill Road, PO Box 168, Breckenridge, Colorado 80424 or visit our website at <http://www.townofbreckenridge.com>.

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## ***BASIC FINANCIAL STATEMENTS***

The Basic Financial Statements provide a financial overview of the Town's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of government-wide operations as well as all governmental activities and business-type activities as of December 31, 2007.

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**Government-Wide Financial Statements**

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TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF NET ASSETS**

December 31, 2007

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Equity in Pooled Cash and Investments	\$ 33,271,832	\$ 5,726,964	\$ 38,998,796
Receivables			
Taxes Receivable	3,811,484	-	3,811,484
Accounts Receivable, Net	235,572	394,790	630,362
Intergovernmental Receivables	1,194,642	-	1,194,642
Interest Receivable	175,794	30,613	206,407
Prepaid Items and Deposits	289,478	2,008	291,486
Property Held for Resale	224,633	-	224,633
Total Current Assets	<u>39,203,435</u>	<u>6,154,375</u>	<u>45,357,810</u>
Noncurrent Assets			
Restricted Cash and Investments	4,504,414	490,741	4,995,155
Capital Assets Not Being Depreciated	38,598,857	9,020,284	47,619,141
Capital Assets Being Depreciated	71,101,181	46,250,688	117,351,869
Accumulated Depreciation	(25,354,943)	(19,344,000)	(44,698,943)
Bond Issuance Costs - Net	359,417	84,971	444,388
Total Noncurrent Assets	<u>89,208,926</u>	<u>36,502,684</u>	<u>125,711,610</u>
<b>TOTAL ASSETS</b>	<u>128,412,361</u>	<u>42,657,059</u>	<u>171,069,420</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	2,002,266	125,569	2,127,835
Accrued Liabilities	31,389	13,482	44,871
Accrued Salaries	288,269	22,384	310,653
Accrued Interest Payable	48,697	15,982	64,679
Funds Held for Others	558,276	3,000	561,276
Unearned Revenue	2,213,501	12,444	2,225,945
Current Portion of Long Term Debt	1,244,935	604,556	1,849,491
Total Current Liabilities	<u>6,387,333</u>	<u>797,417</u>	<u>7,184,750</u>
Noncurrent Liabilities			
General Obligation Bonds Payable	1,750,000	2,955,000	4,705,000
Certificates of Participation Payable	8,075,000	-	8,075,000
Notes Payable	3,840,000	640,410	4,480,410
Long-Term Debt Premiums	193,998	-	193,998
Accrued Compensated Absences	449,414	40,090	489,504
Total Noncurrent Liabilities	<u>14,308,412</u>	<u>3,635,500</u>	<u>17,943,912</u>
<b>TOTAL LIABILITIES</b>	<u>20,695,745</u>	<u>4,432,917</u>	<u>25,128,662</u>
<b>NET ASSETS</b>			
Invested in Capital Assets net of Related Debt	69,600,579	31,811,977	101,412,556
Restricted Net Assets			
Restricted for Debt Service	767,562	490,741	1,258,303
Restricted by Statute	1,247,000	-	1,247,000
Restricted for Capital Projects	7,808,231	-	7,808,231
Unrestricted Net Assets	<u>28,293,244</u>	<u>5,921,424</u>	<u>34,214,668</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 107,716,616</u>	<u>\$ 38,224,142</u>	<u>\$ 145,940,758</u>

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

TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2007

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
Government Activities				
Current:				
General Government	\$ 4,199,262	\$ 946,865	\$ 32,073	\$ 815,764
Public Safety	3,084,336	317,034	90,139	-
Community Development	2,575,428	1,924,982	25,000	-
Public Works	8,242,509	360,711	578,086	489,126
Culture and Recreation	9,067,586	2,786,999	-	145,321
Interest Expense Not Categorized	504,590	-	-	-
Open Space Acquisition	465,813	23,326	-	15,000
Motor Vehicle Maintenance	1,514,028	1,784,668	-	-
Information Systems Maintenance	859,713	883,215	-	-
Facility Maintenance	20,689	230,408	-	-
TOTAL GOVERNMENT ACTIVITIES	<u>30,533,954</u>	<u>9,258,208</u>	<u>725,298</u>	<u>1,465,211</u>
Business - Type Activities				
Current:				
Water Operations	2,833,829	2,240,615	-	1,846,844
Golf Operations	2,106,117	2,323,918	-	-
TOTAL BUSINESS - TYPE ACTIVITIES	<u>4,939,946</u>	<u>4,564,533</u>	<u>-</u>	<u>1,846,844</u>
TOTAL GOVERNMENT	<u>\$ 35,473,900</u>	<u>\$ 13,822,741</u>	<u>\$ 725,298</u>	<u>\$ 3,312,055</u>
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Marketing				
Open Space				
Other Sales Taxes				
Accommodations Taxes				
Marketing				
Other Accommodations Taxes				
Franchise Taxes				
Real Estate Transfer Taxes				
Other Taxes				
Unrestricted Grants and Contributions				
Unrestricted Investment Earnings				
Other General Revenues				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET ASSETS				
NET ASSETS, Beginning				
PRIOR PERIOD ADJUSTMENT				
NET ASSETS, Beginning (As Restated)				
NET ASSETS, Ending				

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

NET (EXPENSE) REVENUE AND  
CHANGES IN NET ASSETS

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
\$ (2,404,560)	\$ -	\$ (2,404,560)
(2,677,163)	-	(2,677,163)
(625,446)	-	(625,446)
(6,814,586)	-	(6,814,586)
(6,135,266)	-	(6,135,266)
(504,590)	-	(504,590)
(427,487)	-	(427,487)
270,640	-	270,640
23,502	-	23,502
209,719	-	209,719
<u>(19,085,237)</u>	<u>-</u>	<u>(19,085,237)</u>
-	1,253,630	1,253,630
-	217,801	217,801
-	1,471,431	1,471,431
<u>(19,085,237)</u>	<u>1,471,431</u>	<u>(17,613,806)</u>
2,043,173	-	2,043,173
141,368	-	141,368
239,868	-	239,868
1,799,014	-	1,799,014
13,285,535	-	13,285,535
360,789	-	360,789
1,803,464	-	1,803,464
602,106	-	602,106
5,675,235	-	5,675,235
3,458	-	3,458
22,500	-	22,500
1,884,835	310,386	2,195,221
269,104	1,199	270,303
109,381	(109,381)	-
<u>28,239,830</u>	<u>202,204</u>	<u>28,442,034</u>
<u>9,154,593</u>	<u>1,673,635</u>	<u>10,828,228</u>
98,342,598	36,769,932	135,112,530
219,425	(219,425)	-
<u>98,562,023</u>	<u>36,550,507</u>	<u>135,112,530</u>
<u>\$ 107,716,616</u>	<u>\$ 38,224,142</u>	<u>\$ 145,940,758</u>

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**Fund Financial Statements**

TOWN OF BRECKENRIDGE, COLORADO

**BALANCE SHEET-**  
**GOVERNMENTAL FUNDS**

December 31, 2007

(With Comparative Totals for December 31, 2006)

	GENERAL FUND	EXCISE TAX FUND	SPECIAL CONSERVATION TRUST FUND
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 13,743,413	\$ 6,642,365	\$ 19,287
Receivables			
Taxes Receivable	2,090,399	1,369,711	-
Accounts Receivable, Net	-	-	-
Mortgages Receivable	-	-	-
Intergovernmental Receivables	30,239	1,164,403	-
Interest Receivable	86,037	64,436	52
Prepaid Items and Deposits	-	-	-
Property Held for Resale	-	-	-
Restricted Cash and Investments	-	767,562	-
<b>TOTAL ASSETS</b>	<b><u>\$ 15,950,088</u></b>	<b><u>\$ 10,008,477</u></b>	<b><u>\$ 19,339</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 635,255	\$ 122	\$ -
Accrued Liabilities	31,389	-	-
Accrued Salaries	269,747	-	-
Funds Held for Others	558,276	-	-
Unearned Revenue	2,122,542	-	-
<b>TOTAL LIABILITIES</b>	<b><u>3,617,209</u></b>	<b><u>122</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>			
Reserved			
Reserved for Noncurrent Receivables	-	-	-
Reserved for Prepaids and Deposits	-	-	-
Reserved for Inventory	-	-	-
Reserved for Debt Service	-	767,562	-
Reserved for Emergencies	1,247,000	-	-
Reserved for Capital Projects	-	-	-
Unreserved			
Designated for Subsequent Years' Expenditures	-	-	14,400
Undesignated	11,085,879	9,240,793	4,939
<b>TOTAL FUND BALANCES</b>	<b><u>12,332,879</u></b>	<b><u>10,008,355</u></b>	<b><u>19,339</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 15,950,088</u></b>	<b><u>\$ 10,008,477</u></b>	<b><u>\$ 19,339</u></b>

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

REVENUE FUNDS			CAPITAL PROJECTS FUND	TOTALS	
MARKETING FUND	AFFORDABLE HOUSING FUND	OPEN SPACE ACQUISITION FUND	CAPITAL FUND	2007	2006
\$ 182,644	\$ 1,628,785	\$ 2,977,626	\$ 5,218,822	\$ 30,412,942	\$ 27,308,044
93,860	-	257,514	-	3,811,484	3,706,714
-	51,613	-	183,959	235,572	312,047
-	-	-	-	-	289,499
-	-	-	-	1,194,642	1,171,217
1,132	494	17,503	6,140	175,794	139,659
-	226,916	-	-	226,916	5,000
-	224,633	-	-	224,633	-
-	-	170,000	3,566,852	4,504,414	1,269,228
<u>\$ 277,636</u>	<u>\$ 2,132,441</u>	<u>\$ 3,422,643</u>	<u>\$ 8,975,773</u>	<u>\$ 40,786,397</u>	<u>\$ 34,201,408</u>
\$ 6,117	\$ 28,248	\$ 177,672	\$ 1,076,583	\$ 1,923,997	\$ 1,063,063
-	-	-	-	31,389	27,161
-	-	3,642	-	273,389	214,779
-	-	-	-	558,276	781,349
-	-	-	90,959	2,213,501	2,315,682
<u>6,117</u>	<u>28,248</u>	<u>181,314</u>	<u>1,167,542</u>	<u>5,000,552</u>	<u>4,402,034</u>
-	51,613	-	-	51,613	289,499
-	226,916	-	-	226,916	5,000
-	224,633	-	-	224,633	-
-	-	-	-	767,562	730,000
-	-	-	-	1,247,000	1,052,977
-	-	-	7,808,231	7,808,231	-
195,219	-	140,026	-	349,645	394,916
<u>76,300</u>	<u>1,601,031</u>	<u>3,101,303</u>	<u>-</u>	<u>25,110,245</u>	<u>27,326,982</u>
<u>271,519</u>	<u>2,104,193</u>	<u>3,241,329</u>	<u>7,808,231</u>	<u>35,785,845</u>	<u>29,799,374</u>
<u>\$ 277,636</u>	<u>\$ 2,132,441</u>	<u>\$ 3,422,643</u>	<u>\$ 8,975,773</u>	<u>\$ 40,786,397</u>	<u>\$ 34,201,408</u>

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TOWN OF BRECKENRIDGE, COLORADO

**BALANCE SHEET-**  
**GOVERNMENTAL FUNDS**  
**December 31, 2007**

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 35,785,845
Capital assets used in governmental activities are not resources and are not reported in the funds:	
Capital Assets	105,534,461
Accumulated Depreciation	(23,359,940)
Bond issuance costs are expensed in the funds:	
Bond Issuance Costs	359,417
Earned but unpaid accumulated leave balances are not reported in the funds:	
Accrued Compensated Absences	(499,349)
Long-term liabilities are not due and payable in the current period	
General Obligation Bonds Payable	(2,055,000)
Notes Payable	(4,005,000)
Certificates of Participation Payable	(8,800,000)
Note Payable Premiums	(193,998)
Accrued Interest Payable	(48,697)
Internal service funds are blended into governmental activities:	
Garage Service Net Assets	3,899,261
Information Services Net Assets	689,897
Facilities Maintenance Net Assets	409,719
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ 107,716,616</u>

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

TOWN OF BRECKENRIDGE, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND EQUITY -  
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2007  
(With Comparative Totals for the Year Ended December 31, 2006)

	SPECIAL REVENUE FUND					
	GENERAL FUND	EXCISE TAX FUND	CONSERVATION TRUST FUND	MARKETING FUND	AFFORDABLE HOUSING FUND	OPEN SPACE ACQUISITION FUND
<b>REVENUES</b>						
Taxes	\$ 2,187,999	\$ 21,121,349	\$ -	\$ 600,657	\$ 244,990	\$ 1,799,014
Licenses and Permits	1,739,993	-	-	594,905	-	-
Intergovernmental	671,971	-	34,321	-	-	15,000
Charges for Services	3,453,121	-	-	-	83,580	23,326
Fines and Forfeits	300,824	-	-	-	-	-
Interest	828,584	661,827	722	17,891	20,038	179,855
Miscellaneous	229,241	-	-	-	14,298	81,226
<b>TOTAL REVENUES</b>	<b>9,411,733</b>	<b>21,783,176</b>	<b>35,043</b>	<b>1,213,453</b>	<b>362,906</b>	<b>2,098,421</b>
<b>EXPENDITURES</b>						
Current						
General Government	2,391,693	-	-	1,293,223	-	-
Public Safety	2,809,887	-	-	-	-	-
Community Development	1,525,112	-	-	-	821,150	465,813
Public Works	7,509,076	-	-	-	-	-
Culture and Recreation	8,260,736	-	-	-	-	-
Capital Outlay	207,417	-	-	-	78,802	1,224,135
Debt Service						
Principal	405,000	140,000	-	-	-	490,000
Interest and Charges	130,346	157,338	-	-	-	207,670
<b>TOTAL EXPENDITURES</b>	<b>23,239,267</b>	<b>297,338</b>	<b>-</b>	<b>1,293,223</b>	<b>899,952</b>	<b>2,387,618</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,827,534)</b>	<b>21,485,838</b>	<b>35,043</b>	<b>(79,770)</b>	<b>(537,046)</b>	<b>(289,197)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Debt Issuances	-	-	-	-	-	128,000
Transfers In	14,019,922	-	-	130,000	2,486,423	-
Transfers Out	-	(23,585,429)	(30,000)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>14,019,922</b>	<b>(23,585,429)</b>	<b>(30,000)</b>	<b>130,000</b>	<b>2,486,423</b>	<b>128,000</b>
<b>CHANGE IN FUND BALANCES</b>	<b>192,388</b>	<b>(2,099,591)</b>	<b>5,043</b>	<b>50,230</b>	<b>1,949,377</b>	<b>(161,197)</b>
<b>FUND BALANCES - Beginning</b>	<b>12,140,491</b>	<b>12,107,946</b>	<b>14,296</b>	<b>221,289</b>	<b>-</b>	<b>3,402,526</b>
<b>PRIOR PERIOD RESTATEMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,816</b>	<b>-</b>
<b>FUND BALANCES - BEGINNING (As Restated)</b>	<b>12,140,491</b>	<b>12,107,946</b>	<b>14,296</b>	<b>221,289</b>	<b>154,816</b>	<b>3,402,526</b>
<b>FUND BALANCES - Ending</b>	<b>\$ 12,332,879</b>	<b>\$ 10,008,355</b>	<b>\$ 19,339</b>	<b>\$ 271,519</b>	<b>\$ 2,104,193</b>	<b>\$ 3,241,329</b>

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

CAPITAL PROJECTS FUND		
CAPITAL FUND	TOTALS	
	2007	2006
\$ -	\$ 25,954,009	\$ 24,061,936
-	2,334,898	1,885,265
589,126	1,310,418	3,779,900
-	3,560,027	3,364,710
-	300,824	242,859
175,916	1,884,833	1,591,858
813,603	1,138,368	330,205
<u>1,578,645</u>	<u>36,483,377</u>	<u>35,256,733</u>
140,687	3,825,603	3,194,755
-	2,809,887	2,841,099
-	2,812,075	2,044,299
-	7,509,076	6,814,423
-	8,260,736	8,359,663
6,074,016	7,584,370	11,248,640
-	1,035,000	1,320,421
-	495,354	550,845
<u>6,214,703</u>	<u>34,332,101</u>	<u>36,374,145</u>
<u>(4,636,058)</u>	<u>2,151,276</u>	<u>(1,117,412)</u>
3,642,998	3,770,998	-
8,388,465	25,024,810	19,507,019
<u>(1,500,000)</u>	<u>(25,115,429)</u>	<u>(19,642,675)</u>
<u>10,531,463</u>	<u>3,680,379</u>	<u>(135,656)</u>
5,895,405	5,831,655	(1,253,068)
1,912,826	29,799,374	31,052,442
-	154,816	-
<u>1,912,826</u>	<u>29,954,190</u>	<u>31,052,442</u>
<u>\$ 7,808,231</u>	<u>\$ 35,785,845</u>	<u>\$ 29,799,374</u>

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TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND EQUITY -**  
**GOVERNMENTAL FUNDS (Continued)**  
**For the Year Ended December 31, 2007**

NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ 5,831,655
Proceeds from debt issuances are reported as revenues in the funds:	
Certificates of Participation Proceeds	(3,620,000)
Principal payments on debt are reported as expenditures in the funds:	
Principal Payments on Bonds Payable	295,000
Principal Payments on Notes Payable	160,000
Principal Payments on Certificates of Participation	580,000
Debt issuance costs are recorded as cash expenses upon issuance in the funds:	
Issuance Costs Related to Current Year Proceeds	194,998
Amortization of Debt Issuance Costs	(22,316)
Debt issuance premiums are amortized over the life of the underlying debt issuances:	
Debt Premiums Received	(150,998)
Amortization of Debt Premiums	9,000
Earned but unpaid accumulated leave balances are not reported in the funds:	
Change in Accrued Compensated Absences	(37,122)
Interest is reported on the cash basis in the funds:	
Change in Accrued Interest	4,080
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Capitalized Assets	7,262,381
Depreciation Expense	(2,058,447)
Internal service funds are blended into governmental activities:	
Garage Services Net Income	273,141
Information Services Net Income	23,502
Facility Maintenance Net Income	409,719
CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES	\$ 9,154,593

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

TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF NET ASSETS -  
PROPRIETARY FUNDS**

December 31, 2007

(With Comparative Totals for December 31, 2006)

	UTILITY FUND	GOLF COURSE FUND	TOTAL ENTERPRISE FUNDS
<b>ASSETS</b>			
<b>Current Assets</b>			
Equity in Pooled Cash and Investments	\$ 4,042,036	\$ 1,684,928	\$ 5,726,964
Receivables			
Accounts Receivable, Net	394,790	-	394,790
Interest Receivable	22,878	7,735	30,613
Prepaid Items and Deposits	1,684	324	2,008
<b>Total Current Assets</b>	<b>4,461,388</b>	<b>1,692,987</b>	<b>6,154,375</b>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Land	1,618,741	4,106,387	5,725,128
Buildings	4,960,399	4,077,267	9,037,666
Improvements Other Than Buildings	29,562,481	5,242,443	34,804,924
Machinery and Equipment	-	2,512,281	2,512,281
Water and Water Storage Rights	3,190,973	-	3,190,973
<b>Total Capital Assets</b>	<b>39,332,594</b>	<b>15,938,378</b>	<b>55,270,972</b>
Accumulated Depreciation	(11,884,369)	(7,459,631)	(19,344,000)
<b>Net Capital Assets</b>	<b>27,448,225</b>	<b>8,478,747</b>	<b>35,926,972</b>
Restricted Cash and Investments	490,741	-	490,741
Bond Issuance Costs, net	-	84,971	84,971
<b>Total Noncurrent Assets</b>	<b>27,938,966</b>	<b>8,563,718</b>	<b>36,502,684</b>
<b>TOTAL ASSETS</b>	<b>32,400,354</b>	<b>10,256,705</b>	<b>42,657,059</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	103,566	22,003	125,569
Accrued Liabilities	13,482	-	13,482
Accrued Salaries	13,590	8,794	22,384
Funds Held for Others	-	3,000	3,000
Unearned Revenue	-	12,444	12,444
Accrued Interest Payable	-	15,982	15,982
Current Portion of Long-Term Debt	35,846	568,710	604,556
<b>Total Current Liabilities</b>	<b>166,484</b>	<b>630,933</b>	<b>797,417</b>
<b>Noncurrent Liabilities</b>			
General Obligation Bonds Payable	-	2,955,000	2,955,000
Capital Lease Obligations Payable	-	-	-
Notes Payable	640,410	-	640,410
Accrued Compensated Absences	19,662	20,428	40,090
<b>Total Noncurrent Liabilities</b>	<b>660,072</b>	<b>2,975,428</b>	<b>3,635,500</b>
<b>TOTAL LIABILITIES</b>	<b>826,556</b>	<b>3,606,361</b>	<b>4,432,917</b>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	26,771,969	4,955,037	31,727,006
Restricted Net Assets	490,741	-	490,741
Unrestricted Net Assets	4,311,088	1,695,307	6,006,395
<b>TOTAL NET ASSETS</b>	<b>\$ 31,573,798</b>	<b>\$ 6,650,344</b>	<b>\$ 38,224,142</b>

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

INTERNAL SERVICE FUNDS	TOTALS	
	2007	2006
\$ 2,858,890	\$ 8,585,854	\$ 6,425,497
-	394,790	419,220
-	30,613	24,580
62,562	64,570	64,570
<u>2,921,452</u>	<u>9,075,827</u>	<u>6,933,867</u>
-	5,725,128	5,829,310
-	9,037,666	9,135,971
-	34,804,924	33,253,188
4,165,577	6,677,858	6,502,221
-	3,190,973	3,190,973
<u>4,165,577</u>	<u>59,436,549</u>	<u>57,911,663</u>
<u>(1,995,003)</u>	<u>(21,339,003)</u>	<u>(19,451,988)</u>
2,170,574	38,097,546	38,459,675
-	490,741	658,239
-	84,971	99,134
<u>2,170,574</u>	<u>38,673,258</u>	<u>39,217,048</u>
<u>5,092,026</u>	<u>47,749,085</u>	<u>46,150,915</u>
78,269	203,838	196,062
-	13,482	16,183
14,880	37,264	28,426
-	3,000	3,000
-	12,444	9,264
-	15,982	24,681
-	604,556	576,140
<u>93,149</u>	<u>890,566</u>	<u>853,756</u>
-	2,955,000	3,470,000
-	-	51,440
-	640,410	674,071
-	40,090	39,201
<u>-</u>	<u>3,635,500</u>	<u>4,234,712</u>
<u>93,149</u>	<u>4,526,066</u>	<u>5,088,468</u>
2,170,574	33,897,580	33,688,024
-	490,741	658,239
<u>2,828,303</u>	<u>8,834,698</u>	<u>6,716,184</u>
<u>\$ 4,998,877</u>	<u>\$ 43,223,019</u>	<u>\$ 41,062,447</u>

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TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF NET ASSETS -  
PROPRIETARY FUNDS**

December 31, 2007

(With Comparative Totals for December 31, 2006)

	<u>TOTALS</u>	
	<u>2007</u>	<u>2006</u>
TOTAL NET ASSETS - PROPRIETARY FUNDS	\$ 43,223,019	\$ 41,062,447
Internal service funds are blended into the governmental activities:		
Garage Service Net Assets	(3,899,261)	(3,626,120)
Information Services Net Assets	(689,897)	(666,395)
Facility Maintenance Net Assets	(409,719)	-
TOTAL NET ASSETS - BUSINESS-TYPE ACTIVITIES	<u>\$ 38,224,142</u>	<u>\$ 36,769,932</u>

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

TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	UTILITY FUND	GOLF COURSE FUND	AFFORDABLE HOUSING FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES				
Charges for Services	\$ 2,223,472	\$ 2,263,060	\$ -	\$ 4,486,532
Rental Income	1,200	-	-	1,200
Insurance Recoveries	-	-	-	-
Internal Service Revenue	-	-	-	-
Other Income	26,743	62,058	-	88,801
TOTAL OPERATING REVENUES	<u>2,251,415</u>	<u>2,325,118</u>	<u>-</u>	<u>4,576,533</u>
OPERATING EXPENSES				
Administration	1,604,182	128,237	-	1,732,419
Distribution Maintenance	281,747	-	-	281,747
Water Rights Maintenance	77,035	-	-	77,035
Depreciation and Amortization	845,309	591,466	-	1,436,775
Grants to Other Agencies	-	-	-	-
Affordable Housing	-	-	-	-
Motor Vehicle Maintenance	-	-	-	-
Information Systems Maintenance	-	-	-	-
Golf Course Maintenance	-	743,553	-	743,553
Golf Pro Shop	-	440,841	-	440,841
Small Equipment	-	6,378	-	6,378
TOTAL OPERATING EXPENSES	<u>2,808,273</u>	<u>1,910,475</u>	<u>-</u>	<u>4,718,748</u>
OPERATING INCOME	<u>(556,858)</u>	<u>414,643</u>	<u>-</u>	<u>(142,215)</u>
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	220,566	89,820	-	310,386
Plant Investment Fees	857,844	-	-	857,844
Gain (Loss) on Sale of Assets	-	-	-	-
Interest Expense	(25,557)	(195,642)	-	(221,199)
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>1,052,853</u>	<u>(105,822)</u>	<u>-</u>	<u>947,031</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>495,995</u>	<u>308,821</u>	<u>-</u>	<u>804,816</u>
Capital Asset Contributions	<u>978,200</u>	<u>-</u>	<u>-</u>	<u>978,200</u>
TRANSFERS				
Transfers In	-	262,250	-	262,250
Transfers Out	(371,631)	-	-	(371,631)
NET TRANSFERS	<u>(371,631)</u>	<u>262,250</u>	<u>-</u>	<u>(109,381)</u>
CHANGE IN NET ASSETS	1,102,564	571,071	-	1,673,635
NET ASSETS - Beginning	30,471,234	6,079,273	219,425	36,769,932
PRIOR PERIOD RESTATEMENT	-	-	(219,425)	(219,425)
NET ASSETS - Beginning (As Restated)	<u>30,471,234</u>	<u>6,079,273</u>	<u>-</u>	<u>36,550,507</u>
NET ASSETS - Ending	<u>\$ 31,573,798</u>	<u>\$ 6,650,344</u>	<u>\$ -</u>	<u>\$ 38,224,142</u>

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

INTERNAL SERVICE FUNDS	TOTALS	
	2007	2006
\$ -	\$ 4,486,532	\$ 4,204,995
-	1,200	7,238
-	-	14,128
2,898,292	2,898,292	2,300,332
-	88,801	89,797
<u>2,898,292</u>	<u>7,474,825</u>	<u>6,616,490</u>
-	1,732,419	1,715,653
-	281,747	868,980
-	77,035	96,989
483,935	1,920,710	1,901,940
-	-	47,226
-	-	3,052
1,124,960	1,124,960	1,141,319
696,975	696,975	553,187
-	743,553	747,550
-	440,841	417,485
88,560	94,938	183,478
<u>2,394,430</u>	<u>7,113,178</u>	<u>7,676,859</u>
<u>503,862</u>	<u>361,647</u>	<u>(1,060,369)</u>
-	310,386	253,822
-	857,844	1,071,967
2,500	2,500	-
-	(221,199)	(257,396)
<u>2,500</u>	<u>949,531</u>	<u>1,068,393</u>
<u>506,362</u>	<u>1,311,178</u>	<u>8,024</u>
-	978,200	739,935
200,000	462,250	500,000
-	(371,631)	(364,344)
<u>200,000</u>	<u>90,619</u>	<u>135,656</u>
706,362	2,379,997	883,615
4,292,515	41,062,447	40,178,832
-	(219,425)	-
<u>4,292,515</u>	<u>40,843,022</u>	<u>40,178,832</u>
<u>\$ 4,998,877</u>	<u>\$ 43,223,019</u>	<u>\$ 41,062,447</u>

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TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2007  
(With Comparative Totals for December 31, 2006)

	<u>TOTALS</u>	
	<u>2007</u>	<u>2006</u>
NET INCOME - PROPRIETARY FUNDS	\$ 2,379,997	\$ 883,615
Internal service funds are blended into governmental activities:		
Net Income - Garage Services Fund	(273,141)	(169,506)
Net Income - Information Services Fund	(23,502)	(110,960)
Net Income -Facility Maintenance Fund	(409,719)	-
CHANGE IN NET ASSETS - BUSINESS-TYPE ACTIVITIES	<u>\$ 1,673,635</u>	<u>\$ 603,149</u>

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

TOWN OF BRECKENRIDGE, COLORADO

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	UTILITY FUND	GOLF COURSE FUND	TOTAL ENTERPRISE FUNDS
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 2,205,247	\$ 2,332,422	\$ 4,537,669
Cash Paid to Suppliers	(1,479,270)	(833,798)	(2,313,068)
Cash Paid to Employees	(466,183)	(489,405)	(955,588)
Net Cash Provided by Operating Activities	<u>259,794</u>	<u>1,009,219</u>	<u>1,269,013</u>
Cash Flows From Capital and Related Financing Activities:			
Tap/Contributed Installation Fees Received	857,844	-	857,844
Debt Principal Payments	(32,366)	(539,418)	(571,784)
Interest Payments	(25,557)	(190,179)	(215,736)
Acquisition of Capital Assets	-	(153,740)	(153,740)
Proceeds from Sales of Assets	104,182	-	104,182
Cash Flows Used by Capital and Related Financing Activities	<u>904,103</u>	<u>(883,337)</u>	<u>20,766</u>
Cash Flows (Uses) From Noncapital Financing Activities:			
Transfers In	-	262,250	262,250
Transfers Out	(371,631)	-	(371,631)
Net Cash Used by Noncapital Financing Activities	<u>(371,631)</u>	<u>262,250</u>	<u>(109,381)</u>
Cash Flows (Uses) From Investing Activities:			
Interest Received	<u>216,483</u>	<u>87,654</u>	<u>304,137</u>
Net Increase (Decrease) in Cash	1,008,749	475,786	1,484,535
Cash - Beginning	<u>3,524,028</u>	<u>1,209,142</u>	<u>4,733,170</u>
Cash - Ending	<u>\$ 4,532,777</u>	<u>\$ 1,684,928</u>	<u>\$ 6,217,705</u>
Cash - Unrestricted	\$ 4,042,036	\$ 1,684,928	\$ 5,726,964
Cash - Restricted	490,741	-	490,741
Total Cash	<u>\$ 4,532,777</u>	<u>\$ 1,684,928</u>	<u>\$ 6,217,705</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	\$ (556,858)	\$ 414,643	\$ (142,215)
Depreciation Expense	845,309	591,466	1,436,775
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Receivables	(46,168)	4,124	(42,044)
Prepaid Items and Deposits	-	-	-
Increase (Decrease) in:			
Accounts Payable	18,882	(7,895)	10,987
Accrued Liabilities	(2,701)	-	(2,701)
Due to Other Funds	-	-	-
Funds Held for Others	-	-	-
Unearned Revenue	-	3,180	3,180
Accrued Salaries	1,549	2,493	4,042
Accrued Compensated Absences	(219)	1,208	989
Total Adjustments	<u>816,652</u>	<u>594,576</u>	<u>1,411,228</u>
Net Cash Used for Operating Activities	<u>\$ 259,794</u>	<u>\$ 1,009,219</u>	<u>\$ 1,269,013</u>

Schedule of Non-Cash Items:

The Town had capital assets of \$978,200 and \$739,935 contributed by developers during 2007 and 2006, respectively.

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

INTERNAL SERVICE FUNDS	TOTALS	
	2007	2006
\$ 2,898,292	\$ 7,435,961	\$ 6,551,556
(1,294,685)	(3,607,753)	(4,555,488)
(613,377)	(1,568,965)	(1,191,492)
<u>990,230</u>	<u>2,259,243</u>	<u>804,576</u>
-	857,844	1,071,967
-	(571,784)	(552,107)
-	(215,736)	(244,957)
(595,433)	(749,173)	(214,967)
2,500	106,682	-
<u>(592,933)</u>	<u>(572,167)</u>	<u>59,936</u>
200,000	462,250	435,000
-	(371,631)	(364,344)
<u>200,000</u>	<u>90,619</u>	<u>70,656</u>
-	304,137	243,460
597,297	2,081,832	1,178,628
<u>2,261,593</u>	<u>6,994,763</u>	<u>5,816,135</u>
<u>\$ 2,858,890</u>	<u>\$ 9,076,595</u>	<u>\$ 6,994,763</u>
\$ 2,858,890	\$ 8,585,854	\$ 6,425,497
-	490,741	658,239
<u>\$ 2,858,890</u>	<u>\$ 9,076,595</u>	<u>\$ 7,083,736</u>
<u>\$ 503,862</u>	<u>\$ 361,647</u>	<u>\$ (1,020,944)</u>
483,935	1,920,710	1,898,663
-	(42,044)	(55,155)
-	-	(10,064)
(2,364)	8,623	(9,313)
-	(2,701)	1,393
-	-	(441)
-	-	3,000
-	3,180	1,351
4,797	8,839	2,260
-	989	(6,174)
<u>486,368</u>	<u>1,897,596</u>	<u>1,825,520</u>
<u>\$ 990,230</u>	<u>\$ 2,259,243</u>	<u>\$ 804,576</u>

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

***REPORTING ENTITY***

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it. Based on the application of these criteria, the Town has not included any other organizations within its reporting entity.

***BASIS OF PRESENTATION***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information of the Town as a whole. The reporting information includes all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.



**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***BASIS OF PRESENTATION*** (Continued)

***Fund Financial Statements***

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

**GOVERNMENTAL FUNDS**

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

The Town reports the following major governmental funds:

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

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

Excise Tax Fund – Special Revenue Bonds have been issued on several occasions for which the Excise Tax Revenues of the Town have been pledged. This fund accounts for the principal and interest payments required for those specific bond issues. Any revenues collected in excess of the pledged amount can be used for any other governmental purpose. The Excise Tax revenues for the Town are transferred to the Town's General and Marketing Funds for general governmental purposes, and to the Capital Fund for capital purchases.

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

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***BASIS OF PRESENTATION*** (Continued)

***Fund Financial Statements*** (Continued)

**GOVERNMENTAL FUNDS** (Continued)

**Special Revenue Funds** (Continued)

Marketing Fund – This fund accounts for the Town’s participation in the Breckenridge Resort Chamber marketing program as well as community marketing grants through various non-profit organizations.

Open Space Acquisition Fund – A one half of one percent sales tax has been authorized by the voters for the purpose of an open space program including acquiring land for open space values. An open space master plan has been adopted which provides a framework for decisions on open space purchases. Revenues include sales tax, Great Outdoors Colorado (“GOCO”) grants, Department of Natural Resources (“DNR”) grants, and annexation fees.

Affordable Housing Fund – The Affordable Housing Program is intended to assure the provision of housing for employees who work in the Upper Blue basin. The program’s major components include the development and implementation of policies and programs that assure housing. A down payment assistance program for Town employees is provided to assist employees in obtaining housing in the area. This loan program is designed to impact recruitment and retention. In addition, the Town provides limited transitional housing for employees in units both leased and owned by the Town. Costs related to owned and leased units including homeowners association dues and general maintenance are accounted for in this fund as well. This fund was previously reported as an Enterprise Fund prior to January 1, 2007.

**Capital Projects Fund** – This fund accounts for all General Fund capital expenditures over \$10,000. The Town accounts for the capital expenditures in this fund to facilitate the monitoring of operations in the Town’s General Fund departments.

**PROPRIETARY FUNDS**

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

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

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

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***BASIS OF PRESENTATION*** (Continued)

***Fund Financial Statements*** (Continued)

**PROPRIETARY FUNDS** (Continued)

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

Garage Fund – This fund accounts for the administration and operating expenses associated with the repair and maintenance of Town vehicles and equipment. The Fund will also purchase new vehicles and equipment. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 2.4% of Garage Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

Information Services Fund – This fund is responsible for all aspects of the Town's computerized information systems. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 12.8% of Information Services Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

Facility Maintenance Fund – This fund is responsible for certain aspects of the Town's facilities maintenance and was created in 2007. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 8.8% of Facilities Maintenance Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING***

**Government-Wide and Proprietary Fund Financial Statements**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

All business-type activities and enterprise funds of the Town follow FASB Statements and interpretations issued on or before November 30, 1989. The Town also follows all Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1:**        **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** (Continued)

Government-Wide and Proprietary Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements

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

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

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, they are both restricted and unrestricted net assets available to finance the programs. It is the Town's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***BUDGETS***

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

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

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

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

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***BUDGETS*** (Continued)

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. The Town adopted several supplemental appropriations during the year. The Town adopted supplemental budgets totaling \$19,236,603 as follows:

	<u>Original</u>	<u>Supplemental</u>	<u>Final</u>
	<u>Appropriation</u>	<u>Appropriations</u>	<u>Appropriation</u>
General Fund	\$ 21,689,285	\$3,509,289.00	\$ 25,198,574
Capital Fund	3,991,000	7,732,965	11,723,965
Marketing Fund	1,308,611	30,000	1,338,611
Excise Tax Fund	18,540,860	5,342,407	23,883,267
Affordable Housing Fund	413,861	2,417,442	2,831,303
Open Space Acquisition Fund	2,068,995	25,000	2,093,995
Water Fund	2,264,363	150,000	2,414,363
Information Systems Fund	885,246	29,500	914,746

***CASH AND INVESTMENTS***

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

***INVENTORY***

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

***CAPITAL ASSETS***

Property and equipment acquisitions made by the governmental funds are accounted for as expenditures of the fund, and are then capitalized in the government-wide financial statements. All purchased property and equipment are valued at cost, while donated assets are valued at their estimated fair market value as of the date received as a donation. The Town capitalizes assets with a useful life in excess of one year and a cost of \$5,000 or greater.

Public domain (“infrastructure”) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized as governmental activities in the government-wide financial statements.

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***CAPITAL ASSETS*** (Continued)

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

Buildings and improvements	5 - 100 years
Infrastructure	15 - 25 years
Collection and distribution systems	30 - 50 years
Machinery and equipment	3 - 15 years

The Town capitalizes interest costs during construction, however no interest was capitalized during 2007.

***BOND DISCOUNTS AND ISSUANCE COSTS***

For the government-wide presentation, bond discounts and issuance costs are deferred and amortized over the life of the bonds using the straight-line method. In the governmental fund types, bond discounts and issuance costs are recognized as current period expenditures. Bond discounts and issuance costs in the proprietary fund types are deferred and amortized over the life of the bonds using the straight-line method.

***COMPENSATED ABSENCES***

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

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

***LONG-TERM OBLIGATIONS***

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

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***PROPERTY TAXES***

Property taxes are levied December 10, and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

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

***ENCUMBRANCES***

The Town does not utilize encumbrance accounting.

***COMPARATIVE DATA***

Comparative total data for the prior year has been presented in most of the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in certain statements since their inclusion would make those statements unduly complex and difficult to read.

**NOTE 2: DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2007 follows:

Petty Cash	\$ 2,975
Cash Deposits	1,550,139
Investments	<u>42,440,837</u>
<b>Total</b>	<b><u>\$ 43,993,951</u></b>

The above amounts are classified in the combined balance sheets as follows:

Cash and Investments	\$ 39,489,537
Restricted for Debt Service (Note 5)	937,562
Restricted for Child Care Facility	<u>3,566,852</u>
<b>Total</b>	<b><u>\$ 43,993,951</u></b>



**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 2: DEPOSITS AND INVESTMENTS (Continued)**

**Cash Deposits**

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$100,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2007, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<b>Bank Balance</b>	<b>Carrying Balance</b>
FDIC Insured	\$ 100,000	\$ 100,000
PDPA Collateralized	2,672,030	1,450,139
<b>Total</b>	<b>\$ 2,772,030</b>	<b>\$ 1,550,139</b>

**Investments**

Credit Risk

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

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

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 2: DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

Credit Risk (Continued)

The Town's investments are invested as follows:

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity In Years</u>	<u>% of Investment Portfolio</u>
U.S. Instrumentalities				
FHLB	AAA	\$ 6,218,342	0.38	15%
FHLMC	AAA	4,498,147	0.65	11%
FNMA	AAA	11,713,453	0.77	28%
Local Government Pools	AAAm	18,713,727	0.00	45%
Pension Mutual Funds	AA1	527,578	0.00	1%
Mutual Funds	AAA	2,028	0.00	0%
<b>Total Investments</b>		<b><u>\$ 41,673,275</u></b>	<b>0.34</b>	<b><u>100%</u></b>

During the year ended December 31, 2007, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation.

Interest Rate Risk

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

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer. More than 5 percent of the Town's investments are in FHLB, FNMA, and FHLMC securities. These investments are 15%, 28%, and 11%, respectively, of the Town's total investments.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2007, the Town's U.S. Treasury and Instrumentality securities were held by Davidson Fixed Income Management in the name of the Town.

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 3: RECEIVABLES**

**Down Payment Assistance Loans – Affordable Housing Fund**

The Town provides down payment assistance loans for eligible employees as part of a recruitment and retention program. As of December 31, 2007, there were five loans outstanding for a total of \$51,613. These loans have been recorded as a receivable in the Affordable Housing Fund. The Town has recorded a reservation of fund balance in the Affordable Housing Fund to offset the long-term receivable.

**Mortgages Receivable – General Fund**

A mortgage note was issued to a day care provider as of May 1, 2005 for \$300,000 for the construction of a new facility. The loan bears interest at 5% per annum and requires 240 monthly payments of \$1,981 through May 2025. The Town wrote off the remaining \$289,499 balance of this note during 2007.

**Special Assessments Receivable**

During 1998, the Town created a Special Improvement District for the purposes of creating additional parking. The Town financed the entire project and assessed local business for their proportionate share of the costs. If full payment was not made at inception, any remaining balance is assessed over a period of ten years at 7% interest on any unpaid balance. The County Treasurer collects the assessments throughout the year and remits them to the Town. As December 31, 2007, there was \$90,959 of assessments still outstanding. This balance is included in accounts receivable in the Capital Fund with a corresponding unearned revenue balance.

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 4: CAPITAL ASSETS**

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

<b>Governmental Activities</b>				
	<b>Restated Bal.</b>			<b>Balance</b>
	<b>12/31/06</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/07</b>
<b>Capital Assets not being Depreciated:</b>				
Land	\$ 38,418,485	\$ 665,132	\$ -	\$ 39,083,617
<b>Capital Assets being Depreciated:</b>				
Buildings	36,014,391	4,754,026	-	40,768,417
Improvements	5,419,798	281,958	-	5,701,756
Infrastructure	9,137,187	1,485,966	-	10,623,153
Equipment	9,101,847	255,671	-	9,357,518
Equipment - Garage Svc	<u>3,570,143</u>	<u>595,434</u>	-	<u>4,165,577</u>
Total Capital Assets	<u>101,661,851</u>	<u>8,038,187</u>	-	<u>109,700,038</u>
<b>Accum. Depreciation:</b>				
Buildings	9,483,735	1,243,832	-	10,727,567
Improvements	1,006,083	190,523	-	1,196,606
Infrastructure	2,772,888	320,759	-	3,093,647
Equipment	8,038,787	303,333	-	8,342,120
Equipment - Garage Svc	<u>1,511,067</u>	<u>483,936</u>	-	<u>1,995,003</u>
Total Accum. Deprec.	<u>22,812,560</u>	<u>2,542,383</u>	-	<u>25,354,943</u>
<b>Net Capital Assets</b>	<b><u>\$ 78,849,291</u></b>	<b><u>\$ 5,495,804</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 84,345,095</u></b>

**Depreciation Expense**

General Government	\$ 318,155
Public Safety	233,682
Community Development	195,125
Public Works	624,487
Culture and Recreation	686,998
Motor Vehicle Maintenance	<u>483,936</u>
<b>Total Depreciation</b>	<b><u>\$ 2,542,383</u></b>

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 4: CAPITAL ASSETS (Continued)**

A summary of business-type capital assets at December 31, 2007 follows:

	<b>Business-type Activities</b>			<b>Balance 12/31/07</b>
	<b>Restated Bal. 12/31/06</b>	<b>Additions</b>	<b>Deletions</b>	
<b>Capital Assets not being Depreciated:</b>				
Land	\$ 5,829,311	\$ -	\$ 104,183	\$ 5,725,128
Water and Water Storage Rights	3,190,973	-	-	3,190,973
<b>Capital Assets being Depreciated:</b>				
Buildings	9,037,666	-	-	9,037,666
Improvements	33,253,187	978,200	-	34,231,387
Equipment	2,932,078	153,740	-	3,085,818
<b>Total Capital Assets</b>	<b>54,243,215</b>	<b>1,131,940</b>	<b>104,183</b>	<b>55,270,972</b>
<b>Accum. Depreciation:</b>				
Buildings	4,871,452	330,258	-	5,201,710
Improvements	10,401,432	979,208	-	11,380,640
Equipment	2,634,341	127,309	-	2,761,650
<b>Total Accum. Deprec.</b>	<b>17,907,225</b>	<b>1,436,775</b>	<b>-</b>	<b>19,344,000</b>
<b>Net Capital Assets</b>	<b>\$ 36,335,990</b>	<b>\$ (304,835)</b>	<b>\$ 104,183</b>	<b>\$ 35,926,972</b>

**Depreciation Expense**

Water Operations	\$ 845,309
Golf Course Operations	591,466
<b>Total Depreciation Expense</b>	<b>\$ 1,436,775</b>

Due to the change of the presentation of the Affordable Housing Fund from an Enterprise Fund to a Special Revenue Fund effective January 1, 2007, the Town's capital asset balances have been restated as follows:

**Affordable Housing Fund:**

Capital Assets	\$ 98,305
Accumulated Depreciation	(33,696)
<b>Net Restatement 1/1/07</b>	<b>\$ 64,609</b>

	<b>Govt. Act.</b>	<b>Bus. Type Act.</b>	<b>Total</b>
Beginning Balance	\$ 78,965,054	\$ 36,400,599	\$ 115,365,653
Affordable Housing Restatement	64,609	(64,609)	-
<b>Restated Beginning Balance</b>	<b>\$ 79,029,663</b>	<b>\$ 36,335,990</b>	<b>\$ 115,365,653</b>

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2007

**NOTE 5: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the year ended December 31, 2007.

	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/07</u>	<u>Current</u> <u>Portion</u>
<b>Governmental Activities:</b>					
1998 GO Recreation Bonds	\$ 2,350,000	\$ -	\$ 295,000	\$ 2,055,000	\$ 305,000
2005 CWRPDA Note Payable	4,165,000	-	160,000	4,005,000	165,000
Certificates of Participation	5,760,000	3,620,000	580,000	8,800,000	725,000
Debt Premiums	52,000	150,998	9,000	193,998	-
Accrued Compensated Absences	462,226	921,470	884,347	499,349	49,935
<b>Total Governmental Activities</b>	<b>\$ 12,789,226</b>	<b>\$ 4,692,468</b>	<b>\$ 1,928,347</b>	<b>\$ 15,553,347</b>	<b>\$ 1,244,935</b>

	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/07</u>	<u>Current</u> <u>Portion</u>
<b>Business-Type Activities:</b>					
1999A GO Recreation Bonds	\$ 3,960,000	\$ -	\$ 490,000	\$ 3,470,000	\$ 515,000
Colo Water Conservation Board Note Payable - Blue River	706,437	-	32,366	674,071	33,661
Capital Lease Payable	100,858	-	49,418	51,440	51,440
Accrued Compensated Absences	49,731	77,888	76,900	44,545	4,455
<b>Total Business-Type Activities</b>	<b>\$ 4,817,026</b>	<b>\$ 77,888</b>	<b>\$ 648,684</b>	<b>\$ 4,240,056</b>	<b>\$ 604,556</b>

**General Obligation Bonds**

In 1998, the Town issued \$4,125,000 of General Obligation Bonds. The bonds were used for the construction of an indoor ice arena. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1. Final payment on the bonds is due December 1, 2013. The bonds bear interest at rates ranging from 3.50% to 4.50%. Payments on the bonds are made by the General Fund.

In 1999, the Town issued \$6,875,000 of General Obligation Bonds. The bonds were used for expansion of the Town's golf course. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1. Final payment on the bonds is due December 1, 2013. The bonds bear interest at rates ranging from 3.75% to 5.00%. Payments on the bonds are being made by the Golf Course Fund. For the year ended December 31, 2007, approximately 2.5% of the payments were subsidized by the General Fund due to proceeds that were utilized for Ice Rink improvements.

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 5: LONG-TERM DEBT** (Continued)

**Revenue Bonds**

In 1999, the Town issued \$2,300,000 of Excise Tax Revenue Refunding Bonds. The bonds were used to refund a previous Excise Tax Revenue Bond. The previous bond issue had been used for the purchase of land. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1. Final payment on the bonds is due December 1, 2006. The bonds bear interest at rates ranging from 3.50% to 5.00%. The bonds are secured by the Town's excise tax revenue. Payments are made by the Excise Tax Fund. These bonds were fully repaid as of December 31, 2006.

**Certificates of Participation**

During 2000, the Town issued Certificates of Participation in the amount of \$4,155,000. The proceeds of the transaction were used for acquisitions of certain real property. Under the terms of the agreements, semi-annual interest and annual principal payments are to be made through 2010 in varying amounts at interest rates ranging from 4.40% to 4.85%. Payments will be made by the General and Open Space Funds. These certificates were issued through the Town of Breckenridge Finance Authority and subsequently leased to the Town.

On September 27, 2005, the Town issued an additional \$4,005,000 for the acquisition of land and the construction of a police facility. The certificates require semi-annual interest and annual principal payments on May 15 and November 15 through November 2025. The Certificates bear interest at rates varying from 3.25-4.50%. Payments are made by the Excise Tax Fund. These certificates were issued through the Town of Breckenridge Finance Authority and subsequently leased to the Town.

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

The certificate of participation issuances require a cash reserve of the lessor of 10% of the overall issuance, the maximum annual debt service amount, or 125% of the average annual debt service amount. As December 31, 2007, the restricted cash requirement was \$767,562, or 125% of the average of the remaining annual debt service requirements with the reserve recorded in the Excise Tax Fund.

**Notes Payable**

During 1996, the Town assumed \$990,016 in debt from the Blue River Water District, payable to the Colorado Water Conservation Board. Terms of the loan require annual payments of \$60,624, including interest at 4%, through the year 2022. The debt payments are secured and paid by the Utility Fund.

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 5: LONG-TERM DEBT** (Continued)

**Notes Payable** (Continued)

On May 1, 2005, the Town entered into \$4,500,000 loan agreement with the Colorado Water Resources and Power Development Authority ("CWRPDA"). The loan was used in the acquisition of 1,267 acres of land and the related mine drainage water treatment system known as the B&B property. Upon CWRPDA's closing of this financing CWRPDA modified the proceeds of the loan to be \$4,320,000 of loan and \$180,000 of issuance premiums. As of December 31, 2005 the full \$4,320,000 of loan and \$52,000 of the premiums had been drawn. During 2007, the remaining \$128,000 of premiums were drawn. The loan requires a pledge of ad valorem property taxes of up to \$377,900 per year without limitation as to rate. The loan bears interest at 3.35% per annum plus an annual administrative fee of \$34,560. The loan requires semi-annual payments of principal and interest on February 1 and August 1 through August 2026. The loan requires a three month operations and maintenance reserve not to exceed \$1,250,000. The debt payments are expected to be liquidated through the Open Space Fund.

**Capital Leases Payable**

On July 1, 2005, the Town entered into a capital lease agreement for the purchase of \$205,389 of golf carts. The lease requires four annual payments of \$53,545 with future years' payments due on January 25 through January 2008. The lease includes interest at 3.97%. The lease purchase agreement is subject to annual appropriation. The Golf Course Fund is responsible for the lease payments.

**Debt Issuance Costs**

As of December 31, 2007, the Town has \$84,971 of unamortized issuance costs related to the 1999 Golf Course General Obligation Bonds. The issuance costs are amortized over the life of the bonds.

As of December 31, 2007, the Town has \$29,600 of unamortized issuance costs related to the 1998 Recreation General Obligation Bonds. The issuance costs are amortized over the life of the bonds.

As of December 31, 2007, the Town had fully amortized the issuance costs related to the 1999 Excise Tax Revenue Bonds.

As of December 31, 2007, the Town has \$25,732 of unamortized issuance costs related to the 2000 Certificates of Participation. The issuance costs are amortized over the life of the debt.

As of December 31, 2007, the Town has \$161,087 of unamortized issuance costs related to the 2005 Certificates of Participation. The issuance costs are amortized over the life of the debt.

As of December 31, 2007, the Town has \$142,998 of unamortized issuance costs related to the 2007 Certificates of Participation. The issuance costs are amortized over the life of the debt.



**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 5: LONG-TERM DEBT** (Continued)

**Future Debt Service Requirements**

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

<b>Governmental Activities</b>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,195,000	\$ 546,307	\$ 1,741,307
2009	1,250,000	546,307	1,796,307
2010	1,280,000	494,375	1,774,375
2011	825,000	440,558	1,265,558
2012	855,000	407,741	1,262,741
2013-2017	3,135,000	1,610,596	4,745,596
2018-2022	3,270,000	1,010,806	4,280,806
2023-2027	3,050,000	394,698	3,444,698
Total Bond, Note & COP Payments	<u>\$ 14,860,000</u>	<u>\$ 5,451,388</u>	<u>\$ 20,311,388</u>

<b>Business-Type Activities</b>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 548,661	\$ 195,586	\$ 744,247
2009	575,007	170,549	745,556
2010	596,407	143,229	739,636
2011	627,864	114,613	742,477
2012	654,378	84,188	738,566
2013-2017	871,817	113,803	985,620
2018-2022	269,937	33,246	303,183
Total Bond and Note Payments	<u>\$ 4,144,071</u>	<u>\$ 855,214</u>	<u>\$ 4,999,285</u>

The present value of the future minimum lease payments on the capital leases are as follows:

<b>Business-Type Activities</b>	
<b>Future Minimum Lease Payments</b>	
<u>Year</u>	<u>Total</u>
2008	\$ 53,545
Interest included in above payments	(2,105)
<b>Present value of future minimum lease payments</b>	<b><u>\$ 51,440</u></b>

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 6: INTERFUND BALANCES**

As of December 31, 2007, the Town had no interfund balances:

It is the Town's policy to report all sales, accommodations and real estate transfer taxes into the Excise Tax Fund and then distribute these receipts to the other funds for operating purposes. As the Town funds its capital projects through the Capital Fund, the Town transfers their Conservation Trust proceeds to the Capital Fund as allowed projects are completed. The transfer from the Water Fund to the General Fund represents partial reimbursement of support services provided by the General Fund. During the year ended December 31, 2007, the Town made the following transfers:

General Fund from Utility Fund	\$ 371,631
General Fund from Excise Tax Fund	13,648,291
Capital Fund from Excise Tax Fund	8,358,465
Capital Fund from Conservation Trust Fund	30,000
Marketing Fund from Excise Tax Fund	130,000
Golf Course Fund from Excise Tax Fund	262,250
Affordable Housing Fund from Excise Tax Fund	986,423
Utility Fund to General Fund	(371,631)
Excise Tax Fund to General Fund	(13,660,541)
Excise Tax Fund to Capital Fund	(8,358,465)
Excise Tax Fund to Golf Course Fund	(250,000)
Excise Tax Fund to Marketing Fund	(130,000)
Excise Tax Fund to Affordable Housing Fund	(986,423)
Conservation Trust Fund to Capital Fund	<u>(30,000)</u>
Net Transfers	<u>\$ -</u>

**NOTE 7: RETIREMENT COMMITMENTS**

**Money Purchase Pension Plan**

The Town provides pension benefits for its employees through a defined contribution money purchase plan. The plan is administered by the ICMA Retirement Corporation. Covered employees are required to participate in the plan from the date of employment and are fully vested after six years of continuous service. The plan provisions can be modified by the Town Council. The Town contributes an amount equal to 7% of the covered employee's salary each month. Contributions totaled \$517,198 in 2007. The Town has no liability for this plan beyond its current annual contribution.

**Deferred Compensation Plan**

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

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2007

**NOTE 8: RECONCILIATION OF GAAP BASIS REVENUES AND EXPENSES TO BUDGETARY BASIS (NON-GAAP)**

Following is a reconciliation of GAAP revenues and expenses to the budgetary basis of accounting (non-GAAP basis) for the Proprietary Funds:

	Utility Fund	Golf Course Fund	Garage Services Fund	Information Services Fund	Facilities Maint. Fund
GAAP Basis Revenues	\$ 4,308,025	\$ 2,677,188	\$ 1,787,169	\$ 883,215	430,408
Developer Contributions	(978,200)	-	-	-	-
(Gain) Loss on Sale of Assets	-	-	-	-	-
Budget Basis Revenues	<u>\$ 3,329,825</u>	<u>\$ 2,677,188</u>	<u>\$ 1,787,169</u>	<u>\$ 883,215</u>	<u>\$ 430,408</u>
GAAP Basis Expenses	\$ 3,205,461	\$ 2,106,117	\$ 1,514,028	\$ 859,713	20,689
Depreciation	(845,309)	(591,466)	(483,935)	-	-
Capital Outlay	-	153,740	595,434	-	-
Debt Service Principal	32,366	539,418	-	-	-
Budget Basis Expenditures	<u>\$ 2,392,518</u>	<u>\$ 2,207,809</u>	<u>\$ 1,625,527</u>	<u>\$ 859,713</u>	<u>\$ 20,689</u>

**NOTE 9: RISK MANAGEMENT**

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

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

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

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

**TOWN OF BRECKENRIDGE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 9: RISK MANAGEMENT (Continued)**

Self Insurance

The Town partially self insures its medical and dental insurance claims. The Town provides coverage up to \$55,000 per employee and a total stop loss of \$1,389,348 or 125% of the prior year claims. The Town carries commercial insurance for all claims in excess of that amount. A summary of the Town's self insured claims and liability is as follows:

<u>IBNR Claim Liability</u>	<u>Beginning Balance</u>	<u>Actual Incurred</u>	<u>Provision for PY</u>	<u>Current Year Paid</u>	<u>Prior Year Paid</u>	<u>Ending Balance</u>
12/31/06	\$ 82,246	\$ 905,029	\$ 82,246	\$ 905,029	\$ 82,246	\$ 82,246
12/31/07	82,246	883,872	32,121	923,664	42,454	32,121

**NOTE 10: COMMITMENTS AND CONTINGENCIES**

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2007, the emergency reserve of \$1,247,000 was recorded in the General Fund.

Through the adoption of the 2008 budget the Town has designated the following fund balances/net assets for expenditure during subsequent years as of December 31, 2007.

Utility Fund	\$ 2,120,459
Conservation Trust Fund	14,400
Marketing Fund	195,219
Open Space Fund	140,026
Garage Services Fund	102,029
Information Systems Fund	57,883

**NOTE 11: AFFORDABLE HOUSING RESTATEMENT**

Due to changes related to the Town's Affordable Housing program, the fund classification was changed from an Enterprise Fund to a Special Revenue Fund effective January 1, 2007 with the following restatements required:

	<u>Govt. Act.</u>	<u>Bus. Type</u>	<u>Govt Funds</u>	<u>Prop. Funds</u>
Beginning Balance	\$ 98,342,598	\$ 36,769,932	\$ 34,201,409	\$ 41,062,447
Affordable Net Capital Assets	64,609	(64,609)	-	(64,609)
Affordable Other Net Assets	154,816	(154,816)	154,816	(154,816)
Restated Beginning Balance	<u>\$ 98,562,023</u>	<u>\$ 36,550,507</u>	<u>\$ 34,356,225</u>	<u>\$ 40,843,022</u>

**BUDGETARY COMPARISON SCHEDULES**  
**(Required Supplementary Information)**  
**(See Note 1 to Financial Statements for Budget Policies)**

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007			VARIANCE WITH FINAL BUDGET FAV/(UNFAV)	2006 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
<b>REVENUES</b>					
Taxes:					
Property Tax	\$ 2,048,981	\$ 2,048,981	\$ 2,043,173	\$ (5,808)	\$ 1,686,347
Specific Ownership Tax	115,000	115,000	141,368	26,368	115,659
Interest on Taxes	4,000	4,000	3,458	(542)	3,187
Total Taxes	<u>2,167,981</u>	<u>2,167,981</u>	<u>2,187,999</u>	<u>20,018</u>	<u>1,805,193</u>
Licenses and Permits:					
Liquor Licenses and Fees	15,800	15,800	16,324	524	14,587
Animal Licenses	500	500	1,077	577	530
Street Cut Permits	9,800	9,800	5,300	(4,500)	20,853
Building Inspection Permits	729,000	729,000	1,376,231	647,231	1,052,009
Electrical Inspection Permits	59,000	59,000	129,034	70,034	50,858
Plumbing and Mechanical Permits	96,000	96,000	159,714	63,714	144,862
Miscellaneous Licenses and Permits	15,000	15,000	52,313	37,313	15,760
Total Licenses and Permits	<u>925,100</u>	<u>925,100</u>	<u>1,739,993</u>	<u>814,893</u>	<u>1,299,459</u>
Intergovernmental:					
Motor Vehicle Fees	26,000	26,000	25,890	(110)	26,463
Highway Users	188,135	188,135	206,875	18,740	212,761
Road and Bridge Levy	180,000	180,000	185,788	5,788	183,504
Grants	48,200	48,200	230,918	182,718	141,450
Other	27,000	27,000	22,500	(4,500)	29,250
Total Intergovernmental	<u>469,335</u>	<u>469,335</u>	<u>671,971</u>	<u>202,636</u>	<u>593,428</u>
Charges for Services:					
Building Plan Review	-	-	-	-	512
Class A, B, C and D Fees	128,200	128,200	222,177	93,977	230,838
Plumbing and Mechanical Fees	73,000	73,000	110,997	37,997	86,604
Recreation Fees and Contributions	2,642,571	2,642,571	2,712,187	69,616	2,649,378
Subdivision Review	8,000	8,000	80	(7,920)	6,518
Sales of Publication	4,950	4,950	11,662	6,712	8,261
Cemetery Lots	4,000	4,000	6,650	2,650	500
Parking Fees	300,000	300,000	255,416	(44,584)	249,825
Development Impact	-	-	5,997	5,997	-
Other Charges	85,600	85,600	127,955	42,355	97,254
Total Charges for Services	<u>3,246,321</u>	<u>3,246,321</u>	<u>3,453,121</u>	<u>206,800</u>	<u>3,329,690</u>
Fines and Forfeits:					
Court Costs	8,000	8,000	8,067	67	6,222
Dog Fines	1,200	1,200	3,035	1,835	1,175
Parking Citations	142,000	142,000	134,007	(7,993)	117,698
Traffic Citations	55,000	55,000	83,029	28,029	60,923
Penal Fines	20,000	20,000	49,509	29,509	28,268
Other Fines	22,500	22,500	23,177	677	28,573
Total Fines and Forfeits	<u>248,700</u>	<u>248,700</u>	<u>300,824</u>	<u>52,124</u>	<u>242,859</u>
Investment Earnings	<u>350,000</u>	<u>350,000</u>	<u>828,584</u>	<u>478,584</u>	<u>705,839</u>
Miscellaneous:					
Rental Income	50,000	50,000	49,340	(660)	47,555
Vending Income	-	-	210	210	-
Insurance Recoveries	15,000	15,000	7,219	(7,781)	18,754
Mortgage Payments	-	-	5,942	5,942	8,276
Contributions and Donations	-	-	26,274	26,274	-
Other Income	162,000	162,000	140,256	(21,744)	113,058
Total Miscellaneous	<u>227,000</u>	<u>227,000</u>	<u>229,241</u>	<u>2,241</u>	<u>187,643</u>
<b>TOTAL REVENUES</b>	<u>7,634,437</u>	<u>7,634,437</u>	<u>9,411,733</u>	<u>1,777,296</u>	<u>8,164,111</u>

(Continued)

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

EXPENDITURES	2007			VARIANCE WITH FINAL BUDGET FAV/(UNFAV)	2006 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
Current					
General Government					
Legislative	143,267	144,267	119,910	24,357	124,692
Judicial	240,142	245,142	163,648	81,494	126,174
Legal	212,600	212,600	175,342	37,258	159,654
Executive and Management	1,253,839	1,329,539	1,017,602	311,937	840,106
Town Clerk	219,123	219,123	224,941	(5,818)	210,876
Finance	681,594	717,594	690,250	27,344	593,258
Total General Government	<u>2,750,565</u>	<u>2,868,265</u>	<u>2,391,693</u>	<u>476,572</u>	<u>2,054,760</u>
Public Safety					
Police Services	<u>3,127,621</u>	<u>3,127,621</u>	<u>2,809,887</u>	<u>317,734</u>	<u>2,841,099</u>
Community Development					
Planning Services	1,296,711	1,405,391	1,143,658	261,733	1,256,430
Building Services	402,930	404,411	381,454	22,957	350,062
Total Community Development	<u>1,699,641</u>	<u>1,809,802</u>	<u>1,525,112</u>	<u>284,690</u>	<u>1,606,492</u>
Public Works					
General Services	414,600	414,600	368,066	46,534	366,699
Street and Parks	3,450,002	3,450,002	3,493,834	(43,832)	2,941,964
Facilities Maintenance	1,426,643	1,426,643	1,150,288	276,355	1,245,186
Engineering and Construction	465,971	465,971	429,530	36,441	428,095
Public Transportation and Parking	2,056,593	2,193,993	2,067,358	126,635	1,832,479
Total Public Works	<u>7,813,809</u>	<u>7,951,209</u>	<u>7,509,076</u>	<u>442,133</u>	<u>6,814,423</u>
Culture and Recreation					
Recreation Programs	5,431,531	5,431,536	5,028,956	402,580	4,571,532
Grants to Other Agencies	147,275	3,232,565	3,231,780	785	3,788,131
Total Culture and Recreation	<u>5,578,806</u>	<u>8,664,101</u>	<u>8,260,736</u>	<u>403,365</u>	<u>8,359,663</u>
Capital Outlay	<u>169,750</u>	<u>228,483</u>	<u>207,417</u>	<u>21,066</u>	<u>182,613</u>
Debt Service					
Principal	439,923	439,923	405,000	34,923	390,000
Interest and Charges	109,170	109,170	130,346	(21,176)	142,672
Total Debt Service	<u>549,093</u>	<u>549,093</u>	<u>535,346</u>	<u>13,747</u>	<u>532,672</u>
TOTAL EXPENDITURES	<u>21,689,285</u>	<u>25,198,574</u>	<u>23,239,267</u>	<u>1,959,307</u>	<u>22,391,722</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,054,848)	(17,564,137)	(13,827,534)	3,736,603	(14,227,611)
OTHER FINANCING SOURCES (USES)					
Transfers In	<u>14,032,172</u>	<u>14,032,172</u>	<u>14,019,922</u>	<u>(12,250)</u>	<u>13,457,019</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(22,676)	(3,531,965)	192,388	3,724,353	(770,592)
FUND BALANCE - Beginning	<u>12,140,491</u>	<u>12,140,491</u>	<u>12,140,491</u>	<u>-</u>	<u>12,911,083</u>
FUND BALANCE - Ending	<u>\$ 12,117,815</u>	<u>\$ 8,608,526</u>	<u>\$ 12,332,879</u>	<u>\$ 3,724,353</u>	<u>\$ 12,140,491</u>

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -  
EXCISE TAX FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007			VARIANCE WITH FINAL BUDGET FAV/(UNFAV)	2006 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes	\$ 18,440,446	\$ 18,440,446	\$ 21,121,349	\$ 2,680,903	\$ 20,080,101
Interest	250,000	250,000	661,827	411,827	605,075
TOTAL REVENUES	<u>18,690,446</u>	<u>18,690,446</u>	<u>21,783,176</u>	<u>3,092,730</u>	<u>20,685,176</u>
EXPENDITURES					
Debt Service					
Principal	140,000	140,000	140,000	-	445,000
Interest and Charges	<u>157,838</u>	<u>157,838</u>	<u>157,338</u>	<u>500</u>	<u>191,000</u>
TOTAL EXPENDITURES	<u>297,838</u>	<u>297,838</u>	<u>297,338</u>	<u>500</u>	<u>636,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,392,608	18,392,608	21,485,838	3,093,230	20,049,176
OTHER FINANCING SOURCES					
Transfers Out	<u>(18,243,022)</u>	<u>(23,585,429)</u>	<u>(23,585,429)</u>	<u>-</u>	<u>(19,612,675)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	149,586	(5,192,821)	(2,099,591)	3,093,230	436,501
FUND BALANCE - Beginning	<u>12,107,946</u>	<u>12,107,946</u>	<u>12,107,946</u>	<u>-</u>	<u>11,671,445</u>
FUND BALANCE - Ending	<u>\$ 12,257,532</u>	<u>\$ 6,915,125</u>	<u>\$ 10,008,355</u>	<u>\$ 3,093,230</u>	<u>\$ 12,107,946</u>

See the accompanying Independent Auditors' Report.



TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -  
CONSERVATION TRUST FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007			2006 ACTUAL
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV/(UNFAV)	
REVENUES				
Intergovernmental	\$ 30,000	\$ 34,321	\$ 4,321	\$ 36,469
Interest	320	722	402	431
TOTAL REVENUES	30,320	35,043	4,723	36,900
OTHER FINANCING SOURCES (USES)				
Transfers Out	(30,000)	(30,000)	-	(30,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	320	5,043	4,723	6,900
FUND BALANCE - Beginning	14,296	14,296	-	7,396
FUND BALANCE - Ending	\$ 14,616	\$ 19,339	\$ 4,723	\$ 14,296

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -  
MARKETING FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007			VARIANCE WITH FINAL BUDGET FAV/(UNFAV)	2006 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes	\$ 516,581	\$ 516,581	\$ 600,657	\$ 84,076	\$ 534,080
Licenses and Permits	580,000	580,000	594,905	14,905	585,806
Interest	4,000	4,000	17,891	13,891	2,891
Miscellaneous	-	-	-	-	75
TOTAL REVENUES	1,100,581	1,100,581	1,213,453	112,872	1,122,852
EXPENDITURES					
Current					
General Government	1,308,611	1,338,611	1,293,223	45,388	1,124,563
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(208,030)	(238,030)	(79,770)	158,260	(1,711)
OTHER FINANCING SOURCES					
Transfers In	130,000	130,000	130,000	-	20,000
CHANGE IN FUND BALANCE	(78,030)	(108,030)	50,230	158,260	18,289
FUND BALANCE - Beginning	221,289	221,289	221,289	-	203,000
FUND BALANCE - Ending	\$ 143,259	\$ 113,259	\$ 271,519	\$ 158,260	\$ 221,289

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -  
AFFORDABLE HOUSING FUND**  
For the Year Ended December 31, 2007

	2007			VARIANCE WITH FINAL BUDGET FAV/(UNFAV)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Taxes	\$ -	\$ 280,000	\$ 244,990	\$ (35,010)
Charges for Services	-	20,000	83,580	63,580
Interest	1,000	1,000	20,038	19,038
Miscellaneous	44,000	44,000	14,298	(29,702)
TOTAL REVENUES	<u>45,000</u>	<u>345,000</u>	<u>362,906</u>	<u>17,906</u>
EXPENDITURES				
Current				
Community Development	413,861	1,331,303	821,150	510,153
Capital Outlay	-	1,500,000	78,802	1,421,198
TOTAL EXPENDITURES	<u>413,861</u>	<u>2,831,303</u>	<u>899,952</u>	<u>1,931,351</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(368,861)	(2,486,303)	(537,046)	1,949,257
OTHER FINANCING SOURCES				
Transfers In	368,981	1,868,981	2,486,423	617,442
CHANGE IN FUND BALANCE	120	(617,322)	1,949,377	2,566,699
FUND BALANCE - Beginning	-	154,816	-	(154,816)
Prior Period Adjustment	-	-	154,816	154,816
FUND BALANCE - BEGINNING (As Restated)	-	154,816	154,816	-
FUND BALANCE - Ending	<u>\$ 120</u>	<u>\$ (462,506)</u>	<u>\$ 2,104,193</u>	<u>\$ 2,566,699</u>

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**BUDGETARY COMPARISON SCHEDULE -  
OPEN SPACE ACQUISITION FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007			VARIANCE WITH FINAL BUDGET FAV/(UNFAV)	2006 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
<b>REVENUES</b>					
Taxes	\$ 1,605,286	\$ 1,605,286	\$ 1,799,014	\$ 193,728	\$ 1,642,562
Intergovernmental	14,000	14,000	15,000	1,000	620,000
Charges for Services	50,000	50,000	23,326	(26,674)	35,020
Interest	100,000	100,000	179,855	79,855	150,738
Miscellaneous	5,500	5,500	81,226	75,726	57,938
<b>TOTAL REVENUES</b>	<b>1,774,786</b>	<b>1,774,786</b>	<b>2,098,421</b>	<b>323,635</b>	<b>2,506,258</b>
<b>EXPENDITURES</b>					
Current					
Community Development	582,710	607,710	465,813	141,897	437,807
Capital Outlay	2,042,304	2,042,304	1,224,135	818,169	719,871
Debt Service					
Principal	697,195	697,195	490,000	207,195	470,000
Interest and Charges	-	-	207,670	(207,670)	216,705
<b>TOTAL EXPENDITURES</b>	<b>3,322,209</b>	<b>3,347,209</b>	<b>2,387,618</b>	<b>959,591</b>	<b>1,844,383</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,547,423)</b>	<b>(1,572,423)</b>	<b>(289,197)</b>	<b>1,283,226</b>	<b>661,875</b>
<b>OTHER FINANCING SOURCES</b>					
Proceeds from Debt Issuances	-	-	128,000	128,000	-
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	<b>(1,547,423)</b>	<b>(1,572,423)</b>	<b>(161,197)</b>	<b>1,411,226</b>	<b>661,875</b>
<b>FUND BALANCE - Beginning</b>	<b>3,402,526</b>	<b>3,402,526</b>	<b>3,402,526</b>	<b>-</b>	<b>2,740,651</b>
<b>FUND BALANCE - Ending</b>	<b>\$ 1,855,103</b>	<b>\$ 1,830,103</b>	<b>\$ 3,241,329</b>	<b>\$ 1,411,226</b>	<b>\$ 3,402,526</b>

See the accompanying Independent Auditors' Report.

## **OTHER SUPPLEMENTARY INFORMATION**

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***CAPITAL PROJECTS FUND***

TOWN OF BRECKENRIDGE, COLORADO

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

For the Year Ended December 31, 2007  
(With Comparative Totals for the Year Ended December 31, 2006)

	2007		VARIANCE WITH FINAL BUDGET FAV/(UNFAV)	2006 ACTUAL
	FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 279,500	\$ 589,126	\$ 309,626	\$ 2,530,003
Interest	70,000	175,916	105,916	126,884
Miscellaneous	80,000	813,603	733,603	84,549
TOTAL REVENUES	<u>429,500</u>	<u>1,578,645</u>	<u>1,149,145</u>	<u>2,741,436</u>
EXPENDITURES				
Current				
General Government	-	140,687	(140,687)	15,432
Capital Outlay	10,223,965	6,074,016	4,149,949	10,346,156
Debt Service				
Principal	-	-	-	15,421
Interest and Charges	-	-	-	468
TOTAL EXPENDITURES	<u>10,223,965</u>	<u>6,214,703</u>	<u>4,009,262</u>	<u>10,377,477</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,794,465)	(4,636,058)	5,158,407	(7,636,041)
OTHER FINANCING SOURCES				
Proceeds from Debt Issuances	-	3,642,998	3,642,998	-
Transfers In	3,663,500	8,388,465	4,724,965	6,030,000
Transfers Out	(1,500,000)	(1,500,000)	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(7,630,965)	5,895,405	13,526,370	(1,606,041)
FUND BALANCE - Beginning	<u>1,912,826</u>	<u>1,912,826</u>	<u>-</u>	<u>3,518,867</u>
FUND BALANCE - Ending	<u>\$ (5,718,139)</u>	<u>\$ 7,808,231</u>	<u>\$ 13,526,370</u>	<u>\$ 1,912,826</u>

See the accompanying Independent Auditors' Report.



***ENTERPRISE FUNDS***

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL -  
UTILITY FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007		VARIANCE- FAVORABLE (UNFAVORABLE)	2006 ACTUAL
	FINAL BUDGET	ACTUAL		
OPERATING REVENUES				
Charges for Services	\$ 2,193,290	\$ 2,223,472	\$ 30,182	\$ 2,052,409
Rental Income	-	1,200	1,200	7,238
Other Income	136,855	26,743	(110,112)	21,138
TOTAL OPERATING REVENUES	<u>2,330,145</u>	<u>2,251,415</u>	<u>(78,730)</u>	<u>2,080,785</u>
OPERATING EXPENSES				
Administration	1,722,308	1,604,182	118,126	1,579,096
Distribution Maintenance	90,000	281,747	(191,747)	868,980
Water Rights Maintenance	159,800	77,035	82,765	96,989
Capital Outlay	10,000	-	10,000	258,234
TOTAL OPERATING EXPENSES	<u>1,982,108</u>	<u>1,962,964</u>	<u>19,144</u>	<u>2,803,299</u>
OPERATING INCOME	348,037	288,451	(59,586)	(722,514)
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	98,857	220,566	121,709	183,911
Plant Investment Fees	551,250	857,844	306,594	1,071,967
Debt Service	(60,624)	(57,923)	2,701	(62,017)
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>589,483</u>	<u>1,020,487</u>	<u>431,004</u>	<u>1,193,861</u>
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	937,520	1,308,938	371,418	471,347
OTHER FINANCING SOURCES (USES)				
Transfers Out	(371,631)	(371,631)	-	(364,344)
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ 565,889</u>	937,307	<u>\$ 371,418</u>	107,003
GAAP BASIS ADJUSTMENTS				
Capital Outlay		-		170,342
Debt Service Principal		32,366		31,121
Developer Contributions		978,200		739,935
Depreciation		(845,309)		(847,073)
TOTAL GAAP BASIS ADJUSTMENTS		<u>165,257</u>		<u>94,325</u>
NET INCOME - GAAP BASIS		1,102,564		201,328
NET ASSETS - Beginning		<u>30,471,234</u>		<u>30,269,906</u>
NET ASSETS - Ending		<u>\$ 31,573,798</u>		<u>\$ 30,471,234</u>

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL -**  
**GOLF COURSE FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007		VARIANCE- FAVORABLE (UNFAVORABLE)	2006
	FINAL BUDGET	ACTUAL		ACTUAL
OPERATING REVENUES				
Charges for Services	\$ 2,071,970	\$ 2,263,060	\$ 191,090	\$ 2,138,456
Other Income	53,000	62,058	9,058	68,659
TOTAL OPERATING REVENUES	<u>2,124,970</u>	<u>2,325,118</u>	<u>200,148</u>	<u>2,207,115</u>
OPERATING EXPENSES				
Administration	214,110	128,237	85,873	136,557
Golf Course Maintanance	875,260	743,553	131,707	747,550
Golf Pro Shop	446,623	440,841	5,782	417,485
Capital Outlay	233,000	160,118	72,882	150,349
TOTAL OPERATING EXPENSES	<u>1,768,993</u>	<u>1,472,749</u>	<u>296,244</u>	<u>1,451,941</u>
OPERATING INCOME	355,977	852,369	496,392	755,174
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	30,000	89,820	59,820	65,613
Debt Service	(663,500)	(735,060)	(71,560)	(747,486)
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>(633,500)</u>	<u>(645,240)</u>	<u>(11,740)</u>	<u>(681,873)</u>
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	(277,523)	207,129	484,652	73,301
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>250,000</u>	<u>262,250</u>	<u>12,250</u>	<u>250,000</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ (27,523)</u>	469,379	<u>\$ 496,902</u>	323,301
GAAP BASIS ADJUSTMENTS				
Capital Outlay		153,740		139,375
Debt Service Principal		539,418		520,986
Depreciation		(591,466)		(611,714)
TOTAL GAAP BASIS ADJUSTMENTS		<u>101,692</u>		<u>48,647</u>
NET INCOME - GAAP BASIS		571,071		371,948
NET ASSETS - Beginning		<u>6,079,273</u>		<u>5,707,325</u>
NET ASSETS - Ending		<u>\$ 6,650,344</u>		<u>\$ 6,079,273</u>

See the accompanying Independent Auditors' Report.

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***INTERNAL SERVICE FUNDS***

TOWN OF BRECKENRIDGE, COLORADO

**INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET**

December 31, 2007

(With Comparative Totals for December 31, 2006)

	GARAGE SERVICES FUND	INFORMATION SERVICES FUND	FACILITY MAINTENANCE FUND	TOTALS	
				2007	2006
<b>ASSETS</b>					
<b>Current Assets</b>					
Equity in Pooled Cash and Investments	\$ 1,728,031	\$ 721,140	\$ 409,719	\$ 2,858,890	\$ 2,261,593
Prepaid Items and Deposits	62,562	-	-	62,562	62,562
<b>Total Current Assets</b>	<b>1,790,593</b>	<b>721,140</b>	<b>409,719</b>	<b>2,921,452</b>	<b>2,324,155</b>
<b>Noncurrent Assets</b>					
Capital Assets, net	2,170,574	-	-	2,170,574	2,059,076
<b>TOTAL ASSETS</b>	<b>3,961,167</b>	<b>721,140</b>	<b>409,719</b>	<b>5,092,026</b>	<b>4,383,231</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	54,102	24,167	-	78,269	80,633
Accrued Salaries	7,804	7,076	-	14,880	10,083
<b>TOTAL LIABILITIES</b>	<b>61,906</b>	<b>31,243</b>	<b>-</b>	<b>93,149</b>	<b>90,716</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, net of Related Debt	2,170,574	-	-	2,170,574	2,059,076
Unrestricted	1,728,687	689,897	409,719	2,828,303	2,233,439
<b>TOTAL NET ASSETS</b>	<b>\$ 3,899,261</b>	<b>\$ 689,897</b>	<b>\$ 409,719</b>	<b>\$ 4,998,877</b>	<b>\$ 4,292,515</b>

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**For the Year Ended December 31, 2007**  
**(With Comparative Totals for the Year Ended December 31, 2006)**

	GARAGE SERVICES FUND	INFORMATION SERVICES FUND	FACILITY MAINTENANCE FUND	TOTALS	
				2007	2006
OPERATING REVENUES					
Internal Service Revenue	\$ 1,784,669	\$ 883,215	\$ 230,408	\$ 2,898,292	\$ 2,300,332
Insurance Recoveries	-	-	-	-	14,128
TOTAL OPERATING REVENUES	<u>1,784,669</u>	<u>883,215</u>	<u>230,408</u>	<u>2,898,292</u>	<u>2,314,460</u>
OPERATING EXPENSES					
Depreciation and Amortization	483,935	-	-	483,935	439,876
Motor Vehicle Maintenance	1,124,960	-	-	1,124,960	1,141,319
Information Systems Maintenance	-	696,975	-	696,975	553,187
Small Equipment	(94,867)	162,738	20,689	88,560	84,612
TOTAL OPERATING EXPENSES	<u>1,514,028</u>	<u>859,713</u>	<u>20,689</u>	<u>2,394,430</u>	<u>2,218,994</u>
OPERATING INCOME (LOSS)	270,641	23,502	209,719	503,862	95,466
NON-OPERATING REVENUE (EXPENSE)					
Gain (Loss) on Sale of Assets	2,500	-	-	2,500	-
TRANSFERS					
Transfers In	-	-	200,000	200,000	185,000
NET INCOME (LOSS)	273,141	23,502	409,719	706,362	280,466
NET ASSETS - Beginning	<u>3,626,120</u>	<u>666,395</u>	<u>-</u>	<u>4,292,515</u>	<u>4,012,049</u>
NET ASSETS - Ending	<u>\$ 3,899,261</u>	<u>\$ 689,897</u>	<u>\$ 409,719</u>	<u>\$ 4,998,877</u>	<u>\$ 4,292,515</u>

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	GARAGE SERVICES FUND	INFORMATION SERVICES FUND	FACILITY MAINTENANCE FUND	TOTALS	
				2007	2006
Cash Flows From Operating Activities:					
Cash Received from Customers	\$ 1,784,669	\$ 883,215	\$ 230,408	\$ 2,898,292	\$ 2,314,460
Cash Paid to Suppliers	(696,116)	(577,880)	(20,689)	(1,294,685)	(1,170,576)
Cash Paid to Employees	(324,256)	(289,121)	-	(613,377)	(613,269)
Net Cash Provided by Operating Activities	<u>764,297</u>	<u>16,214</u>	<u>209,719</u>	<u>990,230</u>	<u>530,615</u>
Cash Flows From Capital and Related Financing Activities:					
Acquisition of Capital Assets	(595,433)	-	-	(595,433)	(14,000)
Proceeds from Sales of Assets	2,500	-	-	2,500	-
Cash Flows Used by Capital and Related Financing Activities	<u>(592,933)</u>	<u>-</u>	<u>-</u>	<u>(592,933)</u>	<u>(14,000)</u>
Cash Flows (Uses) From Noncapital Financing Activities:					
Transfers In	-	-	200,000	200,000	185,000
Net Increase (Decrease) in Cash	171,364	16,214	409,719	597,297	701,615
Cash - Beginning	<u>1,556,667</u>	<u>704,926</u>	<u>-</u>	<u>2,261,593</u>	<u>1,559,978</u>
Cash - Ending	<u>\$ 1,728,031</u>	<u>\$ 721,140</u>	<u>\$ 409,719</u>	<u>\$ 2,858,890</u>	<u>\$ 2,261,593</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:					
Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	\$ 270,641	\$ 23,502	\$ 209,719	503,862	95,466
Depreciation Expense	483,935	-	-	483,935	439,876
Changes in Assets and Liabilities Related to Operations:					
(Increase) Decrease in:					
Prepaid Items and Deposits	-	-	-	-	(10,064)
Increase (Decrease) in:					
Accounts Payable	6,773	(9,137)	-	(2,364)	5,778
Accrued Salaries	2,948	1,849	-	4,797	(441)
Total Adjustments	<u>493,656</u>	<u>(7,288)</u>	<u>-</u>	<u>486,368</u>	<u>435,149</u>
Net Cash Used for Operating Activities	<u>\$ 764,297</u>	<u>\$ 16,214</u>	<u>\$ 209,719</u>	<u>\$ 990,230</u>	<u>\$ 530,615</u>

See the accompanying Independent Auditors' Report.



TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL -  
GARAGE SERVICES FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007		VARIANCE- FAVORABLE (UNFAVORABLE)	2006
	FINAL BUDGET	ACTUAL		ACTUAL
OPERATING REVENUES				
Intergovernmental	\$ 1,616,000	\$ -	\$ (1,616,000)	\$ -
Insurance Recoveries	-	-	-	14,128
Internal Service Revenue	1,784,666	1,784,669	3	1,551,576
Other Income	41,207	-	(41,207)	-
TOTAL OPERATING REVENUES	<u>3,441,873</u>	<u>1,784,669</u>	<u>(1,657,204)</u>	<u>1,565,704</u>
OPERATING EXPENSES				
Motor Vehicle Maintenance	1,146,980	1,124,960	22,020	1,141,319
Capital Outlay	2,892,440	500,567	2,391,873	14,003
TOTAL OPERATING EXPENSES	<u>4,039,420</u>	<u>1,625,527</u>	<u>2,413,893</u>	<u>1,155,322</u>
OPERATING INCOME	(597,547)	159,142	756,689	410,382
NON-OPERATING REVENUE (EXPENSE)				
Gain (Loss) on Sale of Assets	2,500	2,500	-	-
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	(595,047)	161,642	756,689	410,382
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	185,000
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ (595,047)</u>	161,642	<u>\$ 756,689</u>	595,382
GAAP BASIS ADJUSTMENTS				
Capital Outlay		595,434		14,000
Depreciation		(483,935)		(439,876)
TOTAL GAAP BASIS ADJUSTMENTS		<u>111,499</u>		<u>(425,876)</u>
NET INCOME - GAAP BASIS		273,141		169,506
NET ASSETS - Beginning		<u>3,626,120</u>		<u>3,456,614</u>
NET ASSETS - Ending		<u>\$ 3,899,261</u>		<u>\$ 3,626,120</u>

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL -**  
**INFORMATION SERVICES FUND**

For the Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007		VARIANCE- FAVORABLE (UNFAVORABLE)	2006
	FINAL BUDGET	ACTUAL		ACTUAL
OPERATING REVENUES				
Internal Service Revenue	\$ 883,213	\$ 883,215	\$ 2	\$ 748,756
OPERATING EXPENSES				
Information Systems Maintenance	750,829	696,975	53,854	553,187
Capital Outlay	163,917	162,738	1,179	84,609
TOTAL OPERATING EXPENSES	914,746	859,713	55,033	637,796
NET INCOME (LOSS) - BUDGET (GAAP) BASIS	\$ (31,533)	23,502	\$ 55,035	110,960
NET ASSETS - Beginning		666,395		555,435
NET ASSETS - Ending		\$ 689,897		\$ 666,395

See the accompanying Independent Auditors' Report.

TOWN OF BRECKENRIDGE, COLORADO

**SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL -**  
**FACILITY MAINTENANCE FUND**  
 For the Year Ended December 31, 2007

	2007		VARIANCE- FAVORABLE (UNFAVORABLE)
	FINAL BUDGET	ACTUAL	
OPERATING REVENUES			
Internal Service Revenue	\$ 230,410	\$ 230,408	\$ (2)
OPERATING EXPENSES			
Capital Outlay	<u>65,875</u>	<u>20,689</u>	<u>45,186</u>
OPERATING INCOME	164,535	209,719	45,184
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET INCOME (LOSS) - BUDGET (GAAP) BASIS	<u>\$ 364,535</u>	409,719	<u>\$ 45,184</u>
NET ASSETS - Beginning		<u>-</u>	
NET ASSETS - Ending		<u>\$ 409,719</u>	

See the accompanying Independent Auditors' Report.

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**STATISTICAL**

Town of Breckenridge  
Net Assets By Component  
Fiscal Years 2003 - 2007  
*(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 54,432,039	\$ 57,067,794	\$ 57,245,557	\$ 66,778,566	\$ 69,600,579
Restricted	3,922,072	3,339,161	5,569,827	3,781,803	9,822,793
Unrestricted	16,116,695	20,739,867	26,573,745	27,782,229	28,293,244
Total governmental activities net assets	<u>74,470,806</u>	<u>81,146,822</u>	<u>89,389,129</u>	<u>98,342,598</u>	<u>107,716,616</u>
Business Type Activities					
Invested in capital assets, net of related debt	30,675,910	31,201,772	31,710,682	31,728,082	31,811,977
Restricted	-	-	410,619	658,239	490,741
Unrestricted	4,655,786	4,183,943	4,045,482	4,383,611	5,921,424
Total business-type activities net assets	<u>35,331,696</u>	<u>35,385,715</u>	<u>36,166,783</u>	<u>36,769,932</u>	<u>38,224,142</u>
Primary government					
Invested in capital assets, net of related debt	85,107,949	88,269,566	88,956,239	98,506,648	101,412,556
Restricted	3,922,072	3,339,161	5,980,446	4,440,042	10,313,534
Unrestricted	20,772,481	24,923,810	30,619,227	32,165,840	34,214,668
Total primary government	<u>\$ 109,802,502</u>	<u>\$ 116,532,537</u>	<u>\$ 125,555,912</u>	<u>\$ 135,112,530</u>	<u>\$ 145,940,758</u>

Source: Town of Breckenridge Financial Statements.  
Financial information presented retroactively back to GASB 34 implementation in 2003.

**Town of Breckenridge**  
**Changes in Net Assets**  
**Fiscal Years 2003 - 2007**  
*(accrual basis of accounting)*

	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,958,318	\$ 3,026,582	\$ 3,562,916	\$ 3,649,961	\$ 4,199,262
Public safety	2,412,822	2,557,034	3,156,366	3,245,369	3,084,336
Community development	1,263,783	1,398,735	1,689,560	5,490,335	2,575,428
Public works	5,744,453	5,769,861	6,946,963	7,784,093	8,242,509
Culture and recreation	3,812,827	4,163,350	4,815,523	5,374,905	9,067,586
Capital outlay	1,029,439	1,091,962	-	-	-
Debt service	303,576	223,747	-	593,603	504,590
Open space acquisition	248,840	284,594	563,050	437,807	465,813
Motor vehicle maintenance	930,096	785,259	1,350,558	1,581,198	1,514,028
Information systems maintenance	497,294	539,857	517,560	637,796	859,713
Depreciation unallocated	1,631,313	2,213,492	-	-	-
Facility Maintenance	-	-	-	-	20,689
Total governmental activities expenses	20,832,761	22,054,473	22,602,496	28,795,067	30,533,954
Business-type activities expenses					
Water operations	1,972,898	2,041,910	2,490,607	3,510,925	2,833,829
Golf operations	2,349,791	2,149,399	2,194,408	2,150,780	2,106,117
Affordable housing operations	127,145	52,909	42,682	53,554	-
Total business-type activities expenses	4,449,834	4,244,218	4,727,697	5,715,259	4,939,946
Total primary government expenses	25,282,595	26,298,691	27,330,193	34,510,326	35,473,900
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	833,107	771,517	850,337	915,674	946,865
Public safety	207,674	246,916	260,632	243,059	317,034
Community development	713,339	1,127,019	1,216,360	1,410,301	1,924,982
Public works	222,867	247,500	251,548	314,973	360,711
Culture and recreation	2,425,106	2,563,435	2,543,423	2,707,554	2,786,999
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Open space acquisition	-	528,701	77,262	35,020	23,326
Motor vehicle maintenance	1,368,468	1,445,160	1,504,553	1,551,576	1,784,668
Information systems maintenance	634,001	617,839	729,269	748,756	883,215
Facility Maintenance	-	-	-	-	230,408
Depreciation unallocated	-	-	-	-	-
Operating grants and contributions	349,030	1,259,816	558,364	587,296	725,298
Capital grants	1,018,468	1,271,193	2,329,228	3,318,182	1,465,211
Total governmental activities program revenues	7,772,060	10,079,096	10,320,976	11,832,391	11,448,717
Business-type activities:					
Charges for services:					
Water operations	1,638,606	1,628,945	1,702,970	2,061,933	2,240,615
Golf operations	1,924,865	1,832,591	2,059,117	2,205,720	2,323,918
Affordable housing operations	40,454	31,801	17,211	14,129	-
Capital grants and contributions	1,385,577	944,248	1,680,235	1,830,753	1,846,844
Total business-type activities program revenues	4,989,502	4,437,585	5,459,533	6,112,535	6,411,377
Total primary government program revenues	12,761,562	14,516,681	15,780,509	17,944,926	17,860,094
<b>Net (Expense)/Revenue</b>					
Government activities	(13,060,701)	(11,975,377)	(12,281,520)	(16,962,676)	(19,085,237)
Business-type activities	539,668	193,367	731,836	397,276	1,471,431
Total primary government net expense	(12,521,033)	(11,782,010)	(11,549,684)	(16,565,400)	(17,613,806)
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	1,427,120	1,554,780	1,566,493	1,686,347	2,043,173
Specific ownership taxes	92,371	98,479	104,148	115,659	141,368
Sales taxes	10,712,849	11,187,884	12,429,980	13,953,762	15,324,417
Accommodations taxes	1,392,933	1,512,117	1,655,112	1,890,054	2,164,253
Franchise taxes	343,442	464,627	544,054	601,707	602,106
Real estate transfer taxes	3,192,006	3,613,209	4,897,997	5,811,220	5,675,235
Other taxes	3,818	3,905	2,915	3,187	3,458
Unrestricted grants and contributions	16,500	24,750	38,250	29,250	22,500
Unrestricted investment earnings	190,734	281,602	837,118	1,591,858	1,884,835
Other general revenues	250,604	45,268	(94,127)	55,758	269,104
Transfers	350,196	72,200	92,200	49,344	109,381
Total governmental activities	17,972,573	18,858,821	22,074,140	25,788,146	28,239,830
Business-type activities:					
Unrestricted investment earnings	122,933	67,129	131,348	253,822	310,386
Other general revenues	67,977	4,289	10,084	1,395	1,199
Transfers	(350,196)	(72,200)	(92,200)	(49,344)	(109,381)
Total business-type activities	(159,286)	(782)	49,232	205,873	202,204
Total primary government	17,813,287	18,858,039	22,123,372	25,994,019	28,442,034
<b>Change in Net Assets</b>					
Governmental activities	4,911,872	6,883,444	9,792,620	8,825,470	9,154,593
Business-type activities	380,382	192,585	781,068	603,149	1,673,635
Total primary government	\$ 5,292,254	\$ 7,076,029	\$ 10,573,688	\$ 9,428,619	10,828,228

Source: Town of Breckenridge Financial Statements.  
Financial information presented retroactively back to GASB 34 implementation in 2003.

**Town of Breckenridge**  
**Fund Balances, Governmental Funds**  
**Fiscal Years 2003 - 2007**  
*(modified accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund					
Reserved	\$ 692,310	\$ 751,681	\$ 1,194,479	\$ 1,342,476	\$ 1,247,000
Unreserved	9,188,763	10,200,344	11,716,605	10,798,015	11,085,879
Total General Fund	<u>9,881,073</u>	<u>10,952,025</u>	<u>12,911,084</u>	<u>12,140,491</u>	<u>12,332,879</u>
All Other Governmental Funds					
Reserved	3,229,762	2,587,480	4,670,867	2,733,826	9,078,955
Unreserved, reported in:					
Special Revenue Funds	6,377,451	9,066,111	13,470,492	14,925,057	14,374,011
Capital Projects Fund	12,800	879,255	-	-	-
Total all other governmental funds	<u>9,620,013</u>	<u>12,532,846</u>	<u>18,141,359</u>	<u>17,658,883</u>	<u>23,452,966</u>
Total Governmental Funds Balance	<u>\$ 19,501,086</u>	<u>\$ 23,484,871</u>	<u>\$ 31,052,443</u>	<u>\$ 29,799,374</u>	<u>\$ 35,785,845</u>

Source: Town of Breckenridge Financial Statements.  
Financial information presented retroactively back to GASB 34 implementation in 2003.



**Town of Breckenridge**  
**Changes in Fund Balances, Governmental Funds**  
**Fiscal Years 2003 - 2007**  
*(modified accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>					
Taxes	\$ 17,164,539	\$ 18,435,001	\$ 21,200,698	\$ 24,061,936	\$ 25,954,009
Licenses and permits	1,268,129	1,599,363	1,676,535	1,885,265	2,334,898
Intergovernmental	1,156,915	1,465,298	2,711,800	3,779,900	1,310,418
Charges for services	2,747,156	3,515,512	3,064,593	3,295,708	3,560,027
Fines and forfeits	207,621	245,978	260,426	242,859	300,824
Interest	190,385	275,579	807,101	1,591,858	1,884,833
Miscellaneous	645,040	392,755	414,588	399,208	1,138,368
Total revenues	<u>23,379,785</u>	<u>25,929,486</u>	<u>30,135,741</u>	<u>35,256,734</u>	<u>36,483,377</u>
<b>Expenditures</b>					
General government	2,822,052	2,929,351	3,054,520	3,195,293	3,825,603
Public safety	2,405,967	2,549,933	2,609,440	2,841,099	2,809,887
Community development	1,508,566	1,681,190	1,859,301	2,044,299	2,812,075
Public works	5,529,717	5,763,373	6,047,543	6,814,444	7,509,076
Culture and recreation	3,800,585	4,154,014	4,289,493	4,705,364	8,260,736
Capital outlay	4,477,197	2,865,965	11,769,418	14,902,381	7,584,370
Debt service					
Principal	1,735,028	1,423,875	995,380	1,320,421	1,035,000
Interest and charges	509,520	442,773	441,474	550,845	495,354
Total expenditures	<u>22,788,632</u>	<u>21,810,474</u>	<u>31,066,569</u>	<u>36,374,146</u>	<u>34,332,101</u>
Excess of revenues over (under) expenditures	<u>591,153</u>	<u>4,119,012</u>	<u>(930,828)</u>	<u>(1,117,412)</u>	<u>2,151,276</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds for capital leases	-	-	8,406,199	-	-
Proceeds from Debt Issuances	-	-	-	-	3,770,998
Operating transfers in	13,417,200	13,503,177	13,943,875	19,507,019	25,024,810
Operating transfers out	(13,317,004)	(13,430,977)	(13,851,675)	(19,642,675)	(25,115,429)
Total other financing sources (uses)	<u>100,196</u>	<u>72,200</u>	<u>8,498,399</u>	<u>(135,656)</u>	<u>3,680,379</u>
Net changes in fund balances	<u>\$ 691,349</u>	<u>\$ 4,191,212</u>	<u>\$ 7,567,571</u>	<u>\$ (1,253,068)</u>	<u>\$ 5,831,655</u>
Debt services as a percentage of noncapital expenditures	12.3%	9.9%	7.4%	8.7%	5.7%

Source: Town of Breckenridge Financial Statements.

Financial information presented retroactively back to GASB 34 implementation in 2003.

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

Fiscal Year Ended December 31	Residential Property	Commercial & Industrial Property	Vacant & Agricultural Property	State Assessed	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated		Assessed Value as a Percentage of Actual Value
								Actual	Taxable Value	
1997	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	173,522,160	89,864,230	62,131,550	3,438,010	(12,988,400)	315,967,550	5.07	2,715,905,219	12%	
2005	193,206,920	91,853,350	68,807,250	163,960	(13,449,090)	340,582,390	5.07	2,981,790,061	11%	
2006	202,670,600	91,450,970	63,570,090	139,410	(13,449,090)	344,381,980	6.07	3,081,149,169	11%	
2007	260,132,490	105,052,815	85,043,670	3,737,240	(14,250,395)	439,715,820	7.52	3,887,310,100	11%	

Source: Summit County Assessor's Office.

Actual values of properties calculated prospectively with the implementation of GASB 44 in 2006. Values before year 2004 not readily available.

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

<b>Fiscal Year</b>	<b>Town of Breckenridge</b>	<b>Summit County</b>	<b>Summit School District</b>	<b>Colorado Mtn. College</b>	<b>Red, White &amp; Blue Fire</b>	<b>Colorado River Water Con.</b>	<b>Middle Park Water Con</b>	<b>Breckenridge San District</b>	<b>Total</b>
1998	6.030	11.469	25.597	3.539	4.500	0.309	0.108	-	51.552
1999	5.070	13.101	22.008	3.655	4.500	0.282	0.093	-	48.709
2000	5.070	12.953	21.842	3.997	4.800	0.283	0.093	-	49.038
2001	5.070	12.159	26.428	3.997	5.200	0.253	0.078	-	53.185
2002	5.070	12.081	26.554	3.997	6.200	0.255	0.078	-	54.235
2003	5.070	12.166	27.216	3.997	7.200	0.255	0.078	-	55.982
2004	5.070	12.144	23.832	3.997	7.200	0.252	0.078	-	52.573
2005	5.070	12.404	22.910	3.997	7.200	0.230	0.075	-	51.886
2006	6.070	12.364	22.848	3.997	8.500	0.221	0.075	-	54.075
2007	7.520	11.491	22.090	3.997	8.500	0.191	0.062	-	53.851

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

Source: Summit County Assessor's Office.

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

Taxpayer	Type of Business	2006			2007		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Vail Summit Resorts, Inc	Ski Area Owner, Developer	\$ 8,221,641.00	1	2.387%	\$ 17,125,237.00	1	3.895%
Gold Point Lodging & Realty, Inc.	Hotel/Retail Condo Resort & Management	\$ 6,694,240.00	2	1.944%	\$ 7,897,182.00	2	1.796%
Beaver Run Developments	Developer	\$ 4,466,364.00	3	1.297%	\$ 4,301,193.00	4	0.978%
Village at Breckenridge Acquisition Corp.	Hotel/Retail Condo Resort & Management	\$ 3,301,660.00	4	0.959%	\$ 3,335,186.00	5	0.758%
Main Street Station Shopping Center	Hotel/Retail Condo Resort & Management	\$ 2,902,314.00	5	0.843%	\$ 3,163,440.00	6	0.719%
Azco II LLC	Developer	\$ 2,394,622.00	6	0.695%	\$ 5,133,215.00	3	1.167%
Opfers Partners LLC	Developer/Shopping Centers	\$ 2,014,104.00	7	0.585%	\$ 2,232,441.00	10	0.508%
Merriott Ownership Resorts, Inc.	Developer	\$ 1,845,687.00	8	0.536%			0.000%
Main Street Station Vacation Club	Hotel/Retail Condo Resort & Management	\$ 1,722,566.00	9	0.500%	\$ 2,260,098.00	9	0.000%
Qwest Corporation	Communications	\$ 1,694,999.00	10	0.492%	\$ 2,864,823.00	7	0.514%
Peak 7 LLC	Developer				\$ 2,346,268.00	8	0.652%
Azco LLC	Developer				\$ 50,659,083.00		11.521%
<b>Total</b>		<b>\$ 35,258,197.00</b>		<b>10.238%</b>			

Source: Summit County Assessor's Office.

Principal Property Tax Payers are presented prospectively with the implementation of GASB 44 in 2006.

**Town of Breckenridge**  
**Taxable Sales and Sales Tax Collections By Category**  
**Fiscal Years 2006-2007**

<u><b>Taxable Sales</b></u>	<u>2006</u>	<u>Percent of Total</u>	<u>2007</u>	<u>Percent of Total</u>
Retail Sales	68,478,000	24%	79,850,961	23%
Restaurants/Bars	56,369,000	20%	68,837,452	20%
Short-Term Lodging	69,783,000	24%	92,049,283	26%
Grocery/Liquor Stores	38,874,000	14%	46,140,740	13%
Supplies	23,115,000	8%	34,535,259	10%
Utilities	28,232,000	10%	29,828,139	8%
<b>Total</b>	<u><u>\$ 284,851,000</u></u>	<u><u>100%</u></u>	<u><u>\$ 351,241,834</u></u>	<u><u>100%</u></u>

**Sales Tax Collected**

Retail Sales	3,354,476	24%	3,428,142	23%
Restaurants/Bars	2,761,302	20%	2,955,312	20%
Short-Term Lodging	3,418,403	24%	3,951,837	26%
Grocery/Liquor Stores	1,904,289	14%	1,980,903	13%
Supplies	1,132,316	8%	1,482,659	10%
Utilities	1,382,978	10%	1,280,574	8%
<b>Total</b>	<u><u>\$ 13,953,763</u></u>	<u><u>100%</u></u>	<u><u>\$ 15,079,427</u></u>	<u><u>100%</u></u>

Schedule of Taxable Sales By Category is presented prospectively with the implementation of GASB 44 in 2006.

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

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

<b>Fiscal Year</b>	<b>TOB Direct Rate</b>	<b>Summit County</b>	<b>State of Colorado</b>	<b>Total</b>
1998	2.50%	2.50%	3.00%	8.00%
1999	2.50%	2.50%	3.00%	8.00%
2000	2.50%	2.50%	3.00%	8.00%
2001	2.50%	2.50%	2.90%	7.90%
2002	2.50%	2.75%	2.90%	8.15%
2003	2.50%	2.75%	2.90%	8.15%
2004	2.50%	2.75%	2.90%	8.15%
2005	2.50%	2.75%	2.90%	8.15%
2006	2.50%	2.75%	2.90%	8.15%
2007	2.50%	2.875%	2.90%	8.275%

Source: State of Colorado, Town of Breckenridge

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

Fiscal Year Ended Dec 31	Taxes Levied for the Fiscal Year	Total Tax Collections	Percent of Total Tax Collections to Levy
1998	\$ 905,653	\$ 879,710	97.14%
1999	\$ 968,246	\$ 953,313	98.46%
2000	\$ 1,045,919	\$ 1,008,165	96.39%
2001	\$ 1,123,834	\$ 1,096,994	97.61%
2002	\$ 1,413,382	\$ 1,370,223	96.95%
2003	\$ 1,488,588	\$ 1,483,635	99.67%
2004	\$ 1,591,367	\$ 1,553,843	97.64%
2005	\$ 1,602,050	\$ 1,565,981	97.75%
2006	\$ 1,726,753	\$ 1,689,029	97.82%
2007	\$ 2,090,399	\$ 2,046,321	97.89%

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

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

**Town of Breckenridge**  
**Ratios of Outstanding Debt By Type**  
**Fiscal Years 2006 - 2007**

Fiscal Year	Governmental Activities			Business - Type Activities			Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
	Sales and Use Tax Revenue Bonds	Certificates of Participation	Notes Payable	Sales and Use Tax Revenue Bonds	Capital Leases	Notes Payable			
2006	\$ 2,350,000	\$ 5,812,000	\$ 4,165,000	\$ 3,960,000	\$ 100,858	\$ 706,374	\$ 17,094,232	25.36%	\$ 4,971
2007	\$ 2,055,000	\$ 8,993,998	\$ 4,005,000	\$ 3,470,000	\$ 51,440	\$ 674,071	\$ 19,249,509	27.64%	\$ 5,445

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

Schedule of Ratio of Outstanding Debt By Type is presented prospectively with the implementation of GASB 44 in 2006.



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

<u>Fiscal Year</u>	<u>Gen. Oblig. Bonded Debt Outstanding</u>	<u>Population</u>	<u>G.O Debt Per Capita</u>	<u>Assessed Valuation</u>	<u>Ratio of Debt to Assessed Valuation</u>
1998	7,220,000	2,192	3,294	\$ 160,571,550	4.50%
1999	13,615,000	2,397	5,680	\$ 206,295,660	6.60%
2000	12,520,000	2,408	5,199	\$ 221,663,430	5.65%
2001	11,410,000	2,728	4,183	\$ 278,773,540	4.09%
2002	10,205,000	3,110	3,281	\$ 293,607,170	3.48%
2003	8,960,000	3,181	2,817	\$ 313,879,060	2.85%
2004	7,785,000	3,253	2,393	\$ 315,986,100	2.46%
2005	7,065,000	3,335	2,118	\$ 340,582,390	2.07%
2006	6,310,000	3,406	1,853	\$ 344,381,980	1.83%
2007	5,525,000	3,535	1,563	\$ 439,715,820	1.26%

Source: Summit County Assessor's Office,  
Town of Breckenridge Financial Statements 1997-2007

**TOWN OF BRECKENRIDGE  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
December 31, 2007**

Jurisdiction	2007 Assessed Value	General Obligation Bonded Debt Outstanding	Percentage Applicable to Town	Amount Applicable to Town
Direct Debt:				
Town of Breckenridge	\$ 439,715,820	5,525,000	100%	5,525,000
Summit County	1,564,057,110	-	28%	-
Summit School District	1,557,428,290	66,675,000	28%	18,824,656
Colorado Mountain College	1,557,428,290	-	28%	-
Red, White & Blue Fire Protection District	694,203,450	-	63%	-
Colorado River Water Conservation District	1,564,057,110	-	28%	-
Middle Park Water Conservancy District	1,564,057,110	-	28%	-
Breckenridge Sanitation District	546,362,820	-	80%	-
Overlapping Debt:				24,349,656

Source: Individual Entities

**Town of Breckenridge  
Legal Debt Margin Information  
Fiscal Years 2006 - 2007**

<u>Legal Debt Margin Computation</u>	<u>2006</u>	<u>2007</u>
Maximum Debt Allowed:		
Actual value	\$ 3,081,205,030	\$ 3,887,310,000
Debt limit (3% of valuation)	0.03	0.03
Legal debt limit	\$ 92,436,151	\$ 116,619,300
 Debt Applicable to Limit:		
Total bonds outstanding	\$ 6,310,000	\$ 5,525,000
Less: Sales and Use Tax Revenue Bonds	\$ -	\$ -
Debt subject to limitation	\$ 6,310,000	\$ 5,525,000
Debt limit	\$ 92,436,151	\$ 116,619,300
Total net debt applicable to limit	\$ 6,310,000	\$ 5,525,000
Legal debt margin	\$ 86,126,151	\$ 111,094,300
Total net debt applicable to the limit as a percentage of debt limit	7%	5%

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

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

Schedule of Legal Debt Margin is presented prospectively with the implementation of GASB 44 in 2006.

**Town of Breckenridge  
Pledged Revenue Coverage  
Fiscal Years 2006 - 2007**

Fiscal Year	<u>Colorado Water Resources &amp; Power Development Authority</u>				Coverage
	Net Pledged Revenues	Debt Service			
		Principal	Interest		
2006	\$ 377,900	\$ 155,000	\$ 134,475	1.3	
2007	\$ 377,900	\$ 160,000	\$ 139,836	1.3	

Source: Town of Breckenridge Financial Statements

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

Schedule of Pledged Revenue Coverage is presented prospectively with the implementation of GASB 44 in 2006.

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

Fiscal Year	Breckenridge Population (1)	Summit County Population (2)	Median Family Income (2)(3)	School Enrollment (4)	Unemployment Rate (3)
1998	2,192	19,209	\$53,552	350	2.7%
1999	2,397	20,309	\$55,883	358	2.2%
2000	2,408	23,548	\$59,331	391	2.0%
2001	2,728	24,330	\$63,601	384	2.7%
2002	3,112	26,798	\$67,196	399	4.3%
2003	3,181	26,796	\$71,900	434	4.7%
2004	3,296	27,443	\$76,100	456	3.3%
2005	3,335	27,768	\$78,400	447	4.9%
2006	3,439	27,964	\$78,400	447	3.7%
2007	3,535	28,296	\$78,800	449	3.7%

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

(1) Town of Breckenridge Planning Department

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

(3) Statistics only available for Summit County

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

**Town of Breckenridge  
Principal Employers  
Fiscal Years 2006 - 2007**

Employer	Employees	Rank	Percentage of Total City Employment
Vail Resorts	788	1	14%
Summit County	439	2	8%
Town of Breckenridge	350	3	6%
Beaver Run	208	4	4%
Grand Timber	200	5	3%
City Market	118	6	2%
Colorado Mountain College	103	7	2%
Bubba Gump Resturant	89	8	2%
Resort Quest	60	9	1%
Mi Casa Resturant	52	10	1%
<b>Total</b>	<b>2,407</b>		<b>42%</b>

Total Employees within the Town of Breckenridge: 5,748

**Fiscal Year 2007**

Employer	Employees	Rank	Percentage of Total City Employment
Vail Resorts	994	1	43%
Town of Breckenridge	350	2	15%
Beaver Run	218	3	9%
Grand Timber	209	4	9%
Summit County	190	5	8%
City Market	123	6	5%
Bubba Gump Resturant	69	7	3%
Resort Quest	69	8	3%
Mi Casa Resturant	52	9	2%
Kenosha Steakhouse/Rita's	50	10	2%
<b>Total</b>	<b>2,324</b>		<b>100%</b>

Total Employees within the Town of Breckenridge:

Source: BOLT Licenses

Schedule of Principal Employers is presented prospectively with the implementation of GASB 44 in 2006.

**Town of Breckenridge**  
**Full-time Equivalent Town Government Employees by Department**  
**Fiscal Years 2006 - 2007**

	2006	2007
Administration	13	17
Finance	13	19
Community Development	19	19
Police	27	31
Public Works	84	88
Recreation	280	298
Golf Course	10	9
Total	446	481

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

Schedule of Full Time Equivalent Town Government Employees is presented prospectively with the implementation of GASB 44.

**Town of Breckenridge  
Operating Indicators by Function/Program  
Fiscal Years 2006 - 2007**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>
<u>Public Safety</u>		
Physical arrests	596	897
Traffic violations	2,577	3,310
Parking violations	6,870	5,572
<u>Municipal Water</u>		
Number of customers	3,812	3,987
Residential	3,522	3,695
Commercial	290	292
Water gallons billed to customers	480,748,000	481,045,000
Residential	385,893,000	389,069,000
Commercial	94,855,000	91,976,000
Average residential daily consumption in gallons per customer per day	304	292
<u>Public Works</u>		
Street resurfacing (miles)	0.73	0.76
Resurfacing as a percentage of total street miles	1.8%	1.8%
<u>Transit</u>		
Total route miles	317,480	371,480
Passengers	529,231	538,116
<u>Administration</u>		
Business licenses	4,441	4,826
In Town	547	557
Lodges	12	8
Nonprofits	40	45
In-Home	83	92
Vendor	688	780
Seasonal Vendor	432	533
Short Term Rental	2,576	2,739
Chalet Homes	6	6
Other Lodging	57	66

Source: Town of Breckenridge Departmental Statistics.

Schedule of Operating Indicators by Function/Program is presented prospectively with the implementation of GASB 44.



**Town of Breckenridge  
Capital Asset Indicators by Function/Program  
Fiscal Years 2006 - 2007**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>
<u>Police</u>		
Stations	1	1
Patrol units	12	12
<u>Public Works</u>		
Street miles	40.17	40.17
Streetlights	882	882
Traffic signals	2	2
Total Town area	5.78	5.78
<u>Culture and Recreation</u>		
Golf (number of holes)	27	27
Recreation Centers	1	1
Parks	2	2
Baseball, soccer and multipurpose fields	5	5
Swimming Pools	2	2
Skateboard parks	1	1
Tennis courts	8	8
Trails in miles	20	20
Nordic ski trails in miles	14	14
Indoor ice rinks	1	1
Outdoor ice rinks	1	1
Performing Arts Theaters	2	2
<u>Municipal Water</u>		
Water mains in miles	100	100

Source: Town of Breckenridge Departmental Statistics.

Schedule of Capital Asset Indicators by Function/Program is presented prospectively with the implementation of GASB 44.

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**STATE COMPLIANCE**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Town of Breckenridge
	YEAR ENDING : December 2007
This Information From The Records Of (example - City of _ or County of Town of Breckenridge)	Prepared By: ROY D. MCGINNIS, CPA Phone: 970-547-3195

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

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

<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>	<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>
--	--

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)	4,688,433
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	713,655
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	147,653
2. General fund appropriations	3,677,838	b. Snow and ice removal	566,003
3. Other local imposts (from page 2)	326,856	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	713,656
5. Transfers from toll facilities		4. General administration & miscellaneous	1,033,569
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	575,146
a. Bonds - Original Issues		6. Total (1 through 5)	7,724,459
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	4,004,694	b. Redemption	
<b>B. Private Contributions</b>	3,487,000	c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	232,765	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	7,724,459	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<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>	
			7,724,459

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		7,724,459	7,724,459		0

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2007

**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	185,488	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	141,368	g. Other Misc. Receipts	
6. Total (1. through 5.)	141,368	h. Other	
c. Total (a. + b.)	326,856	i. Total (a. through h.)	0
	(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	206,875	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	25,890	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	25,890	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	232,765	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			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		3,487,000	3,487,000
(2). Capacity Improvements			0
(3). System Preservation		313,327	313,327
(4). System Enhancement & Operation		888,106	888,106
(5). Total Construction (1) + (2) + (3) + (4)	0	4,688,433	4,688,433
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,688,433	4,688,433
			(Carry forward to page 1)

Notes and Comments:

July 14, 2008

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

Dear Mayor and Town Council:

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Town of Breckenridge for the year ended December 31, 2007, and have issued our report thereon dated July 14, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 17, 2007, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Town of Breckenridge are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense is based on projected useful lives of the underlying assets. We evaluated the key factors and assumptions used to develop the depreciation expense calculation in determining that it is reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated July 14, 2008.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Capital Assets** – The Town's capitalization policy is to record and depreciate all assets having a useful life in excess of one year and a value of at least \$5,000. For the year ended December 31, 2007, the Town did not have an adequate process to capture and record capital asset activity on a timely basis. We have provided some suggestions related to this area including coding smaller capital purchases into separate accounts to reduce the amount of transactions that must be reviewed by staff at year end, and coding projects that are considered to be repairs and maintenance activity to non-capital outlay accounts.

**Capital Budgeting** – The Town's charter allows for non-lapsing appropriations related to capital projects. Depending upon the timing of these projects, appropriations may carry over from one fiscal year to the next. However, when the Town adopts its annual budget, unspent capital project funds are not identified for current year funding. While the Town does not have to reappropriate the unspent funds, we would suggest that these carryovers be recognized as current year resource requirements and clearly recognize how they affect available funding for new projects. In addition, we would recommend that the Town develop a process to track open projects currently so that this information can be readily incorporated as part of the annual budget process.

This information is intended solely for the use of the Mayor and Members of the Town Council and management of Town of Breckenridge and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Johnson, Holscher & Company, P.C.



## MEMORANDUM

**To:** Mayor and Town Council  
**From:** Rick Holman, Chief of Police  
**Date:** August 26, 2008  
**Subject:** Breckenridge Ski Resort Parking Plan for 08-09 Season

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At the Town Council retreat this past May there was discussion on the Breckenridge Ski Resort's (BSR) use of their parking inventory, more specifically the use of the Gold Rush lot for everyday free public parking and the related pedestrian safety issues. The Council was reminded at that time of the 2000 Development Agreement for the Gold Rush Lot which stated a variance was approved for the lot up to the time the lot occupancy exceeds 50% for a total of 30 days in a winter season. The lot was at total occupancy of 320 vehicles for most of last season. After the council retreat, the Mayor, Town Manager, and myself met with management at BSR to convey our desires to see something different done and alleviate the pedestrian safety issues coming from the Gold Rush Lot.

On August 12, 2008 I met with Rick Sramek and his staff to discuss 08-09 operational plans for parking. The following highlights the parking plan:

- The pay lots will remain the same for the start of the 08-09 season (\$10/day for Gondola North lot and \$5/day for Gondola South lot). This pay structure will be re-evaluating for usage after Christmas.
- BSR is losing 250 parking spaces on Peak 8, they will be maintaining approximately 100 spaces that will be employee only (mostly for admin building).
- BSR is losing the use of the postal lot, since it is for sale (about 150 spaces)
- BSR is going to encourage their employees to park in the Gold Rush Lot, they estimate their employees will occupy approx. one-half of that lot (160 spaces) which will take up the southern half of the lot first.
- The northern half of the Gold Rush Lot will be used for free public parking, once that 160 spaces is full, they will provide free public parking on Block 11.

The ski resort feels the gondola lots will be more utilized this year because of the loss of parking on Peak 8 and the Postal lot. BSR wants to work closely with the police department to develop signage and training for their staff to help alleviate any pedestrian traffic on Park Avenue.

I will be available during the Manager's Report at the next Council worksession to discuss this matter with you.



## **Memo Only**

To: Town Council  
From: James Phelps, Public Works and Jennifer Cram, Community Development  
Date: August 20, 2008  
Subject: 2009 MPB/Defensible Space Program Discussion

On June 24<sup>th</sup> staff provided the Council with an update on the status of the 2008 program and recommendations for the 2009 program. At that time it was agreed that the direction for the Town's program should be shifted to creating defensible space around structures and reforestation.

On July 24, 2008, staff held a public open house to answer questions about the 2008 MPB program and to start dialog about proposed changes for 2009. The minutes from the open house and a summary of what we heard were included for the Council in a memo in the August 12<sup>th</sup> packet.

On August 13, 2008, staff organized a meeting with some of the other municipalities within Summit County to see where their programs are headed for 2009 and if there are common issues. What we learned was that everyone is struggling with how to proceed. Everyone agrees that we can no longer cut our way out of this epidemic and that the number of red trees around Summit County is a concern. Creating defensible space is a priority for all communities. What to do with all of the woody biomass that will be created in the next few years is also a huge issue both in terms of staff resources and land commitments. There are some opportunities for reuse of the material, such as the new pellet plant in Kremmling. Reforestation was also discussed and is important. Staff plans to continue to meet with the other municipalities within Summit County to help to organize defensible space programs, continue discussions about the woody biomass disposal and reuse potential, as well as ideas for reforestation programs. We believe that it will be helpful to look at these issues on a regional basis and the development of similar requirements/programs throughout the County will be beneficial in terms of public education and participation.

### **2009 Program Issues**

#### **Continued Inspections and Enforcement of the Removal of Infested Trees**

During the public open house on July 24<sup>th</sup> staff discussed the potential to shift from the existing MPB Ordinance to a Defensible Space Ordinance. This was met with some resistance from the property owners that were present. They would like the Town to continue to require property owners to cut infested trees and to better enforce the ordinance.

We believe that it would make sense to amend the existing ordinance to require property owners to cut infested trees within 75 feet of a structure to meet defensible space goals, as an infested tree this season results in a dead tree the following season. Once defensible space is created, it will need to be maintained as long as the MPB epidemic remains. In order to continue to and better enforce the ordinance it does mean that the Town needs to be involved to some degree with the inspection of infested trees seasonally and in a

timely fashion. In June staff noted the difficulty of enforcing the existing ordinance with the existing process for obtaining property owner permission to inspect. Other municipalities have obtained blanket search warrants in order to inspect all of the properties within their jurisdiction in a timely manner. Accurate inspections is also challenging, in that our staff and hired contractors are not surveyors and do not know where property boundaries are in the field unless clearly marked. If we were to continue to provide free inspections, we are concerned that we do not currently have the staff resources to inspect all of the properties in Breckenridge in a timely manner. Staff would like to continue to sort through the issues related to the MPB ordinance with regard to inspections and enforcement and return in the near future with recommendations that include requirements for property owner permission and staff resource requirements.

- At this time does the Council have any input on whether we should continue to provide free inspections and/or continue enforcement of the removal of infested trees annually?

### **Defensible Space**

Staff is working with the Red White and Blue Fire District (RWB) to begin to identify those neighborhoods within the Town limits that are of the highest concern and therefore where defensible space is a requirement. This process will take some time. We are also trying to establish a reasonable time line in which the defensible space will have to be created. We are considering the time frame in which property owners can realistically accomplish the task before the risk of a forest fire is severe. We discussed three years as a possible timeline on June 24th, however this has been scrutinized by some of the property owners that attended the open house and the RWB is also concerned. We are currently considering 1-2 years for compliance.

- Does the Council have any input on the time frame for which defensible space should be created within Town limits on properties identified in high risk areas?

### **Woody Biomass Removal**

What to do with all of the woody biomass that has been generated and will continue to be generated is an issue. Currently we have a large pile of wood chips on Block 11. This pile will eventually go to the Climax mine as part of their reclamation. Most of the woody biomass that is not chipped in Breckenridge and other areas currently goes to the landfill. As noted above, there is some potential to put the woody biomass to better use at the Kremmling pellet plant and other mills in the area if a site for delivery, storage and removal could be identified. There is also a small return on this that could offset some of the costs associated with such a program. Again, staff is concerned about the staff resources and land commitment that a woody biomass removal program would require.

- Is the Council interested in looking at organizing a woody biomass removal program?

## **Summary**

Our goals for the future are clear; create defensible space around structures and start to regenerate healthier forests. However, the development of the programs to accomplish these goals is no easy task. Discussing the issues noted above will assist us in developing the necessary programs to reach our goals. We look forward to your input on August 26<sup>th</sup>.



**Date:** August 20, 2008 (for the August 26th Council meeting)

**To:** Breckenridge Town Council

**From:** Breckenridge Heritage Alliance (the Alliance)

**Subject:** Engine #9 Exhibit Location and Design Funding Decision Request

This memorandum outlines the recommendations of the Alliance for the return of Engine #9 to Breckenridge. These issues, recommendations, and the request for Council direction are pursuant to the 2007 Council approval of the list of Breck 150 projects proposed by the Alliance and are a commitment by the Alliance to partner with Council in finding the right location for the engine.

**Actions Requested:**

The Alliance recommends – and requests approval for – the following:

- Return of Engine #9 to Breckenridge in exchange for delivery of Engine #111 to the Colorado Historical Society - #9 delivery date approximately April 2009. Engine #9 will be in working order and will have to be sheltered and operate, at least to a very limited extent, under the exchange agreement with the Society.
- Funding not to exceed \$35,000 for a consultant to develop design and construction plans and cost projections for construction of an exhibit site in spring 2009. As recommended by BEDAC, operating costs will be developed separately in conjunction with Society operating requirements (certain details concerning the Society's operating requirements are currently under negotiation). Economic costs and benefits should also be evaluated, at least qualitatively.
- Selection of one of three sites – Wellington Lot, future Gondola Transit Center, or Rotary Snowplow Park – as the design analysis site. The Alliance recommends the Wellington site (\$35,000 - this quotation includes construction management costs and is not solely for design) but certainly agrees that other sites would lend themselves to successful interpretive displays. Each site has unique advantages and disadvantages, as outlined below. If Council is unable to select a single site, the Rotary Snowplow site may be included in the design analysis for an additional cost of \$22,000.

**Supporting Factors:**

- Return of the engine to a prominent location in Breckenridge would significantly enhance the Town's historic character and support the Town's heritage tourism program that generates significant activity and revenue for local businesses. Antique trains are a well-documented attraction for heritage tourists and railroad enthusiasts. Such tourists spend more and stay longer, on average.

- As a National Historic District, Breckenridge has a responsibility to preserve and enhance its history and heritage. The railroad was a vital factor in the development and sustainability of early Breckenridge. For over 50 years, Engine #9 brought people, food, and supplies – the Town’s lifeblood - to Breckenridge.
- The integration of an interesting, significant historic icon with a modern development – through location in either the Wellington or Transit Center sites - would blend the old with the new, providing an attractive transition. The train – with its sounds and motion - could be a “bread-crumbs” trail, luring people to Main Street from the gondola and other areas if placed in the Wellington location.
- Including expenditures for #111 that are included in the exchange arrangement, Breckenridge has \$195,308 invested in #9 (about \$170,000 for the engine and \$25,000 for track, switches, etc.) and will receive a beautifully restored engine in which the Society has invested about \$500,000. Such investments should be well displayed, utilized, cared for, and protected.

**Display Location Advantages and Disadvantages:**

Each of the three display locations has its advantages and challenges as follows (please note that projected construction and installation costs are very approximate at this time and will be solidified in the requested design analysis):

Wellington Parking Lot Location (very rough cost estimate: \$175,000 + design cost):

<b>Advantages</b>	<b>Challenges</b>
<ul style="list-style-type: none"> <li>• Highly visible, very accessible, interesting attraction near Town center</li> <li>• Easy walking distance to core historical sites like Carter Museum, Welcome Center, etc.</li> <li>• Integrates “old” and “historic” with “new” gondola lot development</li> <li>• Supports bread-crumbs trail to Main Street to draw people to shopping and dining areas</li> <li>• Supports Town’s Historic District to draw heritage tourists and railroad enthusiasts; would become a new landmark on Main St.</li> <li>• Site available immediately with moderate alteration; no need for future move/cost</li> <li>• Could support development of north Main St. and draw people to north Main St. year-round</li> </ul>	<ul style="list-style-type: none"> <li>• Eliminates 23 parking spaces on Main St. and Town’s original construction investment</li> <li>• Diminishes Wellington lot size for art fairs and similar events</li> <li>• Not original train location nor, possibly, visually compatible on Main Street</li> <li>• Requires sharing a planned bridge across Blue River (for possible Wellington Ave. extension) to run track into gondola development area</li> <li>• Requires construction of separate shelter, track placement, and landscaping</li> <li>• Possibly subject to FRA regulation</li> </ul>

Future Transit Center Location (cost impossible to estimate due to complex integration):

**Advantages**

- Fairly visible, easily accessible, reasonably close to downtown Breckenridge
- Reasonable walking distance to core historical sites such as Carter Museum, etc.
- Historically accurate location near old passenger terminal, High Line track location, etc; integrates “old” with “new”
- Supports and is compatible with Transit Center functionality; provides historic “color” to Transit Center and general development
- Train shelter could be built into planned Transit Center with Vail contributing to cost

**Challenges**

- Located in very congested area including pedestrians, buses, buildings, traffic, etc.
- Difficult to provide for safe train movement considering congestion, traffic, etc.
- Site not available for possibly 3-7 years until Transit Center is built; would require temporary location and future move/cost
- Might be construed to be part of, and owned by, Vail development and not connected to Town historic preservation efforts
- Probably subject to FRA regulation due to movement in public transit areas

Rotary Snowplow Park Location (very rough cost estimate: \$90,000 + design cost):

**Advantages**

- Probably least expensive option
- Fewest congestion and train movement challenges
- Historically accurate location near old High Line track over Boreas Pass
- Site available immediately with little alteration
- Already a railroad exhibit and track in place
- Probably least FRA complication of three potential sites

**Challenges**

- Not near Town center; difficult to get visitors to walk or drive to site; not very visible
- Does not contribute to historical fabric of downtown or of Historic District
- Does not contribute to support of Main St. businesses, visual experience of downtown area, etc.
- Requires construction of separate shelter
- May require realignment of current parking lot and/or driveway
- Could require future move and moving expense

**Ongoing Operating and Maintenance Costs**

Unfortunately, there have been some uncertainties regarding the ongoing maintenance and operating costs of Engine #9 after installation. Most of these uncertainties relate to the Colorado Historical Society and its responsibilities at the Georgetown Loop railroad. While Breckenridge is not involved in these matters, unfortunately Engine #9 is involved by way of the contract signed several years ago regarding the exchange of an operating #111 for #9.

As noted, negotiations are currently underway to frame a final delivery contract with the Society regarding the exchange. Until recently, the entire issue has been further clouded by the Society's potential need for locomotive power at Georgetown. Initially, it was thought that #9 could, if necessary, provide that power if #111 were not available for some reason. The recent entry of the Federal Railroad Administration (FRA) - with its set of operating regulations - has added further uncertainty for the Society at Georgetown. However, the FRA's entry has clarified one issue: that #9 will not be used in Georgetown, thus freeing the engine for return to Breckenridge. However, FRA requirements, if any, for use of #9 in Breckenridge are still under discussion. Additionally, until recently, the Society's ability to fund necessary restoration work on #9 has also been uncertain, but this problem has now been resolved.

Following are some pertinent facts and explanations surrounding these uncertainties:

- CHS has not made a final demand that Engine #9 be operable upon its return to Breckenridge. If the train were to be a static exhibit, maintenance would be minimal - primarily periodic painting - while operating costs would be nil. We are actively seeking clarification of this issue, and may have a response prior to the Town Council meeting on August 26.
- If operation is required and the Society obtains a boiler exemption from state regulators to enable the engine to operate in only a very limited capacity, maintenance and operating costs (including any paid labor versus volunteer labor) would be "X", with "X" being determined, in part, by the train's required minimum movement requirements (discussions are centering on a 100-ft. movement). It is very possible that operation and movement will be required only very occasionally, thus minimizing operating costs.

Before agreement between the Town and the Society is reached through a delivery contract, all of these issues will be resolved to the satisfaction of the Town. Negotiations are currently underway, but it is also necessary, despite the uncertainty, for us to plan for the future on the assumption that a satisfactory agreement will be reached.

Perhaps the most compelling argument that such an agreement will be reached is that the Society genuinely wants Engine #9 to return to Breckenridge. The return is certainly consistent with the Society's mission, and the Society would definitely like to see some reciprocal marketing [and](#) favorable publicity for itself after a very difficult situation that has gone on in Georgetown for several years.

## **BRECKENRIDGE ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

### **RECOMMENDATION TO TOWN COUNCIL**

**MEETING DATE:** August 14, 2008

**MEMBERS PRESENT:** Rick Hague, Steve Graham, Gene Baker, Tony Harris, Bonnie Smith-Allen, Leon Fetzer, Dick Sosville, Thomas Smits (Del Bush Absent).

**ITEM:** Train Park Location for Engine #9

#### **RECOMMENDATION:**

At the August 14<sup>th</sup> BEDAC meeting, the group assembled a list of projected line items applicable to each potential site location for Engine #9. Below is the list as it applies to all sites in addition to special site specific line items per location. Further, the group has made a recommendation regarding cost and benefit analysis at the end of this memo.

#### **Overall Comments and Points to Consider**

1. Should the Town delay the delivery of the Train? (Are there any costs associated?) Note that the CHS contract says they need to give the engine to the Town when Engine 111 is completed.
2. Should the Town deliver to Rotary Park temporarily until ready to go to selected site?
3. Should the Town design the shelter to be able to be relocated (with bolted foundation etc)-how much would it cost to move building and train?
4. BEDAC believes it is important to separate the Economic Impact and Cost Analysis for each location.
5. What is the cost to design one site vs. two or all three?
6. The Colorado Historical Society (CHS) requirements are unclear at this time and may impact the final location of the engine.
7. The location of the train in the Gondola lot may limit future design opportunities for Vail Resorts and the Town.
8. Because of CHS requirements, it is necessary to price different mechanical options to operate/move the train.

#### **Cost Items Applicable For All Locations:**

Design and Construction Documents- 2 bids for selected site

Order and place building

Signage

Landscape

Maintenance

Operations (by accredited company, if necessary)

Train transportation: i.e., Cost of moving train to site

Delivery cost to first site (Covered by CHS)



Security

Liability

Replacement cost and value (depreciated cost plus improvements) of the lost 23 parking spaces

How many additional parking spaces be lost if Wellington Street goes thru lot?

Economic impact statement –benefits and losses of each location (i.e., special event space- see below)

### **Location-Specific Items:**

#### **Location: Wellington**

*Phase 1*

Lay track and base, all prep work

Asphalt and walkway

Cost of moving train between sites; transportation

Replacement cost of lost parking spaces (23 spaces)

Will additional parking spaces be lost if street goes thru lot?

Special event space loss

#### **Location: Rotary Train Park**

Cost to relocate driveway (Design issue)

Walkway

Less landscaping

#### **Location: Transit Station (relocated)**

Lay track and base, all prep work

Cost of moving train between sites; transportation

Site/land costs (negotiations)

Land use compatibility

### **Additional Economic Analysis**

In addition to the hard costs, additional “soft” issues should be addressed by Town Council.

1. Existing businesses north of the lights at Ski Hill/Lincoln and Main Streets are finally seeing foot traffic from events in the Wellington Lots. Removing this space will again limit event opportunities in this part of town. What are the economic results to businesses in this area? Will the new businesses planning to locate north also lose this event impact?
2. With the profile of new businesses moving north on Main Street, will the size and scale of this project draw or inhibit the flow of the “bread crumb” trail from the Vail Resorts gondola redevelopment? For example, will the train cause traffic to go around it to the Southwest, by-passing businesses once again north of the lights?

3. Although heritage tourists will place value on the train, is this a specific type of tourist which substantially contributes to the Town economy? Does the average tourist place value on it so that it is a major attraction in the core of Town, or would the highest and best use of these parcels be better suited to another usage?
4. What is the cost of losing “close in” short term parking, not only in economic and immediate terms, but in terms of dollars to build it already expended?

BEDAC recognizes that many of the Town of Breckenridge amenities such as the Golf Course, Ice Rink, and Recreation Center do not have a dollar-for-dollar ROI, but lend an ambience and a benefit to the Town far beyond their economic contributions. However, we believe it is our mission to caution careful analysis before major location, as well as financial decisions are finalized.

Respectfully,

The Breckenridge Economic Development Commission



## MEMORANDUM

**TO:** Town Council  
**FROM:** Lynn Zwaagstra, Director of Recreation  
**DATE:** August 26, 2008  
**SUBJECT:** Continued Ice Skating Operations at Maggie Pond

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### **Background:**

The Town of Breckenridge and the Recreation Department were asked by the Southside Alliance in the fall of 2007 to consider assisting with opening Maggie Pond for ice skating. After discussion with council, it was agreed that the Stephen C. West Ice Arena staff would handle ice resurfacing for the Maggie Pond operations. This service would be the only service provided and the Southside Alliance would reimburse the Town for all incurred expenses. A legal agreement was implemented to this effect.

### **2007/2008 Report from the Southside Alliance by Chris Love:**

“From what I heard from our guests on and off the pond, everything went well and the guests loved it. The overall perception, experience and feeling of having an outdoor pond was one of our best amenities available this winter. There were also many requests, before and after we opened, if there was skating available on our pond. So, when it did open the comments were all positive.

The numbers are:

1. We had 162 waivers signed, most of which rented skates
  - a. We do not have a count of walk on skaters
2. SSV/Breckenridge made over \$1600 in rental income
3. Each participant in the Ice Skating venture (SSA) paid a little over \$1300 to operate the rink
  - a. Marriott was not in the mix this year
4. It was open 30 days only due to early melting
5. The town spent \$1000 on maintenance (all reimbursed by the SSA group)
6. The biggest expenditure we had was from first year errors and soft ice (bobcat and Zamboni getting stuck) and snow removal.

All the properties profited from the ice skating overall. I do not have any numbers tying this together, but having ice skating return to the Maggie, helped with the overall ambiance of all our guests experiences.

Our plans for this next year will help improve our overall expenses.

1. We have a bridge that will be for entering and exiting the pond over by the Maggie Building
2. We are building a ramp (before the snow) for the Zamboni on the Main Street Station side
3. We will work with Mountain, Main Street Station and Village ops to get the ice cleared sooner.

This was our first year, but not our last hopefully. We have learned from our mistakes and truly believe we will do better this season.”

### **Additional Information:**

It should be noted from the above report that while Maggie Pond’s operating season was 30 days, it was actually open only 14 days due to extreme weather and a vehicle falling through the ice. Total cost incurred by the Town was \$1006 dollars, which was reimbursed by the Southside Alliance. The Southside Alliance is seeking to renew the ice resurfacing agreement.

### **Needed From Council:**

Staff is seeking guidance on whether or not council wishes to pursue renewing an agreement to provide ice resurfacing services for Maggie Pond.

Memorandum

To: Town Council  
From: Open Space and Trails Staff  
Re: Joint BOSAC/Town Council Meeting  
Date: August 20, 2008 for August 26<sup>th</sup> meeting

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Meeting Agenda:

**1. Open space funding priorities between acquisition, management and administrative responsibilities.**

There have been several discussions at the BOSAC level about where the Open Space Funds should be spent. In the current budget, \$702,516 is being allocated towards acquisitions and expenses related to specific acquisitions (B&B obligations, debt payments on B&B and Cucumber). Administration costs are approximately \$300,579, including legal fees. Management expenses are \$710, 725.

BOSAC would like to discuss with Town Council these priorities and their subsequent funding allocations. It is important to note that 2010 will be the last year that there will be debt payment on the Cucumber Creek Estates parcel.

**2. Acquisition priorities within the Upper Blue Basin.**

This was briefly discussed at the last BOSAC and Town Council meetings in the context of the Quandary Village lots. The Town and the County have had a long-standing relationship with respect to purchasing properties jointly and managing them as such. For those properties that one of the entities has taken a particular interest in managing, or it meets their objectives more than it might the other entity, we have used donations as an option. For example, the County donated \$475,000 toward Cucumber Gulch. The Town donated 10% of the purchase price toward the Fourmile Bridge property, and the County donated 10% towards the Curtis land. It would be helpful to have a directed discussion on this matter and decide whether it continues to be worth it for the Town to jointly own and manage lands in the Upper Blue for the majority of the properties available.

**3. Cucumber Nature/Nordic Center**

Staff has been working with Allen-Guerra Design Build and a stakeholders group made up of Town staff (Open Space, Recreation, and Nordic), Allen-Guerra employees, Tim Casey, the Daytons, John Niemi and representatives from Council and BOSAC. This working group has been giving guidance on building size, needs, functions, etc., the information from which Allen-Guerra is doing some preliminary programming. The programming information will be coming to BOSAC on September 8th and to Town Council on September 9<sup>th</sup>.



**TOWN OF BRECKENRIDGE TOWN COUNCIL AGENDA**  
**Tuesday, August 26, 2008 (Regular Meeting); 7:30 p.m.**

- I CALL TO ORDER and ROLL CALL**
- II APPROVAL OF MINUTES – August 12, 2008 Regular Meeting** **Page 174**
- III APPROVAL OF AGENDA**
- IV COMMUNICATIONS TO COUNCIL**
  - A. Citizen’s Comment - (Non-Agenda Items ONLY; 3 minute limit please)
  - B. Ambulance Service- Gary Greene
  - C. BRC Director’s Report
- V CONTINUED BUSINESS**
  - A. SECOND READING OF COUNCIL BILL, SERIES 2008 - PUBLIC HEARINGS\*\***
    - 1. Council Bill No.34, Series 2008-** AN ORDINANCE AUTHORIZING THE GRANTING OF AN EASEMENT TO ROBIN G. THEOBALD **Page 177**
    - 2. Council Bill No.35, Series 2008-** AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY TO ROBIN G. THEOBALD **Page 180**
  - VI NEW BUSINESS**
    - A. FIRST READING OF COUNCIL BILL, SERIES 2008 –**
      - 1. Council Bill No.36, Series 2008-** AN ORDINANCE AMENDING THE MODEL TRAFFIC CODE FOR COLORADO, 2003 EDITION, CONCERNING THE OPERATION OF SKATEBOARDS WITHIN THE TOWN OF BRECKENRIDGE **Page 182**
    - B. RESOLUTIONS, SERIES 2008-**
      - 1. A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT CONCERNING THE SUMMIT COUNTY CITIZEN TEXT MESSAGING SHARED SYSTEM** **Page 188**
    - C. OTHER- None**
  - VII PLANNING MATTERS**
    - A. Planning Commission Decisions of August 19, 2008 **Page 2**
  - VIII REPORT OF TOWN MANAGER AND STAFF\***
  - IX REPORT OF MAYOR AND COUNCILMEMBERS\***
    - A. CAST/MMC (Mayor Warner)
    - B. Breckenridge Open Space Advisory Commission (Mr. Rossi)
    - C. BRC (Mr. Bergeron)
    - D. Summit Combined Housing Authority (Ms. McAtamney)
    - E. Breckenridge Heritage Alliance (Mr. Joyce)
    - F. Peak 6 Task Force (Mr. Rossi)
  - X OTHER MATTERS**
  - XI SCHEDULED MEETINGS** **Page 198**
  - XII ADJOURNMENT**

\*Report of Town Manager; Report of Mayor and Council Members; Scheduled Meetings and Other Matters are topics listed on the 7:30 pm Town Council Agenda. If time permits at the afternoon work session, the Mayor and Council may discuss these items. The Town Council may make a Final Decision on any item listed on the agenda, regardless of whether it is listed as an action item

***CALL TO ORDER AND ROLL CALL***

Mayor Warner called the August 12, 2008 Town Council Meeting to order at 7:34 p.m. The following members answered roll call: Mr. Bergeron, Mr. Joyce, Ms. McAtamney, Mr. Mamula, Mr. Rossi, and Mayor Warner. Mr. Millisor was absent.

***APPROVAL OF MINUTES*** – July 22, 2008 Regular Meeting

Hearing no changes, Mayor Warner declared the minutes were approved.

***APPROVAL OF AGENDA***

The Mayor requested the addition of an executive session at end of the meeting. With that one addition, the agenda was approved.

***COMMUNICATIONS TO COUNCIL***

A. Citizens Comment - (Non-Agenda Items ONLY; 3 minute limit please)

Bonnie Kirschenbaum, on behalf of the board of trustees of the NRO, thanked the Council for the new Riverwalk facility and read a formal statement of appreciation. She shared survey information from this summer's concerts that indicated a 20% attendance increase; age range of attendees from 5 to 91, with an average age of 57; 53% of attendees are from Colorado, 47% from other states.

B. BRC Director's Report

Carly Grimes, PR director for the BRC, reported on the new concierge binder due out next month; Welcome Center visitation – 26,221, restroom visits – 10,652; seeking volunteers for Oktoberfest (must be TIPS certified to work in the beer tent); Sally Croker attending the governor's tourism conference as a guest speaker; marketing committee of board members to oversee marketing efforts; vacation planner will be delivered next week; membership director resigned; central reservations update – summer lower than last year; winter demand up; and upcoming articles from history-focus journalists.

C. Friends of Dillon Ranger District Grant Report

Guff Van Vooren thanked the Council for funding the forest stewards program; passed out a report and other information; explained FDRD's role in providing stewardship for public lands in Summit County such as trail maintenance, weed pulling, fuel reduction, youth steward programs, and adopt-a-trail. The FDRD is nearing its 100<sup>th</sup> project later this summer; will be seeking feedback through the winter to match district needs with community needs; Golden Horseshoe will be a focus next year as will reforestation efforts. Council expressed appreciation for the group's efforts.

***CONTINUED BUSINESS***

***A. SECOND READING OF COUNCIL BILLS, SERIES 2008 – PUBLIC HEARINGS***

**1. Council Bill No.30, Series 2008- AN ORDINANCE ANNEXING TO THE TOWN OF BRECKENRIDGE CERTAIN REAL PROPERTY OWNED BY THE TOWN OF BRECKENRIDGE (Iron Mask Parcel)**

Town Attorney Tim Berry covered Council Bill Nos. 30 to 33 together, explaining that the ordinances propose to annex two parcels of land to the Town, known as the Iron Mask parcel and the Harold Placer parcel. Associated ordinances propose to place each annexed parcel into Land Use District 1.

Mayor Warner opened the public hearing. There were no comments and the public hearing was closed.

Mr. Mamula moved to approve Council Bill No. 30, Series 2008 on second reading. Mr. Bergeron made the second. Motion passed 6-0.

**2. Council Bill No. 31, Series 2008- AN ORDINANCE PLACING RECENTLY ANNEXED PROPERTY IN LAND USE DISTRICT 1 (Iron Mask Parcel)**

Mr. Bergeron moved to approve Council Bill No. 31, Series 2008 on second reading. Ms. McAtamney made the second. Mayor Warner opened the public hearing. There were no comments and the public hearing was closed. Motion passed 6-0.

**3. Council Bill No. 32, Series 2008- AN ORDINANCE ANNEXING TO THE TOWN OF BRECKENRIDGE CERTAIN REAL PROPERTY OWNED BY THE TOWN OF BRECKENRIDGE (Harold Placer Parcel)**

Mr. Mamula moved to approve Council Bill No. 32, Series 2008 on second reading. Mr. Rossi made the second. Mayor Warner opened the public hearing. There were no comments and the public hearing was closed. Motion passed 6-0.

**4. Council Bill No. 33, Series 2008- AN ORDINANCE PLACING RECENTLY ANNEXED PROPERTY IN LAND USE DISTRICT 1 (Harold Placer Parcel)**

Mr. Bergeron moved to approve Council Bill No. 33, Series 2008 on second reading. Mr. Mamula made the second. Mayor Warner opened the public hearing. There were no comments and the public hearing was closed. Motion passed 6-0.

**NEW BUSINESS**

**A. FIRST READING OF COUNCIL BILLS, SERIES 2008**

**1. Council Bill No.34, Series 2008- AN ORDINANCE AUTHORIZING THE GRANTING OF AN EASEMENT TO ROBIN G. THEOBALD**

Mr. Berry explained that, as part of the upcoming closing of the Snake River land exchange, the Town is required to replace certain easements previously granted by the Federal government. This ordinance proposes to replace the current federal easement, connecting the Theobald property and Airport Road, with a Town easement.

Mr. Bergeron moved to approve Council Bill No. 34, Series 2008 on first reading. Ms. McAtamney made the second. Motion passed 6-0.

**2. Council Bill No.35, Series 2008- AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY TO ROBIN G. THEOBALD**

Also part of Snake River land exchange, Mr. Berry explained that the Town agreed to convey two small parcels of land to Mr. Theobald. In return, Mr. Theobald will abandon all rights to two mining claims that affect the Claimjumper parcel.

Mr. Mamula moved to approve Council Bill No. 35, Series 2008 on first reading. Mr. Rossi made the second. Motion passed 6-0.

**B. RESOLUTIONS, SERIES 2008**

**1. A RESOLUTION CONCERNING THE SUBMISSION OF AN ENERGY AND MINERAL IMPACT ASSISTANCE PROGRAM GRANT APPLICATION TO THE COLORADO DEPARTMENT OF LOCAL AFFAIRS**

Tim Berry explained that this resolution authorizes the Town Manager to file a grant application for \$800,000 with the Department of Local Affairs' mineral impact assistance fund to offset the cost of acquiring the Claimjumper parcel

Mr. Bergeron moved to approve a Resolution Concerning The Submission Of An Energy And Mineral Impact Assistance Program Grant Application To The Colorado Department Of Local Affairs, Series 2008. Mr. Mamula seconded. Motion passed 6-0.

**PLANNING MATTERS**

• **Planning Commission Decisions of August 5, 2008**

With no requests for call up, Mayor Warner stated the Planning Commission decisions of the August 5, 2008 meeting would stand as presented.

• **Report of Planning Commission Liaison**

Eric Mamula reported on refacing of The Village, noting it would not include the Hotel and the Ten Mile Room. Mr. Mamula believes it would be important for Vail to reface the outside of the Ten Mile Room.

Mr. Mamula stressed that the Planning Commission needs to get back to code-based decision making. As there are many new members on the Commission, additional training may be warranted.

**REPORT OF TOWN MANAGER AND STAFF**

Town Manager, Tim Gagen, reported earlier.

**REPORT OF MAYOR AND COUNCILMEMBERS**

**A. Report of Mayor (CAST/MMC)**

Mayor Warner reported on the Mayors and Managers meeting a week ago. Common issues with Xcel were discussed. The group committed to work together and to meet with Xcel executives to establish a time table for improvement, perhaps even commencing a formal PUC process. Other issues discussed included: turf, GOCO letter, skateboarding, change in thinking about forest health, water shed protection, defensible space, and reforestation. The next CAST meeting is scheduled at the end of the month in Estes Park.

**B. Open Space Advisory Commission (Mr. Rossi)**

Mr. Rossi updated on the meeting last night, explaining that one issue that BOSAC is struggling with is the proposed Nature/Nordic Center. John Niemi of Shock Hill has offered to pay for the architectural work, but it is questionable whether the Town can move forward with the building next year from a financial perspective. Additionally, the Town is not sure about exactly what it wants and how the building should function, making it difficult for design to proceed. The process is perceived to be rather awkward because the stakeholders are driving the process from the ground up. Some suggestions include: outlining involvement in the project, giving guidance to the architect about the project cost, and recognition that even though architectural services may be donated, this should be treated like a normal architect-client relationship. The Town Council and BOSAC have a work session meeting scheduled at

the August 26 Council meeting, and the Nature/Nordic Center will be discussed at the September 23 Council meeting.

**C. BRC (Mr. Bergeron)**

Mr. Bergeron reported that a personnel matter would be discussed during the executive session.

**D. Summit Combined Housing Authority (Ms. McAtamney)**

No meeting

**E. Breckenridge Heritage Alliance (Mr. Joyce)**

Meeting tomorrow

**F. Peak 6 Task Force (Mr. Rossi)**

Mr. Rossi updated Council on the facilitator candidates. Mr. Rossi asked Council to consider several items: who “owns” the meetings, should the facilitator cost be split three ways (yes), do all groups equally run the meeting and control the agenda, does the group only talk about Peak 6, or do they discuss issues more globally – e.g. socio economic impacts? It was suggested that Council look to the broader capacity conversation. Other comments: see how the facilitator affects the discussion, consider a dispersion model versus a marketing model-comfortable carrying capacity, blackout dates, etc., and wait to see the impacts of the development on Peaks 7 and 8.

**OTHER MATTERS**

Mayor Warner believes the Council should consider a pay increase for the Planning Commission.

At 9:17 p.m., Mr. Mamula moved that the Town Council go into executive session pursuant to Paragraph 4(a) of Section 24-6-402, C.R.S., relating to the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest; Paragraph 4(b) of Section 24-6-402, C.R.S., relating to conferences with the Town Attorney for purposes of receiving legal advice on specific legal questions; Paragraph 4(e) of Section 24-6-402, C.R.S., relating to determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations; and instructing negotiators; and Paragraph 4(f) of Section 24-6-402, C.R.S., relating to personnel matters. Ms. McAtamney seconded. The Mayor then restated the motion. The motion passed 6-0.

At 10:35 p.m. Mr. Mamula moved to come out of executive session. Ms. McAtamney seconded. The motion passed unanimously.

**ADJOURNMENT**

With no further business to discuss the regular meeting was adjourned at 10:35 p.m.  
Submitted by Mary Jean Loufek, Town Clerk

**ATTEST:**

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Mary Jean Loufek, CMC, Town Clerk

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John Warner, Mayor



**MEMO**

TO: Town Council

FROM: Town Attorney

RE: Council Bill No. 34 (Theobald Easement) and Council Bill 35 (Theobald Conveyance)

DATE: August 14, 2008 (for August 26<sup>th</sup> meeting)

---

The second readings of Council Bill 34 (approving the replacement driveway easement for Robin Theobald) and Council Bill 35 (authorizing the conveyance of the two parcels of land to Mr. Theobald) are scheduled for your meeting on August 26<sup>th</sup>. There are no changes proposed to either ordinance from first reading.

I will be happy to discuss this matter with you on Tuesday.

1                   **FOR WORKSESSION/SECOND READING - AUG. 26**

2  
3                   **NO CHANGES FROM FIRST READING**

4  
5                   COUNCIL BILL NO. 34

6  
7                   Series 2008

8  
9                   AN ORDINANCE AUTHORIZING THE GRANTING OF AN EASEMENT TO ROBIN G.  
10                   THEOBALD

11  
12                   WHEREAS, the Town of Breckenridge anticipates acquiring certain lands from the  
13 United States Department of Agriculture, Forest Service, as part of the Snake River Land  
14 Exchange; and

15  
16                   WHEREAS, in connection with the acquisition of such lands the Town is required to  
17 replace existing easements and special use permits previously granted by the United States  
18 government with Town easements; and

19  
20                   WHEREAS, in connection with the acquisition of such lands it is necessary for the Town  
21 to replace an existing federal easement owned by Robin G. Theobald with an easement granted  
22 by the Town; and

23  
24                   WHEREAS, a proposed Grant of Easement to Robin G. Theobald has been prepared, a  
25 copy of which is marked Exhibit "A", attached hereto and incorporated herein by reference; and

26  
27                   WHEREAS, the Town Council of the Town of Breckenridge has determined that it  
28 should grant the replacement easement to Robin G. Theobald; and

29  
30                   WHEREAS, the Town Attorney has informed the Town Council that, in his opinion,  
31 Section 15.3 of the Breckenridge Town Charter requires that granting of such easement be  
32 authorized by ordinance.

33  
34                   NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF  
35 BRECKENRIDGE, COLORADO:

36  
37                   Section 1. The Town Manager is hereby authorized, empowered, and directed to execute  
38 and acknowledge the Grant of Easement to Robin G. Theobald, in substantially the form which  
39 is marked Exhibit "A", attached hereto and incorporated herein by reference. The Town Manager  
40 is further authorized, empowered and directed to deliver such Grant of Easement to Robin G.  
41 Theobald at the time of the closing of the Snake River Land Exchange. Should the Snake River  
42 Land Exchange fail to close for any reason, this ordinance shall be null, void, and of no effect.  
43

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Section 2. The Town Council hereby finds, determines and declares that it has the power to adopt this ordinance pursuant to the authority granted to home rule municipalities by Article XX of the Colorado Constitution and the powers contained in the Breckenridge Town Charter.

Section 3. This ordinance shall be published and become effective as provided by Section 5.9 of the Breckenridge Town Charter.

INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED PUBLISHED IN FULL this \_\_\_\_ day of \_\_\_\_\_, 2008. A Public Hearing shall be held at the regular meeting of the Town Council of the Town of Breckenridge, Colorado on the \_\_\_\_ day of \_\_\_\_\_, 2008, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the Town.

TOWN OF BRECKENRIDGE, a Colorado municipal corporation

By \_\_\_\_\_  
John G. Warner, Mayor

ATTEST:  
  
\_\_\_\_\_  
Mary Jean Loufek, CMC,  
Town Clerk

1 **FOR WORKSESSION/SECOND READING – AUGUST 26**

2  
3 **NO CHANGES FROM FIRST READING**

4  
5 COUNCIL BILL NO. 35

6  
7 Series 2008

8  
9 AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY  
10 TO ROBIN G. THEOBALD

11  
12 WHEREAS, the Town of Breckenridge is a participant in the Snake River Land  
13 Exchange; and

14  
15 WHEREAS, as part of the negotiations related to the Snake River Land Exchange the  
16 Town has agreed to convey two parcels of land to be acquired by the Town as part of the  
17 exchange to Robin G. Theobald; and

18  
19 WHEREAS, the Town Council is familiar with the fair market value of the two parcels of  
20 land to be conveyed to Robin G. Theobald, and finds and determines that the two parcels are not  
21 of significant value and may properly be conveyed to Robin G. Theobald in return for the  
22 abandonment of two unpatented mining claims by Robin G. Theobald; and

23  
24 WHEREAS, a proposed quit claim deed conveying the two parcels to Robin G. Theobald  
25 has been prepared, a copy of which is marked Exhibit "A", attached hereto and incorporated  
26 herein by reference; and

27  
28 WHEREAS, Section 15.3 of the Breckenridge Town Charter requires that the  
29 conveyance of the two parcels to Robin G. Theobald be authorized by ordinance.

30  
31 NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF  
32 BRECKENRIDGE, COLORADO:

33  
34 Section 1. The Mayor and Town Clerk are hereby authorized, empowered, and directed  
35 to execute and acknowledge a quit claim deed to Robin G. Theobald, in substantially the form  
36 which is marked Exhibit "A", attached hereto and incorporated herein by reference. The Mayor  
37 is further authorized, empowered and directed to deliver such quit claim deed to Robin G.  
38 Theobald at the time of the closing of the Snake River Land Exchange. Should the Snake River  
39 Land Exchange fail to close for any reason, this ordinance shall be null, void, and of no effect.

40  
41 Section 2. The Town Council hereby finds, determines and declares that it has the power  
42 to adopt this ordinance pursuant to the authority granted to home rule municipalities by Article  
43 XX of the Colorado Constitution and the powers contained in the Breckenridge Town Charter.





## MEMORANDUM

**To:** Mayor and Town Council  
**From:** Rick Holman, Chief of Police  
**Date:** August 26, 2008  
**Subject:** Town Ordinance Amendment to allow for Operation of Skateboards on Roadways

---

At the direction of the Town Council an ordinance amending the Model Traffic Code to allow for the operation of skateboards on public roadways has been drafted and is being introduced for first reading at the August 26, 2008 Town Council meeting. It is my belief this amended ordinance addresses the concerns voiced by the council and the rules associated with this use is acceptable by a representative group of the skateboarding community.

The following items are highlights of this ordinance change:

- Only "skateboards" as defined are allowed on the roadways. Skates, skis, or any device with a motor is still prohibited.
- No person under 10 years of age can ride a skateboard on any roadway, sidewalk, or alleyway within the Town, except the sidewalks adjacent to Kingdom Park (this was allowed for young children who might be using the skate park).
- No person shall ride a skateboard on any portion of State Highway 9 (North Park Avenue and South Park Avenue) within the Town.
- No person shall ride a skateboard on a sidewalk adjacent to Main Street or any portion of the roadway of Main Street.
- No person shall operate a skateboard on any roadway in a careless manner and they must follow all the rules applicable to a bicycle, which means they have to obey traffic control devices and they cannot impede the normal flow of traffic. Skateboarders would be required to move to the right hand edge of the roadway when cars approach in their lane of traffic.
- Skateboarders must be equipped with lights during the hours of dusk and dawn.
- A fine schedule has been described in the ordinance.

Some skateboarders did express the desire to be allowed to skateboard on Main Street, there does not seem to be support for this from the Council so the ordinance was not drafted to include that provision. I have spoken with the Municipal Court Judge about this matter and he feels if this ordinance is adopted, the Town will need to post adequate signage along Main Street stating "Skateboarding is Prohibited on the Roadway and Sidewalks of Main Street". This will probably have to occur at every side street intersection.

I will be available at the Council worksession to discuss this further with you.

1 ***FOR WORKSESSION/FIRST READING – AUGUST 26***

2  
3 Additions To The Current Breckenridge Town Code Are  
4 Indicated By **Bold + Dbf Underline**; Deletions By Strikeout

5  
6 COUNCIL BILL NO. \_\_\_\_

7  
8 Series 2008

9  
10 AN ORDINANCE AMENDING THE MODEL TRAFFIC CODE FOR COLORADO, 2003  
11 EDITION, CONCERNING THE OPERATION OF SKATEBOARDS WITHIN THE TOWN  
12 OF BRECKENRIDGE

13  
14 WHEREAS, Section 42-4-110(1)(b), C.R.S., authorizes local authorities to adopt by  
15 reference a model traffic code embodying the rules of the road and vehicle requirements set forth  
16 in Article 4 of Title 42, C.R.S., and such additional local regulations as are provided for in  
17 Section 42-4-111, C.R.S.; and

18  
19 WHEREAS, in 2003 the Town of Breckenridge adopted (and amended) the Model  
20 Traffic Code For Colorado, 2003 edition, as the Traffic Code for the Town; and

21  
22 WHEREAS, Section 42-4-111(1)(u), C.R.S., provides that nothing in Article 4 of Title  
23 42, C.R.S., prevents local authorities, with respect to streets and highways under their  
24 jurisdiction and within the reasonable exercise of the police power (except streets and highways  
25 that are part of the state highway system), from regulating “persons upon skates, coasters, sleds  
26 or similar devices”; and

27  
28 WHEREAS, the Town Council of the Town of Breckenridge finds, determines, and  
29 declares that a “skateboard” as defined in this ordinance is a device similar to “skates, coasters,  
30 or sleds” within the meaning of Section 42-4-111(1)(u), C.R.S., and, as such, is within the power  
31 of the Town to regulate on Town streets that are not part of the state highway system; and

32  
33 WHEREAS, the Town Council further finds, determines, and declares that the Model  
34 Traffic Code For Colorado, 2003 edition, should be amended to allow the riding of skateboards  
35 within the Town of Breckenridge, subject, however, to the limitations and rules set forth in this  
36 ordinance.

37  
38 NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF  
39 BRECKENRIDGE, COLORADO:

40  
41 Section 1. Section 7-1-2(D) of the Breckenridge Town Code is hereby amended by the  
42 so as to read in its entirety as follows:

43  
44 D. Subsection (9) of Section 109 of Article 1 is hereby amended so as to read in  
45 its entirety as follows:  
46

1 (9) No person shall use the highways for traveling on skis, toboggans, coasting  
2 sleds, skates, in-line skates, skateboards, or similar devices. It is unlawful for any  
3 person to use any roadway with the Town as a sled or ski course for the purpose  
4 of coasting on sleds, skis, or similar devices. It is also unlawful for any person  
5 upon roller skates, in-line skates, skateboards or riding in or by means of any  
6 coaster, toy vehicle, or similar device to go upon any roadway within the Town  
7 except while crossing a highway in a crosswalk, and when so crossing such  
8 person shall be granted all of the rights and shall be subject to all of the duties  
9 applicable to pedestrians. This subsection (9) does not apply to: (i) any public  
10 way which is set aside by proper authority as a play street and which is adequately  
11 roped off or otherwise marked for such purpose, ~~or~~ (ii) the riding of in-line skates  
12 ~~or skateboards~~ on sidewalks, or (iii) the riding of skateboards on roadways,  
13 alleys or sidewalks when done in accordance with Section 109.7 of this Code.  
14

15 Section 2. Section 7-1-2 of the Breckenridge Town Code is hereby amended by the  
16 addition of new subsection E.5, which shall read in its entirety as follows:  
17

18 **E.5 Article 1 is hereby amended by the addition of a new Section 109.7**  
19 **which shall read in its entirety as follows:**  
20

21 **109.7 Skateboards.**  
22

23 **(1) As used in this section:**  
24

25 **(a) “operator” or “skateboard operator” means a person riding or**  
26 **attempting to ride a skateboard.**  
27

28 **(b) “skateboard” mean any object consisting of a relatively flat platform**  
29 **constructed of any material which is attached to wheels on the underside and**  
30 **designed to used or operated by standing, sitting, or kneeling on the platform**  
31 **and allowing or causing the platform to be propelled by the use of hands,**  
32 **feet, or gravity, but does not include roller skates, bicycles, or any motorized**  
33 **vehicles.**  
34

35 **(c) “ride” means to use, ride upon, or operate a skateboard.**  
36

37 **(2) Except as provided in subsection (3), it is lawful for any person ten years**  
38 **of age or older to ride a skateboard on any roadway, alley, or sidewalk within**  
39 **the Town if done in accordance with the provisions of this section. No person**  
40 **under ten years of age shall ride a skateboard on any roadway, alley, or**  
41 **sidewalk within the Town, except the sidewalks adjacent to Kingdom Park.**  
42

43 **(3) This section does not apply to the riding of a skateboard upon:**  
44

45 **(a) any portion of the roadway of Colorado Highway 9 (North Park Avenue**  
46 **and South Park Avenue) within the Town;**



1  
2 (b) any portion of the roadway of Main Street; or

3  
4 (c) any sidewalk adjacent to Main Street.

5  
6 It is unlawful for any person to ride a skateboard upon any portion of such  
7 roadways or sidewalks.

8  
9 (4) No person shall ride a skateboard on any roadway, alley, or sidewalk  
10 within the Town in a careless or imprudent manner, without due regard for  
11 the width, grade, curves, corners, traffic, and use of the streets and highways  
12 and all other attendant circumstances.

13  
14 (5) Every person riding a skateboard on any roadway, alley, or sidewalk  
15 within the Town shall do so in compliance with all provisions of this Code  
16 that are applicable to the operation of bicycles, including, but not limited to,  
17 Section 1412 Code, except those provisions which by their nature can have no  
18 application.

19  
20 (6) Pedestrians have the right of way over skateboards and their use on all  
21 sidewalks within the Town. No person shall ride a skateboard on a sidewalk  
22 within the Town when the sidewalk is being used by pedestrians, or when  
23 riding a skateboard on the sidewalk will create an annoyance or the danger  
24 of a collision between the skateboard or the operator and any pedestrian.

25  
26 (6) No skateboard operator shall leave his or her skateboard standing upon  
27 or within the sidewalks, roadways, or alleys within the Town in a manner  
28 that hinders or impedes pedestrians or vehicular traffic.

29  
30 (8) Any operator riding a skateboard on any roadway, alley, or sidewalk  
31 within the Town between the hours of dusk and dawn shall equip either the  
32 skateboard or the operator with the following reflective devices: (i) a lamp on  
33 the front emitting a white light visible from a distance of at least 500 feet to  
34 the front; (ii) a red reflector of a type approved by the State of Colorado  
35 which is visible for at least 600 feet to the rear when directly in front of  
36 lawful lower beams of head lamps on a motor vehicle; and (iii) reflective  
37 material of sufficient size and reflectivity to be visible from both sides for at  
38 least 600 feet when directly in front of lawful lower beams of head lamps on a  
39 motor vehicle or, in lieu of such reflective material, with a lighted lamp  
40 visible from both sides from a distance of at least 500 feet. A skateboard or  
41 skateboard operator may be equipped with lights or reflectors in addition to  
42 those required by this subsection.

43  
44 (9) The parent of any child or the guardian of any ward shall not authorize  
45 or knowingly permit any such child or ward to violate any provision of this  
46 section.

1  
2 **(10) It is an infraction for any person to violate any provision of this section.**  
3 **Any person admitting liability for, found to be in violation of, or against**  
4 **whom a default judgment has been entered for any violation of this section**  
5 **shall be fined as follows:**

6  
7 **First offense: \$25.00**

8 **Second offense: \$50.00**

9 **Third and subsequent offenses: \$75.00**

10  
11 **(11) In addition to or in lieu of the fine provided for in subsection (10), the**  
12 **Municipal Judge may prohibit a person who has violated any provision of**  
13 **this section from operating a skateboard on any roadway, alley, or sidewalk**  
14 **within the Town for a period of time not to exceed six months. Upon the**  
15 **entry of such an order, the skateboard used by such person in the violation of**  
16 **this section shall be impounded by the Chief of Police and retained for the**  
17 **time period that the operation of such skateboard on the roadways, alleys,**  
18 **and public sidewalks of the Town is prohibited by the court order.**

19  
20 **(12) No points shall be assessed against the drivers license of the operator of a**  
21 **skateboard who is found to be in violation of or against whom a default**  
22 **judgment has been for any violation of this section.**

23  
24 Section 3. The definition of “skateboard” set forth in Subsection 7-1-2(AA)(68.5) is  
25 deleted.

26  
27 Section 4. Except as specifically amended hereby, the Breckenridge Town Code, and the  
28 various secondary codes adopted by reference therein, shall continue in full force and effect.

29  
30 Section 5. The Town Council hereby finds, determines and declares that this ordinance is  
31 necessary and proper to provide for the safety, preserve the health, promote the prosperity, and  
32 improve the order, comfort and convenience of the Town of Breckenridge and the inhabitants  
33 thereof.

34  
35 Section 6. The Town Council hereby finds, determines and declares that it has the power  
36 to adopt this ordinance pursuant to: (i); Section 42-4-111(1)(u), C.R.S; (ii) Section 42-4-  
37 110(1)(a), C.R.S.; (iii) Section 31-15-103, C.R.S. (concerning municipal police powers); (iv)  
38 Section 31-15-401, C.R.S.(concerning municipal police powers); (v) the authority granted to  
39 home rule municipalities by Article XX of the Colorado Constitution; and (vi) the powers  
40 contained in the Breckenridge Town Charter.

41  
42 Section 7. In adopting this ordinance the Town Council is relying on, and does not intend  
43 to affect or increase the liability of the Town of Breckenridge under, the Colorado Governmental  
44 Immunity Act, Section 24-10-101 et seq., C.R.S. as from time to time amended, or to waive or  
45 modify in any way any other limitation, right, immunity, or protection otherwise available to the  
46 Town, its officers, or its employees.

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Section 8. This ordinance shall be published and become effective as provided by Section 5.9 of the Breckenridge Town Charter.

INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED PUBLISHED IN FULL this \_\_\_\_ day of \_\_\_\_\_, 2008. A Public Hearing shall be held at the regular meeting of the Town Council of the Town of Breckenridge, Colorado on the \_\_\_\_ day of \_\_\_\_\_, 2008, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the Town.

TOWN OF BRECKENRIDGE, a Colorado  
municipal corporation

By \_\_\_\_\_  
John G. Warner, Mayor

ATTEST:  
\_\_\_\_\_  
Mary Jean Loufek, CMC,  
Town Clerk



## MEMORANDUM

**To:** Mayor and Town Council  
**From:** Rick Holman, Chief of Police  
**Date:** August 26, 2008  
**Subject:** Resolution to approve IGA for Citizen Text Messaging Warning System

---

Staff is recommending the Town Council approve a resolution that will allow the Town Manager to enter into an IGA with the other Towns, the County, the Fire Departments, and the School District for the purpose of contracting for and paying the costs for a Citizen Text Message Warning System (CTMWS) in Summit County.

Under this agreement the Summit County Office of Emergency Management Director shall contract with Roam Secure, Inc. for the development of this CTMWS. This initiative has been studied for the past year and is being modeled after a similar system in place in Eagle County. This is a web based application software that allows anyone with text messaging capabilities to register on-line at no charge and receive messages related to emergency situations or other precautionary warnings. It is my understanding that the individual user can choose which type of warnings or messages they want to be alerted to, an example would be a user may only choose to be notified of road closures in Summit County, while another may choose all the categories for notifications.

The police department sees this as a valuable tool to help communicate these types of messages to our business community. During this past winter we seemed to experience more road closures due to extreme weather conditions. We heard from some members of the lodging community that it would be helpful to have a system for communicating that information to the businesses so they could pass it on to their guests. We feel this CTMWS will fill that communication void.

There will be a market campaign to share this information with citizens and businesses in the county once the system is up and running, which hopefully will occur by this winter.

The Town's cost for the initial purchase of this system is \$1222.00 with an annual renewal fee of \$752.00.

1                   ***FOR WORKSESSION/ADOPTION – AUGUST 26***

2  
3                                   A RESOLUTION

4  
5                                   SERIES 2008

6  
7                   A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT  
8 CONCERNING THE SUMMIT COUNTY CITIZEN TEXT MESSAGING SHARED SYSTEM  
9

10                   WHEREAS, governmental entities are authorized by Article XIV of the Colorado  
11 Constitution and Part 2 of Article 1 of Title 29, C.R.S., to co-operate and contract with one  
12 another to provide any function, service, or facility lawfully authorized to each of the co-  
13 operating or contracting governmental entities; and  
14

15                   WHEREAS, Summit County Government; the Towns of Breckenridge, Dillon, Frisco,  
16 and Silverthorne; the Lake Dillon Fire Protection District; the Red, White and Blue Fire  
17 Protection District; and Summit County School District RE-1 (collectively, the “Parties”) are  
18 authorized to provide notifications and information to their respective staff, citizens and visitors  
19 in the event of life safety, fire and weather emergency situations; and  
20

21                   **WHEREAS**, the Parties desire to develop and implement a community emergency alert  
22 text messaging system for the purpose of providing timely and accurate information to their staff,  
23 citizens and visitors in the event of life safety, fire and weather emergency situations occurring  
24 within Summit County, Colorado; and  
25

26                   **WHEREAS**, the Parties have set out in a proposed “Summit County Citizen Text  
27 Messaging Shared System Agreement” (a copy of which is marked Exhibit “A”, attached hereto  
28 and incorporated herein by reference) (the “Intergovernmental Agreement”) the terms and  
29 conditions of their collective and respective responsibilities regarding the administration and  
30 financial obligations for the development and implementation of a community emergency alert  
31 text messaging system; and  
32

33                   WHEREAS, the Town Council has reviewed the proposed Intergovernmental Agreement  
34 and finds and determines that it would be in the best interest of the Town to enter into such  
35 agreement.  
36

37 NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF  
38 BRECKENRIDGE, COLORADO, as follows:  
39

40                   Section 1. The proposed “Summit County Citizen Text Messaging Shared System  
41 Agreement” with Summit County Government; the Towns of Dillon, Frisco, and Silverthorne;  
42 the Lake Dillon Fire Protection District; the Red, White and Blue Fire Protection District; and  
43 Summit County School District RE-1 (“Exhibit "A" hereto) is approved, and the Town Manager  
44 is hereby authorized, empowered, and directed to execute such agreement for and on behalf of  
45 the Town of Breckenridge.  
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Section 2. This resolution shall become effective upon its adoption.

RESOLUTION APPROVED AND ADOPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2008.

TOWN OF BRECKENRIDGE

By \_\_\_\_\_  
John G. Warner, Mayor

ATTEST:

\_\_\_\_\_  
Mary Jean Loufek, CMC,  
Town Clerk

APPROVED IN FORM

\_\_\_\_\_  
Town Attorney                      date

**SUMMIT COUNTY CITIZEN TEXT MESSAGING**  
**SHARED SYSTEM AGREEMENT**

**THIS SUMMIT COUNTY CITIZEN TEXT MESSAGING SHARED SYSTEM AGREEMENT** (hereafter the “Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2008, by and between the following: SUMMIT COUNTY GOVERNMENT (COUNTY), TOWN OF BRECKENRIDGE (BRECKENRIDGE), TOWN OF DILLON (DILLON), TOWN OF FRISCO (FRISCO), TOWN OF SILVERTHORNE (SILVERTHORNE), LAKE DILLON FIRE PROTECTION DISTRICT (LDFPD), RED, WHITE AND BLUE FIRE PROTECTION DISTRICT (RW&B), and SUMMIT COUNTY SCHOOL DISTRICT RE-1 (SCHOOL DISTRICT).

For the purposes of this Agreement, the above referenced parties shall be collectively referred to as the “Parties.”

**WHEREAS**, the Parties are authorized to provide notifications and information to their respective staff, citizens and visitors in the event of life safety, fire and weather emergency situations; and

**WHEREAS**, the Parties desire to develop and implement a community emergency alert text messaging system for the purpose of providing timely and accurate information to their staff, citizens and visitors in the event of life safety, fire and weather emergency situations occurring within Summit County, Colorado; and

**WHEREAS**, the Parties hereby intend to set out the terms and conditions of their collective and respective responsibilities regarding the administration and financial obligations for the development and implementation of a community emergency alert text messaging system; and

**WHEREAS**, pursuant to the provisions of Section 18 of Article XIV of the Colorado Constitution, Section 29-1-203, C.R.S., as amended, and other applicable authority, the Parties may cooperate or contract with one another to provide any function, service or facility lawfully authorized to each; and

**WHEREAS**, the Parties have determined it to be in the best interests of the public health, safety and welfare to develop and implement a community emergency alert text messaging system for Summit County, Colorado.

**NOW, THEREFORE**, in consideration of the above recitals, which are hereby incorporated into the terms and conditions of the Agreement below, in consideration of the mutual promises and obligations stated herein below and for such other unstated consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. Purpose.** The purpose of this Agreement is to set out the terms and conditions of the Parties’ collective and respective responsibilities regarding contracting for and paying the costs for the provision of a Citizen Text Message Warning System (CTMWS) for the public and Parties’ staff in Summit County, Colorado.

**2. Term and Renewals.** The term of this Agreement shall be for one year, commencing on the Effective Date, July 25, 2008 and ending August 1, 2009. The Agreement shall automatically renew for five additional successive one-year terms, unless sooner terminated as provided herein below, and shall finally terminate on December 31, 2013. No additional parties will be allowed to join in this Agreement and utilize any portion of the CTWMS without unanimous approval of the Parties.

**3. Services.** The County, through the Sheriff's Office, and County Office of Emergency Management Director, shall contract with Roam Secure, Inc. (RSAN), for the provision of a CTMWS for Summit County, Colorado. The services to be provided are developing and hosting a text message alert system for life safety, fire, weather, accidents involving utilities or roadways, team activation notifications, or disaster notification such as a terrorist attack (the "Services"). The operational design of the CTMWS is an internet based application software which will be purchased by the Parties. The CTMWS software will be hosted on servers owned by RSAN. Examples of the types of messages that may be sent to the public and/or Parties' staff through the Services include:

A. Emergency Situations: Notify employees, and/or citizens of the location of the nearest emergency shelter, available bed space, hours of operation during a crisis; Notify employees/citizens of available evacuation routes during an emergency; Activate special teams within the community, based upon an event.

B. Precautionary Warnings: Severe weather warnings; Change in the Homeland Security Advisory System terror alert level; Pre-cautionary evacuation order if on high alert.

**4. Obligations of Contributing Parties.**

A. Operation and Management of CTWMS. The system will be managed by a user committee comprised of representatives of each of the Parties, which committee will create management and operational rules and system authorizations. The County, through its Emergency Operations Director, shall be responsible for contract oversight for and/or provision of CTMWS Services.

B. Financial Obligation. The Parties shall share the operating and capital expenses of providing the Services based on the cost-share formula established in the attached and hereby incorporated Exhibit A titled "TABLE OF COST ASSIGNMENT SUMMIT COUNTY CITIZEN TEXT MESSAGING SHARED SYSTEM."

C. Payment Obligation. The Parties are each individually responsible for payment of their respective financial obligation provided in attached Exhibit "A," which payments are non-refundable. County shall be responsible for making payments to Roam Secure, Inc. The Parties shall make payment to County for their respective annual financial obligation hereunder within thirty (30) days of being invoiced by County for such obligation. If a Party fails to remit its respective full individual funding share according to this Agreement, it shall be deemed to be a non-participating entity and the remaining Parties may agree to either revise their respective financial obligations hereunder or to terminate the Agreement. After the initial purchase and distribution of the Parties' respective CTWMS paging accounts, any and all subsequent additional paging accounts will be billed to the requesting Party at the actual cost.



D. Annual Budget. By not later than June 15 of each year, the Summit County Emergency Manager shall propose and deliver for review to the Parties an annual budget for provision of the CTMWS in the next following calendar year, which budget, if approved by the Parties, shall be attached hereto and incorporated by this reference.

E. Reporting. Summit County Emergency Manager shall provide an annual report updating the Parties as to the provision of CTMWS in the then current annual Agreement term, which report shall include budget and operations recommendations for the next following annual Agreement term.

F. CTWMS Complaints. Any CTWMS related grievance, protest or complaint by any Party to this Agreement shall be made in writing to the Summit County Emergency Manager who will present any unresolved matters to the Summit County Communications Center Policy Board.

G. Hold harmless. Each Party, to the extent authorized by law, shall hold harmless the other individual Parties, their respective officers, employees, and agents from and against any and all loss related to the Agreement. This provision shall not apply to excuse payment of a Party's financial obligations hereunder.

**5. Termination**. Any of the Parties may terminate its own participation in the Agreement for any reason by providing thirty (30) days advance written notice to each of the other Parties. Termination hereunder shall be deemed to be effective at the end of the then-current annual Agreement term. No refunds will be made to a Party that elects to terminate its participation in the Agreement.

**6. Notices**. All notices required to be given by the parties hereunder shall be hand delivered or given by regular, certified or registered mail to the individuals at the addresses set forth below. Either party may from time to time designate in writing substitute addresses or persons to whom such notices shall be sent.

Millie Hamner, Superintendent  
Summit County School District RE-1  
P.O. Box 7  
150 School Road  
Frisco, CO 80443

Timothy Gagen, Town Manager  
Town of Breckenridge  
P.O. Box 168  
150 Ski Hill Road  
Breckenridge, CO 80424

Devin Granbery, Town Manager  
Town of Dillon  
P.O. Box 8  
275 Lake Dillon Drive  
Dillon, CO 80435

Michael Penny, Town Manager  
Town of Frisco  
P.O. Box 4100  
1 Main Street  
Frisco, CO 80443

Kevin Batchelder, Town Manager  
Town of Silverthorne  
P.O. Box 1309  
601 Center Circle  
Silverthorne, CO 80498

Gary Martinez, County Manager  
Summit County Government  
P.O. Box 68  
208 Lincoln Avenue  
Breckenridge, CO 80424

Joel Cochran, Emergency Manager  
Summit County Sheriff's Office  
P.O. Box 210  
501 North Park Avenue  
Breckenridge, CO 80424

Dave Parmley, Fire Chief  
Lake Dillon Fire Protection District  
P.O. Box 4428  
Dillon, CO 80435  
401 Blue River Parkway  
Silverthorne, CO 80498

Gary Green, Fire Chief  
Red White & Blue Fire Protection District  
P.O. Box 710  
316 N. Main Street  
Breckenridge, CO 80424

## **7. General Provisions.**

A. Entire Agreement. This written Agreement is the entire agreement between the parties. Any and all prior or contemporaneous statements, understandings not contained herein shall be of no further force and effect. This Agreement may not be amended except in writing and signed by all parties.

B. Third Parties. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract and all rights of action relating to such enforcement, shall be strictly reserved to the Parties. Nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other third person.

C. Modification. This Agreement may be modified or amended only by a duly authorized written instrument executed by the Parties hereto.

D. Severability. If any of the provisions of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the party shall be construed and enforced accordingly, to effectuate the essential intent and purposes of this Agreement.

E. Enforcement and Waiver. The failure of a Party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Agreement, shall not be construed as a waiver of the right to assert any such terms and provisions on any future occasion or of damages caused thereby.

F. Authorization. Each Party represents and warrants that it has the power and ability to enter into this Agreement, to grant the rights granted herein and to perform the duties and obligations hereunder.

G. Attorneys Fees. If an action is brought to enforce this Agreement, the prevailing Party shall be entitled to costs and reasonable attorney's fees.

H. Governmental Immunity. The Parties do not intend to waive by any provision of this Agreement, the monetary limits or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, CRS, as now or thereafter amended, or any other applicable sovereign or governmental immunity.

I. Fund Availability/Annual Appropriation. Payment pursuant to this Agreement, whether in whole or in part, is subject to and contingent upon the continuing availability of each of the Parties' funds for purposes hereof. In the event that said funds, or any part thereof, become unavailable as determined by a Party, the Party may immediately terminate its participation in this Agreement or amend it accordingly.

J. Multi-Year Contracts. The obligations of the Parties hereunder shall not constitute a general obligation indebtedness or multiple year direct or indirect debt or other financial obligation whatsoever within the meaning of the Constitution or laws of the State of Colorado.

K. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Parties hereto, through their authorized representative, have executed this **SUMMIT COUNTY CITIZEN TEXT MESSAGING SHARED SYSTEM AGREEMENT** effective the date first written above.

LAKE DILLON FIRE PROTECTION DISTRICT

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

RED, WHITE AND BLUE FIRE PROTECTION DISTRICT

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

SUMMIT COUNTY GOVERNMENT

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

SUMMIT COUNTY SCHOOL DISTRICT RE-1

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

TOWN OF BRECKENRIDGE

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

TOWN OF DILLON

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

TOWN OF FRISCO

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

TOWN OF SILVERTHORNE

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT "A"**  
**TABLE OF COST ASSIGNMENT**  
**SUMMIT COUNTY CITIZEN TEXT MESSAGING SHARED SYSTEM**

	<b>Citizen Text Warning System Base Amount</b>	<b>Government Paging Accounts</b>	<b>Cost per paging acct: 5.50</b>	<b>Initial Purchase Agency Cost</b>	<b>Annual Renewal Agency Cost @\$7500.00</b>
<b>Summit County Government</b>	1167	188	1034	2201	1731
<b>Town of Breckenridge</b>	1167	10	55	1222	752
<b>Town of Dillon</b>	1167	10	55	1222	752
<b>Town of Frisco</b>	1167	12	66	1234	763
<b>Town of Silverthorne</b>	1167	10	55	1222	752
<b>Lake Dillon Fire District</b>	1167	60	330	1491	1027
<b>Red, White Blue Fire District</b>	1167	50	275	1436	972
<b>Summit School District</b>	1167	10	55	1222	752
<b>Total</b>	<b>9336</b>	<b>350</b>	<b>1925</b>	<b>11,250.00</b>	<b>7501</b>



**Scheduled Meetings, Important Dates and Events**

**Shading indicates Council attendance – others are optional**

*The Council has been invited to the following meetings and events. A quorum may be in attendance at any or all of them. All Council Meetings are held in the Council Chambers, 150 Ski Hill Road, Breckenridge.*

**August 2008**

Tuesday, August 26 Second Meeting of the Month

Thursday, August 28-29 CAST

**September 2008**

Tuesday, September 9 First Meeting of the Month

September 12-14 Oktoberfest

Tuesday, September 23 Second Meeting of the Month

**OTHER MEETINGS**

- 2<sup>nd</sup> & 4<sup>th</sup> Tuesday of the Month; 7:00pm Planning Commission; Council Chambers
- 1<sup>st</sup> Wednesday of the Month; 4:00pm Public Art Commission; 3<sup>rd</sup> floor Conf Room
- 2<sup>nd</sup> Thursday of the Month; 3:00pm BEDAC; 3<sup>rd</sup> floor Conf Room
- 2<sup>nd</sup> Monday of the Month; 5:30pm BOSAC; Council Chambers
- 2<sup>nd</sup> & 4<sup>th</sup> Tuesday of the Month; 1:30pm Board of County Commissioners; County
- 3<sup>rd</sup> Thursday of the Month; 7:00pm Red White and Blue; Main Fire Station
- 2<sup>nd</sup> Thursday of the Month; 5:30pm Sanitation District;
- Last Wednesday of the Month; 8am Breckenridge Resort Chamber; BRC Offices
- 4<sup>th</sup> Wednesday of the Month; 9am Summit Combined Housing Authority;
- 2<sup>nd</sup> Wednesday of the Month; 12 pm Breckenridge Heritage Alliance; Gaymon Cabin

Other Meetings: CAST, CML, NWCCOG, RRR, QQ, I-70 Coalition