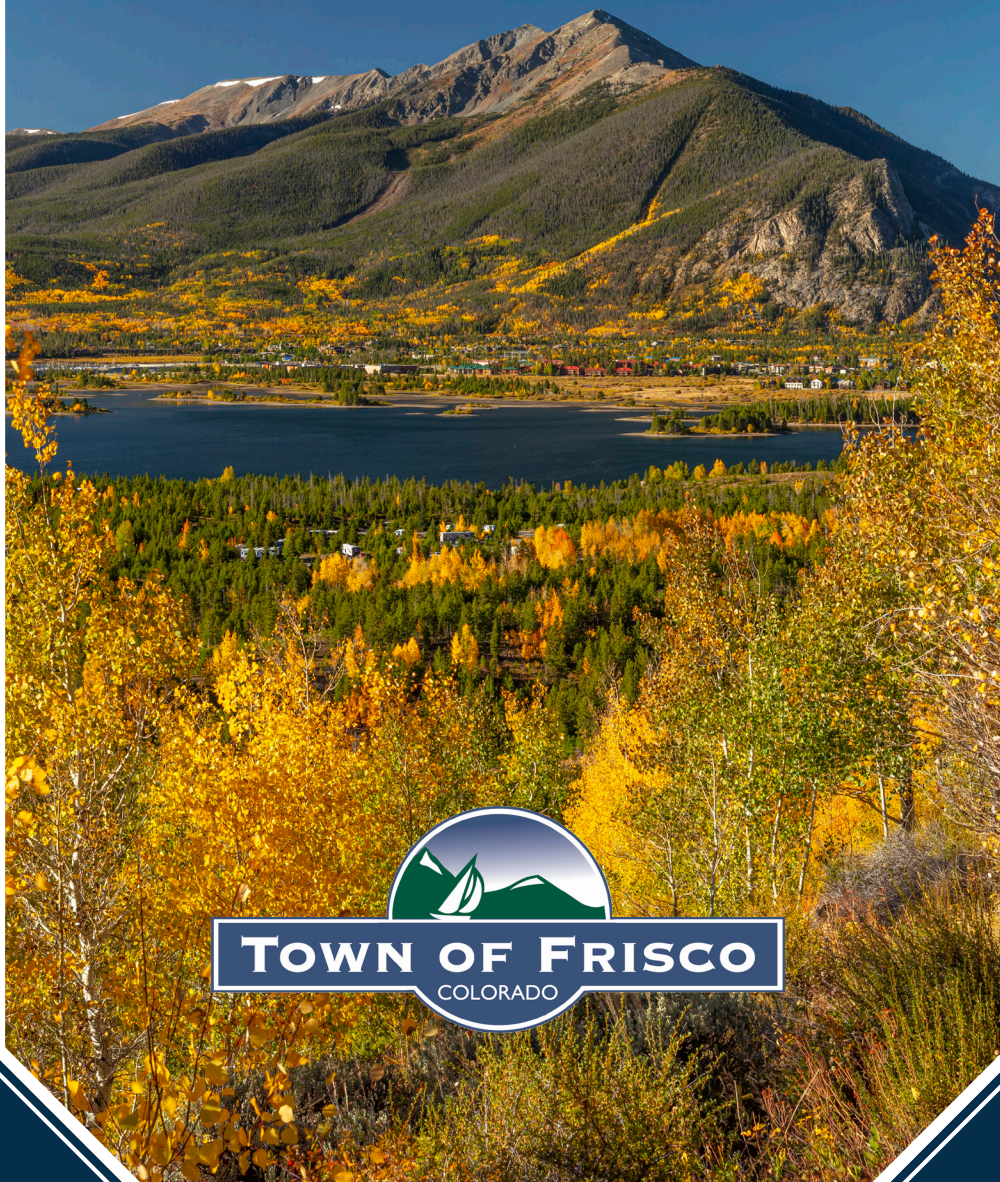


TOWN OF FRISCO, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021



TOWN OF FRISCO
COLORADO

**FRISCO
COLORADO**

PREPARED BY THE
TOWN OF FRISCO
FINANCE DEPARTMENT

VISIT FRISCOGOV.COM
OR 970 668-5276

**Town of Frisco, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2021**

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Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION



TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443



June 22, 2022

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 annual comprehensive financial report (ACFR), prepared in accordance with generally accepted accounting principles (GAAP), for the year ended December 31, 2021. 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. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Colorado statutes and the Town Charter require an annual audit by independent certified public accountants. The accounting firm of McMahan and Associates, L.L.C. has completed the audit for 2021. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town of Frisco for the fiscal year ended December 31, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there is a reasonable basis for rendering an unmodified opinion that the Town of Frisco's financial statements for the fiscal year ended December 31, 2021 are fairly presented in conformance with GAAP. 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

Incorporated in 1879, 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, bordered on the east by Lake Dillon reservoir and is largely surrounded

TOWN of FRISCO

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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 town 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 separate legal entity, the Frisco Sanitation District, which the Town does not manage or control. 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.

In order to accomplish goals set for 2021, it is important to note the Town Council's 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, 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 and Town staff in their task of making decisions regarding daily operations and long-term planning.

Financial Information

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

TOWN of FRISCO

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Budgetary Controls

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

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

Factors Affecting Financial Condition

Local Economy

The Town of Frisco, is centrally located within Summit County boasting convenient highway access, and enjoys significant tourism as its main economic driver. 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 world. 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 lodging establishments are located. With Wal-Mart, Safeway, Whole Foods, Natural Grocers, Holiday Inn, 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 2021 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 2021 included Wal-Mart, Safeway, Whole Foods, Town of Frisco, Grand Hotel, Outer Range Brewing, and an assortment of lodging,

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restaurant, retail and construction-related businesses. In addition, a number of entities outside of the municipal limits provide employment for a large number of Frisco residents. 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.

Economic Conditions and Outlook

Solid growth in the town lasted until March of 2020, when the COVID-19 pandemic impacted the entire world, wreaking havoc on local communities across the U.S., bringing the U.S. economy to a halt and causing severe short-term losses in revenues during early 2020. The Town, however, continues to be financially sound. Because Town management relies on a conservative revenue projection philosophy, decreases in revenues were not nearly as severe as originally contemplated. This philosophy ensures sufficient reserves, in the case of another shift in the economy. The Town managed through the COVID-19 crisis by implementing a budget cuts to revenues and expenditures, making program changes to reflect a virtual world, and utilizing Federal relief dollars. In addition to cuts made by departments throughout the Town, 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 was instrumental in the Town's ability to weather this pandemic. Of course, much of the Town's work is a continuous operation and we are thankful for those employees who have been on the front lines taking care of the community's needs.

One unexpected area of robust activity during the pandemic was within the real estate industry. The year 2021 became the single greatest period of real estate transactions in the Town's history, with transfer tax collections exceeding the previous year by over 32% and becoming the highest year recorded. These sales came as individuals moved to the mountains and away from heavily populated urbanized areas, as either a second home or as a new place of permanent residents, and as investment opportunities.

The primary challenge the Frisco government faces in both the short- and long-term continues to be a dependence on sales tax revenues. In 2021, sales tax revenues comprised approximately 75% 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 contracted 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. General Fund sales taxes increased 14.62% (from \$10,485,218 to \$12,018,088) from 2020 to 2021.

Capital Projects

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

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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 2022 to prioritize upgrades in the future. Construction of Slopeside Hall, intended to complement the Day Lodge at the Peninsula Recreation Area, is a priority for 2022. Slopeside Hall is set to be the first net-zero emissions building for the town of Frisco. The new two-story structure would provide additional community space, expanded space for youth programming, additional restrooms and changing area, as well as offices for staff, which are currently largely located in the Day Lodge basement.

Likewise, capital projects at the Marina were postponed as a result of uncertainties created by the pandemic. However, in 2021, the Town was able to proceed on the construction of a boater services building at the Marina. The new boater services building is very close to completion. Once fully up and running the space will have multiple uses. The front room will be used for high end retail such as kayaks and paddle sports equipment. This front area will also serve as a boater services and power sports rental area. Highlights of the room will include a lounge and computer station for boaters, photography from local artists, as well as a nautical based historical exhibit currently being created by the staff at the Frisco Historic Park & Museum. The center section of the building is set up with two offices for Marina Staff, an IT closet, a janitorial closet and two bathrooms equipped with showers. This center section, or more importantly the bathrooms, are an important piece as our boaters will have 24-hour access, with a code, to utilize these facilities during extended stays on their boats. The most easterly room, or back of the building, has a large open flex space that can be utilized for weddings, special events, team meetings, or as an additional boater lounge. This space has a small kitchenette, flexible furnishings, and a nice large patio for relaxing or entertaining. A flex space contract to rent this facility is currently under review with the Assistant Town Manager. Other exciting projects around and/or near the building include a brand new state-of-the-art fueling system with the dispensing capabilities both on land and on the docks. Major landscaping and beautification efforts around the building should start the end of Summer or early Fall of 2022. The Town will continue to make improvements at the Marina, as funding permits.

Housing Crisis

Workforce Housing is an issue in many communities throughout Colorado and is especially critical in resort communities, like Frisco. The housing shortage was exacerbated by the pandemic, and has reached crisis levels. Individuals are leaving the county and a workforce shortage has developed, impacting many businesses in the community. According to the Summit Combined Housing Authority's 2020 Summit County Housing Needs Update, by the year 2023 Summit County's housing supply is expected to be 2,000 units short of the housing needed to meet the demands of the local workforce.

A High Priority Goal of the Frisco Town Council is to increase full-time residents to 50%. The Town is falling short of that goal, but dedicating resources to find solutions. An additional challenge for the Town of Frisco includes 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

TOWN of FRISCO

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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 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, 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. These funds have been utilized to ensure additional newly constructed and existing properties will be occupied by members of the local workforce in perpetuity, through a recorded deed-restriction. The Town Council is discussing goals for the future use of these revenues and remains committed to addressing attainable housing issues moving forward through a variety of tools and strategies.

Long-Term Financial Planning

The Town of Frisco remains 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 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 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

TOWN of FRISCO

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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.

Looking Forward

With the COVID-19 pandemic, several of the Council's community-wide goals were pivoted, paused, or pushed back. The main priority for the Frisco Town Council has been weathering the pandemic in a safe and sustainable way through partnering with the community, other governmental agencies, and non-profit partners.

The Town started off the year on a very strong note, and has updated the Town Council on the progress of the 2020-2021 Strategic Plan, which includes the following priorities:

Priority 1: Inclusive Community

Priority 2: Thriving Economy

Priority 3: Sustainable Environment

Priority 4: Vibrant Culture, Arts & Recreation

Priority 5: Quality Core Services

The Town is looking forward to new opportunities and meeting the challenges of 2022, including:

- Additional housing units have or will be added to the current inventory, including the Granite Park twenty-two (22) unit apartment project, one (1) deed-restricted buy-down units, and two (2) deed-restricted market-rate units through Housing Helps. Another workforce housing project at 602 Galena Street will enter the design phase in 2022 after the property is successfully purchased for the State of Colorado Department of Labor & Employment. The parcel currently houses a Colorado Workforce Center; this office will be incorporated into the design of the workforce housing project to continue to serve the community in the future.

- In May 2021, the Town of Frisco released a request for proposals (RFP) for the design of a multi-modal, complete street plan for the downtown core area. The term “complete streets” is a transportation policy and design approach that incorporates the needs of *all* users into the safe, comfortable, and efficient design of the streetscape. A complete street design means that streets are convenient and accessible to all users including: pedestrians, bicyclists, mass transit riders, and automobiles. This plan will consider Frisco’s unique character in its design, accommodate ongoing changes, and guide future improvements in the downtown core area, which is bordered by Galena and Granite Streets to the north and south, and from Madison Avenue to the Frisco Bay Marina to the east and west.

The Toole Design Group was selected from eight proposals with four teams having been invited to interview for the project. The total fee proposal for this project is \$127,676. In September 2021, Town staff and the consultant team hosted an interactive multi-day design charrette where Town staff and project consultants spoke to residents and business owners to learn how Main, Granite, and Galena Streets function today, what are community members’ main concerns, and where are areas for improvement. Over 100

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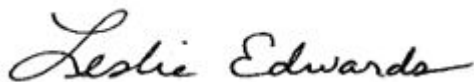
community members participated in the charrette where planners and engineers made drawings in real-time to re-envision streets that are safer, more inviting, and more vibrant for all. The plan will begin the implementation phase in 2022.

Acknowledgements


The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Frisco for its ACFR for the fiscal year ended December 31, 2020. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Town believes the current report continues to conform to the Certificate of Achievement. The GFOA has also awarded the Town its Distinguished Budget Presentation Award for fiscal years 2008 through 2022 and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal years 2009 through 2020.

The preparation and completion of this financial report could not have been accomplished without the efforts of the Finance Department staff and all Town Departments. A special thanks is extended to all members of the independent certified public accounting firm for their able assistance and professional manner in which they have completed this audit. I also would like to thank the Mayor and Town Council for their interest and support in planning and conducting the financial operations of the Town in a fiscally responsible manner.

Respectfully submitted,



Leslie Edwards
Finance Director



Dylan Olchin
Accountant



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Frisco
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

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
Payroll
Accounts Payable
Utility Billing

HUMAN
RESOURCES
DEPARTMENT

Recruitment &
Retention
Employee Relations
Benefits
Timekeeping
Performance
Management
Recognition &
Celebrations

MARKETING &
COMMUNICATIONS
DEPARTMENT

Marketing
Special Events
Information
Center

**TOWN OF FRISCO, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2021**

Elected Officials

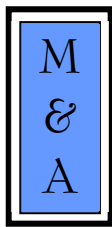
Mayor	Hunter Mortensen
Mayor Pro-tem	Jessica Burley
Council Members	Melissa Sherburne
	Dan Fallon
	Rick Ihnken
	Andrew Aerensen
	Andy Held

Administrative Officials

Town Manager	Anthony O'Rourke
Assistant Town Manager/ Recreation Director	Diane McBride
Town Attorney	Thad Renaud
Town Clerk	Deborah Wohlmuth
Finance Director	Leslie Edwards
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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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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 as of December 31, 2021, 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

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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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S GAAP 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 is the responsibility of management and, 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 U.S. GAAS, 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.

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

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining fund financial statements, individual fund budgetary information, and the Local Highway Finance Report listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary information, and the Local Highway Finance Report listed in the accompanying table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the introductory section, combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the statistical section listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 10, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS





This section of the Town of Frisco's financial statements provides a narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the Town's financial statements which follow within this section, as well as the accompanying statistical information, and state compliance sections.

I. FINANCIAL HIGHLIGHTS

- The Town of Frisco remains in a financially sound condition. The Town's increase in net position and continued investments in infrastructure demonstrate our continued positive overall financial health.
- The assets and deferred outflows of resources of the Town of Frisco exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2021 by \$97,998,764 (net position). Of this amount, \$37,653,414 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- General fund 2021 revenues increased by \$1.5 million or 9.35% as compared to 2020. Governmental funds tax revenues increased by 13.65% compared to 2020. Most notably, the Town-wide shut down of most businesses, due to the COVID-19 pandemic, from March 16 - June 1, 2020 was the reason for a significant amount of the revenue increase seen in 2021. In the Town of Frisco, Restaurants and Lodging suffered the greatest impacts of the COVID-19 shut down in early 2020, with a decrease of about \$3M in sales activity throughout the year. Increases experienced, despite the effects of the pandemic, are indicative of a strong tourism economy in the Town of Frisco. Overall, in 2021, businesses in town experienced increases over prior year net taxable sales of: lodging (58.4%), restaurants (46.9%), retail (10.8%), and grocery (6.8%).
- Since revenues exceeded budget and expenditures were below budget in 2021, the Town was able to increase its fund balances. As of the close of fiscal year 2021, the Town of Frisco's governmental funds reported a combined ending fund balance of \$36,118,688 an increase of over \$7 million compared to fiscal year 2020. \$7,609,393 of the total is unassigned and equal to 46.85% of governmental expenditures.
- The new boater services building is very close to completion. Once fully up and running, the space will have multiple uses – high end retail, such as kayaks and paddle sports equipment; boater services and power sports rental; a boater lounge; photography from local artists; a nautical based historical exhibit; 24-hour code accessed bathrooms equipped with showers; marina staff offices; and contracted flex space. Other exciting projects around the building include a new state-of-the-art fueling system and major landscaping around the building. Total spent in 2021 on this Marina construction in progress equals \$3,096,735. Additional details on this project can be found in the transmittal letter on page i of this report, immediately prior to the report of the independent auditors.



II. OVERVIEW OF THE FINANCIAL STATEMENTS

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

1. Government-wide Financial Statements

The government-wide financial statements are intended to provide readers with a broad overview of the Town's financial condition. They are presented using accounting methods very similar to a private-sector business, or the economic resources measurement focus, and full accrual accounting.

- *The Statement of Net Position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as Net Position. Over time, increases or decreases in net position can serve as an indicator of the Town's financial condition.
- *The Statement of Activities* presents information showing how the Town's net position changed during the given 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. Capital expenditures are not included in this statement; however capital grant revenues are reported.

2. Fund Financial Statements

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

Governmental Funds

The governmental funds presentation is different from the governmental activities section of the government-wide financial statements, even though these two statements account for essentially the same activities. Governmental funds presented have a budgetary or current financial resources measurement focus and use the modified accrual basis of accounting. That is, the governmental funds presentation focuses on the Town's near-term financial position and changes thereto.

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. Enterprise funds account for the operation of governmental programs that are intended to be supported primarily by external user fees. The Town uses enterprise funds to account for its water operations and the marina operations. These funds are presented as business-type activities on the government-wide financial statements but are presented in greater detail in the



fund financial statements. In both cases, enterprise funds are presented using the economic resources measurement focus and full accrual accounting.

3. Notes to the Basic Financial Statements

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

III. GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the Town. As of December 31, 2021, the Town had total assets of \$108,933,855. As of December 31, 2021, the Town's net position was \$97,998,764.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	43,325,400	35,421,448	6,728,322	\$9,686,423	50,053,722	\$45,107,871
Capital assets	42,619,348	43,794,845	16,260,785	12,795,160	58,880,133	56,590,005
Total Assets	85,944,748	79,216,293	22,989,107	22,481,583	108,933,855	101,697,876
Deferred Outflows of						
Resources:	431,311	463,542	-	-	431,311	463,542
Liabilities:						
Other liabilities	2,173,597	2,008,798	322,955	139,147	2,496,552	2,147,945
Long-term liabilities	3,029,873	3,443,309	5,402,102	5,487,023	8,431,975	8,930,332
Total Liabilities	5,203,470	5,452,107	5,725,057	5,626,170	10,928,527	11,078,277
Deferred Inflows of						
Resources:	437,875	304,556	-	-	437,875	304,556
Net Position:						
Net investment in capital assets	39,596,343	40,474,329	10,675,590	8,886,055	50,271,933	49,360,384
Restricted	10,073,417	8,191,201	-	-	10,073,417	8,191,201
Unrestricted	31,064,954	25,257,642	6,588,460	7,969,358	37,653,414	33,227,000
Total Net Position	\$80,734,714	\$73,923,172	17,264,050	\$16,855,413	\$97,998,764	\$90,778,585

Capital Assets make up the largest portion of the Town's Net Position. Capital assets include items such as infrastructure, buildings, equipment, machinery, land, art, and other tangible items. Infrastructure includes streets, traffic signals, buildings, and sidewalks. The Town uses capital assets to provide services to the community and thus they are not available for immediate spending. Although the Town of Frisco's



investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. During 2021, the Town added to its capital assets.

- ▶ The Town of Frisco's investment in capital assets for its governmental and business type activities as of December 31, 2021 amounts to \$50,271,933 net of related debt, up from \$49,360,384 in the preceding year. This investment in capital assets includes land, buildings, vehicles, art, equipment, roads, bridges, and utility system infrastructure.
- ▶ The total increase in the Town of Frisco's investment in capital assets (net of related debt) for the fiscal year ending 2021 was \$911,549. This is primarily due to the construction of the Marina boater services building and fuel system (described in the Financial Highlights section).

Additional information on the Town's capital assets can be found in the Capital Assets note in the Notes to the Financial Statements section (D14 - D15).

At the end of the current fiscal year, the Town of Frisco had a total of \$8,867,756 in long-term liabilities and no bonded debt outstanding in the form of General Obligation Bonds. Additional information on the Town's long-term debt can be found in the Long-Term Liabilities notes in the Notes to the Financial Statements section (D17 – D20).

The \$108,933,855 in total assets Government includes \$41,159,928 in equity in pooled cash and investments. This reflects the strong cash balances that the Town of Frisco has maintained during 2021.

At the end of 2021, the Town of Frisco is able to report positive balances in both categories of net position: both for the government as a whole, as well as for its separate Governmental, Business-type activities. The net position, unrestricted for the Governmental activities, equals 184.53% of total expenses in the statement of activities for governmental activities for 2021 and 188.46% of the total government-wide expenses, including Business-Type activities.

Statement of Activities

This statement presents information showing how the Town's net position changed during the given fiscal year. The following reflects the Town's change in net position:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program revenues:						
Charges for services	3,217,407	\$3,158,616	3,441,650	\$3,654,605	6,659,057	\$6,813,221
Operating grants and contributions	808,636	1,028,828	39,888	36,255	848,524	1,065,083
Capital grants and contributions	124,584	139,792	62,449	43,170	187,033	182,962
General revenues:					0	0
Property taxes	203,382	201,949	-	-	203,382	201,949
Sales and use taxes	13,805,484	12,019,014	-	-	13,805,484	12,019,014
Real estate investment fee	2,773,501	2,070,516	-	-	2,773,501	2,070,516
Franchise taxes	348,211	320,081	-	-	348,211	320,081
Lodging taxes	704,513	498,972	-	-	704,513	498,972
Other taxes	1,141,169	1,085,556	-	-	1,141,169	1,085,556
Interest and other	518,928	633,214	9,720	115,286	528,648	748,500
Total Revenues	23,645,815	21,156,538	3,553,707	3,849,316	27,199,522	25,005,854
EXPENSES:						
Program Expenses						
General government	5,845,646	5,264,246	-	-	5,845,646	5,264,246
Public safety	1,525,268	1,435,801	-	-	1,525,268	1,435,801
Public works	1,768,852	2,930,379	-	-	1,768,852	2,930,379
Community development	3,137,557	1,623,333	-	-	3,137,557	1,623,333
Culture and recreation	3,289,976	3,062,208	-	-	3,289,976	3,062,208
Health and welfare	467,600	80,005.00	-	-	467,600	-
Housing	703,750	427,401	-	-	703,750	427,401
Interest	95,624	121,885	-	-	95,624	121,885
Marina	-	-	2,028,053	1,832,451	2,028,053	1,832,451
Water	-	-	1,117,017	997,354	1,117,017	997,354
Total Expenses	16,834,273	14,945,258	3,145,070	2,829,805	19,979,343	17,775,063
Change in Net Position	6,811,542	6,211,280	408,637	1,019,511	7,220,179	7,230,791
Net Position-Beginning	73,923,172	67,711,892	16,855,413	15,835,902	90,778,585	83,547,794
Net Position - Ending	\$80,734,714	\$73,923,172	\$17,264,050	\$16,855,413	\$97,998,764	\$90,778,585



IV. FUND FINANCIAL STATEMENT ANALYSIS

As noted earlier, the Town uses fund accounting so as to segregate resources for the purpose of carrying on a specific activity or attaining certain objectives in accordance with regulations, restrictions or other limitations on the use of the funds.

Governmental Fund Balances

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

As the Town completed the year, its governmental funds reported a combined fund balance of \$36,118,688. Of that fund balance, \$7,609,393 constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is categorized to indicate that it is not available for new spending, the largest of which is committed for Capital Improvements, totaling \$17,537,840.

The General Fund is the chief operating fund of the Town of Frisco. At the end of the 2021, the General Fund balance was \$8,398,873 and 90.60% of the fund balance was unassigned. The General Fund balance decreased in 2021 by \$8,653,315 or approximately 49.25%. This was due to the transfer of the informal temporary revenue stabilization reserve set aside as a precautionary measure during the beginning of the Covid-19 pandemic, should economic conditions worsen. As of December 31, 2021, \$13,480,105 was transferred from the General Fund to the Capital Improvement Fund once the economic conditions were determined to be relatively stable. Much of the transfer will be spent in future years on projects that were deferred due to pandemic-related uncertainty. An additional transfer of \$287,500 was transferred to the SCHA 5A fund to make the fund whole for COVID-19 pandemic related employee rent relief provided in 2020.

The Capital Projects Fund has a total fund balance of \$17,678,447. The increase in fund balance during the current year was \$14,272,068. This increase is the result of the delayed transfer from the General Fund noted above, as well as the deferral of certain capital projects. The major revenue source for the Capital Projects Fund is a transfer from the General Fund and Real Estate Investment Fees (REIF fees increased 32% over 2020). With the strong additions to fund balance experienced, the Town's Council will continue to reinvest in the Town by approving additional capital projects in the coming years.

Special Revenue Funds - These funds have a total combined fund balance of \$10,041,368. The main ongoing revenue source for the special revenue funds is housing taxes assessed by the Summit Combined Housing Authority and shared with the Town to construct workforce housing in Frisco. These tax revenues amounted to \$1,787,396 in 2021. Completion of housing projects is expected to ramp up in 2022 and beyond.

Other Special Revenue Funds balance increased by \$100 in 2021, due to a slight increase in the Lodging Tax Fund.



Proprietary Fund Balances

The Town of Frisco's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail. Business-type activities increased the Town's net position by \$408,637 in 2021. Key elements of this increase are as follows:

- Water user charges exceeded original budgeted amounts by \$82,279.
- Water fund capital outlay was under budget by \$894,033.
- Marina user charges exceeded budget by \$197,253.
- Salaries and benefits, were under budget by \$288,423, due to vacant position.
- Marina capital outlay was under budget by \$306,789 as a result of deferred projects.

Unrestricted net position for the Water Fund at the end of the current fiscal year was \$5,751,806 while the Marina Fund reported unrestricted net position of \$836,654.

Budgetary Highlights

Over the course of the year, the Town Council revised the budget, with revisions falling into two categories:

- ▶ Supplemental appropriations approved shortly after the beginning of the year for projects and purchases not completed in the previous year.
- ▶ Supplemental appropriations approved after the beginning of the year to reflect new projects or revenues not previously considered, or projects that are estimated to cost more than previously expected at the time of the adoption of the budget.

Differences between the original budget and the final amended budget were related to both revenue and expenditures. General Fund revenues were over amended budget by \$3.1M primarily due to sales taxes exceeding budgeted amounts. The 2021 General Fund expenditure budget was increased by approximately \$13.8M, largely related to transfers out to the Capital Improvement Fund and the SCHA 5A Fund. These Town-wide increases to appropriations were a direct result of prior preparations for the potential impacts of the COVID-19 pandemic, that were not realized. Actual General Fund expenditures were under the amended budget by \$1.3M. Key elements of this increase are as follows:

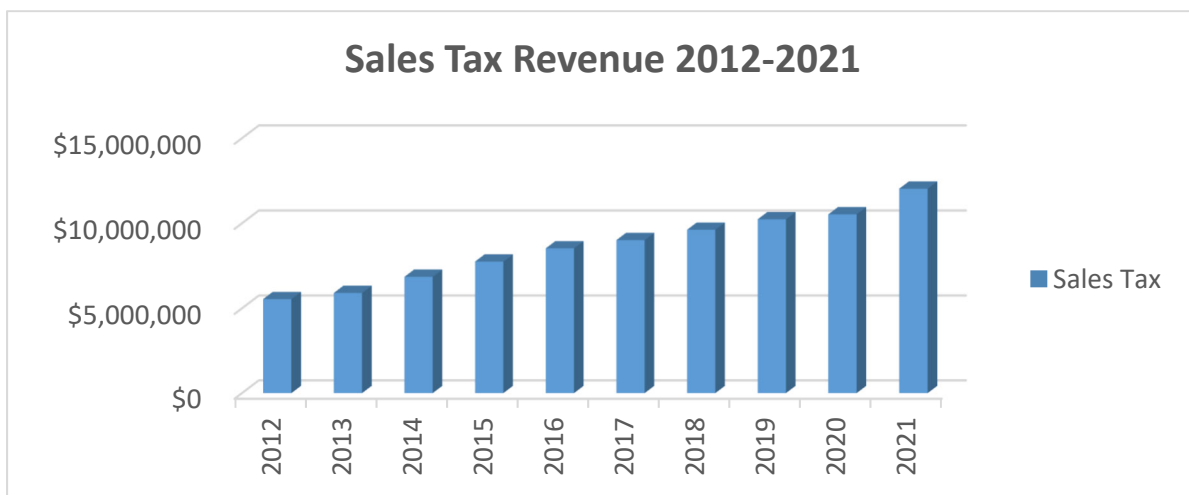
- The following sources of revenue exceeded original budget projections as follows: city and county sales taxes - \$3,118,088; grants - \$181,781; SCHA 5A taxes - \$437,396; Real Estate Investment Fees – \$1,373,501; Nordic Center fees - \$172,224; bag fees \$156,274, and building permits and fees \$161,107.
- Other sources of revenue were greatly impacted by the pandemic and were significantly less than budgeted, i.e. special events, Frisco Adventure Park, and interest on investments.
- Likewise, overall expenditures were significantly under budget by \$8,263,938, the majority as a result of deferred capital projects (including workforce housing projects).
- All governmental activities were subsidized by tax revenue.

Economic Factors and Next Year's Budget

Tax (including property, sales, and lodging) revenues are the main source of governmental revenues and are an important source for providing funds for the general operations and maintenance of the Town of Frisco.



- For 2022, revenue budgeted for the General Fund totals \$16,809,261, as compared to the (revised) 2021 budget of \$14,285,611.
- Budgeted expenditures for 2021 were based on projections of 2021 annual budget, with the exception of the Capital Fund. The budgeted expenditures for 2022 are \$12,337,290, excluding transfers.
- The national, state, and local economies are currently in a state of uncertainty in relation to the COVID-19 pandemic that has spread across the globe. However, sales tax, the Town's main source of funding, continues to rise year-over-year, despite the uncertainty during the Covid-19 pandemic. In 2021, sales tax revenue accounted for approximately 69% of total General Fund revenues. The Town of Frisco is well positioned to weather this pandemic due to healthy fund balances and conservative budget practices.



The Town of Frisco will continue to closely monitor its financial position throughout 2022. Continued fiscal discipline and scrutiny of initiatives will ensure that future annual operational expenditures remain in balance with future revenues in light of overall local and national economic conditions.

IV. REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Finance Department, Town of Frisco, 1 Main Street, PO Box 4100, Frisco, CO 80443, via telephone at (970) 668-9138, or via e-mail at LeslieE@TownofFrisco.com.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	35,431,690	5,177,139	40,608,829
Cash and investments - Restricted	141,107	409,992	551,099
Receivables, net:			
Property taxes assessed	215,642	-	215,642
Other taxes	1,244,673	-	1,244,673
Intergovernmental	1,187,721	-	1,187,721
Employees	23,007	-	23,007
Other	343,624	333,100	676,724
Non-current	38,620	-	38,620
Internal balances	(717,984)	717,984	-
Notes receivable	4,500,000	-	4,500,000
Interest receivable	675,308	-	675,308
Inventories	33,638	90,107	123,745
Prepaid items	2,137	-	2,137
Net pension asset	206,217	-	206,217
Capital assets - Not being depreciated	9,122,528	4,656,446	13,778,974
Capital assets - net of accumulated depreciation	33,496,820	11,604,339	45,101,159
Total Assets	85,944,748	22,989,107	108,933,855
Deferred Outflows of Resources:			
Pension-related deferred outflows	431,311	-	431,311
Liabilities:			
Accounts payable	1,335,173	188,369	1,523,542
Interest payable	29,395	22,396	51,791
Unearned revenue	95,395	-	95,395
Deposits payable	183,826	-	183,826
Compensated absences:			
Due within one year	216,672	32,190	248,862
Due in more than one year	325,004	48,284	373,288
Debt payable:			
Due within one year	313,136	80,000	393,136
Due in more than one year	2,704,869	5,353,818	8,058,687
Total Liabilities	5,203,470	5,725,057	10,928,527
Deferred Inflows of Resources:			
Property taxes	210,793	-	210,793
Pension-related deferred inflows - SWDB	227,082	-	227,082
Total Deferred Inflows of Resources	437,875	-	437,875
Net Position:			
Net Investment in capital assets	39,596,343	10,675,590	50,271,933
Restricted:			
TABOR emergency reserve	709,000	-	709,000
Pensions	206,217	-	206,217
Affordable Housing	8,043,877	-	8,043,877
Conservation Trust Fund	109,663	-	109,663
Economic development	1,003,636	-	1,003,636
Historic preservation	1,024	-	1,024
Unrestricted	31,064,954	6,588,460	37,653,414
Total Net Position	80,734,714	17,264,050	97,998,764

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

Town of Frisco, Colorado
Statement of Activities
For the Year Ended December 31, 2021

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Functions/Programs:	Expenses					Total
Governmental activities:						
General government	5,845,646	374,150	762,620	-	(4,708,876)	(4,708,876)
Public safety	1,525,268	44,414	4,392	-	(1,476,462)	(1,476,462)
Community development	3,137,557	4,300	-	105,584	(3,027,673)	(3,027,673)
Public works	1,768,852	398,888	-	19,000	(1,350,964)	(1,350,964)
Culture and recreation	3,289,976	2,234,719	41,624	-	(1,013,633)	(1,013,633)
Health and welfare	467,600	-	-	-	(467,600)	(467,600)
Housing	703,750	160,936	-	-	(542,814)	(542,814)
Interest on long-term debt	95,624	-	-	-	(95,624)	(95,624)
Total - Governmental activities	16,834,273	3,217,407	808,636	124,584	(12,683,646)	(12,683,646)
Business-type activities:						
Water	1,117,017	1,350,847	-	62,449		296,279
Marina	2,028,053	2,090,803	39,888	-		102,638
Total - Business-type activities	3,145,070	3,441,650	39,888	62,449		398,917
Total	19,979,343	6,659,057	848,524	187,033	(12,683,646)	(12,284,729)
General revenues:						
Taxes:						
Sales and use taxes					13,805,484	-
Real estate investment fees					2,773,501	-
Franchise taxes					348,211	-
Lodging taxes					701,513	-
Property and specific ownership taxes					203,382	-
Miscellaneous taxes					1,141,169	-
Investment earnings					96,408	6,619
Gain on asset disposition					14,190	3,101
Miscellaneous					411,330	-
Total - General revenues and transfers					19,495,188	9,720
Change in Net Position					6,811,542	408,637
Net Position - January 1					73,923,172	16,855,413
Net Position - December 31					80,734,714	17,264,050

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

FUND FINANCIAL STATEMENTS



Town of Frisco, Colorado
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Summit County Housing Authority 5A Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents - Unrestricted	7,745,657	7,719,204	18,197,479	1,769,350	35,431,690
Cash and cash equivalents - Restricted	500	-	140,607	-	141,107
Receivables, net of allowance for uncollectible accounts:					
Property taxes	215,642	-	-	-	215,642
Other taxes	700,670	325,943	-	218,060	1,244,673
Intergovernmental	1,187,721	-	-	-	1,187,721
Employees	42,303	-	-	-	42,303
Other	256,283	4,700	63,345	-	324,328
Non-current	38,620	-	-	-	38,620
Inventory	23,457	-	-	10,181	33,638
Prepaid items	2,137	-	-	-	2,137
Total Assets	10,212,990	8,049,847	18,401,431	1,997,591	38,661,859
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	888,001	-	5,000	100	893,101
Accrued payroll and related liabilities	442,072	-	-	-	442,072
Internal balances	-	-	717,984	-	717,984
Unearned revenue	94,125	1,270	-	-	95,395
Deposits payable	179,126	4,700	-	-	183,826
Total Liabilities	1,603,324	5,970	722,984	100	2,332,378
Deferred inflows of Resources:					
Property taxes	210,793	-	-	-	210,793
Fund Balances:					
Non-spendable	64,214	-	-	10,181	74,395
Restricted	709,000	8,043,877	140,607	1,762,583	10,656,067
Committed	-	-	17,537,840	224,727	17,762,567
Assigned	16,266	-	-	-	16,266
Unassigned	7,609,393	-	-	-	7,609,393
Total Fund Balances	8,398,873	8,043,877	17,678,447	1,997,491	36,118,688
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	10,212,990	8,049,847	18,401,431	1,997,591	38,661,859

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, 2021

Governmental Funds Total Fund Balance	36,118,688
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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	69,183,709	
Less accumulated depreciation	(26,564,361)	
		42,619,348

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	675,308	
Net pension asset - SWDB	206,217	
Pension-related deferred outflows of resources	431,311	
		5,812,836

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:

Capital leases	(3,018,005)	
Interest payable	(29,395)	
Accrued compensated absences	(541,676)	
Pension-related deferred inflows of resources	(227,082)	
		(3,816,158)

Net Position of Governmental Activities	80,734,714
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Town of Frisco, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Summit County Housing Authority 5A Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Revenues:					
Taxes	13,088,079	1,787,396	2,773,501	1,324,284	18,973,260
Licenses, permits, and fees	663,963	90,206	-	4,800	758,969
Intergovernmental revenue	770,268	-	105,584	57,368	933,220
Charges for services	2,495,833	-	-	-	2,495,833
Investment income	10,382	3,854	2,470	952	17,658
Rental income	-	70,730	-	-	70,730
Miscellaneous	392,378	-	16,628	2,324	411,330
Total Revenues	17,420,903	1,952,186	2,898,183	1,389,728	23,661,000
Expenditures:					
Current:					
General government	5,164,805	145,184	2,800	-	5,312,789
Public safety	1,447,067	-	-	-	1,447,067
Community development	1,480,323	-	-	294,605	1,774,928
Public works	1,990,149	-	-	-	1,990,149
Culture and recreation	2,224,260	-	-	188,788	2,413,048
Health and welfare	-	-	-	467,600	467,600
Capital outlay	-	717,805	1,715,034	-	2,432,839
Debt service:					
Principal	-	-	303,781	-	303,781
Interest	-	-	98,795	-	98,795
Total Expenditures	12,306,604	862,989	2,120,410	950,993	16,240,996
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,114,299	1,089,197	777,773	438,735	7,420,004
Other Financing Sources (Uses):					
Sale of assets	-	-	14,190	-	14,190
Interfund transfers	(13,767,605)	287,500	13,480,105	-	-
Total Other Financing Sources (Uses)	(13,767,605)	287,500	13,494,295	-	14,190
Net Change in Fund Balances	(8,653,306)	1,376,697	14,272,068	438,735	7,434,194
Fund Balances - January 1	17,052,179	6,667,180	3,406,379	1,558,756	28,684,494
Fund Balances - December 31	8,398,873	8,043,877	17,678,447	1,997,491	36,118,688

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, 2021

Net Change in Fund Balance of Governmental Funds		7,434,194
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 difference between capital outlay and depreciation:		
Depreciation expense	(2,065,909)	
Capital outlay	<u>933,579</u>	(1,132,330)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease to net position:	<u>(43,167)</u>	(43,167)
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	<u>303,781</u>	303,781
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	<u>78,750</u>	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	166,959	
Change in accrued interest	3,171	
Pension expense	<u>184</u>	<u>170,314</u>
Change in Net Position of Governmental Activities		<u><u>6,811,542</u></u>

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

Town of Frisco, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Assets:			
Current assets:			
Cash and investments - Unrestricted	4,773,097	404,042	5,177,139
Cash and investments - Restricted	-	409,992	409,992
Accounts receivable	298,287	34,813	333,100
Inventories	37,013	53,094	90,107
Total - Current assets	5,108,397	901,941	6,010,338
Long-term assets:			
Internal balances	717,984	-	717,984
Land and other non-depreciable assets	929,402	3,727,044	4,656,446
Property, plant and equipment, net of accumulated depreciation	5,361,671	6,242,668	11,604,339
Total - Long-term assets	7,009,057	9,969,712	16,978,769
Total Assets	12,117,454	10,871,653	22,989,107
Liabilities:			
Current liabilities:			
Accounts payable	28,943	159,426	188,369
Interest payable	-	22,396	22,396
Current portion of compensated absences	18,253	13,937	32,190
Current portion of debt	-	80,000	80,000
Total - Current liabilities	47,196	275,759	322,955
Noncurrent liabilities:			
Compensated absences, net of current portion	27,379	20,905	48,284
Debt, net of current portion	-	5,353,818	5,353,818
Total - Noncurrent liabilities	27,379	5,374,723	5,402,102
Total Liabilities	74,575	5,650,482	5,725,057
Net Position			
Net investment in capital assets	6,291,073	4,384,517	10,675,590
Unrestricted	5,751,806	836,654	6,588,460
Total Net Position	12,042,879	5,221,171	17,264,050

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, 2021

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Operating Revenues:			
Charges for services - User charges	1,332,279	2,090,803	3,423,082
Water meter sales	14,585	-	14,585
Intergovernmental - Operating grants	-	39,888	39,888
Other operating revenue	3,983	-	3,983
Total Operating Revenues	1,350,847	2,130,691	3,481,538
Operating Expenses:			
Salaries and benefits	369,896	710,440	1,080,336
Administrative fees	42,500	20,000	62,500
Professional fees	57,559	131,494	189,053
Supplies	18,181	64,314	82,495
Utilities	60,389	23,569	83,958
Repairs and maintenance	30,685	69,678	100,363
General expenses	162,230	319,559	481,789
Water meter replacements	51,612	-	51,612
Depreciation	323,965	418,588	742,553
Total Operating Expenses	1,117,017	1,757,642	2,874,659
Operating Income (Loss)	233,830	373,049	606,879
Non-Operating Revenue (Expenses):			
Investment income	3,515	3,104	6,619
Gain (loss) on asset disposal	-	3,101	3,101
Interest expense	-	(270,011)	(270,011)
Agent fees	-	(400)	(400)
Total Non-Operating Revenues (Expenses)	3,515	(264,206)	(260,691)
Income Before Capital Contributions	237,345	108,843	346,188
Capital Contributions:			
Plant investment fees	62,449	-	62,449
Change in Net Position	299,794	108,843	408,637
Net Position - January 1	11,743,085	5,112,328	16,855,413
Net Position - December 31	12,042,879	5,221,171	17,264,050

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, 2021

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Cash Flows From Operating Activities:			
Cash received from customers and others	1,341,270	2,167,025	3,508,295
Cash paid to suppliers for goods and services	(360,867)	(477,566)	(838,433)
Cash paid to employees for services	(367,641)	(717,268)	(1,084,909)
Cash paid to other funds for services provided	(42,500)	(20,000)	(62,500)
Net Cash Provided (Used) by Operating Activities	570,262	952,191	1,522,453
Cash Flows From Capital and Related Financing Activities:			
Plant investment fees received	62,449	-	62,449
Principal payment	-	(75,000)	(75,000)
Sale of capital assets	-	3,101	3,101
Interest expense	-	(272,500)	(272,500)
Agent fees	-	(400)	(400)
Acquisition of capital assets	(730,967)	(3,477,211)	(4,208,178)
Net Cash Provided (Used) by Capital and Related Financing Activities	(668,518)	(3,822,010)	(4,490,528)
Cash Flows From Investing Activities:			
Interest received	3,515	3,104	6,619
Principal received on loan receivable	94,431	-	94,431
Net Cash Provided (Used) by Investing Activities	97,946	3,104	101,050
Net Change in Cash and Investments	(310)	(2,866,715)	(2,867,025)
Cash and Investments - January 1	4,773,407	3,680,749	8,454,156
Cash and Investments - December 31	4,773,097	814,034	5,587,131
Cash and Investments			
Cash and investments - Unrestricted	4,773,097	404,042	5,177,139
Cash and investments - Restricted	-	409,992	409,992
Total Cash and Investments	4,773,097	814,034	5,587,131
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	233,830	373,049	606,879
Adjustments:			
Depreciation	323,965	418,588	742,553
(Increase) decrease in accounts receivable	(9,577)	36,334	26,757
Increase (decrease) in accounts payable	28,611	152,338	180,949
(Increase) decrease in inventory	(8,822)	(21,290)	(30,112)
Increase (decrease) in accrued benefits	2,255	(6,828)	(4,573)
Total Adjustments	336,432	579,142	915,574
Net Cash Provided (Used) by Operating Activities	570,262	952,191	1,522,453

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, 2021

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, 2021
(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, 2021
(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, 2021
(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, 2021
(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 Plan") administered by the Fire and Police Pension Association of Colorado ("FPPA"). The SWDB Plan is a cost-sharing multiple-employer defined benefit plan. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

5. Capital Assets

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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 one item that qualifies for reporting under this category on the government-wide Statement of Net Position: pension-related deferred outflows. 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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(Continued)

II. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

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

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 Plan 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, 2021
(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 2021.

- (1) For the 2021 budget year, prior to August 25, 2020, 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, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (2) Prior to the end of the 2020 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
- (3) Prior to December 15, 2020, 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 2020 were collected in 2021, and taxes certified in 2021 will be collected in 2022. 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.

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 \$709,000 of the December 31, 2021 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, 2021
(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, 2021, the carrying value of the Town's deposits was \$10,169,105. The bank balance of these accounts was \$7,862,723.

At the end of 2021, the Town held deposits and investments with the following maturities:

			Maturities	
	Rating	Carrying Amounts	Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 4,168	4,168	-
Checking	Not Rated	8,757,881	8,757,881	-
Savings and money market	Not Rated	1,411,224	1,411,224	-
Certificates of deposit*	Not Rated	1,696,736	242,976	1,453,760
Investments:				
United States instrumentality	AA+ ¹ /AAA ³	1,486,544	-	1,486,544
Certificates of deposit**	Not Rated	1,535,428	552,691	982,737
Investment pools	AAAm ¹ /AAA ²	26,267,947	26,267,947	-
Total		\$ 41,159,928	37,236,887	3,923,041

*Non-negotiable

**Negotiable

¹ Standard and Poor; ² Fitch; ³ Moody

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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	\$ 40,608,829
Cash and investments - Restricted	551,099
Total	<u>\$ 41,159,928</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, 2021, the Town had the following recurring fair value measurements:

		Fair Value Measurements Using		
<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. agencies	\$ 1,486,544	-	1,486,544	-
Negotiable certificates of deposit	1,535,428	-	1,535,428	-
Total	\$ 3,021,972	-	3,021,972	-
<u>Investments Measured at Amortized Cost</u>	<u>Total</u>			
CSIP (Local Government Investment Pool)	\$ 4,307,976			
Total	\$ 4,307,976			
<u>Investments Measured at Net Asset Value</u>	<u>Total</u>			
COLOTRUST	\$ 20,216,041			
C-SAFE	1,743,930			
Total	\$ 21,959,971			

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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, 2021
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Receivables

Receivables as of December 31, 2021 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	\$ 215,642	-	-	-
Other taxes	700,670	325,943	-	123,195
Intergovernmental	1,187,721	-	-	-
Employees	23,007	-	-	-
Other	275,579	4,700	63,345	-
Non-current	38,620	-	-	-
Gross Receivables	2,441,239	330,643	63,345	123,195
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	\$ 2,441,239	330,643	63,345	123,195

	Nicotine Tax Fund	Water Fund	Marina Fund	Total
Property taxes	-	-	-	215,642
Other taxes	94,865	-	-	1,244,673
Intergovernmental	-	-	-	1,187,721
Employees	-	-	-	23,007
Other	-	298,287	34,813	676,724
Non-current	-	-	-	38,620
Gross Receivables	94,865	298,287	34,813	3,386,387
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	94,865	298,287	34,813	3,386,387

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, 2021, the Town has accrued interest of \$675,308 receivable with respect to the Promissory Note.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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, 2021 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	653,771	182,071	(49,037)	786,805
Total Capital Assets Not Being Depreciated	<u>8,989,494</u>	<u>182,071</u>	<u>(49,037)</u>	<u>9,122,528</u>
Capital Assets Being Depreciated:				
Buildings and improvements	13,130,253	5,870	-	13,136,123
Infrastructure and improvements	38,925,152	217,052	-	39,142,204
Equipment and vehicles	7,318,387	534,456	(69,989)	7,782,854
Total Capital Assets Being Depreciated	<u>59,373,792</u>	<u>757,378</u>	<u>(69,989)</u>	<u>60,061,181</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(4,437,367)	(367,414)	-	(4,804,781)
Infrastructure and improvements	(15,065,464)	(1,030,005)	-	(16,095,469)
Equipment and vehicles	(5,065,610)	(668,490)	69,989	(5,664,111)
Total Accumulated Depreciation	<u>(24,568,441)</u>	<u>(2,065,909)</u>	<u>69,989</u>	<u>(26,564,361)</u>
Total Capital Assets Being Depreciated, Net	<u>34,805,351</u>	<u>(1,308,531)</u>	<u>-</u>	<u>33,496,820</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 43,794,845</u></u>	<u><u>(1,126,460)</u></u>	<u><u>(49,037)</u></u>	<u><u>42,619,348</u></u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Business-type capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Business-type Activities:</u></i>				
Capital Assets Not Being Depreciated:				
Land, easements and water rights	\$ 102,562	-	-	102,562
Projects in progress	644,803	3,909,081	-	4,553,884
Total Capital Assets Not Being Depreciated	747,365	3,909,081	-	4,656,446
Capital Assets Being Depreciated:				
Buildings and improvements	6,124,155	-	-	6,124,155
Infrastructure and improvements	14,543,248	-	-	14,543,248
Equipment and vehicles	2,017,367	299,097	(25,928)	2,290,536
Total Capital Assets Being Depreciated	22,684,770	299,097	(25,928)	22,957,939
Less Accumulated Depreciation For:				
Buildings and improvements	(4,214,336)	(170,178)	-	(4,384,514)
Infrastructure and improvements	(4,884,301)	(360,944)	-	(5,245,245)
Equipment and vehicles	(1,538,338)	(211,431)	25,928	(1,723,841)
Total Accumulated Depreciation	(10,636,975)	(742,553)	25,928	(11,353,600)
Total Capital Assets Being Depreciated, Net	12,047,795	(443,456)	-	11,604,339
Business-type Activities Capital Assets, Net	\$ 12,795,160	3,465,625	-	16,260,785

Depreciation expense for 2021 was charged to Town functions as follows:

Governmental Activities:

General government	\$ 476,330
Public safety	64,203
Public works	906,199
Community development	14,644
Culture and recreation	604,533
Total Depreciation Expense - Governmental Activities	\$ 2,065,909

Business-type Activities:

Water Fund	\$ 323,965
Marina Fund	418,588
Total Depreciation Expense - Business-type Activities	\$ 742,553

At December 31, 2021, the Town had \$8,016,940 of fully-depreciated assets.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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, 2021 were as follows:

Receivable	Payable	Balance
<u>By</u>	<u>By</u>	<u>Dec. 31/21</u>
Water Fund	Capital Fund	\$ 717,984

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, 2021, the principal amount outstanding on this loan was \$717,984. Interest and principal payments made by the Capital Improvement Fund to the Water Fund during 2021 totaled \$569 and \$94,431, respectively, representing an interest rate of 0.07% per annum for the year.

2. Transfers

The following interfund transfers occurred during the year ended December 31, 2021:

Transferred	Transferred	Amount
<u>To</u>	<u>From</u>	<u>Transferred</u>
Capital Fund	General Fund	\$ 13,480,105
Housing Fund	General Fund	\$ 287,500

The transfer to the Capital Improvement from the General Fund moves funds exceeding the General Fund minimum fund balance limits and accumulates funds for future capital projects. See Note IV.M. for additional information.

The transfer to the Summit County Housing Authority 5A Fund from the General Fund provides additional funds for ongoing and future expenditures to assist housing needs.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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 final payment was made on December 1, 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, 2021
(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
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	332,562	52,255	384,817
2027 - 2031	1,408,585	111,184	1,519,769
Total	\$ 3,018,005	467,038	3,485,043

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
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	105,000	251,000	356,000
2027 - 2031	635,000	1,169,500	1,804,500
2032 - 2036	865,000	988,750	1,853,750
2037 - 2041	1,150,000	745,250	1,895,250
2042 - 2046	1,525,000	422,250	1,947,250
2047 - 2048	740,000	56,000	796,000
Total	\$ 5,375,000	4,682,750	10,057,750

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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, 2021 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, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
<u><i>Certificates of Participation:</i></u>					
Series 2010A	\$ 65,000	-	(65,000)	-	\$ -
Issuance premium	122	-	(122)	-	-
Certificates of Participation, net	65,122	-	(65,122)	-	-
<u><i>Lease Purchases:</i></u>					
First & Main, L.L.C.	840,486	-	(66,381)	774,105	69,036
Vectra Bank Colorado	2,416,300	-	(172,400)	2,243,900	244,100
Capital leases, net	3,256,786	-	(238,781)	3,018,005	313,136
Net pension liability(asset)	(58,957)	-	(147,260)	(206,217)	-
Compensated absences	708,636	472,741	(639,701)	541,676	216,672
Total Governmental Activities Long-term Liabilities	\$ 3,971,587	472,741	(1,090,864)	3,353,464	\$ 529,808
Business-type Activities:					
Revenue bonds	\$ 5,450,000	-	(75,000)	5,375,000	\$ 80,000
Issuance premium	60,995	-	(2,177)	58,818	-
Revenue bonds, net	5,510,995	-	(77,177)	5,433,818	80,000
Compensated absences	85,047	61,650	(66,223)	80,474	32,190
Total Business-type Activities Long-term Liabilities	\$ 5,596,042	61,650	(143,400)	5,514,292	\$ 112,190

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, 2021
(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, 2021.

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

The plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members).

The SWDB Plan is administered by the Fire & Police Pension Association of Colorado ("FPPA").

Contributions. Through December 31, 2020, contributions rates for the SWDB Plan are set by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates may be increased by the FPPA Board of Directors upon approval through an election by both the employers and members.

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 increase 0.5% annually beginning in 2021 through 2030 to a total of 13%. In 2021, employees and employers are contributing at a rate of 11.5% and 8.5%, respectively, of base salary for a total contribution rate of 20%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23% and 23.5% of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the SWDB Plan in accordance with their most recent FPPA Board of Directors approved resolution.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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: On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the SWDB Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. 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".

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 Plan 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: At December 31, 2021, the SWDB Plan's fiduciary net position exceeds the total pension liability; consequently, the Town reported an asset of \$206,217 for its proportionate share of the SWDB Plan's net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The Town's proportion of the net pension asset was based on Town contributions to the SWDB Plan for calendar year 2020, relative to the total contributions of participating employers to the SWDB Plan.

At the December 31, 2020 measurement, the Town's proportionate share was 0.094862%, as compared to 0.104242% at the December 31, 2019 measurement.

For the year ended December 31, 2021, the Town recognized pension revenue of \$184.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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 (continued): At December 31, 2021, 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	\$ 174,891	820
Change of assumptions or other inputs	87,707	-
Net difference between projected and actual earnings on pension plan investments	-	211,813
Changes in proportionate share of contributions	97,101	12,873
Difference between actual and reported contributions recognized	415	1,576
Contributions subsequent to measurement date	71,197	-
	<u>\$ 431,311</u>	<u>227,082</u>

Contributions subsequent to the measurement date of December 31, 2020 – 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amortization
2022	\$ (9,868)
2023	17,605
2024	(18,030)
2025	16,494
2026	47,954
Thereafter	78,877
	<u>\$ 133,032</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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)

Actuarial assumptions: The collective total pension liability and actuarially-determined contributions in the December 31, 2020 actuarial valuation were determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date - January 1	2021	2020
Actuarial method	Entry Age	Entry Age
	Normal	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%	4.25%-11.25%
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.

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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)

Actuarial assumptions (continued): 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Global equity	39.00%	8.23%
Equity long/short	8.00%	6.87%
Private markets	25.00%	10.63%
Fixed income-rates	10.00%	4.01%
Fixed income-credit	5.00%	5.25%
Absolute return	10.00%	5.60%
Cash	2.00%	2.32%
Total	<u>99.00%</u>	

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 SWDB 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 SWDB Plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.50% (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%.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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)

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 asset (liability)	\$(218,477,475)	\$ 217,100,397	\$ 577,813,278
Proportionate share of net pension liability (asset)	\$ (207,252)	\$ 206,217	\$ 548,125

Pension plan fiduciary net position: Detailed information about the SWDB Plan's fiduciary net position is available in FPPA's annual comprehensive financial report, which can be obtained on FPPA's website at <http://www.FPPAco.org>.

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, 2021
(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, 2021
(Continued)

IV. Detailed Notes on all Funds (continued)

M. Fund Balance Disclosures (continued)

As of December 31, 2021, fund balances are composed of the following:

<u>Classification</u>	<u>General Fund</u>	<u>Summit County Housing Authority 5A Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Non-spendable:					
Inventories	\$ 23,457	-	-	10,181	33,638
Prepays	2,137	-	-	-	2,137
Long-term receivables	38,620	-	-	-	38,620
Restricted:					
State constitution:					
TABOR reserve	709,000	-	-	-	709,000
Conservation Trust	-	-	-	109,663	109,663
Debt service	-	-	140,607	-	140,607
Historic preservation	-	-	-	1,024	1,024
Voter-approved measures for:					
Affordable housing	-	8,043,877	-	-	8,043,877
Economic development	-	-	-	1,003,636	1,003,636
Nicotine tax - Public health	-	-	-	648,260	648,260
Committed:					
Council resolutions:					
Insurance reserve	-	-	-	212,201	212,201
Open space	-	-	-	12,526	12,526
Capital projects	-	-	17,537,840	-	17,537,840
Assigned:					
Internal balances	-	-	-	-	-
Due from other governments	8,741	-	-	-	8,741
Cash held for others	7,525	-	-	-	7,525
Unassigned	7,609,393	-	-	-	7,609,393
Total	<u>\$ 8,398,873</u>	<u>8,043,877</u>	<u>17,678,447</u>	<u>1,997,491</u>	<u>36,118,688</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 \$72,986 in connection with the Lease during 2021.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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, 2021
(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 \$229,198 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 2021 the Town used \$10,189 of forfeitures to fund contributions. There are no forfeitures available for spending at December 31, 2021.

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

SWDD Plan 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 Plan 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 Plan 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 Plan. 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 \$20,486 on behalf of members to the SWDD Plan during 2021.

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2021
(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 \$45,530 to RHSA for 2021.

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, 2021
(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, 2021. The deductible amount paid by the Town for each incident in 2021 was \$1,000; there is no change in coverage from past years. All settlements for the year ended December 31, 2021 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, 2021 (the latest year for which audited data is available) is as follows:

Property and Casualty Pool	Equity Ratio	Share of
		Surplus (Deficit)
		Dec 31/2021
Operating Fund	0.544%	\$ 60,591
Loss Fund	0.626%	148,178
Pooled Excess Fund	0.419%	(47,824)
Reserve Fund	0.661%	58,549

CIRSA's combined financial information for the year ended December 31, 2021 (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	\$ 90,532,926
Other assets	7,633,822
Total assets	\$ 98,166,748
 Total liabilities	 \$ 42,047,618
 Net position	 \$ 56,119,130
 Total contributions and other revenues	 \$ 32,058,222
Total expenses and distributions	(33,223,759)
Change in net position	\$ (1,165,537)

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, 2021
(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 2021 and 2020:

	2021	2020
Unpaid (prepaid) claims, beginning of year	\$ 119,700	144,700
New claims incurred	673,200	1,019,700
Claim payments	<u>(728,200)</u>	<u>(1,044,700)</u>
Unpaid (prepaid) claims, end of year	<u>\$ 64,700</u>	<u>119,700</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, 2021.

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, 2021.

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, 2021
(With Comparative Actual Amounts for 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property	193,011	193,011	192,957	(54)	192,149
Specific ownership	9,000	9,000	10,425	1,425	9,800
City sales tax	4,375,000	4,375,000	5,808,528	1,433,528	5,002,167
County sales tax	4,525,000	4,525,000	6,209,560	1,684,560	5,483,050
Franchise fees	307,000	307,000	348,211	41,211	320,081
Other taxes	407,500	407,500	518,398	110,898	509,064
Total - Taxes	9,816,511	9,816,511	13,088,079	3,271,568	11,516,311
License and Permits:					
Business and liquor licenses	160,000	160,000	152,630	(7,370)	182,434
Development	79,000	79,000	92,081	13,081	103,862
Building	150,000	150,000	311,107	161,107	128,560
Short term rental licenses	78,000	78,000	108,125	30,125	85,449
Other	500	500	20	(480)	486
Total - License and Permits	467,500	467,500	663,963	196,463	500,791
Intergovernmental:					
Highway users	100,000	100,000	122,247	22,247	100,255
County road and bridge	75,000	75,000	98,486	23,486	97,533
Grants	-	340,500	502,106	161,606	755,511
Motor vehicle registration	29,000	29,000	44,754	15,754	40,733
Other	2,000	2,000	2,675	675	26,811
Total - Intergovernmental	206,000	546,500	770,268	223,768	1,020,843
Charges for Services:					
Nordic Center	387,100	387,100	559,082	171,982	466,264
Historic Park	9,500	9,500	11,259	1,759	4,921
Special events	375,500	375,500	-	(375,500)	4,060
Recreation fees	230,000	230,000	336,950	106,950	240,471
Frisco Adventure Park fees	2,066,000	2,066,000	1,327,428	(738,572)	1,574,823
Building rents	120,000	120,000	154,200	34,200	128,200
Police services and Fines	39,000	39,000	44,414	5,414	31,779
Administration fees	62,500	62,500	62,500	-	62,500
Total - Charges for Services	3,289,600	3,289,600	2,495,833	(793,767)	2,513,018
Investment Income	32,000	32,000	10,382	(21,618)	95,332
Other Revenues:					
Disposable bag fee	80,000	80,000	236,273	156,273	150,330
Other	53,500	53,500	156,105	102,605	134,444
Total - Other Revenues	133,500	133,500	392,378	258,878	284,774
Total Revenues	13,945,111	14,285,611	17,420,903	3,135,292	15,931,069

(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, 2021
(With Comparative Actual Amounts for 2020)
(Continued)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Interdepartmental services	2,716,900	2,803,450	2,868,694	(65,244)	2,839,514
Legislative	66,736	66,736	67,586	(850)	65,613
Finance	349,068	349,068	384,163	(35,095)	341,320
Municipal Court	28,127	28,127	27,156	971	26,259
Administrative	841,753	930,972	1,177,276	(246,304)	875,012
Discretionary funds	126,100	126,100	639,930	(513,830)	666,629
Total - General Government	<u>4,128,684</u>	<u>4,304,453</u>	<u>5,164,805</u>	<u>(860,352)</u>	<u>4,814,347</u>
Public Safety:					
Police and animal control	1,669,808	1,795,270	1,447,067	348,203	1,381,818
Community Development:					
Planning and building department	811,095	844,290	792,135	52,155	740,142
Marketing and communications	621,227	621,227	612,390	8,837	501,803
Community relations	268,428	268,428	75,798	192,630	69,351
Total - Community Development	<u>1,700,750</u>	<u>1,733,945</u>	<u>1,480,323</u>	<u>253,622</u>	<u>1,311,296</u>
Public Works:					
Streets/properties - Maintenance/improvements	2,202,320	2,243,926	1,990,149	253,777	1,957,973
Culture and Recreation:					
Historic Park	277,557	285,557	218,873	66,684	182,814
Special events	725,748	725,748	204,936	520,812	187,503
Recreation	551,059	559,379	456,671	102,708	405,900
Frisco Adventure Park	1,369,903	1,403,917	952,635	451,282	1,121,442
Nordic Center	528,542	556,328	391,145	165,183	356,762
Total - Culture and Recreation	<u>3,452,809</u>	<u>3,530,929</u>	<u>2,224,260</u>	<u>1,306,669</u>	<u>2,254,421</u>
Total Expenditures	<u>13,154,371</u>	<u>13,608,523</u>	<u>12,306,604</u>	<u>1,301,919</u>	<u>11,719,855</u>
Excess (Deficiency) of Revenues over Expenditures	790,740	677,088	5,114,299	4,437,211	4,211,214
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	4,700,000
Transfers (out)	-	(13,767,605)	(13,767,605)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(13,767,605)</u>	<u>(13,767,605)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	790,740	(13,090,517)	(8,653,306)	4,437,211	8,911,214
Fund Balance - January 1	<u>14,367,595</u>	<u>14,367,595</u>	<u>17,052,179</u>	<u>2,684,584</u>	<u>8,140,965</u>
Fund Balance - December 31	<u>15,158,335</u>	<u>1,277,078</u>	<u>8,398,873</u>	<u>7,121,795</u>	<u>17,052,179</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, 2021
(With Comparative Actual Amounts for 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
County sales tax	1,350,000	1,350,000	1,787,396	437,396	1,533,798
Developer impact fees	50,000	50,000	90,206	40,206	146,836
Investment income	24,000	24,000	3,854	(20,146)	53,479
Rental income	70,320	70,320	70,730	410	76,820
Total Revenues	<u>1,494,320</u>	<u>1,494,320</u>	<u>1,952,186</u>	<u>457,866</u>	<u>1,810,933</u>
Expenditures:					
General government	171,621	171,621	145,184	26,437	130,025
Capital outlay	4,955,000	5,380,000	717,805	4,662,195	302,901
Total Expenditures	<u>5,126,621</u>	<u>5,551,621</u>	<u>862,989</u>	<u>4,688,632</u>	<u>432,926</u>
Excess (Deficiency) of Revenues over Expenditures	(3,632,301)	(4,057,301)	1,089,197	5,146,498	1,378,007
Other Financing Sources (Uses):					
Transfers in	-	287,500	287,500	-	-
Net Change in Fund Balance	(3,632,301)	(3,769,801)	1,376,697	5,146,498	1,378,007
Fund Balance - January 1	<u>6,214,133</u>	<u>6,214,133</u>	<u>6,667,180</u>	<u>453,047</u>	<u>5,289,173</u>
Fund Balance - December 31	<u><u>2,581,832</u></u>	<u><u>2,444,332</u></u>	<u><u>8,043,877</u></u>	<u><u>5,599,545</u></u>	<u><u>6,667,180</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,							
	2020	2019	2018	2017	2016	2015	2014	2013
Town's portion of the net pension (asset) liability	0.094862%	0.104242%	0.102109%	0.129007%	0.147306%	0.134622%	0.137171%	0.176403%
Town's proportionate share of the net pension (asset) liability	(206,217)	(58,957)	129,084	(185,598)	53,226	(2,375)	(154,808)	(157,737)
Town's covered payroll	767,075	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	26.9%	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	106.70%	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)

	Fiscal years ending December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	71,197	61,366	59,472	54,535	60,505	60,519	52,741	49,447
Actual contributions	(71,197)	(61,366)	(59,472)	(54,535)	(60,505)	(60,519)	(52,741)	(49,447)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Town's covered payroll	837,612	767,075	743,400	681,688	756,313	756,488	659,263	618,088
Contributions as a percentage of covered payroll	8.5%	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, 2021

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, 2021
(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, 2021
(With Comparative Actual Amounts for 2010)

					2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes - Real estate investment fees	1,400,000	1,400,000	2,773,501	1,373,501	2,070,516
Intergovernmental - Grants	84,195	84,195	105,584	21,389	109,792
Investment income	30,000	30,000	2,470	(27,530)	75,852
Miscellaneous	73,440	73,440	16,628	(56,812)	2,201
Total Revenues	1,587,635	1,587,635	2,898,183	1,310,548	2,258,361
Expenditures:					
General government - Agent fees	2,000	2,000	2,800	(800)	1,569
Capital outlay	1,992,695	3,627,695	1,715,034	1,912,661	1,882,051
Debt service:					
Principal	378,781	378,781	303,781	75,000	295,627
Interest	119,526	119,526	98,795	20,731	119,768
Total Expenditures	2,493,002	4,128,002	2,120,410	2,007,592	2,299,015
Excess (Deficiency) of Revenues Over Expenditures	(905,367)	(2,540,367)	777,773	3,318,140	(40,654)
Other Financing Sources (Uses):					
Sale of assets	70,000	70,000	14,190	(55,810)	6,500
Transfers out	-	-	-	-	(4,700,000)
Transfers in	-	13,480,105	13,480,105	-	-
Total Other Financing Sources (Uses)	70,000	13,550,105	13,494,295	(55,810)	(4,693,500)
Net Change in Fund Balance	(835,367)	11,009,738	14,272,068	3,262,330	(4,734,154)
Fund Balance - January 1	1,918,902	1,918,902	3,406,379	1,487,477	8,140,533
Fund Balance - December 31	1,083,535	12,928,640	17,678,447	4,749,807	3,406,379

Town of Frisco, Colorado
Enterprise Fund - Water Fund
Schedule of Revenues, Expenses and Changes in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

					2020
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for service - User charges	1,250,000	1,250,000	1,332,279	82,279	1,231,125
Water meter sales	20,000	20,000	14,585	(5,415)	21,882
Other operating revenue	-	-	3,983	3,983	952
Total Operating Revenues	1,270,000	1,270,000	1,350,847	80,847	1,253,959
Operating Expenses:					
Salaries and benefits	404,016	404,016	369,896	34,120	390,175
Administrative fees	42,500	42,500	42,500	-	42,500
Professional fees	70,000	70,000	57,559	12,441	57,026
Supplies and chemicals	40,000	40,000	18,181	21,819	20,330
Utilities	60,000	60,000	60,389	(389)	47,106
Repair and maintenance	66,000	66,000	30,685	35,315	34,366
General expenses	60,000	60,000	162,230	(102,230)	60,278
Capital outlay	1,625,000	1,625,000	730,967	894,033	157,765
Water meter replacements	40,000	40,000	51,612	(11,612)	40,630
Total Expenses	2,407,516	2,407,516	1,524,019	883,497	850,176
Operating Income (Loss)	(1,137,516)	(1,137,516)	(173,172)	964,344	403,783
Non-operating Revenues (Expenses):					
Investment income	21,000	21,000	3,515	(17,485)	51,775
Principal repayment	95,000	95,000	94,431	(569)	86,283
Plant investment fees	100,000	100,000	62,449	(37,551)	43,170
Total Non-operating Revenues (Expenses)	216,000	216,000	160,395	(55,605)	181,228
Change in Net Positions - Budget Basis	(921,516)	(921,516)	(12,777)	908,739	585,011
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			(94,431)		(86,283)
Capitalized assets			730,967		157,765
Depreciation			(323,965)		(304,943)
Change in Net Position - GAAP Basis			299,794		351,550

Town of Frisco, Colorado
Enterprise Fund - Marina Fund
Schedule of Revenues, Expenses and Changes in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

					2020
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for service - User charges	1,693,550	1,893,550	2,090,803	197,253	2,400,646
Intergovernmental - Operating grants	45,000	45,000	39,888	(5,112)	36,255
Total Operating Revenues	1,738,550	1,938,550	2,130,691	192,141	2,436,901
Operating Expenses:					
Salaries and benefits	688,214	998,863	710,440	288,423	647,780
Administrative fees	20,000	20,000	20,000	-	20,000
Professional fees	47,000	167,000	131,494	35,506	50,559
Supplies	104,600	104,600	64,314	40,286	75,414
Utilities	22,000	22,000	23,569	(1,569)	19,543
Repair and maintenance	111,000	111,000	69,678	41,322	42,257
General expenses	307,500	307,500	319,559	(12,059)	328,705
Capital outlay	3,784,000	3,784,000	3,477,211	306,789	798,179
Total Expenses	5,084,314	5,514,963	4,816,265	698,698	1,982,437
Operating Income (Loss)	(3,345,764)	(3,576,413)	(2,685,574)	890,839	454,464
Non-operating Revenues (Expenses):					
Investment income	10,000	10,000	3,104	(6,896)	30,192
Gain (loss) on asset disposal	63,500	63,500	3,101	(60,399)	33,319
Agent fees	-	-	(400)	(400)	(400)
Principal repayment	-	-	(75,000)	(75,000)	-
Interest expense	(347,500)	(347,500)	(270,011)	77,489	(270,322)
Total Non-operating Revenues (Expenses)	(274,000)	(274,000)	(339,206)	(65,206)	(207,211)
Change in Net Positions - Budget Basis	(3,619,764)	(3,850,413)	(3,024,780)	825,633	247,253
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			75,000		-
Capitalized assets			3,477,211		798,179
Depreciation			(418,588)		(377,471)
Change in Net Position - GAAP Basis			108,843		667,961

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, 2021

	Special Revenue Funds						Total
	Conservation Trust Fund	Historic Preservation Fund	Insurance Reserve Fund	Lodging Tax Fund	Open Space Fund	Nicotine Tax Fund	Non-major Governmental Funds
Assets:							
Cash and cash equivalents - Unrestricted	109,663	1,024	212,201	880,541	12,526	553,395	1,769,350
Receivables, net of allowance for uncollectible accounts:							
Other taxes	-	-	-	123,195	-	94,865	218,060
Inventory	-	-	-	10,181	-	-	10,181
Total Assets	<u>109,663</u>	<u>1,024</u>	<u>212,201</u>	<u>1,013,917</u>	<u>12,526</u>	<u>648,260</u>	<u>1,997,591</u>
Liabilities and Fund Equity:							
Liabilities:							
Accounts/vouchers payable	-	-	-	100	-	-	100
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Fund Balances:							
Non spendable	-	-	-	10,181	-	-	10,181
Restricted	109,663	1,024	-	1,003,636	-	648,260	1,762,583
Committed	-	-	212,201	-	12,526	-	224,727
Total Fund Balances	<u>109,663</u>	<u>1,024</u>	<u>212,201</u>	<u>1,013,817</u>	<u>12,526</u>	<u>648,260</u>	<u>1,997,491</u>
Total Liabilities and Fund Balances	<u>109,663</u>	<u>1,024</u>	<u>212,201</u>	<u>1,013,917</u>	<u>12,526</u>	<u>648,260</u>	<u>1,997,591</u>

Town of Frisco, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2021

	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	-	-	-	701,513	-	622,771	1,324,284
Licenses, permits, and fees	-	-	-	-	-	4,800	4,800
Intergovernmental revenue	38,368	-	-	19,000	-	-	57,368
Investment income	45	1	126	497	7	276	952
Miscellaneous	-	-	-	2,324	-	-	2,324
Total Revenues	38,413	1	126	723,334	7	627,847	1,389,728
Expenditures:							
Community development	-	-	-	294,605	-	-	294,605
Culture and recreation	95	-	-	188,693	-	-	188,788
Health and welfare	-	-	-	-	-	467,600	467,600
Total Expenditures	95	-	-	483,298	-	467,600	950,993
Net Change in Fund Balances	38,318	1	126	240,036	7	160,247	438,735
Fund Balances - January 1	71,345	1,023	212,075	773,781	12,519	488,013	1,558,756
Fund Balances - December 31	109,663	1,024	212,201	1,013,817	12,526	648,260	1,997,491

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, 2021
(With Comparative Actual Amounts for 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental - Lottery proceeds	29,000	29,000	38,368	9,368	32,985
Investment income	300	300	45	(255)	557
Total Revenues	<u>29,300</u>	<u>29,300</u>	<u>38,413</u>	<u>9,113</u>	<u>33,542</u>
Expenditures:					
Culture and recreation	38,300	38,300	95	38,205	12,484
Total Expenditures	<u>38,300</u>	<u>38,300</u>	<u>95</u>	<u>38,205</u>	<u>12,484</u>
Net Change in Fund Balance	(9,000)	(9,000)	38,318	47,318	21,058
Fund Balance - January 1	<u>37,877</u>	<u>37,877</u>	<u>71,345</u>	<u>33,468</u>	<u>50,287</u>
Fund Balance - December 31	<u><u>28,877</u></u>	<u><u>28,877</u></u>	<u><u>109,663</u></u>	<u><u>80,786</u></u>	<u><u>71,345</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, 2021
(With Comparative Actual Amounts for 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Investment income	5	5	1	(4)	10
Total Revenues	5	5	1	(4)	10
Expenditures:					
Capital Projects	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Net Change in Fund Balance	5	5	1	(4)	10
Fund Balance - January 1	1,023	1,023	1,023	-	1,013
Fund Balance - December 31	1,028	1,028	1,024	(4)	1,023

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, 2021
(With Comparative Actual Amounts for 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Investment income	1,000	1,000	126	(874)	2,048
Total Revenues	1,000	1,000	126	(874)	2,048
Expenditures:					
Claims	65,000	65,000	-	65,000	-
Total Expenditures	65,000	65,000	-	65,000	-
Net Change in Fund Balance	(64,000)	(64,000)	126	64,126	2,048
Fund Balance - January 1	212,178	212,178	212,075	(103)	210,027
Fund Balance - December 31	148,178	148,178	212,201	64,023	212,075

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, 2021
(With Comparative Actual Amounts for 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Lodging tax	550,000	550,000	701,513	151,513	498,972
Local grants	30,000	30,000	19,000	(11,000)	30,000
Investment income	3,000	3,000	497	(2,503)	6,644
Miscellaneous	3,200	3,200	2,324	(876)	1,946
Total Revenues	586,200	586,200	723,334	137,134	537,562
Expenditures:					
Community development	320,961	345,961	294,605	51,356	139,882
Culture and recreation	223,700	223,700	188,693	35,007	261,776
Total Expenditures	544,661	569,661	483,298	86,363	401,658
Net Change in Fund Balance	41,539	16,539	240,036	223,497	135,904
Fund Balance - January 1	704,509	704,509	773,781	69,272	637,877
Fund Balance - December 31	746,048	721,048	1,013,817	292,769	773,781

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, 2021
(With Comparative Actual Amounts for 2020)

	2021			2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Investment income	60	60	7	(53)
Total Revenues	60	60	7	(53)
Expenditures:				
Culture and recreation	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	60	60	7	(53)
Fund Balance - January 1	12,528	12,528	12,519	(9)
Fund Balance - December 31	12,588	12,588	12,526	(62)

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, 2021
(With Comparative Actual Amounts for 2020)

	2021			2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Nicotine tax	480,000	480,000	622,771	142,771
Nicotine licenses	6,600	6,600	4,800	(1,800)
Investment income	4,800	4,800	276	(4,524)
Total Revenues	491,400	491,400	627,847	136,447
Expenditures:				
General government	6,000	6,000	-	6,000
Health and welfare	513,855	513,855	467,600	46,255
Total Expenditures	519,855	519,855	467,600	52,255
Net Change in Fund Balance	(28,455)	(28,455)	160,247	188,702
Fund Balance - January 1	339,888	339,888	488,013	148,125
Fund Balance - December 31	311,433	311,433	648,260	336,827

Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Capital Outlay Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Capital Outlay:					
Asphalt overlay and resurface road	200,000	250,000	212,942	37,058	208,263
Building relocation costs	-	60,000	20,917	39,083	-
Community survey	-	-	-	-	15,690
Computers and technology	120,000	120,000	136,478	(16,478)	110,397
Consultant - historic preservation	-	25,000	24,430	570	-
Crack fill streets and bike paths	25,000	25,000	825	24,175	274
Curb replacement	40,000	40,000	27,161	12,839	23,881
Electric vehicle charging station	-	-	796	(796)	-
Environmental sustainability	100,000	100,000	4,554	95,446	27,078
Equipment and vehicle leases	37,500	37,500	19,449	18,051	22,490
Facility capital repair	155,000	730,000	38,930	691,070	77,561
Fiber infrastructure	200,000	200,000	148,045	51,955	-
First and Main building	5,000	5,000	2,117	2,883	4,458
Frisco Adventure Park amenity expansion	-	-	-	-	78,914
Historic Park deck stairs	20,000	20,000	3,915	16,085	14,064
Ice rink evaluation	-	50,000	32,236	17,764	-
Lake Hill analysis/support	-	-	24,843	(24,843)	32,885
Main Street Promenade	50,000	80,000	57,475	22,525	-
Playground/site improvement at town parks	200,000	550,000	22,952	527,048	762,462
PRA Plan Implementation	210,000	210,000	215,990	(5,990)	82,899
Public art funding	25,000	25,000	12,264	12,736	10,008
Storm system study	50,000	100,000	16,603	83,397	-
Summit Blvd. masonry work	50,000	200,000	101,907	98,093	21,260
Revitalize Main Street	-	-	-	-	58,439
Town Hall dumpster enclosure	50,000	50,000	-	50,000	-
Town Hall atrium design	15,000	-	-	-	-
Trails enhancement	139,195	139,195	92,193	47,002	100,771
Update planning documents	130,000	130,000	86,106	43,894	2,635
Vehicles and equipment	171,000	481,000	411,906	69,094	227,622
Total Expenditures - Capital Outlay	1,992,695	3,627,695	1,715,034	1,912,661	1,882,051

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 2021
This Information From The Records Of (example - City of _ or County of _ Town of Frisco, CO	Prepared By: Phone:	Dylan Olchin/Town Accountant (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	882,805
3. Other local imposts (from page 2)	103,531
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)	986,336
B. Private Contributions	
C. Receipts from State government (from page 2)	137,397
D. Receipts from Federal Government (from page 2)	-
E. Total receipts (A.7 + B + C + D)	1,123,733

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	273,765
2. Maintenance:	45,153
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	454,945
c. Other	
d. Total (a. through c.)	454,945
4. General administration & miscellaneous	
5. Highway law enforcement and safety	349,870
6. Total (1 through 5)	1,123,733
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)	1,123,733

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
	-	1,123,733	1,123,733	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2021	
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	103,531	g. Other Misc. Receipts	
6. Total (1. through 5.)	103,531	h. Other	
c. Total (a. + b.)	103,531	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	122,247	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	15,150	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.)	15,150	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	137,397	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		273,765	273,765
(4). System Enhancement & Operation		-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	273,765	273,765
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	273,765	273,765
			(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>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>2021</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 39,596,343
Restricted	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	10,073,417
Unrestricted	<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>	<u>31,064,954</u>
Subtotal Governmental Activities Net Position	<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>	<u>80,734,714</u>
Business-type Activities										
Net Investment in Capital Assets	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	10,675,590
Restricted for CRCA projects	-	-	-	-	-	198,940	664,551	-	-	-
Unrestricted	<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>	<u>6,588,460</u>
Subtotal Business-type Activities Net Position	<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>	<u>17,264,050</u>
Total Primary Government Net Position	<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>	<u>\$ 97,998,764</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 5,845,646
Public Safety	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	1,525,268
Public Works	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	1,768,852
Community Development	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	3,137,557
Culture and Recreation	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	3,289,976
Health and welfare	-	-	-	-	-	-	-	-	80,005	467,600
Housing	171,015	201,348	179,043	69,091	42,728	181,102	45,547	51,025	427,401	703,750
Interest on long-term debt	238,667	246,315	228,200	271,129	262,753	255,106	155,488	147,620	121,885	95,624
Total Governmental Activities Expenses	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	16,834,273
Business-type Activities:										
Interest on long-term debt	5,824	4,840	4,144	3,427	2,702	5,287	-	228,690	270,322	270,011
Water Fund	823,419	875,880	1,025,562	1,016,423	1,097,277	1,137,475	1,006,302	1,092,653	997,354	1,117,017
Marina Fund	944,530	874,024	977,565	980,887	951,376	998,766	1,231,122	1,435,127	1,562,129	1,758,042
Total Business-type Activities Expenses	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	3,145,070
Total Primary Government Expenses	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	19,979,343
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	298,642	339,703	439,635	433,333	350,659	288,696	263,086	373,077	380,220	374,150
Public Safety	26,717	31,499	26,898	19,356	41,461	35,748	47,275	40,329	31,779	44,414
Public Works	15,830	13,052	9,447	10,997	8,422	4,480	5,270	12,590	11,600	398,888
Community Development	213,588	263,445	274,096	287,170	194,122	290,400	468,573	417,968	220,822	4,300
Culture and Recreation	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	2,234,719
Housing	76,515	54,950	200,279	139,848	116,626	36,745	125,254	213,175	223,656	160,936
Operating Grants and Contributions	233,261	225,754	306,029	323,147	363,938	364,857	308,543	309,791	1,028,828	808,636
Capital Grants and Contributions	188,375	396,097	112,228	78,510	78,614	65,668	30,000	421,975	139,792	124,584
Total Governmental Activities Program Revenues	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	4,150,627
Business-type Activities:										
Charges for Services:										
Water	804,159	1,112,007	802,865	891,006	900,407	906,696	989,542	1,001,193	1,253,959	1,350,847
Marina	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	2,090,803
Operating Grants and Contributions	4,975	18,915	26,376	26,385	27,645	32,622	27,570	34,830	36,255	39,888
Capital Grants and Contributions	-	104,046	532,386	117,137	153,241	331,623	647,832	225,910	43,170	62,449
Total Business-type Activities Program Revenues	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	3,543,987
Total Program Revenues	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	7,694,614
Net (Expense)/Revenue										
Governmental Activities	(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)	(12,588,022)
Business-type Activities	(207,398)	278,470	380,168	325,399	472,562	670,517	993,213	313,578	1,174,547	668,928
Interest on Long Term Debt	(244,491)	(251,155)	(232,344)	(274,556)	(265,455)	(260,393)	(155,488)	(376,310)	(392,207)	(365,635)
Total Primary Government Net (Expense) Revenue	(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)	(12,284,729)
General Revenues and Transfers										
Governmental Activities:										
Taxes:										
Property Taxes	131,194	133,336	133,516	135,115	151,002	154,136	168,344	168,930	201,949	203,382
Sales and use Taxes	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	13,805,484
Real Estate Transfer Tax	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	2,773,501
Franchise Taxes	287,203	313,906	328,507	319,524	320,432	323,924	318,602	326,461	320,081	348,211
Lodging Taxes	285,434	325,768	388,199	426,458	471,041	490,541	534,342	555,084	498,972	701,513
Other Taxes	57,740	55,795	179,962	302,658	356,527	393,420	404,064	440,671	1,085,556	1,141,169
Transfers	62,500	(21,445)	-	-	-	-	-	-	-	-
Interest and Other	1,148,141	4,716,360	287,565	283,144	314,599	313,756	2,577,111	587,692	633,214	521,928
Total General Activities	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	19,495,188
Business-type Activities										
Transfers	(62,500)	21,445	-	-	-	-	-	-	-	-
Interest and Other	440,771	20,538	56,416	29,252	55,977	126,744	125,686	223,025	115,286	9,720
Total Business-type Activities	378,271	41,983	56,416	29,252	55,977	126,744	125,686	223,025	115,286	9,720
Total General Revenues and Transfers	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	19,504,908
Changes in Net Position										
Governmental Activities	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	6,811,542
Business-type Activities	165,049	315,613	432,440	351,224	525,837	791,974	1,118,899	307,913	1,019,511	408,637
Total Government Changes in Net Position	\$ 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	\$ 7,220,179

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Non-Spendable	\$ 40,865	\$ 63,151	\$ 54,861	\$ 49,193	\$ 46,433	\$ 63,425	\$ 66,363	\$ 102,026	\$ 88,591	\$ 64,214
Restricted	350,000	332,000	377,000	478,000	468,000	596,000	626,000	621,000	632,000	709,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	425,285	497,510	419,941	244,002	16,396	14,637	14,662	18,230	15,749	16,266
Unassigned	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	7,609,393
Total General Fund	<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>	<u>8,398,873</u>
All Other Governmental Funds										
Non-Spendable	-	-	-	14,070	13,194	12,597	12,140	23,097	13,085	10,181
Restricted	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	9,947,067
Committed	633,174	608,475	643,286	2,067,690	4,295,350	7,204,859	5,934,846	8,207,877	3,488,851	17,762,567
Assigned	4,064,942	3,169,091	1,215,757	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>27,719,815</u>
Total Governmental Funds										
Non-Spendable	40,865	63,151	54,861	63,263	59,627	76,022	78,503	125,123	101,676	74,395
Restricted	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	10,656,067
Committed	633,174	608,475	643,286	2,067,690	4,295,350	7,204,859	5,934,846	8,207,877	3,488,851	17,762,567
Assigned	4,490,227	3,666,601	1,635,698	244,002	16,396	14,637	14,662	18,230	15,749	16,266
Unassigned	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	7,609,393
Total Governmental Funds Balance	<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>	<u>\$ 36,118,688</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
Revenues										
Taxes	\$ 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	\$ 18,973,260
Licenses, Permits, and Fees	379,410	429,595	604,633	554,513	459,556	482,663	746,210	778,469	647,627	758,969
Intergovernmental Revenue	353,497	249,217	251,625	260,675	264,873	325,407	333,474	734,232	1,193,620	933,220
Charges for Services	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	2,495,833
Investment Income	24,054	18,426	26,019	25,702	68,115	115,715	289,622	471,187	234,043	17,658
Capital Interest Subsidy	52,189	48,040	48,405	48,510	48,614	35,668	-	-	-	-
Rental Income	-	-	-	-	-	-	6,938	88,776	76,820	70,730
Reimbursements	-	318,057	33,823	-	-	-	-	-	-	-
Miscellaneous	135,166	94,419	97,401	116,920	119,634	50,820	66,758	102,833	295,521	411,330
Total Revenues	9,997,411	11,251,371	12,670,533	14,648,353	15,750,133	17,480,360	18,806,953	20,690,097	21,156,738	23,661,000
Expenditures										
General Government	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	5,312,789
Public Safety	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	1,447,067
Community Development	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	1,774,928
Public Works	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	1,990,149
Culture and Recreation	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	2,413,048
Health and welfare	-	-	-	-	-	-	-	-	80,005	467,600
Capital Outlay	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	2,432,839
Debt Service:										
Cost of issuance	-	-	-	-	-	74,559	-	-	-	-
Principal	409,078	502,582	665,122	780,197	578,488	524,621	274,712	282,573	295,627	303,781
Interest	828,328	211,538	206,668	244,383	246,992	212,837	145,370	141,420	119,768	98,795
Total Expenditures	10,245,409	11,433,599	13,769,673	16,048,809	14,166,384	13,180,984	19,567,430	15,669,048	14,961,017	16,240,996
Excess of Revenues										
Over/(Under) Expenditures	(247,998)	(182,228)	(1,099,140)	(1,400,456)	1,583,749	4,299,376	(760,477)	5,021,049	6,195,721	7,420,004
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	1,191,790	136,240	153,163	796,590	25,600	45,973	2,127,677	69,527	6,500	14,190
Transfers In	-	-	-	-	-	3,350,000	2,191,510	3,304,674	4,700,000	13,767,605
Transfers Out	-	-	-	-	-	(3,350,000)	(2,191,510)	(3,304,674)	(4,700,000)	(13,767,605)
Total Other Financing Sources (Uses)	1,686,649	507,162	630,347	2,561,590	25,600	120,532	2,127,677	69,527	6,500	14,190
Net Change in Fund Balances	\$ 1,438,651	\$ 324,934	\$ (468,793)	\$ 1,161,134	\$ 1,609,349	\$ 4,419,908	\$ 1,367,200	\$ 5,090,576	\$ 6,202,221	\$ 7,434,194
Debt Service as a Percentage of Noncapital Expenditures	13.1%	7.4%	8.5%	9.7%	7.5%	6.2%	3.4%	3.3%	3.3%	2.9%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue Source										
City Sales Tax	\$ 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	\$ 5,808,528
County Sales Tax	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	6,209,560
Housing Authority Tax	136,896	148,941	164,435	186,973	204,393	1,285,174	1,393,760	1,618,610	1,533,798	1,787,396
Property Tax	126,029	127,301	126,849	128,253	143,493	145,468	158,901	159,915	192,149	192,957
Lodging Tax	285,434	325,768	388,199	426,458	471,041	490,541	534,342	555,083	498,972	701,513
Real Estate Investment Fee Tax	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	2,773,501
Franchise Tax	287,203	313,906	328,507	319,524	320,432	323,924	318,602	326,461	320,081	348,211
Specific Ownership Tax	5,165	6,035	6,667	6,862	7,509	8,668	9,443	9,015	9,800	10,425
Miscellaneous Tax	57,740	55,795	179,962	302,658	356,527	393,420	404,064	440,671	509,064	518,398
Total Revenues	\$ 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	\$ 18,350,489
 % change from prior year	 2.6%	 7.6%	 16.5%	 16.7%	 7.6%	 13.4%	 6.9%	 7.4%	 5.0%	 17.5%
 Percentage of Total										
City Sales Tax	37.7%	37.4%	37.4%	36.3%	36.7%	33.8%	33.8%	33.5%	32.0%	37.2%
County Sales Tax	38.8%	38.2%	37.9%	36.8%	37.9%	35.8%	35.6%	35.3%	35.1%	39.8%
Housing Authority Tax	1.9%	1.9%	1.8%	1.8%	1.8%	9.9%	10.1%	10.9%	9.8%	11.4%
Property Tax	1.7%	1.6%	1.4%	1.2%	1.3%	1.1%	1.1%	1.1%	1.2%	1.2%
Lodging Tax	3.9%	4.2%	4.3%	4.0%	4.1%	3.8%	3.9%	3.7%	3.2%	4.5%
Real Estate Investment Fee Tax	11.1%	11.8%	11.5%	14.0%	12.2%	10.0%	10.2%	10.4%	13.3%	17.8%
Franchise Tax	4.0%	4.0%	3.6%	3.0%	2.8%	2.5%	2.3%	2.2%	2.0%	2.2%
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	0.8%	0.7%	2.0%	2.9%	3.1%	3.0%	2.9%	3.0%	3.3%	3.3%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	117.5%

Source: Town of Frisco Financial Statements

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

	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
<u>Taxable Sales</u>																				
Retail - General	\$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%	\$ 115,909,421	19%
Grocery	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%	\$ 123,480,092	21%
Restaurants	25,124,850	18%	17,475,500	12%	29,173,050	17%	33,167,975	17%	36,662,925	17%	37,483,825	17%	40,972,200	17%	42,527,275	17%	\$36,196,850	14%	\$ 95,276,126	16%
Hotels & Inns	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%	12,008,700	5%	\$8,179,250	3%	\$ 17,864,855	3%
Utility	8,245,450	6%	9,122,625	6%	10,014,700	6%	10,087,375	5%	10,023,600	5%	10,398,350	5%	9,672,550	4%	9,872,550	4%	\$9,736,475	4%	\$ 22,297,430	4%
Home Improvement	6,872,700	5%	7,062,675	5%	8,489,475	5%	9,262,600	5%	10,704,500	5%	12,575,300	6%	16,000,550	7%	17,224,000	7%	\$19,732,625	7%	\$ 42,551,176	7%
Automotive	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%	\$10,573,250	4%	\$ 24,196,030	4%
Recreation	6,400,750	5%	7,572,575	5%	7,657,500	4%	8,955,050	5%	9,413,650	4%	9,232,025	4%	9,865,900	4%	9,678,675	4%	\$8,527,000	3%	\$ 24,058,810	4%
Liquor	4,791,875	3%	5,331,200	4%	5,806,625	3%	7,661,150	4%	8,658,600	4%	8,797,750	4%	9,614,100	4%	9,278,775	4%	\$11,179,825	4%	\$ 23,079,420	4%
Home Furnishings	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%	\$6,732,800	3%	\$ 16,251,364	3%
Vacation Rentals	3,915,200	3%	4,347,575	3%	5,284,475	3%	6,059,050	3%	7,315,175	3%	8,058,150	4%	11,560,775	5%	14,113,375	6%	\$16,474,625	6%	\$ 48,480,626	8%
Clothing	2,492,750	2%	2,779,150	2%	2,937,025	2%	3,119,125	2%	3,822,725	2%	4,290,900	2%	4,620,075	2%	4,552,900	2%	\$4,025,625	2%	\$ 10,452,799	2%
Gifts	2,326,925	2%	2,193,025	1%	2,683,600	2%	2,871,750	1%	3,129,850	1%	2,959,025	1%	3,170,775	1%	2,883,775	1%	\$3,018,325	1%	\$ 9,192,251	2%
Marijuana	-	0%	-	0%	2,406,450	1%	4,319,100	2%	5,327,100	2%	5,911,925	3%	5,943,125	2%	6,468,725	3%	\$7,616,425	3%	\$ 15,097,737	3%
Health & Beauty	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%	\$1,792,700	1%	\$ 4,559,694	1%
Office	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%	\$2,860,400	1%	\$ 7,483,621	1%
Arts & Crafts	883,750	1%	758,900	1%	699,250	0%	672,875	0%	487,275	0%	398,700	0%	406,575	0%	386,200	0%	\$558,700	0%	\$ 1,492,193	0%
Total	\$ 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%	\$601,723,649	100%

	2012 (*)		2013 (*)		2014 (*)		2015 (*)		2016 (*)		2017 (*)		2018 (*)		2019 (*)		2020 (*)		2021 (*)	
<u>Sales Tax Collected</u>																				
Retail - General	\$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%	\$ 2,318,188	22%
Grocery	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%	2,307,893	22%	\$ 2,469,602	23%
Restaurants	1,004,994	18%	1,094,078	19%	1,166,922	17%	1,326,719	17%	1,466,517	17%	1,499,353	17%	1,636,888	17%	1,701,091	17%	1,447,874	14%	\$ 1,905,523	18%
Hotels & Inns	365,995	7%	364,905	6%	469,792	7%	506,870	7%	524,154	6%	518,465	6%	543,074	6%	504,348	5%	327,170	3%	\$ 357,297	3%
Utility	329,818	6%	394,898	7%	400,588	6%	403,495	5%	400,899	5%	415,534	5%	400,944	4%	386,902	4%	389,459	4%	\$ 445,949	4%
Home Improvement	274,908	5%	283,707	5%	339,579	5%	370,504	5%	428,180	5%	503,012	6%	640,022	7%	688,960	7%	789,305	7%	\$ 851,024	8%
Automotive	275,597	5%	308,376	5%	322,435	5%	338,668	4%	372,756	4%	363,062	4%	342,658	4%	387,153	4%	422,930	4%	\$ 483,921	5%
Recreation	256,030	5%	302,903	5%	306,294	4%	358,202	5%	376,546	4%	369,281	4%	394,636	4%	387,147	4%	341,080	3%	\$ 481,176	5%
Liquor	191,675	3%	213,248	3%	232,265	3%	306,446	4%	346,344	4%	351,910	4%	384,564	4%	371,151	4%	447,193	4%	\$ 461,588	4%
Home Furnishings	179,113	3%	203,605	3%	225,884	3%	243,915	3%	321,504	4%	339,416	4%	318,169	3%	278,586	3%	269,312	3%	\$ 325,027	3%
Vacation Rentals	156,608	3%	173,903	3%	211,379	3%	242,362	3%	292,607	3%	380,326	4%	462,431	5%	564,535	6%	658,985	6%	\$ 969,613	9%
Clothing	99,710	2%	111,166	2%	117,481	2%	124,765	2%	152,909	2%	171,236	2%	184,803	2%	182,116	2%	161,025	2%	\$ 209,056	2%
Gifts	93,077	2%	87,721	1%	107,344	2%	114,870	1%	125,194	1%	118,321	1%	126,831	1%	115,351	1%	120,733	1%	\$ 183,845	2%
Marijuana	-	0%	-	0%	96,258	1%	172,764	2%	213,084	2%	236,477	3%	237,725	2%	258,749	3%	304,657	3%	\$ 301,955	3%
Health & Beauty	50,996	1%	56,652	1%	36,634	1%	42,674	1%	57,703	1%	57,074	1%	65,418	1%	78,657	1%	71,708	1%	\$ 91,194	1%
Office	37,642	1%	36,030	1%	34,431	1%	34,654	0%	37,893	0%	48,312	1%	48,312	1%	54,731	1%	114,416	1%	\$ 149,672	1%
Arts & Crafts	35,350	1%	30,356	1%	27,970	0%	26,915	0%	19,491	0%	15,948	0%	16,263	0%	15,448	0%	22,348	0%	\$ 29,844	0%
Total	\$ 5,543,386	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%	\$ 12,034,473	114%

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
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%
2021	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
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%
2021	172,533,406	79,677,073	8,212,742	3,728,337	(7,856,102)	264,151,558	0.798	2,728,978,849	9.68%

(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
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%
2020	2021	193,711	192,781	99.52%	(179)	192,602	99.43%

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 Direct and Overlapping
	Operating Mill Levy	Total Direct Rate	Summit County	Summit School District	Summit Fire & EMS District	Frisco Sanitation District	
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
2021	0.798	0.798	19.530	18.835	13.099	0.000	52.262

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 2021

	<u>Assessed Value</u>
Maximum Debt Allowed:	
Actual Value	2,728,978,849
Debt Limit (3% of valuation)	0.03
Legal Debt Limit	<u>\$ 81,869,365</u>
Debt Applicable to Limit:	
Total Bonds Outstanding	\$ 5,375,000
Less: Sales and Use Tax Revenue Bonds	-
Debt Subject to Limitation	<u>\$ 5,375,000</u>
Debt Limit	\$ 81,869,365
less: Total Net Debt Applicable to Limit	5,375,000
Legal Debt Margin	<u>\$ 76,494,365</u>
 Total Net Debt Applicable to Limit as a percentage of debt limit	 6.6%

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	\$ 1,017,583	\$ (228,247)	\$ 368,425	\$ -	\$ 228,690	\$ 228,690	1.61
2020	2,436,901	1,184,258	(207,211)	1,045,432	-	272,500	\$ 272,500	3.84
2021	2,130,691	1,339,054	(264,206)	527,431	75,000	272,500	347,500	1.52

(*) 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, 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

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Median Family Income (1)	Outstanding Debt per Median Income	Population	Outstanding Debt Per Capita
	Capital Leases	Certificates of Participation	Notes Payable					
2012	488,044	4,064,070	-	4,552,114	89,800	1.97%	2,704	1,683
2013	526,384	3,891,168	-	4,417,552	92,100	2.08%	2,746	1,609
2014	508,445	3,718,584	-	4,227,029	90,800	2.15%	2,795	1,512
2015	1,668,248	3,541,319	-	5,209,567	86,600	1.66%	2,873	1,813
2016	1,269,759	3,359,381	-	4,629,140	81,500	1.76%	2,934	1,578
2017	3,504,698	672,780	-	4,177,478	88,600	2.12%	2,967	1,408
2018	3,424,986	476,526	-	3,901,512	90,600	2.32%	2,922	1,335
2019	3,342,413	275,637	5,450,000	9,068,050	89,100	0.98%	2,912	3,114
2020	3,256,786	65,122	5,450,000	8,771,908	95,900	1.09%	2,902	3,023
2021	3,018,005	-	5,375,000	8,393,005	96,100	1.15%	*	*

* Statistics not yet released for 2021

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 2021

Jurisdiction	2021 Assessed Value	General Obligation Bonded Debt Outstanding	Percentage Applicable to Town	Amount Applicable to Town
Direct Debt:				
Town of Frisco	\$ 264,151,560	\$ 3,018,005	100.00%	\$ 3,018,005
<i>Total Direct Debt</i>		<u>3,018,005</u>		
Summit County	2,477,541,750	-	10.66%	-
Summit School District	2,441,567,490	67,825,000	10.82%	7,337,942
Summit Fire and EMS	1,279,449,430	-	20.65%	-
Frisco Sanitation District	284,222,980	-	92.94%	-
<i>Total Direct and Overlapping Debt</i>		<u>70,843,005</u>		
Total Direct and Overlapping Debt				<u><u>\$ 10,355,947</u></u>

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

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

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

Fiscal Year	Frisco Population (1)	Summit County Population (1)	Median Family Income (2)	Per Capita Income (3)	School Enrollment (4)	Unemployment Rate (5)
2012	2,704	28,385	89,800	46,220	815	7.20%
2013	2,746	28,860	92,100	49,369	770	4.40%
2014	2,795	29,496	90,800	50,685	807	3.40%
2015	2,873	30,268	86,600	54,615	832	2.50%
2016	2,934	30,817	81,500	58,386	963	2.10%
2017	2,967	31,133	88,600	64,446	965	1.50%
2018	2,922	31,095	90,600	69,447	1,014	1.60%
2019	2,912	31,190	89,100	71,479	1,023	2.70%
2020	2,902	31,013	95,900	77,754	1,047	4.40%
2021	*	*	99,800	*	1,135	4.20%

* Statistics not yet released for 2021

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 2021**

Employer	Employee # Range 2021	(1) Percentage of Total County Employment
Town of Frisco	100 - 249	0.005 - 0.013%
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%
Herbal Bliss	100 - 249	0.005 - 0.013%
Summit Middle School *	50 - 99	0.005 - 0.013%
Outer Range Brewery	50 - 99	0.003 - 0.005%
Baymont By Wyndham Frisco Lake	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%
(1) Total Employees within Summit County:	19,914	

* 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government *	9	8	9	9	9	9	10	10	10	10
Public Safety	15	16	15	16	17	17	17	18	18	18
Public Works	19	19	19	19	20	21	21	21	21	21
Community Development	6	6	6	6	6	6	8	8	9	9
Culture and Recreation	11	14	14	16	17	19	21	32	33	33
Water	3	3	3	4	4	3	3	4	4	4
Marina	2	3	3	3	3	4	4	3	3	3
Total	65	69	69	73	76	79	84	96	98	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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>General Government</u>										
Council meetings	20	22	20	22	21	25	25	24	23	30
Business licenses	1,321	1,357	1,464	1,457	1,472	1,498	1,539	1,539	1,579	1575
Sales tax licenses	900	934	967	1,003	1,034	1,096	1,117	1,257	1,795	1983
Elections	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
Patrol units	8	8	8	8	8	8	8	8	8	8
Physical arrests	176	215	175	157	186	135	116	133	95	75
Traffic violations	1,288	951	631	883	638	653	367	501	245	141
Parking violations	35	22	16	44	30	23	49	80	81	51
<u>Public Works</u>										
Miles of streets	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
<u>Community Development</u>										
Building permits issued	167	158	169	157	209	190	196	239	357	214
COs issued	124	91	83	73	46	59	52	72	87	55
Planning Commission meetings	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
Historic Park and Museum	1	1	1	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1	1	1	1
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	1
Miles of trails	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	43km	43km
Outdoor ice rinks	1	1	1	1	1	1	1	1	1	1
Baseball, soccer, and multi-use fields	2	2	2	2	2	2	2	2	2	2
Bike Park	1	1	1	1	1	1	1	1	1	1
<u>Housing</u>										
Impact Fees (\$2 or less/sq ft, new construction)	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	2,105	1,903	1,906	1,935	1,954	1,960	1,998	2,036	2,008	2018
Daily average water consumption in million gallons	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	32.8	33	33	33	33	33	33	33
<u>Marina</u>										
Service and storage buildings	4	4	4	4	4	4	4	4	4	4
Offices	1	1	1	1	1	1	1	1	1	1
Lighthouses	1	1	1	1	1	1	1	1	1	1
Restaurants	1	1	1	1	1	1	1	1	1	1
Docks	11	13	12	12	11	12	12	12	15	16
Paddle boats	45	45	62	33	36	56	31	53	80	45
Power boats	14	14	14	10	14	14	13	12	17	19

Source: Town of Frisco Human Resources