

Town of Frisco, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020



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

**Town of Frisco, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020**

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INTRODUCTORY SECTION





TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

June 11, 2021

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

The Town of Frisco is pleased to present the comprehensive annual financial report, prepared in accordance with generally accepted accounting principles (GAAP), for the year ended December 31, 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town government. The Town management has established an internal control structure designed to ensure accurate financial reporting and to safeguard the assets of the Town. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town of Frisco's financial statements for the year ended December 31, 2020 have been issued an unmodified ("clean") opinion by McMahan and Associates, L.L.C., a firm of licensed certified public accountants. The independent auditor's report is presented as the first component of the financial section of this report.

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

Overview and Governmental Structure

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

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

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

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

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

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

In order to accomplish goals set for 2020, it is important to note the primary goal of the Town Council as set forth in its mission statement:

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

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

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and Town staff in their task of making decisions regarding daily operations and long-term planning.

Factors Affecting Financial Condition

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

Major industries in 2020 included tourism, real estate, health care, education and governmental service. Many local retailers, restaurants, and lodgers rely heavily upon the tourist trade, but they also rely upon the turnover of local properties to spur on redevelopment. World-class health care providers and the location of St. Anthony's Summit Medical Center just outside of municipal limits help to drive traffic to the area's merchants. The local school system and county governments also contribute to the well-being of the local economy. Major employers in 2020 included Wal-Mart, Safeway, Whole Foods, Town of Frisco, Grand Hotel, Outer Range Brewing, and an assortment of lodging, restaurant, retail and construction-related businesses. In addition, a number of entities outside of the municipal limits provide employment for a large portion of the Frisco populace. These include Copper Mountain Ski Resort, St. Anthony's Summit Medical Center, and the Summit County School District. However, many employees currently working in Frisco, largely due to high housing costs and a shortage of housing in Frisco and in Summit County, commute from other areas.

Steps Taken to Meet Financial Challenges: In 2010 and 2011, revenues began to stabilize from a major national economic downturn. Solid growth once again returned in 2012, lasting until March of 2020, when a COVID-19 pandemic gripped the entire world, wreaking havoc on local communities across the U.S., bringing the U.S. economy to a halt and causing what appeared to be severe losses in revenues for 2020. The Town, however, continues to be financially sound. Because Town management relies on a

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conservative projection philosophy, a build-up of reserves prior to 2020 allowed the Town to maintain levels of governmental service throughout the pandemic. Declines in revenues were not nearly as severe as originally thought. Council also had the flexibility to defer a majority of capital project expenditures and to provide grant funding to its residents and businesses that no doubt were instrumental in their ability to weather through this pandemic. As an added precaution, the Town adopted a budget stabilization reserve of approximately \$7M, in addition to the existing 7-month reserve, in the event conditions were to worsen.

The primary challenge the Frisco government faces in both the short- and long-term continues to be a dependence on sales tax revenues. In 2020, sales tax revenues comprised approximately 64% of General Fund revenues. As sales tax revenues are extremely volatile and susceptible to many outside forces beyond the direct control of Town government, Frisco has consistently focused on developing strategies to address the issue. In 2005, the Town began local sales tax collection. Compliance rates immediately surged and remain well above average. The Town will be contracting with the State of Colorado in 2021 to participate in the Sales and Use Tax Simplification System and expects to see future increases in sales tax collections, as remote sellers become compliant. Town Council has also supported efforts to attract more stable and varied sales tax generators.

The Town took several steps in 2019 to stabilize revenues by restructuring its water rates and implementing short-term rental regulations. Both of these actions assure that users are aiding with maintenance of the Town's infrastructure and complying with local legislature. The Town continues to monitor the impacts of these steps to determine if these programs will provide expected results, although the economic impacts of the COVID19 pandemic in early 2020 may hamper those efforts in the short term.

In accordance with the Peninsula Recreation Area Master Plan, the Town also began the first phase of construction of the Frisco Adventure Park in 2010. The scope of this project aimed to increase Frisco's visibility as a primary travel destination with the addition of world-class recreational amenities, including a tubing hill, a bike terrain park and a new day lodge. These facilities not only generate revenue for the General Fund in the short-term and a possible Enterprise Fund in the long-term, but also bolster sales and lodging tax revenues by attracting additional year-round guests. Since projects associated with this amenity were postponed due to the pandemic, the Town will revisit the Peninsula Recreation Area Master Plan in 2021 to prioritize possible upgrades in the future.

Likewise, capital projects at the Marina were postponed as a result of uncertainties created by the pandemic. However, the Marina had an extremely successful season and surpassed \$2M revenue, as the public was searching for outside recreation activities amid the pandemic. The Town will continue to make improvements at the Marina, as funding permits.

Additional challenges for the Town of Frisco include the approach of both residential and commercial build-out, a severe shortage of affordable housing, economic volatility on the national level and an unpredictable climate. In regards to the approach of build-out, the

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geography of the Town largely prevents any expansion. As such, most development efforts are now focused on the redevelopment of existing properties. Frisco also has a very large second-homeowner population, with second homes accounting for approximately 67% of all homes in the Town. The demand for mountain valley real property, particularly in the Rocky Mountain region, has driven the price of housing up, making it difficult for young families to relocate to Frisco or to remain. Employers, including the Town of Frisco, have had difficulty in attracting and retaining employees as a result.

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

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

To best plan for political, economic and climatic uncertainty, the Town relies greatly on the knowledge and experience gained during the so-called "Great Recession", which had the largest local impact from 2008 – 2010, and the economic impacts of the 2020 COVID-19 pandemic, continuing well into 2021. The conservative budgetary and reserve philosophies that form the basis of revenue and expenditure projections provide for flexibility. The Long-term Financial Planning section below goes into more detail as to policies that will also help to ensure the Town's financial stability during periods of volatility moving forward.

The most significant capital project in 2020 was related to completion of park improvements. The majority of projects were deferred, although essential capital expenditures kept on pace and included street improvements, a Main Street Promenade, environmental sustainability projects, updates to the Town's planning and zoning documents, and design work for upcoming major projects.

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Long-Term Financial Planning

The Town of Frisco has remained diligent in planning for the long-term financial well-being of the community. In addition to higher-level master planning and conservative revenue and expenditure projection philosophies, the long-term financial planning process has included the development of the Town Council's 2020-2021 Strategic Plan, the implementation of reserve policies, the development of a governmental service prioritization plan, and the preparation of a Long-Range Capital Improvement Plan.

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

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

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

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Acknowledgements

The preparation and completion of this report could not have been accomplished without the efforts of the Finance Department staff and other Town Departments. Special thanks are extended to all members of the independent certified public accounting firm for their able assistance and for the professional manner in which they have accomplished this assignment. We would also like to thank the Mayor, Town Council and the Town Manager for their interest and support in planning and conducting the financial operations of the Town in a fiscally responsible and progressive manner.

Respectfully submitted,



Bonnie Moinet
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Frisco
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO



ORGANIZATIONAL CHART

CITIZENS OF FRISCO

TOWN COUNCIL

Town Attorney
Prosecuting Attorney
Municipal Court
Judge

Town Manager

Boards & Commissions

Town Clerk
Executive Assistant

COMMUNITY DEVELOPMENT DEPARTMENT

Planning
Zoning
Building
Housing
Environmental

PUBLIC WORKS DEPARTMENT

Streets
Buildings
Fleet
Grounds
Water

POLICE DEPARTMENT

Administration
Municipal Court
Law Enforcement
Investigation

RECREATION AND CULTURAL DEPARTMENT

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

FINANCE DEPARTMENT

Audit
Budget
Revenue
Human Resources
Payroll
Accounts Payable
Utility Billing

MARKETING & COMMUNICATIONS DEPARTMENT

Marketing
Special Events
Information Center

**TOWN OF FRISCO, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2020**

Elected Officials

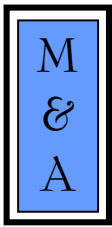
Mayor	Hunter Mortensen
Mayor Pro-tem	Jessica Burley
Council Members	Melissa Sherburne
	Dan Fallon
	Rick Ihnken
	Andrew Aerenzen
	Andy Held

Administrative Officials

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

FINANCIAL SECTION





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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245 CHAPEL PLACE, SUITE 300
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frisco, Colorado (the "Town"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frisco, Colorado as of December 31, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
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DANIEL R. CUDAHY, CPA, CGMA

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ASPEN: (970) 544-3996
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INDEPENDENT AUDITOR'S REPORT
To the Mayor and Town Council
Town of Frisco, Colorado

Other Matters

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

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

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 11, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Frisco, Colorado

Management's Discussion and Analysis

December 31, 2020

As management of the Town of Frisco, ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

Overview of the Financial Statements

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

On March 11, 2020, the World Health Organization declared Coronavirus-19 a pandemic effecting the entire globe. At that time, the impacts to the Town of Frisco were unknown, as they were throughout the country. The Town took steps to establish relief programs to aid businesses and individuals within the town to assist them in dealing with the extreme economic impacts that resulted from public health regulations. The Town also invested in recovery efforts, established programs to encourage local lodging and shopping, tightened its own spending, deferred capital projects and continued to evaluate its current financial position. As a result of these steps and the resiliency of the Town's local businesses, the Town weathered the pandemic much better than originally anticipated, as illustrated in these financial statements.

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages C5 – C9 of this report. The Town also presents a budgetary comparison for its proprietary funds.

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

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

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

The following schedule shows the Town's net position for 2020 and 2019.

	Town of Frisco's Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$35,421,456	\$28,779,526	\$9,686,421	\$8,932,115	\$45,107,877	\$37,711,641
Capital assets	43,794,845	44,093,428	12,795,160	12,521,630	56,590,005	56,615,058
Total Assets	79,216,301	72,872,954	22,481,581	21,453,745	101,697,882	94,326,699
Deferred Outflows of Resources:	463,542	561,688	-	-	463,542	561,688
Liabilities:						
Other liabilities	2,008,798	1,677,457	139,147	57,797	2,147,945	1,735,254
Long-term liabilities	3,443,309	3,838,993	5,487,023	5,560,048	8,930,332	9,399,041
Total Liabilities	5,452,107	5,516,450	5,626,170	5,617,845	11,078,277	11,134,295
Deferred Inflows of Resources:	304,556	206,292	-	-	304,556	206,292
Net Position:						
Net investment in capital assets	40,474,329	40,482,656	8,886,055	8,734,281	49,360,384	49,216,937
Restricted	8,191,201	6,586,228	-	-	8,191,201	6,586,228
Unrestricted	25,257,650	20,643,016	7,969,356	7,101,619	33,227,006	27,744,635
Total Net Position	\$73,923,180	\$67,711,900	16,855,411	\$15,835,900	\$90,778,591	\$83,547,800

The largest portions of the Town's assets are reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 56% of the total assets. The Town uses these assets to provide services to its citizens. The Town's remaining assets are generally available to pay liabilities or fund operations. At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. Due to the pandemic, many capital projects were deferred in 2020. The Town's capital assets before depreciation, however, did increase \$2,464,360 primarily due to significant Marina infrastructure projects, park improvements, replacement of fleet at the Marina and purchased vehicles, equipment and computers.

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

The following schedule provides financial information from the Town's Statement of Activities for 2020 and 2019:

Town of Frisco's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program revenues:						
Charges for services	3,158,616	\$4,479,966	3,654,605	\$2,580,618	6,813,221	\$7,060,584
Operating grants and contributions	1,028,828	309,791	36,255	34,830	1,065,083	344,621
Capital grants and contributions	139,792	421,975	43,170	225,910	182,962	647,885
General revenues:						
Property taxes	201,949	168,930	-	-	201,949	168,930
Sales and use taxes	12,019,014	11,835,668	-	-	12,019,014	11,835,668
Real estate transfer tax	2,070,516	1,542,417	-	-	2,070,516	1,542,417
Franchise taxes	320,081	326,461	-	-	320,081	326,461
Lodging taxes	498,972	555,084	-	-	498,972	555,084
Other taxes	1,085,556	440,671	-	-	1,085,556	440,671
Interest and other	633,214	587,692	115,286	223,025	748,500	810,717
Total Revenues	21,156,538	20,668,655	3,849,316	3,064,383	25,005,854	23,733,038
EXPENSES:						
Program Expenses						
General Government	5,264,246	4,781,244	-	-	5,264,246	4,781,244
Public Safety	1,435,801	1,510,270	-	-	1,435,801	1,510,270
Public works	2,930,379	2,981,562	-	-	2,930,379	2,981,562
Community development	1,623,333	1,890,312	-	-	1,623,333	1,890,312
Culture and recreation	3,062,208	3,789,171	-	-	3,062,208	3,689,171
Health and welfare	80,005	-	-	-	80,005	-
Housing	427,401	51,025	-	-	427,401	51,025
Interest	121,885	147,620	-	-	121,885	147,620
Marina Fund	-	-	1,832,451	1,663,817	1,832,451	1,663,817
Water Fund	-	-	997,354	1,092,655	997,354	1,092,655
Total Expenses	14,945,258	15,051,204	2,829,805	2,756,472	17,775,063	17,807,676
Increase in Net Position	6,211,280	5,617,451	1,019,511	307,911	7,230,791	5,925,362
Net Position-Beginning	67,711,900	62,094,449	15,835,900	15,527,989	83,547,800	77,622,438
Net Position - Ending	\$73,923,180	\$67,711,900	\$16,855,411	\$15,835,900	\$90,778,591	\$83,547,800

Overview of the Financial Statements (continued)

Governmental activities: Governmental activities increased the Town's net position by \$6,211,280 in 2020. Key elements of this increase are as follows:

- The following sources of revenue exceeded original budget projections as follows: city and county sales taxes - \$685,217; grants - \$698,511; other fees - \$254,274; SCHA 5A taxes - \$183,798; Real Estate Investment Fees – \$670,516; Nordic Center fees - \$41,964.
- Many other sources of revenue were greatly impacted by the pandemic and were significantly less than budgeted, i.e. building permits, short term rental licenses, special events, recreation, Frisco Adventure Park and lodging taxes.
- Likewise, expenditures were significantly under budget by \$6,313,300, the majority as a result of deferred capital projects.
- All governmental activities were subsidized by tax revenue.

Business-type activities: Business-type activities increased the Town's net position by \$1,019,511 in 2020. Key elements of this increase are as follows:

- Total user charges exceeded original budgeted amounts by \$844,771.
- Plant investment fee projections were under budget by \$126,830.
- Aggregate operating expenses were under budget projections by \$96,987.
- Capital outlay was under budget by 954,502 as a result of deferred projects.

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$28,684,503; an increase of \$6,202,221 from the prior year's ending fund balances. The following schedule details ending fund balances for the past several years:

Financial Analysis of the Town's Funds (continued)

<u>Fund</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General	\$6,248,219	\$5,267,734	\$5,662,752	\$7,292,712	\$8,140,974	\$17,052,188
Capital Improvement	2,174,649	4,402,501	7,188,940	5,859,534	8,140,533	3,406,379
Conservation Trust	68,698	47,692	23,594	50,897	50,287	71,345
Open Space	11,684	11,752	11,846	12,112	12,398	12,519
Summit County Housing 5A	951,566	1,235,989	2,390,015	3,412,355	5,289,173	6,667,180
Insurance Reserve	199,065	200,223	201,811	205,191	210,027	212,075
Nicotine Tax	-	-	-	-	-	488,013
Lodging Tax	341,371	438,710	545,551	558,904	637,877	773,781
Historic Preservation	-	-	-	-	1,013	1,023
	<u>\$9,995,252</u>	<u>\$11,604,601</u>	<u>\$16,024,509</u>	<u>\$17,391,705</u>	<u>\$22,482,282</u>	<u>\$28,684,503</u>

Governmental Funds (continued): The General Fund is the chief operating fund of the Town of Frisco. Due to the ongoing uncertainty of the pandemic, The Town Council created a temporary Budget Stabilization Reserve in the amount of \$7M to ensure essential operations can be maintained, should economic conditions worsen. This amount is classified as unrestricted. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16,315,848 while the total fund balance increased from 2019 to \$17,052,188. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. Unassigned fund balance represents 139% of total 2020 General Fund expenditures, while total fund balance represents 145% of that same amount.

The fund balance of the Town by \$8,911,214 during the current fiscal year. Key factors for 2020 are as follows:

- General Fund revenues were \$603,701 more than final budget projections, an indicator of the Town's resiliency during this pandemic.
- 2020 expenditures were less than budgeted by \$2,862,181, primarily due to program and event cancellations, unfilled positions, and budget tightening brought about by uncertainties associated with the pandemic.
- Fund balance in excess of the 7-month reserve is required to be transferred to the Capital Improvement Fund; the Town waived this requirement due to uncertainties brought about by the pandemic.
- The Town received a transfer from the Capital Improvement Fund in the amount of \$4.7M, excess funds as a result of deferred capital projects.

The Capital Improvement Fund has a total fund balance of \$3,406,379, a decrease of \$4,734,154 from the prior year. The major revenue source for the Capital Improvement Fund is Real Estate Investment Fees ("REIF") and a transfer from the General Fund, when there is an excess over required General Fund reserves. However, due to the economic impacts of the pandemic, there was no transfer from the General Fund to this fund but rather this fund transferred \$4.7M into the General Fund. The Town's debt service is managed from this fund, as are expenditures for capital projects and equipment. Key factors for 2020 are as follows:

Financial Analysis of the Town's Funds (continued)

- The Town's debt service for 2020 totaled \$501,678: \$221,000 for 2010 Certificates of Participation; \$85,678 for lease purchase; \$100,000 for lease purchase payment for the 1st and Main Street building; and \$95,000 for repayment of a loan from the Water Fund
- The Town expended \$1,882,051 on capital projects: \$762,462 on playground and park improvements; \$161,813 for design of amenities at the Frisco Adventure Park; \$100,771 for trails enhancements; \$58,439 for Main Street Promenade; and the remainder (\$798,566) for vehicle and equipment purchases, various street and pathway projects, technology purchases and facility improvements.
- Revenues from REIF were over budget projections by \$670,516.
- A transfer from this fund to the General Fund (see above) in the amount of \$4.7M.

The SCHA 5A Fund has a total fund balance of \$6,667,180, an increase of \$1,378,007 from 2019. Key factors for 2020 are as follows:

- Sales tax revenues generated were over budget by \$183,798.
- Major capital housing project that were originally budgeted in 2020 were not completed, resulting in expenditures under budget by \$2,252,099.

The Town's non-major governmental combined fund balances increased \$647,154.

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

Unrestricted net position for the Water Fund at the end of the current fiscal year was \$5,859,013 while the Marina Fund reported unrestricted net position of \$2,110,343.

Financial Analysis of the Town's Funds (continued)

Budget variances in the General Fund: The Town's General Fund revenues exceeded budget by \$603,701 while General Fund expenditures were under budget by \$2,862,181. Aside from the variance in the amount of required transfer to the Capital Improvement Fund discussed in the fund balance section, the General Fund's significant budget variances are detailed as follows:

<u>Account</u>	<u>Final Budget Variance: Positive (Negative)</u>	<u>Reason</u>
Revenues:		
Sales Taxes	\$685,217	Increased tourism and increased consumer confidence
Other Taxes	151,126	Increased revenues from recreational and medical marijuana taxes, and severance tax
Licenses/Permits	(138,009)	Business, liquor and development licenses and permits increased, while building permits and short term rental licenses decreased significantly, indicating impacts of pandemic
Investment Income	(54,668)	Decreased interest rates
Charges for Services	(1,033,082)	Frisco Adventure Park, Nordic Center, special events, recreation fees, fines, and building and facility rents impacted by pandemic
Intergovernmental	738,843	Federal funding to offset economic impacts of pandemic
Expenditures:		
General Government	336,359	Lower health insurance costs and tightening of budget due to pandemic
Public Safety	464,458	Vacant positions throughout year
Public Works	368,315	Road, building and vehicle repairs less than anticipated; vacant positions
Culture and Recreation	1,291,436	Reduced occupancy and cancelled events and programs due to pandemic restrictions
Community Development	401,613	Costs associated with special events less than anticipated as a result of pandemic

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

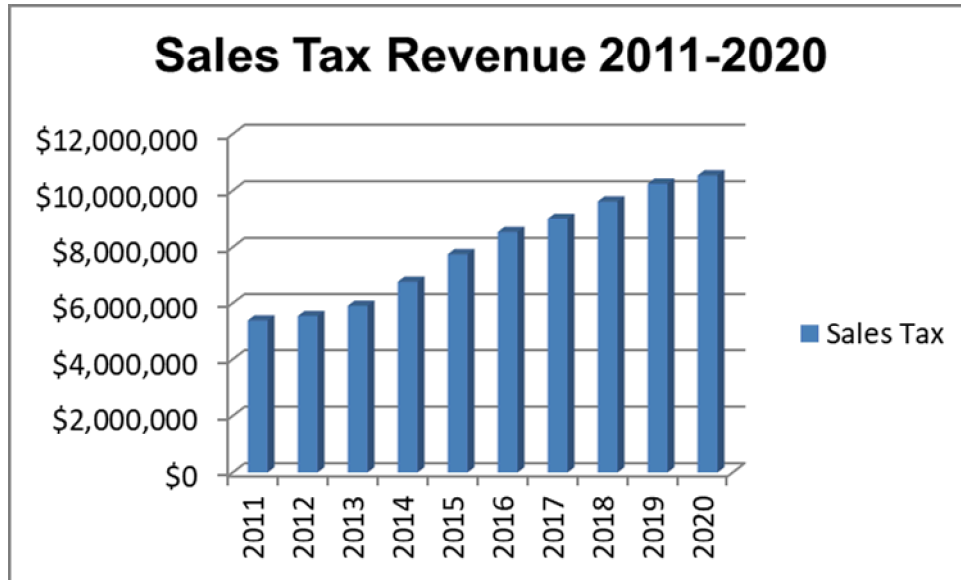
Financial Analysis of the Town's Funds (continued)

Long-term debt: At the end of the current fiscal year, the Town had a total of \$8,955,858 in long-term liabilities, detailed as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Certificates of Participation:					
Series 2010A	\$275,000	\$ -	\$(210,000)	\$65,000	\$65,000
Issuance Premium	637	-	(515)	122	-
Net Certificates of Participation	275,637	-	(210,515)	65,122	65,000
Lease Purchases:					
First & Main, L.L.C	904,313	-	(63,827)	840,486	66,381
Vectra Bank Colorado	2,438,100	-	(21,800)	2,416,300	172,400
Net Capital Leases	3,342,413	-	(85,627)	3,256,786	238,781
Net pension liability (asset)	129,084	-	(188,041)	(58,957)	-
Compensated Absences	645,810	358,615	(295,789)	708,636	283,454
Total Governmental Activities					
Long -term Liabilities	<u>\$4,392,944</u>	<u>\$358,615</u>	<u>(\$779,972)</u>	<u>\$3,971,587</u>	<u>\$502,753</u>
Business-type Activities:					
Revenue Bond	\$5,450,000	\$ -	\$ -	\$5,450,000	\$75,000
Issuance Premiums	63,173	-	(2,178)	60,995	-
Compensated Absences	78,125	66,630	(59,708)	85,047	34,019
Total Business-type Activities					
Long-term Liabilities	<u>\$5,591,298</u>	<u>\$66,630</u>	<u>(\$61,886)</u>	<u>\$5,596,042</u>	<u>\$109,019</u>

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

Sales Tax: Sales tax revenues account for approximately 66% of total General Fund revenues and are the primary source for providing funds for general operations and maintenance for the Town of Frisco. The Town began self-collection of City sales tax as of July 1, 2005, which has led to increased collections. The following chart indicates changes in sales tax over the past ten years:



Request for Information:

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	27,452,047	6,442,474	33,894,521
Cash and investments - Restricted	142,622	2,011,680	2,154,302
Receivables, net:			
Property taxes assessed	200,497	-	200,497
Other taxes	1,149,680	-	1,149,680
Intergovernmental	1,133,156	-	1,133,156
Employees	31,272	-	31,272
Other	867,406	359,857	1,227,263
Non-current	50,986	-	50,986
Internal balances	(812,415)	812,415	-
Notes receivable	4,500,000	-	4,500,000
Interest receivable	596,558	-	596,558
Inventories	47,258	59,995	107,253
Prepaid items	3,432	-	3,432
Net pension asset	58,957	-	58,957
Capital assets, not being depreciated	8,989,494	747,365	9,736,859
Capital assets, net of accumulated depreciation	34,805,351	12,047,795	46,853,146
Total Assets	79,216,301	22,481,581	101,697,882
Deferred Outflows of Resources:			
Deferred charge on refunding	1,392	-	1,392
Pension related deferred outflows	462,150	-	462,150
Total Deferred Outflows of Resources	463,542	-	463,542
Liabilities:			
Accounts payable	1,152,834	7,420	1,160,254
Interest payable	33,836	22,708	56,544
Unearned revenue	79,725	-	79,725
Deposits payable	155,168	-	155,168
Compensated absences:			
Due within one year	283,454	34,019	317,473
Due in more than one year	425,182	51,028	476,210
Debt payable:			
Due within one year	303,781	75,000	378,781
Due in more than one year	3,018,127	5,435,995	8,454,122
Total Liabilities	5,452,107	5,626,170	11,078,277
Deferred Inflows of Resources:			
Property taxes	193,711	-	193,711
Pension related deferred inflows - SWDB	110,845	-	110,845
Total Deferred Inflows of Resources	304,556	-	304,556
Net Position:			
Net investment in capital assets	40,474,329	8,886,055	49,360,384
Restricted:			
TABOR emergency reserve	632,000	-	632,000
Pensions	58,957	-	58,957
Affordable housing	6,667,180	-	6,667,180
Conservation Trust Fund	71,345	-	71,345
Economic development	760,696	-	760,696
Historic preservation	1,023	-	1,023
Unrestricted	25,257,650	7,969,356	33,227,006
Total Net Position	73,923,180	16,855,411	90,778,591

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

Town of Frisco, Colorado
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	5,264,246	380,220	988,763	-	(3,895,263)		(3,895,263)
Public safety	1,435,801	31,779	7,080	-	(1,396,942)		(1,396,942)
Public works	2,930,379	11,600	-	109,792	(2,808,987)		(2,808,987)
Community development	1,623,333	220,822	-	30,000	(1,372,511)		(1,372,511)
Culture and recreation	3,062,208	2,290,539	32,985	-	(738,684)		(738,684)
Health and welfare	80,005	-	-	-	(80,005)		(80,005)
Housing	427,401	223,656	-	-	(203,745)		(203,745)
Interest on long-term debt	121,885	-	-	-	(121,885)		(121,885)
Total - Governmental activities	<u>14,945,258</u>	<u>3,158,616</u>	<u>1,028,828</u>	<u>139,792</u>	<u>(10,618,022)</u>		<u>(10,618,022)</u>
Business-type activities:							
Water	997,354	1,253,959	-	43,170		299,775	299,775
Marina	1,832,451	2,400,646	36,255	-		604,450	604,450
Total - Business-type activities	<u>2,829,805</u>	<u>3,654,605</u>	<u>36,255</u>	<u>43,170</u>		<u>904,225</u>	<u>904,225</u>
Total	<u>17,775,063</u>	<u>6,813,221</u>	<u>1,065,083</u>	<u>182,962</u>	<u>(10,618,022)</u>	<u>904,225</u>	<u>(9,713,797)</u>
General revenues:							
Taxes:							
Sales and use taxes					12,019,014	-	12,019,014
Real estate investment fees					2,070,516	-	2,070,516
Franchise taxes					320,081	-	320,081
Lodging taxes					498,972	-	498,972
Property and specific ownership taxes					201,949	-	201,949
Miscellaneous taxes					1,085,556	-	1,085,556
Investment earnings					312,793	81,967	394,760
Gain on asset disposition					6,500	33,319	39,819
Miscellaneous					313,921	-	313,921
Total - General revenues and transfers					<u>16,829,302</u>	<u>115,286</u>	<u>16,944,588</u>
Change in Net Position					6,211,280	1,019,511	7,230,791
Net Position - January 1					<u>67,711,900</u>	<u>15,835,900</u>	<u>83,547,800</u>
Net Position - December 31					<u>73,923,180</u>	<u>16,855,411</u>	<u>90,778,591</u>

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

FUND FINANCIAL STATEMENTS



Town of Frisco, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	Summit County Housing Authority 5A Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents - Unrestricted	15,691,058	6,392,467	3,986,404	1,382,118	27,452,047
Cash and cash equivalents - Restricted	500	-	142,122	-	142,622
Receivables, net of allowance for uncollectible accounts:					
Property taxes	200,497	-	-	-	200,497
Other taxes	686,129	284,873	-	178,678	1,149,680
Intergovernmental	1,082,936	-	50,220	-	1,133,156
Employees	31,272	-	-	-	31,272
Other	820,789	-	46,617	-	867,406
Non-current	50,986	-	-	-	50,986
Inventory	34,173	-	-	13,085	47,258
Prepaid items	3,432	-	-	-	3,432
Total Assets	18,601,772	6,677,340	4,225,363	1,573,881	31,078,356
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	856,406	-	6,569	15,125	878,100
Accrued payroll and related liabilities	274,734	-	-	-	274,734
Internal balances	-	-	812,415	-	812,415
Unearned revenue	76,925	2,800	-	-	79,725
Deposits payable	147,808	7,360	-	-	155,168
Total Liabilities	1,355,873	10,160	818,984	15,125	2,200,142
Deferred inflows of Resources:					
Property taxes	193,711	-	-	-	193,711
Total Deferred Inflows of Resources	193,711	-	-	-	193,711
Fund Balances:					
Non-spendable	88,591	-	-	13,085	101,676
Restricted	632,000	6,667,180	142,122	1,321,077	8,762,379
Committed	-	-	3,264,257	224,594	3,488,851
Assigned	15,749	-	-	-	15,749
Unassigned	16,315,848	-	-	-	16,315,848
Total Fund Balances	17,052,188	6,667,180	3,406,379	1,558,756	28,684,503
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	18,601,772	6,677,340	4,225,363	1,573,881	31,078,356

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

Town of Frisco, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2020

Governmental Funds Total Fund Balance		28,684,503
 Amounts reported for governmental activities in the Statement of Net Positions are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost of capital assets	68,363,286	
Less accumulated depreciation	<u>(24,568,441)</u>	
		43,794,845
 Other long-term assets and deferred outflows of resources are not available for current period expenditures and, therefore, are not reported in the funds:		
Long-term promissory note	4,500,000	
Interest earned on long-term promissory note	596,558	
Net pension asset - SWDB	58,957	
Deferred refunding costs	1,392	
Pension related deferred outflows of resources	<u>462,150</u>	
		5,619,057
 Long-term liabilities and deferred inflows of resources, including debt payable, interest payable, compensated absences and pension related deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:		
Certificates of participation	(65,000)	
Premium on issuance of certificates of participation	(122)	
Capital leases	(3,256,786)	
Interest payable	(33,836)	
Accrued compensated absences	(708,636)	
Pension related deferred inflows of resources	<u>(110,845)</u>	
		<u>(4,175,225)</u>
 Net Position of Governmental Activities		 <u><u>73,923,180</u></u>

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

Town of Frisco, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Summit County Housing Authority 5A Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Revenues:					
Taxes	11,516,311	1,533,798	2,070,516	1,075,464	16,196,089
Licenses, permits, and fees	500,791	146,836	-	-	647,627
Intergovernmental revenue	1,020,843	-	109,792	62,985	1,193,620
Charges for services	2,513,018	-	-	-	2,513,018
Investment income	95,332	53,479	75,852	9,380	234,043
Rental income	-	76,820	-	-	76,820
Miscellaneous	284,774	-	2,201	8,546	295,521
Total Revenues	15,931,069	1,810,933	2,258,361	1,156,375	21,156,738
Expenditures:					
Current:					
General government	4,814,347	130,025	1,569	15,074	4,961,015
Public safety	1,381,818	-	-	-	1,381,818
Community development	1,311,296	-	-	261,776	1,573,072
Public works	1,957,973	-	-	-	1,957,973
Culture and recreation	2,254,421	-	-	152,366	2,406,787
Health and welfare	-	-	-	80,005	80,005
Capital outlay	-	302,901	1,882,051	-	2,184,952
Debt service:					
Principal	-	-	295,627	-	295,627
Interest	-	-	119,768	-	119,768
Total Expenditures	11,719,855	432,926	2,299,015	509,221	14,961,017
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,211,214	1,378,007	(40,654)	647,154	6,195,721
Other Financing Sources (Uses):					
Sale of assets	-	-	6,500	-	6,500
Interfund transfers	4,700,000	-	(4,700,000)	-	-
Total Other Financing Sources (Uses)	4,700,000	-	(4,693,500)	-	6,500
Net Change in Fund Balances	8,911,214	1,378,007	(4,734,154)	647,154	6,202,221
Fund Balances - January 1	8,140,974	5,289,173	8,140,533	911,602	22,482,282
Fund Balances - December 31	17,052,188	6,667,180	3,406,379	1,558,756	28,684,503

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

Town of Frisco, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

Net Change in Fund Balance of Governmental Funds		6,202,221
 Amounts reported for governmental activities in the Statement of Activities are different because:		
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation:		
Depreciation expense	(2,055,548)	
Capital outlay	1,778,438	(277,110)
 The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease to net position:		
	(21,482)	(21,482)
 The issuance of long-term debt (i.e., certificates of participation and capital leases) provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount of principal repayments less debt proceeds reported in the governmental funds:		
Principal repayments	295,627	295,627
 Some revenues reported in the Statement of Activities do not provide sources of current financial resources and therefore are not reported as revenue in the governmental funds:		
Accrued interest income	78,750	78,750
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Change in accrued compensated absences	(62,826)	
Change in accrued interest expense	(2,117)	
Pension expense	(1,783)	(66,726)
 Change in Net Position of Governmental Activities		6,211,280

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

Town of Frisco, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Assets:			
Current assets:			
Cash and investments - Unrestricted	4,773,406	1,669,068	6,442,474
Cash and investments - Restricted	-	2,011,680	2,011,680
Accounts receivable	288,710	71,147	359,857
Inventories	28,191	31,804	59,995
Total - Current assets	<u>5,090,307</u>	<u>3,783,699</u>	<u>8,874,006</u>
Long-term assets:			
Internal balances	812,415	-	812,415
Land and other non-depreciable assets	268,435	478,930	747,365
Property, plant and equipment, net of accumulated depreciation	5,615,636	6,432,159	12,047,795
Total - Long-term assets	<u>6,696,486</u>	<u>6,911,089</u>	<u>13,607,575</u>
Total Assets	<u>11,786,793</u>	<u>10,694,788</u>	<u>22,481,581</u>
Liabilities:			
Current liabilities:			
Accounts payable	332	7,088	7,420
Interest payable	-	22,708	22,708
Current portion of compensated absences	17,351	16,668	34,019
Current portion of debt	-	75,000	75,000
Total - Current liabilities	<u>17,683</u>	<u>121,464</u>	<u>139,147</u>
Noncurrent liabilities:			
Compensated absences, net of current portion	26,026	25,002	51,028
Debt, net of current portion	-	5,435,995	5,435,995
Total - Noncurrent liabilities	<u>26,026</u>	<u>5,460,997</u>	<u>5,487,023</u>
Total Liabilities	<u>43,709</u>	<u>5,582,461</u>	<u>5,626,170</u>
Net Position			
Net investment in capital assets	5,884,071	3,001,984	8,886,055
Unrestricted	5,859,013	2,110,343	7,969,356
Total Net Position	<u>11,743,084</u>	<u>5,112,327</u>	<u>16,855,411</u>

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

Town of Frisco, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Operating Revenues:			
Charges for services - User charges	1,231,125	2,400,646	3,631,771
Water meter sales	21,882	-	21,882
Intergovernmental - Operating grants	-	36,255	36,255
Other operating revenues	952	-	952
Total Operating Revenues	1,253,959	2,436,901	3,690,860
Operating Expenses:			
Salaries and benefits	390,175	647,780	1,037,955
Administrative fees	42,500	20,000	62,500
Professional fees	57,026	50,559	107,585
Supplies	20,330	75,414	95,744
Utilities	47,106	19,543	66,649
Repairs and maintenance	34,366	42,257	76,623
General expenses	60,278	328,705	388,983
Water meter replacements	40,630	-	40,630
Depreciation	304,943	377,471	682,414
Total Operating Expenses	997,354	1,561,729	2,559,083
Operating Income (Loss)	256,605	875,172	1,131,777
Non-Operating Revenue (Expenses):			
Investment income	51,775	30,192	81,967
Gain (loss) on asset disposal	-	33,319	33,319
Interest expense	-	(270,322)	(270,322)
Agent fees	-	(400)	(400)
Total Non-Operating Revenues (Expenses)	51,775	(207,211)	(155,436)
Income Before Capital Contributions	308,380	667,961	976,341
Capital Contributions:			
Plant investment fees	43,170	-	43,170
Change in Net Position	351,550	667,961	1,019,511
Net Position - January 1	11,391,534	4,444,366	15,835,900
Net Position - December 31	11,743,084	5,112,327	16,855,411

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

Town of Frisco, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Cash Flows From Operating Activities:			
Cash received from customers and others	1,217,154	2,377,020	3,594,174
Cash paid to suppliers for goods and services	(257,949)	(496,682)	(754,631)
Cash paid to employees for services	(389,593)	(641,440)	(1,031,033)
Cash paid to other funds for services provided	(42,500)	(20,000)	(62,500)
Net Cash Provided (Used) by Operating Activities	<u>527,112</u>	<u>1,218,898</u>	<u>1,746,010</u>
Cash Flows From Capital and Related Financing Activities:			
Plant investment fees received	43,170	-	43,170
Sale of capital assets	-	33,319	33,319
Interest expense	-	(270,322)	(270,322)
Agent fees	-	(400)	(400)
Acquisition of capital assets	(157,765)	(798,179)	(955,944)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(114,595)</u>	<u>(1,035,582)</u>	<u>(1,150,177)</u>
Cash Flows From Investing Activities:			
Interest received	51,775	30,192	81,967
Principal received on loan receivable	86,283	-	86,283
Net Cash Provided (Used) by Investing Activities	<u>138,058</u>	<u>30,192</u>	<u>168,250</u>
Net Change in Cash and Investments	550,575	213,508	764,083
Cash and Investments - January 1	<u>4,222,831</u>	<u>3,467,240</u>	<u>7,690,071</u>
Cash and Investments - December 31	<u><u>4,773,406</u></u>	<u><u>3,680,748</u></u>	<u><u>8,454,154</u></u>
Cash and Investments			
Cash and investments - Unrestricted	4,773,406	1,669,068	6,442,474
Cash and investments - Restricted	-	2,011,680	2,011,680
Total Cash and Investments	<u><u>4,773,406</u></u>	<u><u>3,680,748</u></u>	<u><u>8,454,154</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	<u>256,605</u>	<u>875,172</u>	<u>1,131,777</u>
Adjustments:			
Depreciation	304,943	377,471	682,414
(Increase) decrease in accounts receivable	(36,805)	(59,881)	(96,686)
Increase (decrease) in accounts payable	(234)	3,813	3,579
(Increase) decrease in inventory	2,021	18,161	20,182
Increase (decrease) in accrued benefits	582	6,340	6,922
Increase (decrease) in debt premium	-	(2,178)	(2,178)
Total Adjustments	<u>270,507</u>	<u>343,726</u>	<u>614,233</u>
Net Cash Provided (Used) by Operating Activities	<u><u>527,112</u></u>	<u><u>1,218,898</u></u>	<u><u>1,746,010</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020

I. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

Town of Frisco Finance Authority (the "Authority")

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

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

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

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

C. Fund Financial Statements

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

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

3. Financial Statement Presentation

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation (continued)

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

E. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

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

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

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

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

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Inventory and Prepaid Items

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

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

4. Pensions

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

5. Capital Assets

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

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

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Capital Assets (continued)

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

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

6. Long-term Debt

Long-term debt is reported as a liability on the government-wide and proprietary fund type financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The unamortized portion of the bond premiums and discounts is netted against bonds payable for presentation on the government-wide and proprietary fund Statement of Net Position.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures/expense when incurred.

7. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the obligated governmental fund. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental-activities column in the government-wide financial statements. Vested or accumulated vacation and sick leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees.

8. Deferred Outflows of Resources and Inflows of Resources

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Deferred Outflows of Resources and Inflows of Resources (continued)

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

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

9. Fund Equity

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

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

10. Interfund Transactions

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies

1. Use of Estimates

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

2. Credit Risk

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

3. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

The Town followed these procedures in preparing, approving, and enacting its budget for 2020.

(1) For the 2020 budget year, prior to August 25, 2019, the County Assessor sent to the Town a certified assessed valuation of all taxable property within the Town's boundaries.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (2) Prior to the end of the 2019 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
- (3) Prior to December 15, 2019, the Town computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget", the Town adopted the proposed budget and an appropriation resolution which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget ordinance, the Town may make the following changes:
 - a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of those estimated in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2019 were collected in 2020, and taxes certified in 2020 will be collected in 2021. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

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

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$632,000 of the December 31, 2020 year-end fund balance in the General Fund for this purpose, which is the approximate required reserve amount.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

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

IV. Detailed Notes on all Funds

A. Deposits and Investments

1. Deposits

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). Amounts on deposit in excess of \$250,000, the FDIC-insured limit at each participating institution, must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public as a group. The fair value of the collateral must equal or exceed 102% of the uninsured deposits. At December 31, 2020, the carrying value of the Town's deposits was \$8,542,067. The bank balance of these accounts was \$8,352,111.

At the end of 2020, the Town held deposits and investments with the following maturities:

	Standard & Poor's Rating (Fitch)	Carrying Amounts	Maturities	
			Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 4,277	4,277	-
Checking	Not Rated	6,641,455	6,641,455	-
Savings and money market	Not Rated	1,900,612	1,900,612	-
Certificates of deposit*	Not Rated	1,527,418	40,997	1,486,421
Investments:				
United States instrumentality	AA+	980,449	-	980,449
Certificates of deposit**	Not Rated	1,978,905	721,020	1,257,885
Investment pools	AAAm (AAAf)	23,015,707	23,015,707	-
Total		\$ 36,048,823	32,324,068	3,724,755

*Non-negotiable

**Negotiable

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

1. Deposits (continued)

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

Reconciliation to Statement of Net Position:

Cash and investments - Unrestricted	\$ 33,894,521
Cash and investments - Restricted	2,154,302
Total	<u><u>\$ 36,048,823</u></u>

2. Investments

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

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

At December 31, 2020, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. agencies	\$ 980,449	-	980,449	-
Negotiable certificates of deposit	1,978,905	-	1,978,905	-
Total	<u><u>\$ 2,959,354</u></u>	<u><u>-</u></u>	<u><u>2,959,354</u></u>	<u><u>-</u></u>
<u>Investments Measured at Amortized Cost</u>	<u>Total</u>			
C-SAFE	\$ 1,136,221			
CSIP (Local Government Investment Pool)	3,106,634			
Total	<u><u>\$ 4,242,855</u></u>			
<u>Investments Measured at Net Asset Value</u>	<u>Total</u>			
COLOTRUST	\$ 18,465,963			
C-SAFE	306,889			
Total	<u><u>\$ 18,772,852</u></u>			

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

2. Investments (continued)

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

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

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

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Receivables

Receivables as of December 31, 2020 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Summit County Housing 5A	Capital Improvement Fund	Lodging Tax Fund
Property taxes	\$ 200,497	-	-	-
Other taxes	686,129	284,873	-	84,308
Intergovernmental	1,082,936	-	50,220	-
Employees	31,272	-	-	-
Other	820,789	-	46,617	-
Non-current	50,986	-	-	-
Gross Receivables	<u>2,872,609</u>	<u>284,873</u>	<u>96,837</u>	<u>84,308</u>
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	<u><u>\$ 2,872,609</u></u>	<u><u>284,873</u></u>	<u><u>96,837</u></u>	<u><u>84,308</u></u>

	Nicotine Tax Fund	Water Fund	Marina Fund	Total
Property taxes	-	-	-	200,497
Other taxes	94,370	-	-	1,149,680
Intergovernmental	-	-	-	1,133,156
Employees	-	-	-	31,272
Other	-	288,710	71,147	1,227,263
Non-current	-	-	-	50,986
Gross Receivables	<u>94,370</u>	<u>288,710</u>	<u>71,147</u>	<u>3,792,854</u>
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	<u><u>94,370</u></u>	<u><u>288,710</u></u>	<u><u>71,147</u></u>	<u><u>3,792,854</u></u>

C. Governmental Note Receivable

On June 3, 2013, the Town accepted a \$4,500,000 Promissory Note from Brynn Grey X, LLC ("Brynn Grey") as proceeds for the sale of land. The Promissory Note, which is secured by a Deed of Trust on the land, matures in June 2033, and bears simple interest at 2.25% per annum. However, if Brynn Grey completes construction of certain buildings on the land securing the promissory note before June 3, 2018, the Promissory Note is to bear simple interest at 1.75% per annum. The agreement was amended July 28, 2017 to modify the construction completion requirement to include covenanted work force housing. Brynn Grey has since satisfied the construction requirements, so the Promissory Note bears simple interest at 1.75% per annum. As of December 31, 2020, the Town has accrued interest of \$596,558 receivable with respect to the Promissory Note.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

C. Governmental Note Receivable (continued)

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

2024	\$ 200,000
2025	200,000
2026	200,000
2027	200,000
2028	200,000
2029 - 2032	1,000,000
2033	4,352,354
Total	<u><u>\$ 6,352,354</u></u>

D. Capital Assets

Governmental capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 7,954,195	-	-	7,954,195
Intangibles	381,528	-	-	381,528
Construction in progress	523,245	130,526	-	653,771
Total Capital Assets Not Being Depreciated	<u>8,858,968</u>	<u>130,526</u>	<u>-</u>	<u>8,989,494</u>
Capital Assets Being Depreciated:				
Buildings and improvements	13,116,189	14,064	-	13,130,253
Infrastructure and improvements	37,711,059	1,214,093	-	38,925,152
Equipment and vehicles	7,158,276	419,755	(259,644)	7,318,387
Total Capital Assets Being Depreciated	<u>57,985,524</u>	<u>1,647,912</u>	<u>(259,644)</u>	<u>59,373,792</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(4,071,243)	(366,124)	-	(4,437,367)
Infrastructure and improvements	(14,055,498)	(1,009,966)	-	(15,065,464)
Equipment and vehicles	(4,624,314)	(679,458)	238,162	(5,065,610)
Total Accumulated Depreciation	<u>(22,751,055)</u>	<u>(2,055,548)</u>	<u>238,162</u>	<u>(24,568,441)</u>
Total Capital Assets Being Depreciated, Net	<u>35,234,469</u>	<u>(407,636)</u>	<u>(21,482)</u>	<u>34,805,351</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 44,093,437</u></u>	<u><u>(277,110)</u></u>	<u><u>(21,482)</u></u>	<u><u>43,794,845</u></u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Business-type capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Business-type Activities:</i>				
Capital Assets Not Being Depreciated:				
Land, easements and water rights	\$ 102,562	-	-	102,562
Projects in progress	208,294	436,509	-	644,803
Total Capital Assets Not Being Depreciated	<u>310,856</u>	<u>436,509</u>	<u>-</u>	<u>747,365</u>
Capital Assets Being Depreciated:				
Buildings and improvements	6,124,155	-	-	6,124,155
Infrastructure and improvements	14,221,652	321,596	-	14,543,248
Equipment and vehicles	1,829,906	197,839	(10,378)	2,017,367
Total Capital Assets Being Depreciated	<u>22,175,713</u>	<u>519,435</u>	<u>(10,378)</u>	<u>22,684,770</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(4,044,795)	(169,541)	-	(4,214,336)
Infrastructure and improvements	(4,534,271)	(350,030)	-	(4,884,301)
Equipment and vehicles	(1,385,873)	(162,843)	10,378	(1,538,338)
Total Accumulated Depreciation	<u>(9,964,939)</u>	<u>(682,414)</u>	<u>10,378</u>	<u>(10,636,975)</u>
Total Capital Assets Being Depreciated, Net	<u>12,210,774</u>	<u>(162,979)</u>	<u>-</u>	<u>12,047,795</u>
Business-type Activities Capital Assets, Net	<u>\$ 12,521,630</u>	<u>273,530</u>	<u>-</u>	<u>12,795,160</u>

Depreciation expense for 2020 was charged to Town functions as follows:

Governmental Activities:	
General government	\$ 466,795
Public safety	52,936
Public works	926,925
Community development	14,644
Culture and recreation	594,248
Total Depreciation Expense - Governmental Activities	<u>\$ 2,055,548</u>
Business-type Activities:	
Water Fund	\$ 304,943
Marina Fund	377,471
Total Depreciation Expense - Business-type Activities	<u>\$ 682,414</u>

At December 31, 2020, the Town had \$7,659,192 of fully-depreciated assets.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Operating Leases

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

F. Interfund Receivables, Payables, and Transfers

1. Loan Agreement – Water Fund and Capital Improvement Fund

Balances due between funds at December 31, 2020 were as follows:

Receivable from	Payable to	Balance Balance
Water Fund	Capital Fund	\$ 812,415

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

At December 31, 2020, the principal amount outstanding on this loan was \$812,415. Interest and principal payments made by the Capital Improvement Fund to the Water Fund during 2020 totaled \$8,717 and \$86,283, respectively, representing an interest rate of 0.97% per annum for the year.

2. Transfers

The following interfund transfers occurred during the year ended December 31, 2020:

Transferred To	Transferred From	Amount Transferred
General Fund	Capital Fund	\$ 4,700,000

The transfer from the Capital Improvement Fund to the General Fund provided additional funds for the Town's temporary budget stabilization reserve during the COVID-19 pandemic. See Note IV.M. for additional information.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

G. Long-term Liabilities

Governmental Activities:

1. Refunding Certificates of Participation, Series 2010A

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

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

2. Lease Purchases

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

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

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

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

G. Long-term Liabilities (continued)

Governmental Activities (continued):

3. Annual Debt Service Requirements – Governmental Activities

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

	Principal	Interest	Total
2021	\$ 303,781	99,526	403,307
2022	313,136	89,754	402,890
2023	315,197	80,598	395,795
2024	321,369	71,349	392,718
2025	327,156	61,898	389,054
2026 - 2030	1,697,634	161,698	1,859,332
2031	43,513	1,741	45,254
Total	\$ 3,321,786	566,564	3,888,350

Business-type Activities:

4. Marina Revenue Bonds

On February 26, 2019, the Town, through its Marina Enterprise Fund, issued \$5,450,000 in Marina Enterprise Revenue Bonds, Series 2019. The bonds, which mature through December 1, 2048, bear interest at 5% per annum. Net proceeds are being used to pay construction costs for marina expansion, debt-related issuance costs, and to fund a debt reserve account. Repayment of the bonds will be from the revenues of the Marina Enterprise Fund, with interest payments on June 1 and December 1, beginning in 2019, and annual principal payments due December 1, beginning in 2021.

Debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2021	\$ 75,000	272,500	347,500
2022	80,000	268,750	348,750
2023	85,000	264,750	349,750
2024	90,000	260,500	350,500
2025	100,000	256,000	356,000
2026 - 2030	595,000	1,199,250	1,794,250
2031 - 2035	630,000	934,625	1,564,625
2036 - 2040	1,275,000	894,625	2,169,625
2041 - 2045	1,440,000	494,250	1,934,250
2046 - 2048	1,080,000	110,000	1,190,000
Total	\$ 5,450,000	4,955,250	10,405,250

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

H. Long-term Liabilities – Compensated Absences

The Town has a policy allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the Town's approximate liability for vacation and sick pay earned by employees at December 31, 2020 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. The General Fund has been used in prior years to liquidate the liability for compensated absences related to governmental activities. The proprietary funds are used to liquidate the liability for compensated absences related to business-type activities.

I. Long-term Liabilities – Debt Service Schedule

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
<i>Certificates of Participation:</i>					
Series 2010A	\$ 275,000	-	(210,000)	65,000	65,000
Issuance premium	637	-	(515)	122	-
Certificates of Participation, net	<u>275,637</u>	<u>-</u>	<u>(210,515)</u>	<u>65,122</u>	<u>65,000</u>
<i>Lease Purchases:</i>					
First & Main, L.L.C.	904,313	-	(63,827)	840,486	66,381
Vectra Bank Colorado	2,438,100	-	(21,800)	2,416,300	172,400
Capital leases, net	<u>3,342,413</u>	<u>-</u>	<u>(85,627)</u>	<u>3,256,786</u>	<u>238,781</u>
Net pension liability(asset)	129,084	-	(188,041)	(58,957)	-
Compensated absences	<u>645,810</u>	<u>358,615</u>	<u>(295,789)</u>	<u>708,636</u>	<u>283,454</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 4,392,944</u>	<u>358,615</u>	<u>(779,972)</u>	<u>3,971,587</u>	<u>587,235</u>
Business-type Activities:					
Revenue bonds	\$ 5,450,000	-	-	5,450,000	75,000
Issuance premium	63,173	-	(2,178)	60,995	-
Revenue bonds, net	<u>5,513,173</u>	<u>-</u>	<u>(2,178)</u>	<u>5,510,995</u>	<u>75,000</u>
Compensated absences	<u>78,125</u>	<u>66,630</u>	<u>(59,708)</u>	<u>85,047</u>	<u>34,019</u>
Total Business-type Activities Long-term Liabilities	<u>\$ 5,591,298</u>	<u>66,630</u>	<u>(61,886)</u>	<u>5,596,042</u>	<u>109,019</u>

J. Reporting Requirements

The Town is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 215c2-12.

K. Refunded Debt

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

K. Refunded Debt (continued)

The escrow trust accounts are administered by the trustees and are restricted for the retirement of the refunded debt. The liability for the refunded certificates and the related securities and escrow accounts are not included in the accompanying financial statements, as the Town is only contingently liable for the refunded debt and therefore, the refunded bonds are considered to be extinguished debt. The Town is unable to determine the amount of defeased certificates outstanding at December 31, 2020.

L. Pension Asset / Liability, Pension Revenue / Expense, and Deferred Outflows / Inflows of Resources Related to Pensions

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

Contributions: Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Effective January 1, 2021, the FPPA Board of Directors, upon approval through an election by both the employers and members, may increase contribution rates for employers and members equally. Employers and employees are contributing at a rate of 8% and 10.5%, respectively, of base salary for a total contribution rate of 18.5% through 2019. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022. Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22.5% and 23% of base salary through 2019 and 2020, respectively. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution

Benefits: On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the SWDB to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50, known as the Rule of 80.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

L. Pension Asset / Liability, Pension Revenue / Expense, and Deferred Outflows / Inflows of Resources Related to Pensions (continued)

Benefits (continued): The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. Benefits paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers ("CPI-W").

A member is eligible for an early retirement at age 50 with at least 5 years of credited services or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5%t for each year of service thereafter.

Net Pension Asset/Liability: At December 31, 2020, the SWDB's fiduciary net position is exceeded by the total pension liability; consequently, the Town reported an asset of \$58,957 for its proportionate share of the SWDB's net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension asset was based on Town contributions to the SWDB for the calendar year 2019, relative to the total contributions of participating employers to the SWDB.

At the December 31, 2019 measurement, the Town's proportionate share was 0.104242%, as compared to 0.102109% at the December 31, 2018 measurement.

For the year ended December 31, 2020, the Town recognized pension expense of \$1,783.

At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 199,517	1,154
Change of assumptions or other inputs	111,945	-
Net difference between projected and actual earnings on pension plan investments	-	92,680
Changes in proportionate share of contributions	88,819	15,227
Difference between actual and reported contributions recognized	503	1,784
Contributions subsequent to measurement date	61,366	-
	\$ 462,150	110,845

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

L. Pension Asset / Liability, Pension Revenue / Expense, and Deferred Outflows / Inflows of Resources Related to Pensions (continued)

Net Pension Asset/Liability (continued): Contributions subsequent to the measurement date of December 31, 2019 – which are reported as deferred outflows of resources related to pensions – will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amortization</u>
2021	\$ 31,325
2022	23,299
2023	53,450
2024	14,342
2025	52,377
Thereafter	115,146
	<u>\$ 289,939</u>

Actuarial assumptions: The collective total pension liability and actuarially-determined contributions in the December 31, 2019 actuarial valuation were determined using the following actuarial assumptions and other inputs:

<u>Actuarial Assumptions</u>	<u>Total Pension Liability</u>	<u>Actuarially Determined Contributions</u>
Actuarial Valuation Date - January 1	2020	2019
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0	7.0%
Projected Salary Increases*	4.25%-11.25%	4.0%-14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

L. Pension Asset / Liability, Pension Revenue / Expense, and Deferred Outflows / Inflows of Resources Related to Pensions (continued)

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Global equity	38.00%	7.00%
Equity long / short	8.00%	6.00%
Private markets	25.00%	9.20%
Fixed income	15.00%	5.20%
Absolute return	8.00%	5.50%
Managed futures	4.00%	5.00%
Cash	2.00%	2.52%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

L. Pension Asset / Liability, Pension Revenue / Expense, and Deferred Outflows / Inflows of Resources Related to Pensions (continued)

Discount rate (continued): For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Collective net pension liability (asset)	\$342,913,305	\$ (56,556,341)	\$(387,863,540)
Proportionate share of net pension liability (asset)	\$ 357,461	\$ (58,957)	\$ (404,318)

Pension plan fiduciary net position: Detailed information about the SWDB’s fiduciary net position is available in FPPA’s comprehensive annual financial report, which can be obtained at: http://www.fppaco.org/annual_reports.htm.

M. Fund Balance Disclosures

The Town classifies governmental fund balances as follows:

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

Spendable Fund Balance:

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

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

M. Fund Balance Disclosures (continued)

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

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

The Town's General Fund has a seven-month required minimum reserve based on prior year expenditures.

On October 13, 2020 and in response to the ongoing COVID-19 pandemic, the Town established a budget stabilization reserve. The budget stabilization reserve is temporary and suspends the Town's requirement to transfer amounts in excess of the seven-month minimum reserve from the General Fund to the Capital Improvement Fund. Additionally, the budget stabilization reserve is to be used to meet Town needs due to the uncertainty of the COVID-19 pandemic. Budget stabilization reserve funds may be used with a majority vote of Town Council for the following purposes:

- Essential operations of the Town that are threatened by worsening economic conditions,
- Opportunities to pursue capital projects that would be of future benefit to the Town,
- Emergency purposes, and
- Instances for which Town Council deems funding necessary to meet the needs of the Town.

The budget stabilization reserve will remain in place until a resolution abolishing it is approved.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

M. Fund Balance Disclosures (continued)

As of December 31, 2020, fund balances are composed of the following:

<u>Classification</u>	<u>General Fund</u>	<u>Summit County</u>			<u>Total Governmental Funds</u>
		<u>Housing Authority 5A Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	
Non-spendable:					
Inventories	\$ 34,173	-	-	13,085	47,258
Prepays	3,432	-	-	-	3,432
Long-term receivables	50,986	-	-	-	50,986
Restricted:					
State constitution:					
TABOR reserve	632,000	-	-	-	632,000
Conservation Trust	-	-	-	71,345	71,345
Debt service	-	-	142,122	-	142,122
Historic preservation	-	-	-	1,023	1,023
Voter-approved measures for:					
Affordable housing	-	6,667,180	-	-	6,667,180
Economic development	-	-	-	760,696	760,696
Nicotine tax - Public health	-	-	-	488,013	488,013
Committed:					
Council resolutions:					
Insurance reserve	-	-	-	212,075	212,075
Open space	-	-	-	12,519	12,519
Capital projects	-	-	3,264,257	-	3,264,257
Assigned:					
Due from other governments	7,369	-	-	-	7,369
Cash held for others	8,380	-	-	-	8,380
Unassigned	16,315,848	-	-	-	16,315,848
Total	<u>\$ 17,052,188</u>	<u>6,667,180</u>	<u>3,406,379</u>	<u>1,558,756</u>	<u>28,684,503</u>

V. Other Information

A. Marina Lease Agreement

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

The Lease calls for the Town to pay annual rent equal to 4% of gross revenue generated from the Marina Property from all sources, including mooring fees collected by the Town. The Town incurred an expense of \$90,561 in connection with the Lease during 2020.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

V. Other Information (continued)

B. Deferred Compensation Plan

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

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

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

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

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

C. Pension Plan – Section 401(a) Plan

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

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

V. Other Information (continued)

C. Pension Plan – Section 401(a) Plan (continued)

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

The Town's annual pension cost of \$229,327 for the Pension Plan was equal to the Town's required and actual contribution.

The Town may use the Pension Plan's forfeitures to pay the costs of the Pension Plan or to fund employer contributions. During 2020 the Town used \$7,246 of forfeitures to fund contributions. There are no forfeitures available for spending at December 31, 2020.

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

D. FPPA Death and Disability Plan

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

SWDD benefits provide 24-hour coverage for both on- and off-duty members not eligible for normal retirement under a defined benefit plan, and members who have not met 25 years of accumulated service and age 55 under a money purchase plan.

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

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

The SWDD is funded by member or on-behalf of member contributions. Members hired on or after January 1, 1997, began contributing 2.4% of base salary to the SWDD. Contributions may be increased 0.1% biennially by the FPPA Board. The contribution rate increased to 2.8% of base salary as of January 1, 2019. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. Contributions may be paid entirely by the Town or member, or it may be split between the Town and the member as determined at the local level. The Town paid \$21,478 on behalf of members to the SWDD during 2020.

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

V. Other Information (continued)

E. Retirement Health Savings Account

Effective January 1, 2019, the Town established a Retirement Health Savings Account (“RHSA”) for employees after their sick leave balance exceeds 480 hours. RHSA accounts are offered as a benefit to employees in an effort to assist employees and their qualified dependents post-employment. In accordance with IRS regulations and the RHSA plan document, funds in an RHSA can only be used for approved medical, dental, and vision premiums for the employee and their qualified dependents. Funds deposited into an employee’s RHSA cannot be accessed until the employee separates from the Town.

For vested employees with sick leave balances exceeding 480 hours at the end of the calendar year, those hours exceeding 480 hours are exchanged for the equivalent to the employee’s rate of pay on December 31 and deposited into the employee’s RHSA. This exchange takes place in January of the following year and does not occur earlier, even in the case of a separation of service.

The RHSA plan is administered by ICMA under an agreement which shall be in effect until 2024 and will automatically renew for each succeeding year unless terminated in writing by either party 60 days prior to the end of year.

Employees are 100% vested at all times.

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

The Town's contributed \$40,580 to RHSA for 2020.

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

F. Cafeteria Plan

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

G. Risk Management

1. Colorado Intergovernmental Risk Sharing Agency

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

V. Other Information (continued)

G. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (continued)

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property, \$600,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2020. The deductible amount paid by the Town for each incident in 2020 was \$1,000; there is no change in coverage from past years. All settlements for the year ended December 31, 2020 were under the maximum coverage allowed.

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

The Town's share of CIRSA's assets, liabilities and fund equity as of December 31, 2020 (the latest year for which audited data is available) is as follows:

<u>Property and Casualty Pool</u>	<u>Equity Ratio</u>	<u>Share of Surplus (Deficit) Dec. 31/19</u>
Operating Fund	0.609%	\$ 43,498
Loss Fund	0.626%	136,171
Pooled Excess Fund	0.360%	(25,665)
Reserve Fund	0.672%	62,109

CIRSA's combined financial information for the year ended December 31, 2020 (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	\$ 85,609,779
Other assets	8,563,969
Total assets	<u>\$ 94,173,748</u>
 Total liabilities	 <u>\$ 35,750,846</u>
 Net position	 <u>\$ 58,422,902</u>
 Total contributions and other revenues	 \$ 33,496,772
Total expenses and distributions	(24,091,402)
Change in net position	<u>\$ 9,405,370</u>

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

V. Other Information (continued)

G. Risk Management (continued)

2. Workers Compensation and Health Insurance

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

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

The following is a summary of the changes in the balances of claims liabilities during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Unpaid (prepaid) claims, beginning of year	\$ 144,700	171,276
New claims incurred	1,019,700	966,324
Claim payments	<u>(1,044,700)</u>	<u>(992,900)</u>
Unpaid (prepaid) claims, end of year	<u>\$ 119,700</u>	<u>144,700</u>

H. Claims and Contingencies

1. Legal Claims

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town's management, such claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2020.

2. Federal Funds

Funds received from Federal grants and programs are subject to audit and disallowance on ineligible costs. Management of the Town feels any potential questioned or disallowed costs would not materially affect the fairness of the presentation of the financial statements at December 31, 2020.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Frisco, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
General property	158,968	158,968	192,149	33,181	159,915
Specific ownership	8,000	8,000	9,800	1,800	9,015
City sales tax	4,800,000	4,800,000	5,002,167	202,167	4,973,994
County sales tax	5,000,000	5,000,000	5,483,050	483,050	5,243,063
Franchise fees	320,000	320,000	320,081	81	326,461
Other taxes	393,000	393,000	509,064	116,064	440,671
Total - Taxes	<u>10,679,968</u>	<u>10,679,968</u>	<u>11,516,311</u>	<u>836,343</u>	<u>11,153,119</u>
License and Permits:					
Business and liquor licenses	159,000	159,000	182,434	23,434	178,777
Development	79,000	79,000	103,862	24,862	104,106
Building	275,000	275,000	128,560	(146,440)	326,326
Short term rental licenses	125,000	125,000	85,449	(39,551)	44,276
Other	800	800	486	(314)	585
Total - License and Permits	<u>638,800</u>	<u>638,800</u>	<u>500,791</u>	<u>(138,009)</u>	<u>654,070</u>
Intergovernmental:					
Highway users	110,000	110,000	100,255	(9,745)	135,520
County road and bridge	82,500	82,500	97,533	15,033	81,724
Grants	57,000	57,000	755,511	698,511	7,463
Motor vehicle registration	29,000	29,000	40,733	11,733	38,349
Other	3,500	3,500	26,811	23,311	13,425
Total - Intergovernmental	<u>282,000</u>	<u>282,000</u>	<u>1,020,843</u>	<u>738,843</u>	<u>276,481</u>
Charges for Services:					
Nordic Center	424,300	424,300	466,264	41,964	492,385
Historic Park	13,500	13,500	4,921	(8,579)	13,952
Special events	541,800	541,800	4,060	(537,740)	521,194
Recreation fees	303,000	303,000	240,471	(62,529)	336,257
Frisco Adventure Park fees	2,062,000	2,062,000	1,574,823	(487,177)	2,058,039
Building rents	100,000	100,000	128,200	28,200	120,715
Police services and fines	39,000	39,000	31,779	(7,221)	40,329
Administration fees	62,500	62,500	62,500	-	62,500
Total - Charges for Services	<u>3,546,100</u>	<u>3,546,100</u>	<u>2,513,018</u>	<u>(1,033,082)</u>	<u>3,645,371</u>
Investment Income	<u>150,000</u>	<u>150,000</u>	<u>95,332</u>	<u>(54,668)</u>	<u>219,958</u>
Miscellaneous:					
Disposable bag fee	15,000	15,000	150,330	135,330	-
Other	15,500	15,500	134,444	118,944	85,240
Total - Miscellaneous	<u>30,500</u>	<u>30,500</u>	<u>284,774</u>	<u>254,274</u>	<u>85,240</u>
Total Revenues	<u>15,327,368</u>	<u>15,327,368</u>	<u>15,931,069</u>	<u>603,701</u>	<u>16,034,239</u>

(Continued)

Town of Frisco, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)
(Continued)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures:					
General Government:					
Interdepartmental services	2,754,752	3,074,752	2,839,514	235,238	2,754,236
Legislative	71,736	71,736	65,613	6,123	73,109
Finance	314,925	314,925	341,320	(26,395)	320,662
Municipal Court	26,510	26,510	26,259	251	25,114
Administrative	927,783	927,783	875,012	52,771	830,965
Discretionary funds	230,000	735,000	666,629	68,371	80,200
Total - General Government	<u>4,325,706</u>	<u>5,150,706</u>	<u>4,814,347</u>	<u>336,359</u>	<u>4,084,286</u>
Public Safety:					
Police and animal control	1,846,276	1,846,276	1,381,818	464,458	1,457,574
Community Development:					
Planning and building department	769,755	769,755	740,142	29,613	692,609
Marketing and communications	648,191	648,191	501,803	146,388	549,194
Community relations	294,963	294,963	69,351	225,612	263,754
Total - Community Development	<u>1,712,909</u>	<u>1,712,909</u>	<u>1,311,296</u>	<u>401,613</u>	<u>1,505,557</u>
Public Works:					
Streets/properties - Maintenance/improvements	2,326,288	2,326,288	1,957,973	368,315	1,989,535
Culture and Recreation:					
Historic Park	298,099	298,099	182,814	115,285	261,656
Special events	797,493	797,493	187,503	609,990	713,113
Recreation	489,230	489,230	405,900	83,330	382,686
Frisco Adventure Park	1,424,721	1,424,721	1,121,442	303,279	1,149,405
Nordic Center	536,314	536,314	356,762	179,552	337,491
Total - Culture and Recreation	<u>3,545,857</u>	<u>3,545,857</u>	<u>2,254,421</u>	<u>1,291,436</u>	<u>2,844,351</u>
Total Expenditures	<u>13,757,036</u>	<u>14,582,036</u>	<u>11,719,855</u>	<u>2,862,181</u>	<u>11,881,303</u>
Excess (Deficiency) of Revenues over Expenditures	1,570,332	745,332	4,211,214	3,465,882	4,152,936
Other Financing Sources (Uses):					
Transfers in	-	4,700,000	4,700,000	-	-
Transfers (out)	(893,347)	-	-	-	(3,304,674)
Total Other Financing Sources (Uses)	<u>(893,347)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,304,674)</u>
Net Change in Fund Balance	676,985	5,445,332	8,911,214	3,465,882	848,262
Fund Balance - January 1	<u>6,581,902</u>	<u>6,581,902</u>	<u>8,140,974</u>	<u>1,559,072</u>	<u>7,292,712</u>
Fund Balance - December 31	<u>7,258,887</u>	<u>12,027,234</u>	<u>17,052,188</u>	<u>5,024,954</u>	<u>8,140,974</u>

Town of Frisco, Colorado
Summit County Housing Authority 5A Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
County sales tax	1,350,000	1,350,000	1,533,798	183,798	1,618,610
Developer impact fees	115,000	115,000	146,836	31,836	124,399
Investment income	50,000	50,000	53,479	3,479	94,819
Rental income	70,320	70,320	76,820	6,500	88,776
Total Revenues	<u>1,585,320</u>	<u>1,585,320</u>	<u>1,810,933</u>	<u>225,613</u>	<u>1,926,604</u>
Expenditures:					
General government	174,858	174,858	130,025	44,833	48,442
Capital outlay	2,800,000	2,555,000	302,901	2,252,099	1,344
Total Expenditures	<u>2,974,858</u>	<u>2,729,858</u>	<u>432,926</u>	<u>2,296,932</u>	<u>49,786</u>
Net Change in Fund Balance	(1,389,538)	(1,144,538)	1,378,007	2,522,545	1,876,818
Fund Balance - January 1	<u>4,374,423</u>	<u>4,374,423</u>	<u>5,289,173</u>	<u>914,750</u>	<u>3,412,355</u>
Fund Balance - December 31	<u><u>2,984,885</u></u>	<u><u>3,229,885</u></u>	<u><u>6,667,180</u></u>	<u><u>3,437,295</u></u>	<u><u>5,289,173</u></u>

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

	Measurement period ending December 31,						
	2019	2018	2017	2016	2015	2014	2013
Town's portion of the net pension (asset) liability	0.104242%	0.102109%	0.129007%	0.147306%	0.134622%	0.137171%	0.176403%
Town's proportionate share of the net pension (asset) liability	(58,957)	129,084	(185,598)	53,226	(2,375)	(154,808)	(157,737)
Town's covered payroll	743,400	681,688	756,313	756,488	659,263	618,088	772,725
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	7.9%	-18.9%	24.5%	-7.0%	0.4%	25.0%	20.4%
Plan fiduciary net position as a percentage of the total pension (asset) liability	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

* Information is only available beginning in measurement year 2013.

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

	<u>2020</u>	<u>2019</u>	Fiscal years ending December 31,			<u>2015</u>	<u>2014</u>
			<u>2018</u>	<u>2017</u>	<u>2016</u>		
Contractually required contribution	61,366	59,472	54,535	60,505	60,519	52,741	49,447
Actual contributions	<u>(61,366)</u>	<u>(59,472)</u>	<u>(54,535)</u>	<u>(60,505)</u>	<u>(60,519)</u>	<u>(52,741)</u>	<u>(49,447)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	767,075	743,400	681,688	756,313	756,488	659,263	618,088
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

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

Town of Frisco, Colorado
Notes to the Required Supplementary Information
December 31, 2020

I. Budgetary Information

Budgets for governmental funds are prepared in accordance with accounting principles generally accepted in the United States of America by the Town's Finance Department and adopted by Town Council following a public hearing.

Any change in the total to a fund's budget requires approval of Town Council. All unexpended annual appropriations lapse at year-end. Budgets for these projects are appropriated in the following year.

II. Notes to the Schedule of Town's Proportionate Share of Net Pension (Asset) Liability

A. Changes to Assumptions or Other Inputs

1. Changes Since the January 1, 2018 Actuarial Valuation

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

2. Changes Since the January 1, 2017 Actuarial Valuation

- No changes.

3. Changes Since the January 1, 2016 Actuarial Valuation

- No changes.

4. Changes Since the January 1, 2015 Actuarial Valuation

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

5. Changes Since the January 1, 2014 Actuarial Valuation

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

Town of Frisco, Colorado
Notes to the Required Supplementary Information
December 31, 2020
(Continued)

III. Notes to the Schedule of Town's Proportionate Share of Net Pension (Asset) Liability (continued)

B. Changes of Benefit Terms

No changes during the years presented.

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

No changes during the years presented.

IV. Notes to the Schedule of Town Contributions

A. Changes to Assumptions or Other Inputs

No changes during the years presented.

B. Changes of Benefit Terms

No changes during the years presented.

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

No changes during the years presented.

SUPPLEMENTARY INFORMATION



Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes - Real estate investment fees	1,400,000	1,400,000	2,070,516	670,516	1,542,417
Intergovernmental - Grants	168,390	168,390	109,792	(58,598)	391,974
Investment income	90,000	90,000	75,852	(14,148)	136,049
Miscellaneous	73,440	73,440	2,201	(71,239)	7,796
Total Revenues	1,731,830	1,731,830	2,258,361	526,531	2,078,236
Expenditures:					
General government - Agent fees	2,000	2,000	1,569	431	1,500
Capital outlay	7,807,090	2,753,590	1,882,051	871,539	2,745,945
Debt service:					
Principal	381,355	381,355	295,627	85,728	282,573
Interest	120,323	120,323	119,768	555	141,420
Total Expenditures	8,310,768	3,257,268	2,299,015	958,253	3,171,438
Excess (Deficiency) of Revenues Over Expenditures	(6,578,938)	(1,525,438)	(40,654)	1,484,784	(1,093,202)
Other Financing Sources (Uses):					
Sale of assets	175,000	175,000	6,500	(168,500)	69,527
Transfers out	-	(4,700,000)	(4,700,000)	-	-
Transfers in	893,347	-	-	-	3,304,674
Total Other Financing Sources (Uses)	1,068,347	(4,525,000)	(4,693,500)	(168,500)	3,374,201
Net Change in Fund Balance	(5,510,591)	(6,050,438)	(4,734,154)	1,316,284	2,280,999
Fund Balance - January 1	7,493,754	7,493,754	8,140,533	646,779	5,859,534
Fund Balance - December 31	1,983,163	1,443,316	3,406,379	1,963,063	8,140,533

Town of Frisco, Colorado
Enterprise Fund - Water Fund
Schedule of Revenues, Expenses and Change in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Charges for service - User charges	1,355,000	1,355,000	1,231,125	(123,875)	980,287
Water meter sales	5,000	5,000	21,882	16,882	19,502
Other operating revenues	-	-	952	952	1,404
Total Operating Revenues	<u>1,360,000</u>	<u>1,360,000</u>	<u>1,253,959</u>	<u>(106,041)</u>	<u>1,001,193</u>
Operating Expenses:					
Salaries and benefits	372,854	372,854	390,175	(17,321)	404,393
Administrative fees	42,500	42,500	42,500	-	42,500
Professional fees	90,000	90,000	57,026	32,974	72,757
Supplies and chemicals	52,000	52,000	20,330	31,670	20,199
Utilities	70,000	70,000	47,106	22,894	63,427
Repair and maintenance	90,000	90,000	34,366	55,634	48,416
General expenses	77,500	77,500	60,278	17,222	78,206
Capital outlay	1,281,500	874,000	157,765	716,235	60,199
Water meter replacements	50,000	50,000	40,630	9,370	37,400
Total Expenses	<u>2,126,354</u>	<u>1,718,854</u>	<u>850,176</u>	<u>868,678</u>	<u>827,497</u>
Operating Income (Loss)	<u>(766,354)</u>	<u>(358,854)</u>	<u>403,783</u>	<u>762,637</u>	<u>173,696</u>
Non-operating Revenues (Expenses):					
Investment income	50,000	50,000	51,775	1,775	113,387
Gain (loss) on asset disposal	4,000	4,000	-	(4,000)	-
Principal repayment	95,000	95,000	86,283	(8,717)	10,186
Plant investment fees	170,000	170,000	43,170	(126,830)	225,910
Total Non-operating Revenues (Expenses)	<u>319,000</u>	<u>319,000</u>	<u>181,228</u>	<u>(137,772)</u>	<u>349,483</u>
Change in Net Positions - Budget Basis	<u>(447,354)</u>	<u>(39,854)</u>	585,011	<u>624,865</u>	523,179
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			(86,283)		(10,186)
Capitalized assets			157,765		60,199
Depreciation			(304,943)		(325,355)
Change in Net Position - GAAP Basis			<u>351,550</u>		<u>247,837</u>

Town of Frisco, Colorado
Enterprise Fund - Marina Fund
Schedule of Revenues, Expenses and Change in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2019</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:					
Charges for service - User charges	1,432,000	1,432,000	2,400,646	968,646	1,579,425
Intergovernmental - Operating grants	32,000	32,000	36,255	4,255	34,830
Total Operating Revenues	<u>1,464,000</u>	<u>1,464,000</u>	<u>2,436,901</u>	<u>972,901</u>	<u>1,614,255</u>
Operating Expenses:					
Salaries and benefits	597,702	597,702	647,780	(50,078)	612,797
Administrative fees	20,000	20,000	20,000	-	20,000
Professional fees	47,500	47,500	50,559	(3,059)	26,447
Supplies	94,600	94,600	75,414	19,186	64,240
Utilities	30,000	30,000	19,543	10,457	20,003
Repairs and maintenance	58,000	58,000	42,257	15,743	36,824
General expenses	281,000	281,000	328,705	(47,705)	237,272
Capital outlay	1,565,500	1,036,446	798,179	238,267	3,939,170
Total Expenses	<u>2,694,302</u>	<u>2,165,248</u>	<u>1,982,437</u>	<u>182,811</u>	<u>4,956,753</u>
Operating Income (Loss)	(1,230,302)	(701,248)	454,464	1,155,712	(3,342,498)
Non-operating Revenues (Expenses):					
Debt proceeds	-	-	-	-	5,450,000
Debt premium	-	-	-	-	65,351
Investment income	70,000	70,000	30,192	(39,808)	104,238
Gain (loss) on asset disposal	46,200	46,200	33,319	(12,881)	5,400
Agent fees	-	-	(400)	(400)	-
Cost of issuance	-	-	-	-	(109,195)
Interest expense	(272,500)	(272,500)	(270,322)	2,178	(228,690)
Total Non-operating Revenues (Expenses)	<u>(156,300)</u>	<u>(156,300)</u>	<u>(207,211)</u>	<u>(50,911)</u>	<u>5,287,104</u>
Change in Net Positions - Budget Basis	<u>(1,386,602)</u>	<u>(857,548)</u>	247,253	<u>1,104,801</u>	1,944,606
Reconciliation to GAAP Basis:					
Adjustments:					
Debt proceeds			-		(5,450,000)
Premium on debt issuance			-		(65,351)
Capitalized assets			798,179		3,939,170
Depreciation			(377,471)		(308,349)
Change in Net Position - GAAP Basis			<u>667,961</u>		<u>60,076</u>

NON-MAJOR GOVERNMENTAL FUNDS

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

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

Historic Preservation Fund – This fund was established for the purpose of accepting donations from the public for preservation and restoration of the Town's historic artifacts.

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

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

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

Nicotine Tax Fund – This fund accounts for the voter-approved sales taxes imposed at \$4 per pack of cigarettes and 40% on all other tobacco and nicotine products and related devices.



**Town of Frisco, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2020**

	Special Revenue Funds						Total Non-major Governmental Funds
	Conservation Trust Fund	Historic Preservation Fund	Insurance Reserve Fund	Lodging Tax Fund	Open Space Fund	Nicotine Tax Fund	
Assets:							
Cash and cash equivalents - Unrestricted	71,345	1,023	212,075	676,439	12,519	408,717	1,382,118
Receivables, net of allowance for uncollectible accounts:							
Other taxes	-	-	-	84,308	-	94,370	178,678
Inventory	-	-	-	13,085	-	-	13,085
Total Assets	71,345	1,023	212,075	773,832	12,519	503,087	1,573,881
Liabilities and Fund Equity:							
Liabilities:							
Accounts/vouchers payable	-	-	-	51	-	15,074	15,125
Total Liabilities	-	-	-	51	-	15,074	15,125
Fund Balances:							
Non-spendable	-	-	-	13,085	-	-	13,085
Restricted	71,345	1,023	-	760,696	-	488,013	1,321,077
Committed	-	-	212,075	-	12,519	-	224,594
Total Fund Balances	71,345	1,023	212,075	773,781	12,519	488,013	1,558,756
Total Liabilities and Fund Balances	71,345	1,023	212,075	773,832	12,519	503,087	1,573,881

Town of Frisco, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue Funds						Total Non-major Governmental Funds
	Conservation Trust Fund	Historic Preservation Fund	Insurance Reserve Fund	Lodging Tax Fund	Open Space Fund	Nicotine Tax Fund	
Revenues:							
Taxes	-	-	-	498,972	-	576,492	1,075,464
Intergovernmental revenue	32,985	-	-	30,000	-	-	62,985
Investment income	557	10	2,048	6,644	121	-	9,380
Miscellaneous	-	-	-	1,946	-	6,600	8,546
Total Revenues	33,542	10	2,048	537,562	121	583,092	1,156,375
Expenditures:							
General government	-	-	-	-	-	15,074	15,074
Community development	-	-	-	261,776	-	-	261,776
Culture and recreation	12,484	-	-	139,882	-	-	152,366
Health and welfare	-	-	-	-	-	80,005	80,005
Total Expenditures	12,484	-	-	401,658	-	95,079	509,221
Net Change in Fund Balances	21,058	10	2,048	135,904	121	488,013	647,154
Fund Balances - January 1	50,287	1,013	210,027	637,877	12,398	-	911,602
Fund Balances - December 31	71,345	1,023	212,075	773,781	12,519	488,013	1,558,756

Town of Frisco, Colorado
Special Revenue Funds - Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2019</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental - Lottery proceeds	29,000	29,000	32,985	3,985	35,777
Investment income	1,000	1,000	557	(443)	1,253
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>33,542</u>	<u>3,542</u>	<u>37,030</u>
Expenditures:					
Culture and recreation	45,000	45,000	12,484	32,516	37,640
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>12,484</u>	<u>32,516</u>	<u>37,640</u>
Net Change in Fund Balance	(15,000)	(15,000)	21,058	36,058	(610)
Fund Balance - January 1	<u>36,397</u>	<u>36,397</u>	<u>50,287</u>	<u>13,890</u>	<u>50,897</u>
Fund Balance - December 31	<u><u>21,397</u></u>	<u><u>21,397</u></u>	<u><u>71,345</u></u>	<u><u>49,948</u></u>	<u><u>50,287</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Historic Preservation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Miscellaneous	-	-	-	-	1,000
Investment income	10	10	10	-	13
Total Revenues	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>	<u>1,013</u>
Expenditures:					
Capital projects	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	10	10	10	-	1,013
Fund Balance - January 1	<u>1,010</u>	<u>1,010</u>	<u>1,013</u>	<u>3</u>	<u>-</u>
Fund Balance - December 31	<u><u>1,020</u></u>	<u><u>1,020</u></u>	<u><u>1,023</u></u>	<u><u>3</u></u>	<u><u>1,013</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Insurance Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment income	3,500	3,500	2,048	(1,452)	4,836
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>2,048</u>	<u>(1,452)</u>	<u>4,836</u>
Expenditures:					
Claims	65,000	65,000	-	65,000	-
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>	<u>-</u>
Net Change in Fund Balance	(61,500)	(61,500)	2,048	63,548	4,836
Fund Balance - January 1	<u>210,192</u>	<u>210,192</u>	<u>210,027</u>	<u>(165)</u>	<u>205,191</u>
Fund Balance - December 31	<u><u>148,692</u></u>	<u><u>148,692</u></u>	<u><u>212,075</u></u>	<u><u>63,383</u></u>	<u><u>210,027</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Lodging Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Lodging tax	550,000	550,000	498,972	(51,028)	555,083
Local grants	30,000	30,000	30,000	-	30,000
Investment income	14,000	14,000	6,644	(7,356)	13,974
Miscellaneous	7,700	7,700	1,946	(5,754)	8,797
Total Revenues	<u>601,700</u>	<u>601,700</u>	<u>537,562</u>	<u>(64,138)</u>	<u>607,854</u>
Expenditures:					
Community development	348,155	348,155	261,776	86,379	202,944
Culture and recreation	247,000	247,000	139,882	107,118	325,937
Total Expenditures	<u>595,155</u>	<u>595,155</u>	<u>401,658</u>	<u>193,497</u>	<u>528,881</u>
Net Change in Fund Balance	6,545	6,545	135,904	129,359	78,973
Fund Balance - January 1	<u>597,240</u>	<u>597,240</u>	<u>637,877</u>	<u>40,637</u>	<u>558,904</u>
Fund Balance - December 31	<u><u>603,785</u></u>	<u><u>603,785</u></u>	<u><u>773,781</u></u>	<u><u>169,996</u></u>	<u><u>637,877</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Open Space Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Investment income	250	250	121	(129)	285
Total Revenues	<u>250</u>	<u>250</u>	<u>121</u>	<u>(129)</u>	<u>285</u>
Expenditures:					
Culture and recreation	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	250	250	121	(129)	285
Fund Balance - January 1	<u>12,413</u>	<u>12,413</u>	<u>12,398</u>	<u>(15)</u>	<u>12,113</u>
Fund Balance - December 31	<u><u>12,663</u></u>	<u><u>12,663</u></u>	<u><u>12,519</u></u>	<u><u>(144)</u></u>	<u><u>12,398</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Nicotine Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Nicotine tax	-	-	576,492	576,492	-
Nicotine licenses	-	-	6,600	6,600	-
Total Revenues	-	-	583,092	583,092	-
Expenditures:					
General government	-	-	15,074	(15,074)	
Health and welfare	-	-	80,005	(80,005)	-
Total Expenditures	-	-	95,079	(95,079)	-
Net Change in Fund Balance	-	-	488,013	488,013	-
Fund Balance - January 1	-	-	-	-	-
Fund Balance - December 31	-	-	488,013	488,013	-

Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Capital Outlay Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Capital Outlay:					
Alley paving	230,000	-	-	-	142,315
Asphalt overlay and resurface road	300,000	300,000	208,263	91,737	37,649
Building relocation costs	100,000	-	-	-	5,175
Community survey	25,000	25,000	15,690	9,310	-
Computers and technology	122,200	122,200	110,397	11,803	216,386
Consultant - historic preservation	25,000	-	-	-	4,226
Crack fill streets and bike paths	70,000	70,000	274	69,726	53,797
Curb replacement	50,000	50,000	23,881	26,119	52,032
Design construction Public Works facility	-	-	-	-	89,577
Electric vehicle charging station	-	-	-	-	9,262
Environmental sustainability	100,000	50,000	27,078	22,922	-
Equipment and vehicle leases	37,500	37,500	22,490	15,010	22,279
Facility capital repair	374,500	101,500	77,561	23,939	62,478
Feasibility study - Fieldhouse at PRA	-	-	-	-	8,151
Frisco Adventure Park amenity expansion	60,000	60,000	78,914	(18,914)	372,894
First and Main building	5,000	5,000	4,458	542	6,587
Historic Park deck stairs	36,000	36,000	14,064	21,936	-
Lake Hill analysis/support	30,000	30,000	32,885	(2,885)	47,593
Playground/site improvement at town parks	750,000	750,000	762,462	(12,462)	43,167
PRA Plan Implementation	1,000,000	200,000	82,899	117,101	-
Property purchases	2,500,000	-	-	-	-
Public art funding	25,000	15,000	10,008	4,992	-
Storm system study	150,000	150,000	-	150,000	-
Summit Blvd. GAP Project masonry work	400,000	186,000	21,260	164,740	-
Revitalize Main Street	-	-	58,439	(58,439)	-
Tap grant	-	-	-	-	564,005
Town Hall dumpster enclosure	50,000	25,000	-	25,000	240
Town Hall atrium design	40,000	-	-	-	-
Trails enhancement	223,390	223,390	100,771	122,619	95,395
Update planning documents	148,000	2,000	2,635	(635)	69,728
Vehicles and equipment	955,500	315,000	227,622	87,378	829,309
Wayfinding	-	-	-	-	13,700
Total Expenditures - Capital Outlay	7,807,090	2,753,590	1,882,051	871,539	2,745,945

LOCAL HIGHWAY FINANCE REPORT



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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Frisco, CO
YEAR ENDING : December 2020	
This Information From The Records Of (example - City of _ or County of Town of Frisco, CO)	Prepared By: Dylan Olchin/Town Accountant Phone: (970) 668-9137

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,039,735
3. Other local imposts (from page 2)	117,634
4. Miscellaneous local receipts (from page 2)	-
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	-
7. Total (1 through 6)	1,157,369
B. Private Contributions	
C. Receipts from State government (from page 2)	114,510
D. Receipts from Federal Government (from page 2)	-
E. Total receipts (A.7 + B + C + D)	1,271,879

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	337,481
2. Maintenance:	71,291
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	530,319
c. Other	
d. Total (a. through c.)	530,319
4. General administration & miscellaneous	
5. Highway law enforcement and safety	332,788
6. Total (1 through 5)	1,271,879
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	-
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	-
3. Total (1.c + 2.c)	-
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,271,879

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	1,271,879	1,271,879	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2020

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	117,634	g. Other Misc. Receipts	
6. Total (1. through 5.)	117,634	h. Other	
c. Total (a. + b.)	117,634	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	100,255	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	14,255	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	14,255	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	114,510	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			-
b. Engineering Costs	-	-	-
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation		270,516	270,516
(4). System Enhancement & Operation		66,965	66,965
(5). Total Construction (1) + (2) + (3) + (4)	-	337,481	337,481
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	337,481	337,481
			(Carry forward to page 1)

Notes and Comments:

STATISTICAL SECTION

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

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

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

Debt Capacity – These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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

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



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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 30,848,672	\$ 30,105,686	\$ 30,243,989	\$ 32,040,179	\$ 34,078,693	\$ 36,042,985	\$ 35,805,489	\$ 39,594,729	\$ 40,482,656	\$ 40,474,329
Restricted	781,946	869,064	880,133	1,136,803	1,980,373	2,179,572	1,152,548	1,409,259	6,586,228	8,191,201
Unrestricted	<u>6,648,940</u>	<u>8,017,252</u>	<u>12,710,588</u>	<u>12,037,042</u>	<u>12,679,733</u>	<u>14,249,460</u>	<u>19,684,169</u>	<u>21,090,452</u>	<u>20,643,007</u>	<u>25,257,650</u>
Subtotal Governmental Activities Net Position	<u>38,279,558</u>	<u>38,992,002</u>	<u>43,834,710</u>	<u>45,214,024</u>	<u>48,738,799</u>	<u>52,472,017</u>	<u>56,642,206</u>	<u>62,094,440</u>	<u>67,711,891</u>	<u>73,923,180</u>
Business-type Activities										
Net Investment in Capital Assets	7,762,155	7,999,727	7,802,593	7,948,393	7,723,018	7,521,763	8,281,537	9,155,965	8,734,281	8,886,055
Restricted for CRCA projects	-	-	-	-	-	-	198,940	664,551	-	-
Unrestricted	<u>4,064,798</u>	<u>3,992,272</u>	<u>4,505,019</u>	<u>4,791,659</u>	<u>5,368,258</u>	<u>6,095,350</u>	<u>5,928,610</u>	<u>5,707,470</u>	<u>7,101,617</u>	<u>7,969,356</u>
Subtotal Business-type Activities Net Position	<u>11,826,953</u>	<u>11,991,999</u>	<u>12,307,612</u>	<u>12,740,052</u>	<u>13,091,276</u>	<u>13,617,113</u>	<u>14,409,087</u>	<u>15,527,986</u>	<u>15,835,898</u>	<u>16,855,411</u>
Total Primary Government Net Position	<u>\$ 50,106,511</u>	<u>\$ 50,984,001</u>	<u>\$ 56,142,322</u>	<u>\$ 57,954,076</u>	<u>\$ 61,830,075</u>	<u>\$ 66,089,130</u>	<u>\$ 71,051,293</u>	<u>\$ 77,622,426</u>	<u>\$ 83,547,789</u>	<u>\$ 90,778,591</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$ 2,560,698	\$ 2,618,326	\$ 2,813,821	\$ 3,014,175	\$ 3,215,368	\$ 3,372,782	\$ 3,632,450	\$ 5,805,422	\$ 4,781,244	\$ 5,264,246
Public Safety	1,272,798	1,353,334	1,441,587	1,450,837	1,311,274	1,464,245	1,517,580	1,326,397	1,510,270	1,435,801
Public Works	2,772,067	2,523,672	2,463,718	2,661,950	2,604,258	2,390,051	2,697,095	2,777,951	2,981,562	2,930,379
Community Development	1,191,969	1,051,224	1,186,800	1,194,044	1,422,842	1,512,826	1,635,078	1,838,271	1,890,312	1,623,333
Culture and Recreation	2,098,979	2,387,598	2,665,626	2,813,730	2,673,080	3,098,379	3,538,985	3,634,564	3,689,171	3,062,208
Health and welfare	-	-	-	-	-	-	-	-	-	80,005
Housing	198,887	171,015	201,348	179,043	69,091	42,728	181,102	45,547	51,025	427,401
Interest on long-term debt	268,101	238,667	246,315	228,200	271,129	262,753	255,106	155,488	147,620	121,885
Total Governmental Activities Expenses	10,363,499	10,343,836	11,019,215	11,541,979	11,567,042	12,143,764	13,457,396	15,583,640	15,051,204	14,945,258
Business-type Activities:										
Interest on long-term debt	7,665	5,824	4,840	4,144	3,427	2,702	5,287	-	228,690	270,322
Water Fund	771,209	823,419	875,880	1,025,562	1,016,423	1,097,277	1,137,475	1,006,302	1,092,653	997,354
Marina Fund	858,980	944,530	874,024	977,565	980,887	951,376	998,766	1,231,122	1,435,127	1,562,129
Total Business-type Activities Expenses	1,637,854	1,773,773	1,754,744	2,007,271	2,000,737	2,051,355	2,141,528	2,237,424	2,756,470	2,829,805
Total Primary Government Expenses	12,001,353	12,117,609	12,773,959	13,549,250	13,567,779	14,195,119	15,598,924	17,821,064	17,807,674	17,775,063
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	287,617	298,642	339,703	439,635	433,333	350,659	288,696	263,086	373,077	380,220
Public Safety	19,982	26,717	31,499	26,898	19,356	41,461	35,748	47,275	40,329	31,779
Public Works	23,530	15,830	13,052	9,447	10,997	8,422	4,480	5,270	12,590	11,600
Community Development	225,698	213,588	263,445	274,096	287,170	194,122	290,400	468,573	417,968	220,822
Culture and Recreation	1,246,113	1,550,609	2,048,170	2,184,285	2,708,891	2,998,380	3,283,299	3,368,099	3,422,827	2,290,539
Housing	58,691	76,515	54,950	200,279	139,848	116,626	36,745	125,254	213,175	223,656
Operating Grants and Contributions	235,399	233,261	225,754	306,029	323,147	363,938	364,857	308,543	309,791	1,028,828
Capital Grants and Contributions	182,189	188,375	396,097	112,228	78,510	78,614	65,668	30,000	421,975	139,792
Total Governmental Activities Program Revenues	2,279,219	2,603,537	3,372,670	3,552,897	4,001,252	4,152,222	4,369,893	4,616,100	5,211,732	4,327,236
Business-type Activities:										
Charges for Services:										
Water	885,274	804,159	1,112,007	802,865	891,006	900,407	906,696	989,542	1,001,193	1,253,959
Marina	827,234	751,417	793,406	1,021,668	1,288,181	1,439,922	1,535,817	1,565,693	1,579,425	2,400,646
Operating Grants and Contributions	20,868	4,975	18,915	26,376	26,385	27,645	32,622	27,570	34,830	36,255
Capital Grants and Contributions	-	-	104,046	532,386	117,137	153,241	331,623	647,832	225,910	43,170
Total Business-type Activities Program Revenues	1,733,376	1,560,551	2,028,374	2,383,295	2,322,709	2,521,215	2,806,758	3,230,637	2,841,358	3,734,030
Total Program Revenues	4,012,595	4,164,088	5,401,044	5,936,192	6,323,961	6,673,437	7,176,651	7,846,737	8,053,090	8,061,266
Net (Expense)/Revenue										
Governmental Activities	(7,816,179)	(7,501,632)	(7,400,230)	(7,760,882)	(7,294,661)	(7,728,789)	(8,832,397)	(10,812,052)	(9,691,852)	(10,496,137)
Business-type Activities	103,187	(207,398)	278,470	380,168	325,399	472,562	670,517	993,213	313,578	1,174,547
Interest on Long Term Debt	(275,766)	(244,491)	(251,155)	(232,344)	(274,556)	(265,455)	(260,393)	(155,488)	(376,310)	(392,207)
Total Primary Government Net (Expense) Revenue	(7,988,758)	(7,953,521)	(7,372,915)	(7,613,058)	(7,243,818)	(7,521,682)	(8,422,273)	(9,974,327)	(9,754,584)	(9,713,797)
General Revenues and Transfers										
Governmental Activities:										
Taxes:										
Property Taxes	163,923	131,194	133,336	133,516	135,115	151,002	154,136	168,344	168,930	201,949
Sales and use Taxes	5,513,403	5,675,383	6,044,997	7,006,282	7,929,300	8,722,133	10,288,559	11,001,605	11,835,668	12,019,014
Real Estate Transfer Tax	792,486	805,152	920,533	1,044,365	1,487,185	1,389,027	1,293,352	1,415,715	1,542,417	2,070,516
Franchise Taxes	300,992	287,203	313,906	328,507	319,524	320,432	323,924	318,602	326,461	320,081
Lodging Taxes	261,429	285,434	325,768	388,199	426,458	471,041	490,541	534,342	555,084	498,972
Other Taxes	27,602	57,740	55,795	179,962	302,658	356,527	393,420	404,064	440,671	1,085,556
Transfers	42,500	62,500	(21,445)	-	-	-	-	-	-	-
Interest and Other	186,874	1,148,141	4,716,360	287,565	283,144	314,599	313,756	2,577,111	587,692	633,214
Total General Activities	7,289,209	8,452,747	12,489,250	9,368,396	10,883,384	11,724,761	13,257,688	16,419,783	15,456,923	16,829,302
Business-type Activities										
Transfers	(42,500)	(62,500)	21,445	-	-	-	-	-	-	-
Interest and Other	39,430	440,771	20,538	56,416	29,252	55,977	126,744	125,686	223,025	115,286
Total Business-type Activities	(3,070)	378,271	41,983	56,416	29,252	55,977	126,744	125,686	223,025	115,286
Total General Revenues and Transfers	7,286,139	8,831,018	12,531,233	9,424,812	10,912,636	11,780,738	13,384,432	16,545,469	15,679,948	16,944,588
Changes in Net Position										
Governmental Activities	(795,071)	712,448	4,842,705	1,379,314	3,317,594	3,733,219	4,170,185	5,452,243	5,617,451	6,211,280
Business-type Activities	92,452	165,049	315,613	432,440	351,224	525,837	791,974	1,118,899	307,913	1,019,511
Total Government Changes in Net Position	\$ (702,619)	\$ 877,497	\$ 5,158,318	\$ 1,811,754	\$ 3,668,818	\$ 4,259,056	\$ 4,962,159	\$ 6,571,142	\$ 5,925,364	\$ 7,230,791

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Non-Spendable	40,412	40,865	63,151	54,861	49,193	46,433	63,425	66,363	102,026	88,591
Restricted	309,000	350,000	332,000	377,000	478,000	468,000	596,000	626,000	621,000	632,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	195,282	425,285	497,510	419,941	244,002	16,396	14,637	14,662	18,230	15,749
Unassigned	2,631,208	2,944,642	3,767,001	5,045,942	5,477,024	4,736,905	4,988,690	6,585,687	7,399,718	16,315,848
Total General Fund	<u>3,175,902</u>	<u>3,760,792</u>	<u>4,659,662</u>	<u>5,897,744</u>	<u>6,248,219</u>	<u>5,267,734</u>	<u>5,662,752</u>	<u>7,292,712</u>	<u>8,140,974</u>	<u>17,052,188</u>
All Other Governmental Funds										
Non-Spendable	-	-	-	-	14,070	13,194	12,597	12,140	23,097	13,085
Restricted	472,946	519,064	865,682	1,077,331	1,665,273	2,028,323	3,144,301	4,152,007	6,110,334	8,130,379
Committed	658,159	633,174	608,475	643,286	2,067,690	4,295,350	7,204,859	5,934,846	8,207,877	3,488,851
Assigned	3,232,313	4,064,942	3,169,091	1,215,757	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>4,363,418</u>	<u>5,217,180</u>	<u>4,643,248</u>	<u>2,936,374</u>	<u>3,747,033</u>	<u>6,336,867</u>	<u>10,361,757</u>	<u>10,098,993</u>	<u>14,341,308</u>	<u>11,632,315</u>
Total Governmental Funds										
Non-Spendable	40,412	40,865	63,151	54,861	63,263	59,627	76,022	78,503	125,123	101,676
Restricted	781,946	869,064	1,197,682	1,454,331	2,143,273	2,496,323	3,740,301	4,778,007	6,731,334	8,762,379
Committed	658,159	633,174	608,475	643,286	2,067,690	4,295,350	7,204,859	5,934,846	8,207,877	3,488,851
Assigned	3,427,595	4,490,227	3,666,601	1,635,698	244,002	16,396	14,637	14,662	18,230	15,749
Unassigned	2,631,208	2,944,642	3,767,001	5,045,942	5,477,024	4,736,905	4,988,690	6,585,687	7,399,718	16,315,848
Total Governmental Funds Balance	<u>\$ 7,539,320</u>	<u>\$ 8,977,972</u>	<u>\$ 9,302,910</u>	<u>\$ 8,834,118</u>	<u>\$ 9,995,252</u>	<u>\$ 11,604,601</u>	<u>\$ 16,024,509</u>	<u>\$ 17,391,705</u>	<u>\$ 22,482,282</u>	<u>\$ 28,684,503</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes	\$ 7,059,836	\$ 7,242,107	\$ 7,794,319	\$ 9,080,831	\$ 10,600,007	\$ 11,410,162	\$ 12,943,932	\$ 13,842,672	\$ 14,869,229	\$ 16,196,089
Licenses, Permits, and Fees	366,526	379,410	429,595	604,633	554,513	459,556	482,663	746,210	778,469	647,627
Intergovernmental Revenue	359,307	353,497	249,217	251,625	260,675	264,873	325,407	333,474	734,232	1,193,620
Charges for Services	1,473,766	1,810,988	2,299,298	2,527,796	3,042,026	3,379,179	3,526,155	3,521,279	3,645,371	2,513,018
Investment Income	46,219	24,054	18,426	26,019	25,702	68,115	115,715	289,622	471,187	234,043
Capital Interest Subsidy	52,189	52,189	48,040	48,405	48,510	48,614	35,668	-	-	-
Rental Income	-	-	-	-	-	-	-	6,938	88,776	76,820
Reimbursements	-	-	318,057	33,823	-	-	-	-	-	-
Miscellaneous	128,057	135,166	94,419	97,401	116,920	119,634	50,820	66,758	102,833	295,521
Total Revenues	<u>9,485,900</u>	<u>9,997,411</u>	<u>11,251,371</u>	<u>12,670,533</u>	<u>14,648,353</u>	<u>15,750,133</u>	<u>17,480,360</u>	<u>18,806,953</u>	<u>20,690,097</u>	<u>21,156,738</u>
Expenditures										
General Government	2,392,648	2,233,891	2,501,631	2,869,845	2,974,825	3,101,416	3,172,809	3,762,670	4,134,228	4,961,015
Public Safety	1,222,019	1,316,176	1,411,394	1,405,463	1,289,834	1,464,557	1,473,245	1,404,537	1,457,574	1,381,818
Community Development	1,232,307	1,229,758	1,347,553	1,327,128	1,398,025	1,492,743	1,614,258	1,821,221	1,831,494	1,573,072
Public Works	1,703,666	1,674,290	1,700,686	1,748,004	1,635,124	1,680,766	1,832,232	1,891,301	1,989,535	1,957,973
Culture and Recreation	1,599,962	1,773,975	1,939,011	2,068,343	2,244,931	2,454,242	2,907,825	3,024,286	3,084,935	2,406,787
Health and welfare	-	-	-	-	-	-	-	-	-	80,005
Capital Outlay	1,695,474	779,913	1,819,204	3,479,100	5,481,490	3,147,180	1,368,598	7,243,333	2,747,289	2,184,952
Debt Service:										
Cost of issuance	-	-	-	-	-	-	74,559	-	-	-
Principal	277,534	409,078	502,582	665,122	780,197	578,488	524,621	274,712	282,573	295,627
Interest	219,859	828,328	211,538	206,668	244,383	246,992	212,837	145,370	141,420	119,768
Total Expenditures	<u>10,343,469</u>	<u>10,245,409</u>	<u>11,433,599</u>	<u>13,769,673</u>	<u>16,048,809</u>	<u>14,166,384</u>	<u>13,180,984</u>	<u>19,567,430</u>	<u>15,669,048</u>	<u>14,961,017</u>
Excess of Revenues										
Over/(Under) Expenditures	<u>(857,569)</u>	<u>(247,998)</u>	<u>(182,228)</u>	<u>(1,099,140)</u>	<u>(1,400,456)</u>	<u>1,583,749</u>	<u>4,299,376</u>	<u>(760,477)</u>	<u>5,021,049</u>	<u>6,195,721</u>
Other Financing Sources/(Uses)										
Certificate of Participation proceeds	-	-	-	-	-	-	2,487,000	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-	-	(2,412,441)	-	-	-
Lease Purchase Proceeds	-	494,859	370,922	477,184	1,765,000	-	-	-	-	-
Sales of Assets	73,020	1,191,790	136,240	153,163	796,590	25,600	45,973	2,127,677	69,527	6,500
Transfers In	-	-	-	-	-	-	3,350,000	2,191,510	3,304,674	4,700,000
Transfers Out	-	-	-	-	-	-	(3,350,000)	(2,191,510)	(3,304,674)	(4,700,000)
Total Other Financing Sources (Uses)	<u>73,020</u>	<u>1,686,649</u>	<u>507,162</u>	<u>630,347</u>	<u>2,561,590</u>	<u>25,600</u>	<u>120,532</u>	<u>2,127,677</u>	<u>69,527</u>	<u>6,500</u>
Net Change in Fund Balances	<u>\$ (784,549)</u>	<u>\$ 1,438,651</u>	<u>\$ 324,934</u>	<u>\$ (468,793)</u>	<u>\$ 1,161,134</u>	<u>\$ 1,609,349</u>	<u>\$ 4,419,908</u>	<u>\$ 1,367,200</u>	<u>\$ 5,090,576</u>	<u>\$ 6,202,221</u>
Debt Service as a Percentage of Noncapital Expenditures	5.8%	13.1%	7.4%	8.5%	9.7%	7.5%	6.2%	3.4%	3.3%	3.3%

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

Revenue Source	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City Sales Tax	\$ 2,643,657	\$ 2,727,768	\$ 2,916,281	\$ 3,397,819	\$ 3,842,561	\$ 4,189,692	\$ 4,372,568	\$ 4,679,210	\$ 4,973,995	\$ 5,002,167
County Sales Tax	2,741,574	2,810,720	2,979,759	3,444,028	3,899,533	4,328,048	4,630,816	4,928,635	5,243,063	5,483,050
Housing Authority Tax	128,311	136,896	148,941	164,435	186,973	204,393	1,285,174	1,393,760	1,618,610	1,533,798
Property Tax	158,539	126,029	127,301	126,849	128,253	143,493	145,468	158,901	159,915	192,149
Lodging Tax	261,290	285,434	325,768	388,199	426,458	471,041	490,541	534,342	555,083	498,972
Real Estate Investment Fee Tax	792,486	805,152	920,533	1,044,365	1,487,185	1,389,027	1,293,353	1,415,715	1,542,417	2,070,516
Franchise Tax	300,992	287,203	313,906	328,507	319,524	320,432	323,924	318,602	326,461	320,081
Specific Ownership Tax	5,384	5,165	6,035	6,667	6,862	7,509	8,668	9,443	9,015	9,800
Miscellaneous Tax	27,602	57,740	55,795	179,962	302,658	356,527	393,420	404,064	440,671	509,064
Total Revenues	\$ 7,059,835	\$ 7,242,107	\$ 7,794,319	\$ 9,080,831	\$ 10,600,007	\$ 11,410,162	\$ 12,943,932	\$ 13,842,672	\$ 14,869,230	\$ 15,619,597
% change from prior year	6.4%	2.6%	7.6%	16.5%	16.7%	7.6%	13.4%	6.9%	7.4%	5.0%
Percentage of Total										
City Sales Tax	37.4%	37.7%	37.4%	37.4%	36.3%	36.7%	33.8%	33.8%	33.5%	32.0%
County Sales Tax	38.8%	38.8%	38.2%	37.9%	36.8%	37.9%	35.8%	35.6%	35.3%	35.1%
Housing Authority Tax	1.8%	1.9%	1.9%	1.8%	1.8%	1.8%	9.9%	10.1%	10.9%	9.8%
Property Tax	2.2%	1.7%	1.6%	1.4%	1.2%	1.3%	1.1%	1.1%	1.1%	1.2%
Lodging Tax	3.7%	3.9%	4.2%	4.3%	4.0%	4.1%	3.8%	3.9%	3.7%	3.2%
Real Estate Investment Fee Tax	11.2%	11.1%	11.8%	11.5%	14.0%	12.2%	10.0%	10.2%	10.4%	13.3%
Franchise Tax	4.3%	4.0%	4.0%	3.6%	3.0%	2.8%	2.5%	2.3%	2.2%	2.0%
Specific Ownership Tax	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Miscellaneous Tax	0.4%	0.8%	0.7%	2.0%	2.9%	3.1%	3.0%	2.9%	3.0%	3.3%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Town of Frisco Financial Statements

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

	2011		2012		2013		2014		2015		2016		2017		2018		2019		2020			
Taxable Sales																						
Retail - General	\$ 35,877,800	27%	\$37,765,575	27%	\$ 38,616,625	26%	\$38,779,875	23%	\$40,289,125	21%	\$41,582,225	20%	\$42,519,550	19%	\$46,533,150	19%	\$56,365,700	22%	\$58,295,225	22%	\$58,295,225	22%
Grocery	17,482,825	13%	17,006,300	12%	27,351,950	19%	30,163,475	18%	38,176,500	20%	43,208,775	20%	48,184,100	21%	48,818,750	20%	50,172,400	20%	57,697,325	22%	\$57,697,325	22%
Restaurants	24,423,825	18%	25,124,850	18%	17,475,500	12%	29,173,050	17%	33,167,975	17%	36,682,925	17%	37,483,825	17%	40,972,200	17%	42,527,275	17%	42,527,275	17%	\$36,196,850	14%
Hotels & Inns	8,158,625	6%	9,174,875	7%	9,872,450	7%	11,744,800	7%	12,671,750	7%	13,103,850	6%	12,961,625	6%	13,576,850	6%	12,608,700	5%	12,608,700	5%	\$8,179,250	3%
Utility	8,951,300	7%	8,245,450	6%	9,122,625	6%	10,014,700	6%	10,087,375	5%	10,022,475	5%	10,386,350	5%	10,023,600	4%	9,673,550	4%	9,673,550	4%	\$9,736,475	5%
Home Improvement	6,723,675	5%	6,872,700	5%	7,052,675	5%	8,489,475	5%	9,282,600	5%	10,704,500	5%	12,575,300	6%	16,000,550	7%	17,224,000	7%	17,224,000	7%	\$19,732,625	7%
Automotive	7,559,800	6%	6,889,925	5%	7,709,400	5%	8,060,875	5%	8,466,700	4%	9,318,900	4%	9,076,550	4%	8,566,450	4%	9,678,825	4%	9,678,825	4%	\$10,573,250	4%
Recreation	7,031,000	5%	6,400,750	5%	7,572,575	5%	7,657,350	4%	8,955,050	5%	9,413,650	4%	9,232,025	4%	9,865,900	4%	9,678,775	4%	9,678,775	4%	\$8,527,000	3%
Liquor	4,587,250	3%	4,791,875	3%	5,331,200	4%	5,647,100	3%	7,661,150	4%	8,658,600	4%	8,797,750	4%	9,614,100	4%	9,278,775	4%	9,278,775	4%	\$11,179,825	4%
Home Furnishings	3,735,975	3%	4,477,825	3%	5,090,125	3%	5,647,100	3%	6,097,875	3%	8,037,600	4%	8,485,400	4%	7,954,225	3%	6,964,650	3%	6,964,650	3%	\$6,732,800	3%
Vacation Rentals	3,271,550	2%	3,915,200	3%	4,347,575	3%	5,248,475	3%	6,059,050	3%	7,315,175	3%	9,508,150	4%	11,560,775	5%	14,113,375	6%	14,113,375	6%	\$16,474,625	6%
Clothing	2,255,175	2%	2,492,750	2%	2,779,150	2%	2,937,025	2%	3,119,125	2%	3,822,725	2%	4,280,900	2%	4,620,075	2%	4,552,900	2%	4,552,900	2%	\$4,025,625	2%
Gifts	1,771,250	1%	2,326,925	2%	2,193,025	1%	2,683,600	2%	2,871,750	1%	3,129,850	1%	2,958,025	1%	3,170,775	1%	2,883,775	1%	2,883,775	1%	\$3,018,325	1%
Marijuana	-	0%	-	0%	-	0%	2,406,450	1%	4,319,100	2%	5,327,100	2%	5,913,250	3%	5,943,125	3%	6,468,725	3%	6,468,725	3%	\$7,616,425	3%
Health & Beauty	1,234,600	1%	1,274,900	1%	1,416,300	1%	915,850	1%	1,066,850	1%	1,442,575	1%	1,426,850	1%	1,635,450	1%	1,966,425	1%	1,966,425	1%	\$1,792,700	1%
Office	974,375	1%	941,050	1%	900,750	1%	860,775	1%	866,350	0%	947,325	0%	1,107,450	0%	1,207,800	1%	1,368,275	1%	1,368,275	1%	\$2,860,400	1%
Arts & Crafts	832,100	1%	883,750	1%	758,900	1%	699,250	0%	672,875	0%	487,275	0%	398,700	0%	406,575	0%	386,200	0%	386,200	0%	\$558,700	0%
Total	\$ 134,771,125	100%	\$ 138,584,700	100%	\$ 147,630,825	100%	\$ 171,324,750	100%	\$ 193,811,200	100%	\$ 213,185,525	100%	\$ 225,296,475	100%	\$ 240,470,350	100%	\$ 255,911,225	100%	\$ 263,197,425	100%	\$ 263,197,425	100%

	2011 (*)		2012 (*)		2013 (*)		2014 (*)		2015 (*)		2016 (*)		2017 (*)		2018 (*)		2019 (*)		2020 (*)			
Sales Tax Collected																						
Retail - General	\$ 1,435,112	27%	\$1,510,623	27%	\$ 1,544,665	26%	\$1,551,195	23%	\$1,611,565	21%	\$1,663,289	20%	\$1,700,782	19%	\$1,861,326	19%	\$2,254,628	22%	\$2,331,809	22%	\$2,331,809	22%
Grocery	699,313	13%	680,252	12%	699,020	12%	1,206,539	18%	1,527,060	20%	1,728,351	20%	1,927,364	21%	1,952,750	20%	2,006,896	20%	2,006,896	20%	\$2,307,893	22%
Restaurants	976,953	18%	1,004,994	18%	1,094,078	19%	1,169,922	17%	1,326,719	17%	1,466,517	17%	1,499,353	17%	1,638,888	17%	1,701,091	17%	1,701,091	17%	1,447,874	14%
Hotels & Inns	326,345	6%	366,995	7%	364,905	6%	469,792	7%	506,870	7%	524,154	6%	518,465	6%	543,074	6%	504,348	5%	504,348	5%	\$27,170	3%
Utility	354,052	7%	329,818	6%	394,898	7%	400,588	6%	403,495	5%	400,899	5%	400,944	5%	388,902	4%	388,902	4%	388,902	4%	\$389,459	4%
Home Improvement	268,947	5%	274,908	5%	283,707	5%	339,579	5%	370,504	5%	428,180	5%	503,012	6%	640,022	7%	688,960	7%	688,960	7%	\$789,305	7%
Automotive	302,392	6%	275,597	5%	308,376	5%	322,435	5%	338,668	4%	372,756	4%	363,062	4%	342,658	4%	387,153	4%	387,153	4%	\$422,930	4%
Recreation	281,240	5%	256,030	5%	302,903	5%	306,294	4%	358,202	5%	376,546	4%	369,281	4%	394,636	4%	387,147	4%	387,147	4%	\$411,080	4%
Liquor	183,490	3%	191,675	3%	213,248	4%	232,265	3%	306,446	4%	346,344	4%	351,910	4%	384,564	4%	371,151	4%	371,151	4%	\$447,193	4%
Home Furnishings	149,439	3%	179,113	3%	203,605	3%	225,894	3%	243,915	3%	321,504	4%	339,416	4%	318,169	3%	278,586	3%	278,586	3%	\$269,312	3%
Vacation Rentals	130,862	2%	156,608	3%	173,903	3%	211,379	3%	242,362	3%	292,607	3%	380,326	4%	462,431	5%	564,535	6%	564,535	6%	\$658,985	6%
Clothing	90,207	2%	99,710	2%	111,166	2%	117,881	2%	124,765	2%	152,909	2%	171,236	2%	184,803	2%	182,116	2%	182,116	2%	\$181,025	2%
Gifts	70,850	1%	93,077	2%	87,721	1%	107,344	2%	114,870	1%	125,194	1%	118,321	1%	126,831	1%	115,351	1%	115,351	1%	\$120,733	1%
Marijuana	-	0%	-	0%	-	0%	96,258	1%	172,764	2%	213,084	2%	236,477	3%	237,725	2%	258,749	3%	258,749	3%	\$304,657	3%
Health & Beauty	49,384	1%	50,996	1%	56,652	1%	36,634	1%	42,674	1%	57,703	1%	57,074	1%	65,418	1%	78,657	1%	78,657	1%	\$71,708	1%
Office	38,975	1%	37,642	1%	36,030	1%	34,431	1%	34,654	0%	37,893	0%	44,298	0%	48,312	1%	54,731	1%	54,731	1%	\$114,416	1%
Arts & Crafts	33,284	1%	35,350	1%	30,356	1%	27,970	0%	26,915	0%	19,491	0%	15,948	0%	16,263	0%	15,448	0%	15,448	0%	\$22,348	0%
Total	\$ 5,390,645	100%	\$ 5,543,388	100%	\$ 5,905,233	100%	\$ 6,852,990	100%	\$ 7,752,448	100%	\$ 8,527,421	100%	\$ 9,011,859	100%	\$ 9,618,814	100%	\$ 10,236,449	100%	\$ 10,527,897	100%	\$ 10,527,897	100%

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

Source: Town of Frisco Sales Tax Reports

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

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

Fiscal Year	Town of Frisco	Summit County	State of Colorado	Special District SCHA	Total
2011	2.00%	2.75%	2.90%	0.125%	7.775%
2012	2.00%	2.75%	2.90%	0.125%	7.775%
2013	2.00%	2.75%	2.90%	0.125%	7.775%
2014	2.00%	2.75%	2.90%	0.125%	7.775%
2015	2.00%	2.75%	2.90%	0.125%	7.775%
2016	2.00%	2.75%	2.90%	0.125%	7.775%
2017	2.00%	2.75%	2.90%	0.725%	8.375%
2018	2.00%	2.75%	2.90%	0.725%	8.375%
2019	2.00%	2.75%	2.90%	0.725%	8.375%
2020	2.00%	2.75%	2.90%	0.725%	8.375%

SCHA = Summit Combined Housing Authority

Source: Town of Frisco

Town of Frisco, Colorado
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property	Commercial & Industrial Property	Vacant & Agricultural Property	State Assessed	Tax-Exempt Property (1)	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2011	97,099,380	50,124,330	7,915,720	2,535,720	(6,897,170)	157,675,150	0.798	1,428,753,740	11.04%
2012	98,265,000	49,966,770	8,024,510	3,289,950	(7,152,781)	159,546,230	0.798	1,445,828,980	11.03%
2013	97,741,030	49,960,620	7,781,030	3,485,300	(7,144,447)	158,967,980	0.798	1,439,060,360	11.05%
2014	99,013,910	51,214,520	7,145,550	3,408,490	(7,145,527)	160,782,470	0.798	1,456,917,990	11.04%
2015	111,708,420	57,215,610	7,552,220	3,453,070	(7,285,660)	179,929,320	0.798	1,638,616,050	10.98%
2016	113,382,220	59,152,950	6,161,630	3,475,090	(7,569,380)	182,171,890	0.798	1,661,604,940	10.96%
2017	122,504,530	66,069,220	7,028,550	3,605,210	(7,331,050)	199,207,520	0.798	1,965,945,320	10.13%
2018	123,094,770	66,599,240	7,027,120	3,433,300	(7,448,810)	200,154,430	0.798	1,941,086,430	10.31%
2019	151,629,541	79,732,410	7,043,715	3,462,646	(7,573,443)	241,868,312	0.798	2,431,861,935	9.95%
2020	153,020,610	80,277,550	5,909,440	3,537,740	(7,593,630)	242,745,340	0.798	2,449,544,830	9.91%

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

Source: Summit County Assessor's Office

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

Tax Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Levy
2010	2011	153,199	152,900	99.80%	(328)	152,572	99.59%
2011	2012	125,825	125,556	99.79%	195	125,751	99.94%
2012	2013	127,318	127,135	99.86%	(43)	127,092	99.82%
2013	2014	126,849	126,677	99.86%	(72)	126,605	99.81%
2014	2015	128,304	127,899	99.68%	162	128,061	99.81%
2015	2016	143,584	143,261	99.78%	(2)	143,259	99.77%
2016	2017	145,373	145,199	99.88%	97	145,296	99.95%
2017	2018	158,968	158,625	99.78%	70	158,695	99.83%
2018	2019	159,723	159,595	99.92%	(1)	159,594	99.92%
2019	2020	193,011	192,340	99.65%	(525)	191,815	99.38%

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

Source: Summit County Treasurer's Office

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

Fiscal Year	Town of Frisco		Overlapping				Total
	Operating Mill Levy	Total Direct Rate	Summit County	Summit School District	Lake Dillon Fire Protection District	Frisco Sanitation District	
2011	0.798	0.798	12.796	20.202	8.284	0.000	42.080
2012	0.798	0.798	12.824	20.031	9.021	0.000	42.674
2013	0.798	0.798	12.789	20.275	9.014	0.000	42.876
2014	0.798	0.798	15.173	20.135	9.016	0.000	45.122
2015	0.798	0.798	15.072	19.618	9.026	0.000	44.514
2016	0.798	0.798	15.086	21.151	9.023	0.000	46.058
2017	0.798	0.798	14.986	20.525	9.003	0.000	45.312
2018	0.798	0.798	19.643	20.417	9.007	0.000	49.865
2019	0.798	0.798	19.280	19.092	9.055	0.000	48.225
2020	0.798	0.798	19.603	19.183	9.094	0.000	48.678

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

**Town of Frisco, Colorado
Legal Debt Margin
Fiscal Year 2020**

	Assessed Value
Maximum Debt Allowed:	
Actual Value	2,449,544,830
Debt Limit (3% of valuation)	0.03
Legal Debt Limit	\$ 73,486,345
Debt Applicable to Limit:	
Total Bonds Outstanding	\$ 5,515,122
Less: Sales and Use Tax Revenue Bonds	-
Debt Subject to Limitation	\$ 5,515,122
Debt Limit	\$ 73,486,345
less: Total Net Debt Applicable to Limit	5,515,122
Legal Debt Margin	\$ 67,971,223
Total Net Debt Applicable to Limit as a percentage of debt limit	7.5%

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

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

Town of Frisco, Colorado
Frisco Bay Marina Revenue Bonds
Last Ten Fiscal Years

Fiscal Year Ended December 31	Operating Revenues	Operating Expenses Excluding Depreciation	Net Non-Operating Revenues (Expenses) (2)	Net Revenue Available for Debt Service	Current Debt Service Requirements (1)			Times Coverage
					Principal	Interest	Total	
2019 (*)	\$ 1,614,255	\$ 4,956,753	\$ 5,287,104	\$ 1,944,606	\$ -	\$ 208,160	\$ 208,160	9.34
2020	2,436,901	1,982,437	(207,211)	247,253		272,500	\$ 272,500	0.91

(*) 2019 was the first year debt was issued.

(1) The Marina issued Revenue Bonds Series 2019, dated February 26, 2019, in the amounts of \$5,450,000 to finance Marina project improvements.

(2) Net non-operating revenues (expenses) includes interest expense on external debt, book value of disposed capital assets, bond issuance costs, and the amortization of the bond issuance premium and proceeds from the sale of capital assets.

Source: Town of Frisco's current year's financial statements.

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Median Family Income (1)</u>	<u>Outstanding Debt per Median Income</u>	<u>Population</u>	<u>Outstanding Debt Per Capita</u>
	<u>Capital Leases</u>	<u>Certificates of Participation</u>	<u>Notes Payable</u>					
2011	237,263	4,232,281	-	4,469,544	88,600	1.98%	2,675	1,671
2012	488,044	4,064,070	-	4,552,114	89,800	1.97%	2,712	1,679
2013	526,384	3,891,168	-	4,417,552	92,100	2.08%	2,753	1,605
2014	508,445	3,718,584	-	4,227,029	90,800	2.15%	2,829	1,494
2015	1,668,248	3,541,319	-	5,209,567	86,600	1.66%	2,890	1,803
2016	1,269,759	3,359,381	-	4,629,140	81,500	1.76%	2,931	1,579
2017	3,504,698	672,780	-	4,177,478	88,600	2.12%	3,123	1,338
2018	3,424,986	476,526	-	3,901,512	90,600	2.32%	3,135	1,245
2019	3,342,413	275,637	5,450,000	9,068,050	89,100	0.98%	3,159	2,871
2020	3,256,786	65,122	5,450,000	8,771,908	95,900	1.09%	*	*

* Statistics not yet released for 2020

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

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

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

Town of Frisco, Colorado
Computation of Direct and Overlapping Debt
Fiscal Year 2020

<u>Jurisdiction</u>	<u>2020 Assessed Value</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Town</u>	<u>Amount Applicable to Town</u>
Direct Debt:				
Town of Frisco	\$ 242,745,340	\$ 3,321,908	100.00%	\$ 3,321,908
<i>Total Direct Debt</i>				
Summit County	2,271,614,210	-	10.69%	-
Summit School District	2,249,526,050	73,510,000	10.79%	7,932,431
Lake Dillon Fire Protection District	1,138,866,580	-	21.31%	-
Frisco Sanitation District	259,749,700	-	93.45%	-
<i>Total Direct and Overlapping Debt</i>		73,510,000		
Total Direct and Overlapping Debt				\$ 11,254,339

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

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

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

Fiscal Year	Frisco Population (1)	Summit County Population (1)	Median Family Income (2)	Per Capita Income (3)	School Enrollment (4)	Unemployment Rate (5)
2011	2,675	27,906	88,600	44,800	815	7.50%
2012	2,712	28,145	89,800	46,220	815	7.20%
2013	2,753	28,637	92,100	49,369	770	4.40%
2014	2,829	29,404	90,800	50,685	807	3.40%
2015	2,890	29,928	86,600	54,615	832	2.50%
2016	2,931	30,367	81,500	58,386	963	2.10%
2017	3,123	30,555	88,600	64,446	965	1.50%
2018	3,135	30,974	90,600	69,447	1,014	1.60%
2019	3,159	30,983	89,100	71,479	1,023	2.70%
2020	*	*	95,900	*	1,047	4.40%

* Statistics not yet released for 2020

Sources:

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

**Town of Frisco, Colorado
Principal Employers
Fiscal Year 2020**

Employer	Employee # Range 2020	(1) Percentage of Total County Employment
St. Anthony Summit Medical Center *	100 - 249	0.005 - 0.013%
Summit High School *	100 - 249	0.005 - 0.013%
Whole Foods	100 - 249	0.005 - 0.013%
KCNC	100 - 249	0.005 - 0.013%
Wal-Mart	100 - 249	0.005 - 0.013%
Summit Middle School *	50 - 99	0.005 - 0.013%
Outer Range Brewery	50 - 99	0.003 - 0.005%
Holiday Inn/New Vision Hotel Two	50 - 99	0.003 - 0.005%
Safeway	50 - 99	0.003 - 0.005%
Summit County Ambulance *	50 - 99	0.003 - 0.005%
Summit Stage *	50 - 99	0.003 - 0.005%
Town of Frisco	50 - 99	0.003 - 0.005%
(1) Total Employees within Summit County:	18,523	

* Business not within municipal limits of the Town of Frisco

Number of employees is only given in ranges

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

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government *	9	9	8	9	9	9	9	10	10	10
Public Safety	15	15	16	15	16	17	17	17	18	18
Public Works	19	19	19	19	19	20	21	21	21	21
Community Development	6	6	6	6	6	6	6	8	8	9
Culture and Recreation	11	11	14	14	16	17	19	21	32	33
Water	3	3	3	3	4	4	3	3	4	4
Marina	2	2	3	3	3	3	4	4	3	3
Total	65	65	69	69	73	76	79	84	96	98

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

Source: Town of Frisco Human Resources

* Does not include Town Council (7)

Town of Frisco, Colorado
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>General Government</u>											
Council meetings	20	20	22	20	22	21	25	25	24	23	30
Business licenses	1,193	1,321	1,357	1,464	1,457	1,472	1,498	1,539	1,539	1,579	1575
Sales tax licenses	848	900	934	967	1,003	1,034	1,096	1,117	1,257	1,795	1983
Elections	1	0	0	1	0	0	1	0	1	0	1
<u>Public Safety</u>											
Police stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8	8	8
Physical arrests	141	176	215	175	157	186	135	116	133	95	75
Traffic violations	1,411	1,288	951	631	883	638	653	367	501	245	141
Parking violations	23	35	22	16	44	30	23	49	80	81	51
<u>Public Works</u>											
Miles of streets	17.75	17.75	18	18	18	18	18	19	19	19	19
Total Town area (square miles)	2	2	2	2	2	2	2	2	2	2	2
<u>Community Development</u>											
Building permits issued	154	167	158	169	157	209	190	196	239	357	214
COs issued	35	124	91	83	73	46	59	52	72	87	55
Planning Commission meetings	18	13	15	16	16	14	14	24	20	20	12
<u>Culture and Recreation</u>											
Parks	10	10	10	10	10	10	10	10	10	10	10
Historic Park and Museum	1	1	1	1	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1	1	1	1	1
Volleyball courts	1	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2	1
Miles of trails	11.5	11.5	12	12	12	12	12	12	12	12	12
Nordic ski trails	43 km	43 km	43 km	43 km	43 km	43 km	43 km	43 km	43 km	43km	43km
Outdoor ice rinks	1	1	1	1	1	1	1	1	1	1	1
Baseball, soccer, and multi-use fields	2	2	2	2	2	2	2	2	2	2	2
Bike Park	0	1	1	1	1	1	1	1	1	1	1
<u>Housing</u>											
Impact Fees (\$2 or less/sq ft, new construction)	34,626 sq ft	29,812 sq ft	45,101 sq ft	40,613 sq ft	105,053 sq ft	85,066 sq ft	70,176 sq ft	24,035 sq ft	69,580 sq ft	67,846 sq ft	80,767 sq ft
<u>Municipal Water</u>											
Number of water service connections	1,925	2,105	1,903	1,906	1,935	1,954	1,960	1,998	2,036	2,008	
Daily average water consumption in million gallons	0.786 mgd	0.658 mgd	0.740 mgd	0.607 mgd	0.600 mgd	0.617 mgd	.657 mgd	.736 mgd	.699 mgd	.685 mgd	0.650 mgd
Miles of water mains	32.5	32.5	32.5	32.8	33	33	33	33	33	33	33
<u>Marina</u>											
Service and storage buildings	4	4	4	4	4	4	4	4	4	4	4
Offices	1	1	1	1	1	1	1	1	1	1	1
Lighthouses	1	1	1	1	1	1	1	1	1	1	1
Restaurants	1	1	1	1	1	1	1	1	1	1	1
Docks	11	11	13	12	12	11	12	12	12	15	16
Paddle boats	44	45	45	62	33	36	56	31	53	80	45
Power boats	15	14	14	14	10	14	14	13	12	17	19

Source: Town of Frisco Human Resources