



TOWN OF FRISCO, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

TOWN OF FRISCO
COLORADO

**FRISCO
COLORADO**

PREPARED BY THE
TOWN OF FRISCO
FINANCE DEPARTMENT

VISIT [FRISCOGOV.COM](https://www.frisco.gov)
OR 970 668-5276

**Town of Frisco, Colorado
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022**

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INTRODUCTORY SECTION



TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443



June 22, 2023

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, 2022. 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 is 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 2022. 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, 2022, 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, 2022 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

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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 2022, 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.

Internal Control Structure

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.

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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 Frisco's Fantastic Fourth of July Celebration, Wassail Days, and Concerts in the Park.

Major industries in 2022 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 2022 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, largely due to high housing costs and a shortage of housing in Frisco and in Summit County, many employees currently working in Frisco commute from other areas.

Economic Conditions and Outlook

The primary challenge the Frisco government faces in both the short- and long-term continues to be a dependence on sales tax revenues. In 2022, sales tax revenues comprised approximately 67% 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 has experienced increases in sales tax collections, as remote sellers have become compliant. Town Council has also supported efforts to attract more stable and varied sales tax generators. General Fund sales taxes increased 11% (from \$12,018,088 to \$13,299,953) from 2021 to 2022. Additionally, the Town has a conservative philosophy around forecasting future year revenues and does not rely on sales tax continuing to grow at a rate greater than inflation. This philosophy has served the Town well in maintaining healthy reserves.

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 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. Projects associated with this amenity were postponed due to the pandemic. However, construction of Slopeside Hall, intended to complement the Day Lodge at the Peninsula Recreation Area, is a priority for 2023. 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 was completed in 2022. The front room is used for boater services and features photography from local artists. 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. These bathrooms are an important piece as our boaters 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

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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. 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 in the Spring of 2023. The Town will continue to make improvements at the Marina, as funding permits.

In 2022, the Town completed a remodel of the police department space within Frisco Town Hall. This space was outdated and overdue for a renovation to modernize the space, including the addition of sleeping quarters for officers. This remodel is expected to aid in the attraction and retention of officers. This is especially true for officers that are unable to find housing within a short commute of Frisco Town Hall. Additionally, the technology upgrades will allow the space to serve the community as a back-up Incident Command Center within Summit County.

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 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. In April 2022, voters approved a short-term rental tax to also be dedicated to workforce housing. 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. In 2022, 2 parcels of land were

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transferred from the State of Colorado for the purpose of constructing deed restricted workforce housing. The parcel located at 619 Granite is expected to begin construction in 2023, which will be developed in conjunction with CDOT (Colorado Department of Revenue). A parcel on Galena St. purchased from the Department of Labor, will continue to house offices for this workforce; Summit County contributed \$1.5M towards this purchase.

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 to maintain an excess in reserve equaling 33.3% of the prior year's operating 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 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

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:

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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 2023, including:

- In 2023, the Town will break ground on a 22-unit project for local workforce, in conjunction with CDOT (Colorado Department of Transportation), which will dedicate 11 units to CDOT employees. The Town was awarded a \$1.5M grant from DOLA (Department of Local Affairs). The balance of the project will be funded by Certificates of Participation. Another workforce housing project at 602 Galena Street is expected to enter an initial design phase in 2023. 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 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, with more substantial work to be completed in future years.

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, 2021. 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

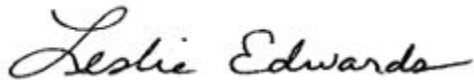
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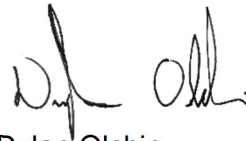
fiscal years 2008 through 2022 and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal years 2009 through 2021.

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
Finance Senior Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

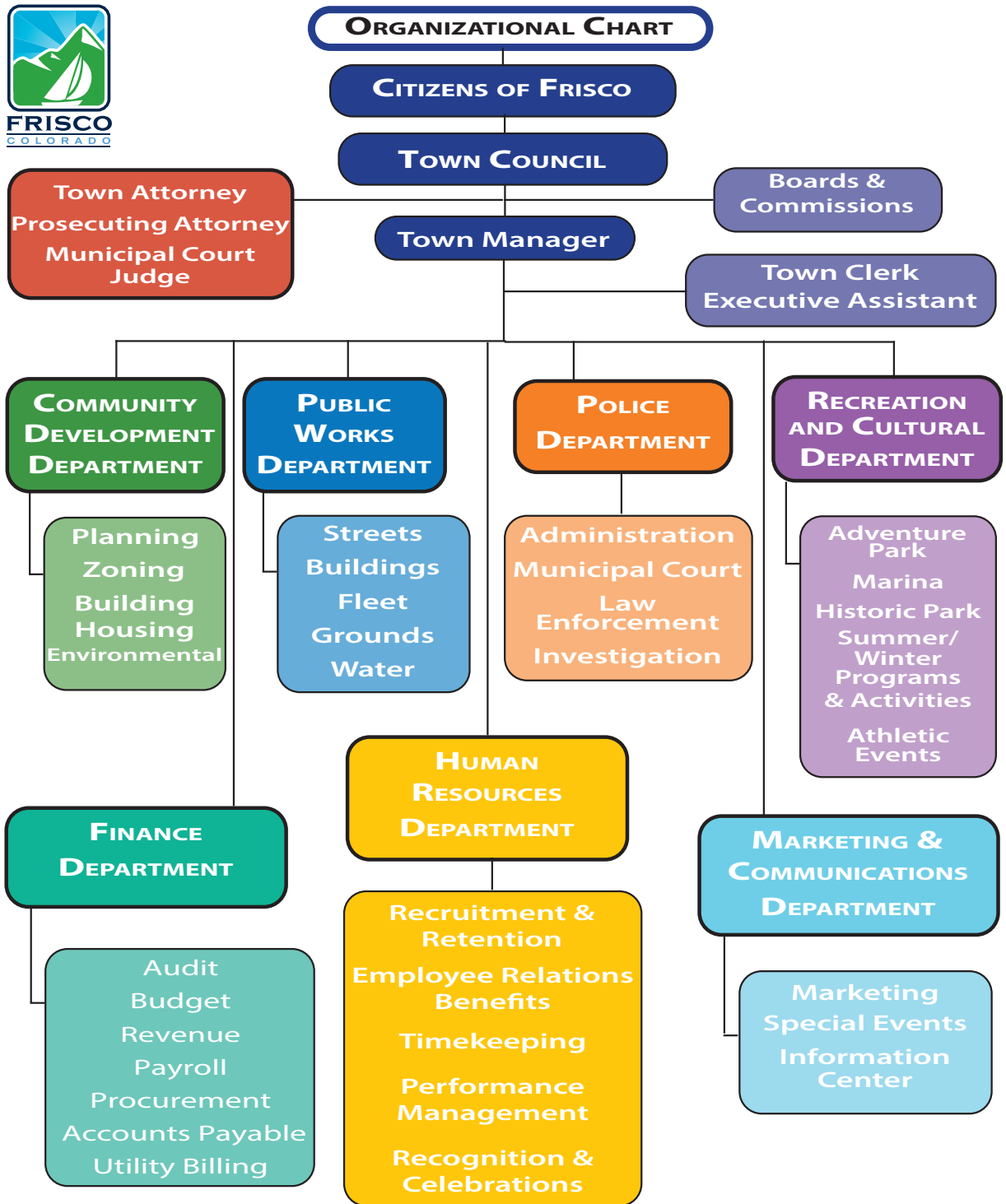
**Town of Frisco
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrell

Executive Director/CEO



**TOWN OF FRISCO, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2022**

Elected Officials

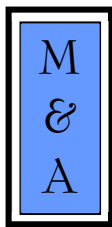
Mayor	Hunter Mortensen
Mayor Pro-tem	Rick Ihnken
Council Members	Andrew Aerenson
	Jessica Burley
	Andy Held
	Lisa Holenko
	Elizabeth J. Skrzypczak-Adrian

Administrative Officials

Town Manager	Tom Fisher
Assistant Town Manager/ Recreation Director	Diane McBride
Town Attorney	Thad Renaud
Town Clerk	Stacey Nell
Finance Director	Leslie Edwards
Police Chief	Tom Wickman
Public Works Director	Jeff Goble
Community Development Director	Don Reimer
Marketing Director	Vanessa Agee
Human Resources Director	O'Lynda Fette

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, 2022, 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, 2022, 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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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 in Section F, as 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 in Section F, as listed in the accompanying table of contents, are the responsibility of management and were derived from and relate 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 combining fund financial statements, individual fund budgetary information, and the Local Highway Finance Report in Section F, as listed in the accompanying table of contents, are 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.
Avon, Colorado
June 22, 2023

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, 2022. 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 2022 by \$101,757,010 (net position). Of this amount, \$37,797,326 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- General fund 2022 revenues increased by \$2.4 million or 13.92% as compared to 2021. Governmental funds tax revenues increased by 10.16% compared to 2021. Increases experienced are indicative of the inflation experienced in 2022, as well as a strong tourism economy in the Town of Frisco. Overall, in 2022, businesses in town experienced increases over prior year net taxable sales of: lodging (14.3%), restaurants (15.5%), retail (9.6%), and grocery (8.2%).
- While revenues exceeded budget and expenditures were below budget in 2022, the Town decreased its fund balances due to one-time spending budgeted in 2022. Several Capital Improvement Fund projects were delayed during the pandemic, and the Town was able to catch up on many planned projects in 2022. The most significant capital project completed in 2022 was the \$2.1M renovation of the Town's police facility. Additionally, the Town purchased 602 Galena Street from the State of Colorado Department of Labor for \$2.5M to construct workforce housing at a future date. (See the Transmittal Letter for more detail about both of these projects).
- As of the close of fiscal year 2022, the Town of Frisco's governmental funds reported a combined ending fund balance of \$35,568,078, a decrease of \$550,610 compared to fiscal year 2021. Note that the General Fund ending fund balance increased by \$4.5M, ending the year with \$11,991,001 in unassigned fund balance, representing 83% of the annual general fund expenditures.

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, 2022, the Town had total assets of \$112,722,163. As of December 31, 2022, the Town's net position was \$101,757,010.

	Governmental Activities		Business-type Activities		Total	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Assets:						
Current and other assets	43,483,178	43,325,400	5,723,178	6,728,322	49,206,356	50,053,722
Capital assets	46,303,768	43,024,223	17,212,039	16,260,785	63,515,807	59,285,008
Total Assets	89,786,946	86,349,623	22,935,217	22,989,107	112,722,163	109,338,730
Deferred Outflows of Resources:	428,337	431,311	-	-	428,337	431,311
Liabilities:						
Other liabilities	2,451,318	2,173,597	204,248	322,955	2,655,566	2,496,552
Long-term liabilities	2,758,454	3,029,873	5,315,416	5,402,102	8,073,870	8,431,975
Total Liabilities	5,209,772	5,203,470	5,519,664	5,725,057	10,729,436	10,928,527
Deferred Inflows of Resources:	664,054	437,875	-	-	664,054	437,875
Net Position:						
Net investment in capital assets	43,598,899	40,001,218	11,845,401	10,675,590	55,444,300	50,676,808
Restricted	8,515,384	10,073,417	-	-	8,515,384	10,073,417
Unrestricted	32,227,174	31,064,954	5,570,152	6,588,460	37,797,326	37,653,414
Total Net Position	\$84,341,457	\$81,139,589	17,415,553	17,264,050	\$101,757,010	\$98,403,639

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 2022, 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, 2022 amounts to \$55,444,300 net of related debt, up from \$50,271,933 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 2022 was \$5,172,367. This is primarily due to the renovation of the police department facility and the purchase of 602 Galena for workforce housing (described in the Financial Highlights section and the Transmittal Letter).

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 \$5,432,935 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 \$112,722,163 in total assets Government includes \$39,391,881 in equity in pooled cash and investments. This reflects the strong cash balances that the Town of Frisco has maintained during 2022.

At the end of 2022, 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 unrestricted net position equals 135.3% of total expenses in the statement of activities for governmental activities for 2022 and 137.3% 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	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
REVENUES:						
Program revenues:						
Charges for services	4,242,936	3,217,407	3,230,438	3,441,650	7,473,374	6,659,057
Operating grants and contributions	2,230,945	808,636	40,000	39,888	2,270,945	848,524
Capital grants and contributions	109,153	124,584	90,672	62,449	199,825	187,033
General revenues:						
Property taxes	222,012	203,382	-	-	222,012	203,382
Sales and use taxes	15,321,546	13,805,484	-	-	15,321,546	13,805,484
Real estate investment fee	1,957,428	2,773,501	-	-	1,957,428	2,773,501
Franchise taxes	429,380	348,211	-	-	429,380	348,211
Lodging taxes	809,962	701,513	-	-	809,962	701,513
Other taxes	1,593,828	1,141,169	-	-	1,593,828	1,141,169
Interest and other	103,054	521,928	506,680	9,720	609,734	531,648
Total Revenues	27,020,244	23,645,815	3,867,790	3,553,707	30,888,034	27,199,522
EXPENSES:						
Program Expenses						
General government	6,022,485	5,845,646	-	-	6,022,485	5,845,646
Public safety	1,735,781	1,525,268	-	-	1,735,781	1,525,268
Public works	2,140,602	1,768,852	-	-	2,140,602	1,768,852
Community development	8,229,009	3,137,557	-	-	8,229,009	3,137,557
Culture and recreation	4,736,900	3,289,976	-	-	4,736,900	3,289,976
Health and welfare	474,006	467,600	-	-	474,006	467,600
Housing	390,955	298,875	-	-	390,955	298,875
Interest	88,638	95,624	-	-	88,638	95,624
Marina	-	-	2,292,022	2,028,053	2,292,022	2,028,053
Water	-	-	1,424,265	1,117,017	1,424,265	1,117,017
Total Expenses	23,818,376	16,429,398	3,716,287	3,145,070	27,534,663	19,574,468
Change in Net Position	3,201,868	7,216,417	151,503	408,637	3,353,371	7,625,054
Net Position-Beginning	81,139,589	73,923,172	17,264,050	16,855,413	98,403,639	90,778,585
Net Position - Ending	\$84,341,457	\$81,139,589	\$17,415,553	\$17,264,050	\$101,757,010	\$98,403,639



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 \$35,568,078. Of that fund balance, \$11,901,001 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 \$14,684,641.

The General Fund is the chief operating fund of the Town of Frisco. At the end of the 2022, the General Fund balance was \$12,862,420 and 93.23% of the fund balance was unassigned. The General Fund balance increased in 2022 by \$4,463,547 or approximately 53.14%. This was largely due to sales tax exceeding budget by \$2.2M. It appears that this increase can be attributed largely to inflation and resulting rising prices. Sectors that increased by the greatest dollar amount are Retail (\$411k), Restaurant (\$295k), and Grocery (\$202k). General Fund balances that exceed the Town Council designated 7-month reserve will be transferred to the Capital Improvement Fund in future years and is the main source of revenue to fund capital projects for the Town of Frisco.

The Capital Projects Fund has a total fund balance of \$14,458,491. The decrease in fund balance during the current year was \$3,219,956. This decrease is related to the renovation of the Police facility. Additionally, it should be noted that several budgeted projects were not completed in 2022 and are planned to be completed in a future year. The major revenue source for the Capital Projects Fund is a transfer from the General Fund and Real Estate Investment Fees (REIF fees decreased 29% over 2021, a record year due to rapidly increasing property values). 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 \$8,254,387. 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. In addition, a new tax on privately-owned short-term rentals (does not apply to hotels and lodges) was adopted by voters and effective in June 2022. These tax revenues amounted to \$2,021,593 in 2022, an increase of 13.1% or \$234k over prior year. This sales tax has the same tax base as the Town's general sales tax and the increase is likely attributable to the same reason - inflation. Completion of housing projects is expected to ramp up in 2023 and beyond.

Other Special Revenue Funds balance increased by \$433,132 in 2022, due to increased collection in Lodging Tax and Nicotine Tax. For lodging taxes, we saw an increase in the average daily rate. For Nicotine Tax, the rate increased as planned in the original implementation.



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 \$151,502 in 2022. Key elements of this increase are as follows:

- Water user charges exceeded original budgeted amounts by \$33,838.
- Water fund capital outlay was under budget by \$984,676.
- Marina user charges fell behind budget by \$365,873.
- Salaries and benefits, were under budget by \$327,299, due vacant positions.
- Marina capital outlay was under budget by \$1,142,797 as a result of deferred projects, mainly the landscaping to be completed in 2023 & Island Grill & bathhouse renovation, delayed for a future year.

Unrestricted net position for the Water Fund at the end of the current fiscal year was \$5,381,716 while the Marina Fund reported unrestricted net position of \$188,435.

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 \$3M primarily due to sales taxes exceeding budgeted amounts. The 2022 General Fund expenditure budget was increased by approximately \$107k, related to the rollover of 2021 funds for Social Equity Outreach and a Housing Locals Pilot Program. Actual General Fund expenditures were under the amended budget by \$786,120.

Key elements are as follows:

- The following sources of revenue exceeded original budget projections as follows: city and county sales taxes - \$2,199,953; SCHA 5A taxes - \$425,593; investment income \$217,912; lodging tax \$209,962; and building permits and fees \$165,722.
- Real Estate Investment Fees experienced an extraordinary year in 2021 and could not keep pace in 2022, due to rising interest rates resulting in decreased volume of home sales. REIF fell short of budget by \$242,572. Due to weather related challenges at the Marina, boat rentals fell short of budget by \$438,641.
- Likewise, overall expenditures were significantly under budget by \$19,148,786, the majority as a result of deferred capital projects (including Granite Park workforce housing project, Slopeside Hall, Marina Landscaping, Walter Byron Park Improvements, & a Fiber Infrastructure Planning Study).
- All governmental activities were subsidized by tax revenue.

Economic Factors and Next Year's Budget

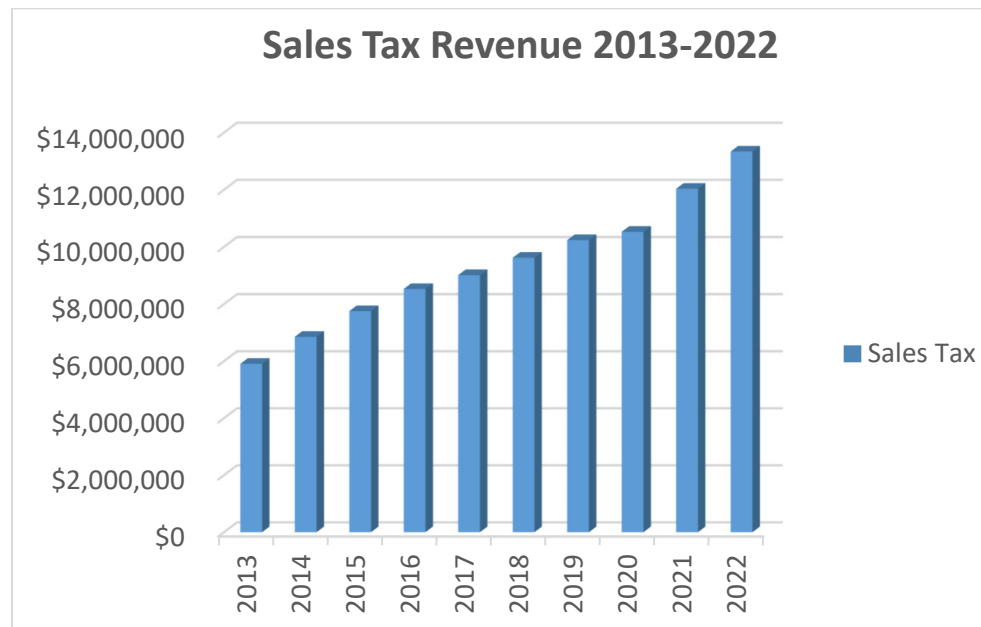


Tax (including property, sales, and lodging) revenues are the main source of governmental revenues and are an important source for providing funds for the general operations and maintenance of the Town of Frisco.

► For 2023, revenue budgeted for the General Fund totals \$19,688,349, as compared to the 2022 budget of \$16,809,261. Revenue budgeted for All Funds totals \$35,345,433, as compared to 2022 total budget of \$25,654,971.

► Budgeted expenditures for 2023 were based on projections of 2022 annual budget, with the exception of the Capital Fund. The budgeted expenditures for 2023 in the General Fund are \$16,819,946 (excluding transfers), and \$58,728,485 for all funds. In 2022, the budgeted expenditures were \$15,133,190 for the General Fund and \$41,082,362 for all funds.

► The national, state, and local economies are currently in a state of uncertainty in relation to inflation and rising interest rates. However, sales tax, the Town's main source of funding, continues to rise year-over-year, despite the uncertainty related to the economy. In 2022, sales tax revenue accounted for approximately 67% of total General Fund revenues. The Town of Frisco is well positioned to weather an economic downturn, due to healthy fund balances and conservative budget practices.



The Town of Frisco will continue to closely monitor its financial position throughout 2023. 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, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	34,510,262	4,463,954	38,974,216
Cash and investments - Restricted	500	417,165	417,665
Receivables, net:			
Property taxes assessed	200,625	-	200,625
Other taxes	1,458,334	-	1,458,334
Intergovernmental	1,258,574	-	1,258,574
Employees	37,508	-	37,508
Other	452,671	352,451	805,122
Non-current	63,233	-	63,233
Internal balances	(397,815)	397,815	-
Notes receivable	4,500,000	-	4,500,000
Interest receivable	754,058	-	754,058
Inventories	36,176	91,793	127,969
Prepaid items	17,616	-	17,616
Net pension asset	591,436	-	591,436
Capital assets - Not being depreciated	13,838,398	3,458,268	17,296,666
Capital assets - Net of accumulated depreciation	32,465,370	13,753,771	46,219,141
Total Assets	89,786,946	22,935,217	112,722,163
Deferred Outflows of Resources:			
Pension-related deferred outflows	428,337	-	428,337
Liabilities:			
Accounts payable	1,539,310	64,666	1,603,976
Interest payable	26,197	22,063	48,260
Unearned revenue	103,414	-	103,414
Deposits payable	221,345	-	221,345
Compensated absences:			
Due within one year	245,855	32,519	278,374
Due in more than one year	368,782	48,776	417,558
Debt payable:			
Due within one year	315,197	85,000	400,197
Due in more than one year	2,389,672	5,266,640	7,656,312
Total Liabilities	5,209,772	5,519,664	10,729,436
Deferred Inflows of Resources:			
Property taxes	205,537	-	205,537
Pension-related deferred inflows	458,517	-	458,517
Total Deferred Inflows of Resources	664,054	-	664,054
Net Position:			
Net Investment in capital assets	43,598,899	11,845,401	55,444,300
Restricted:			
TABOR emergency reserve	739,000	-	739,000
Pensions	591,436	-	591,436
Affordable housing	5,816,544	-	5,816,544
Conservation trust fund	119,676	-	119,676
Economic development	1,247,698	-	1,247,698
Historic preservation	1,030	-	1,030
Unrestricted	32,227,174	5,570,152	37,797,326
Total Net Position	84,341,457	17,415,553	101,757,010

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

Town of Frisco, Colorado
Statement of Activities
For the Year Ended December 31, 2022

		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	Total
Functions/Programs:	Expenses						
Governmental activities:							
General government	6,022,485	459,243	687,839	-	(4,875,403)		(4,875,403)
Public safety	1,735,781	27,666	5991	-	(1,702,124)		(1,702,124)
Public works	2,140,602	473,668	-	30,000	(1,636,934)		(1,636,934)
Community development	8,229,009	9,350	-	79,153	(8,140,506)		(8,140,506)
Culture and recreation	4,736,900	3,167,356	37,115	-	(1,532,429)		(1,532,429)
Health and welfare	474,006	-	-	-	(474,006)		(474,006)
Housing	390,955	105,653	1,500,000	-	1,214,698		1,214,698
Interest on long-term debt	88,638	-	-	-	(88,638)		(88,638)
Total - Governmental activities	23,818,376	4,242,936	2,230,945	109,153	(17,235,342)		(17,235,342)
Business-type activities:							
Water	1,424,265	1,366,111	-	90,672		32,518	32,518
Marina	2,292,022	1,864,327	40,000	-		(387,695)	(387,695)
Total - Business-type activities	3,716,287	3,230,438	40,000	90,672		(355,177)	(355,177)
Total	27,534,663	7,473,374	2,270,945	199,825	(17,235,342)	(355,177)	(17,590,519)
General revenues:							
Taxes:							
Sales and use taxes					15,321,546	-	15,321,546
Real estate investment fees					1,957,428	-	1,957,428
Franchise taxes					429,380	-	429,380
Lodging taxes					809,962	-	809,962
Property and specific ownership taxes					222,012	-	222,012
Miscellaneous taxes					1,593,828	-	1,593,828
Investment earnings					302,478	37,105	339,583
Gain on asset disposition					3,925	3,318	7,243
Miscellaneous					262,908	-	262,908
Transfers					(466,257)	466,257	-
Total - General revenues and transfers					20,437,210	506,680	20,943,890
Change in Net Position					3,201,868	151,503	3,353,371
Net Position - January 1 (restated)					81,139,589	17,264,050	98,403,639
Net Position - December 31					84,341,457	17,415,553	101,757,010

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

FUND FINANCIAL STATEMENTS



Town of Frisco, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Summit County Housing Authority 5A Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents - Unrestricted	12,213,069	5,292,281	14,799,356	2,205,556	34,510,262
Cash and cash equivalents - Restricted	500	-	-	-	500
Receivables, net of allowance for uncollectible accounts:					
Property taxes	200,625	-	-	-	200,625
Other taxes	713,036	525,533	-	219,765	1,458,334
Intergovernmental	1,258,574	-	-	-	1,258,574
Employees	37,508	-	-	-	37,508
Other	389,771	5,950	56,950	-	452,671
Non-current	63,233	-	-	-	63,233
Internal balances	-	-	227,251	-	227,251
Inventory	30,816	-	-	5,360	36,176
Prepaid items	17,616	-	-	-	17,616
Total Assets	14,924,748	5,823,764	15,083,557	2,430,681	38,262,750
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	1,099,525	-	-	58	1,099,583
Accrued payroll and related liabilities	439,727	-	-	-	439,727
Internal balances	-	-	625,066	-	625,066
Unearned revenue	102,144	1,270	-	-	103,414
Deposits payable	215,395	5,950	-	-	221,345
Total Liabilities	1,856,791	7,220	625,066	58	2,489,135
Deferred inflows of Resources:					
Property taxes	205,537	-	-	-	205,537
Fund Balances:					
Non-spendable	111,665	-	-	5,360	117,025
Restricted	739,000	5,816,544	-	2,199,113	8,754,657
Committed	-	-	14,458,491	226,150	14,684,641
Assigned	20,754	-	-	-	20,754
Unassigned	11,991,001	-	-	-	11,991,001
Total Fund Balances	12,862,420	5,816,544	14,458,491	2,430,623	35,568,078
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	14,924,748	5,823,764	15,083,557	2,430,681	38,262,750

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, 2022

Governmental Funds Total Fund Balance	35,568,078
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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	71,378,435	
Less accumulated depreciation	<u>(25,074,667)</u>	46,303,768

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	754,058	
Net pension asset - SWDB	591,436	
Pension-related deferred outflows of resources	<u>428,337</u>	6,273,831

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.

Equipment notes	(2,704,869)	
Interest payable	(26,197)	
Accrued compensated absences	(614,637)	
Pension related deferred inflows of resources	<u>(458,517)</u>	<u>(3,804,220)</u>

Net Position of Governmental Activities	<u><u>84,341,457</u></u>
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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, 2022

	General Fund	Summit County Housing Authority 5A Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Revenues:					
Taxes	14,417,651	2,504,724	1,957,428	1,454,354	20,334,157
Licenses, permits, and fees	904,928	53,693	-	6,600	965,221
Intergovernmental revenue	693,830	-	79,153	67,115	840,098
Charges for services	3,483,769	-	-	-	3,483,769
Investment income	88,918	25,809	93,994	15,006	223,727
Rental income	-	51,960	-	-	51,960
Miscellaneous	256,714	-	5,000	1,193	262,907
Total Revenues	19,845,810	2,636,186	2,135,575	1,544,268	26,161,839
Expenditures:					
Current:					
General government	5,311,095	175,973	-	-	5,487,068
Public safety	1,784,538	-	-	-	1,784,538
Community development	1,697,046	-	-	330,140	2,027,186
Public works	2,312,938	-	-	-	2,312,938
Culture and recreation	3,348,453	-	-	306,990	3,655,443
Health and welfare	-	-	-	474,006	474,006
Capital outlay	-	6,187,546	5,416,420	-	11,603,966
Debt service:					
Principal	-	-	313,136	-	313,136
Interest	-	-	91,836	-	91,836
Total Expenditures	14,454,070	6,363,519	5,821,392	1,111,136	27,750,117
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,391,740	(3,727,333)	(3,685,817)	433,132	(1,588,278)
Other Financing Sources (Uses):					
Sale of assets	-	-	3,925	-	3,925
Partnership contributions	-	1,500,000	-	-	1,500,000
Interfund transfers (net)	(928,193)	-	461,936	-	(466,257)
Total Other Financing Sources (Uses)	(928,193)	1,500,000	465,861	-	1,037,668
Net Change in Fund Balances	4,463,547	(2,227,333)	(3,219,956)	433,132	(550,610)
Fund Balances - January 1	8,398,873	8,043,877	17,678,447	1,997,491	36,118,688
Fund Balances - December 31	12,862,420	5,816,544	14,458,491	2,430,623	35,568,078

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, 2022

Net Change in Fund Balance of Governmental Funds	(550,610)
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**Amounts reported for governmental activities in the Statement of Activities
are different because:**

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

Depreciation expense	(2,150,894)	
Capital outlay	<u>10,175,096</u>	8,024,202

The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease to net position:	<u>(4,744,657)</u>	(4,744,657)
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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>313,136</u>	313,136
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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
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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	(72,961)	
Change in accrued interest	3,198	
Pension expense	<u>150,810</u>	<u>81,047</u>

Change in Net Position of Governmental Activities	<u><u>3,201,868</u></u>
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Town of Frisco, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Assets:			
Current assets:			
Cash and investments - Unrestricted	4,463,954	-	4,463,954
Cash and investments - Restricted	-	417,165	417,165
Accounts receivable	337,837	14,614	352,451
Inventories	48,488	43,305	91,793
Total - Current assets	4,850,279	475,084	5,325,363
Long-term assets:			
Internal balances	625,066	-	625,066
Land and other non depreciable assets	1,131,061	2,327,207	3,458,268
Property, plant and equipment, net of accumulated depreciation	5,592,823	8,160,948	13,753,771
Total - Long-term assets	7,348,950	10,488,155	17,837,105
Total Assets	12,199,229	10,963,239	23,162,468
Liabilities:			
Current liabilities:			
Accounts payable	41,760	22,907	64,667
Interest payable	-	22,063	22,063
Current portion of compensated absences	20,748	11,771	32,519
Current portion of debt	-	85,000	85,000
Internal balances	-	227,251	227,251
Total - Current liabilities	62,508	368,992	431,500
Noncurrent liabilities:			
Compensated absences, net of current portion	31,121	17,655	48,776
Debt, net of current portion	-	5,266,640	5,266,640
Total - Noncurrent liabilities	31,121	5,284,295	5,315,416
Total Liabilities	93,629	5,653,287	5,746,916
Net Position			
Net investment in capital assets	6,723,884	5,121,517	11,845,401
Unrestricted	5,381,716	188,435	5,570,151
Total Net Position	12,105,600	5,309,952	17,415,552

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, 2022

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Operating Revenues:			
Charges for services - User charges	1,346,338	1,864,327	3,210,665
Water meter sales	9,831	-	9,831
Intergovernmental - Operating grants	-	40,000	40,000
Other operating revenues	9,942	-	9,942
Total Operating Revenues	1,366,111	1,904,327	3,270,438
Operating Expenses:			
Salaries and benefits	431,214	848,811	1,280,025
Administrative fees	42,500	20,000	62,500
Professional fees	113,807	88,508	202,315
Supplies	37,147	133,611	170,758
Utilities	37,893	31,650	69,543
Repairs and maintenance	247,716	122,153	369,869
General expenses	113,122	297,985	411,107
Water meter replacements	46,779	-	46,779
Depreciation	354,087	482,666	836,753
Total Operating Expenses	1,424,265	2,025,384	3,449,649
Operating Income (Loss)	(58,154)	(121,057)	(179,211)
Non-Operating Revenue (Expenses):			
Intergovernmental - Non-operating grants	220	-	220
Investment income	30,203	6,902	37,105
Gain (loss) on asset disposal	-	3,318	3,318
Interfund transfers	-	466,257	466,257
Interest expense	-	(266,239)	(266,239)
Agent fees	-	(400)	(400)
Total Non-Operating Revenues (Expenses)	30,423	209,838	240,261
Income (Loss) Before Capital Contributions	(27,731)	88,781	61,050
Capital Contributions:			
Plant investment fees	90,452	-	90,452
Change in Net Position	62,721	88,781	151,502
Net Position - January 1	12,042,879	5,221,171	17,264,050
Net Position - December 31	12,105,600	5,309,952	17,415,552

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, 2022

	Business-type Activities		
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total
Cash Flows From Operating Activities:			
Cash received from customers and others	1,326,557	1,924,526	3,251,083
Cash paid to suppliers for goods and services	(595,118)	(800,638)	(1,395,756)
Cash paid to employees	(424,977)	(854,227)	(1,279,204)
Cash paid to other funds for services provided	(42,500)	(20,000)	(62,500)
Net Cash Provided (Used) by Operating Activities	263,962	249,661	513,623
Cash Flows From Noncapital and Related Financing Activities:			
Grant awards	220	-	220
Net Cash Provided (Used) by Noncapital and Related Financing Activities	220	-	220
Cash Flows From Capital and Related Financing Activities:			
Plant investment fees received	90,452	-	90,452
Interfund transfers	-	693,508	693,508
Principal payment	-	(80,000)	(80,000)
Sale of capital assets	-	3,318	3,318
Interest expense	-	(268,749)	(268,749)
Agent fees	-	(400)	(400)
Acquisition of capital assets	(786,898)	(1,001,109)	(1,788,007)
Net Cash Provided (Used) by Capital and Related Financing Activities	(696,446)	(653,432)	(1,349,878)
Cash Flows From Investing Activities:			
Interest received	30,203	6,902	37,105
Principal received on loan receivable	92,918	-	92,918
Net Cash Provided (Used) by Investing Activities	123,121	6,902	130,023
Net Change in Cash and Investments	(309,143)	(396,869)	(706,012)
Cash and Investments - January 1	4,773,097	814,034	5,587,131
Cash and Investments - December 31	4,463,954	417,165	4,881,119
Cash and Investments			
Cash and investments - Unrestricted	4,463,954	-	4,463,954
Cash and investments - Restricted	-	417,165	417,165
Total Cash and Investments	4,463,954	417,165	4,881,119
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	(58,154)	(121,057)	(179,211)
Adjustments:			
Depreciation expense	354,087	482,666	836,753
(Increase) decrease in accounts receivable	(39,554)	20,199	(19,355)
Increase (decrease) in accounts payable	12,821	(136,520)	(123,699)
(Increase) decrease in inventory	(11,475)	9,789	(1,686)
Increase (decrease) in accrued benefits	6,237	(5,416)	821
Total Adjustments	322,116	370,718	692,834
Net Cash Provided (Used) by Operating Activities	263,962	249,661	513,623

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, 2022

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, 2022
(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, 2022
(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, 2022
(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, net asset value, or amortized cost. 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, 2022
(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, 2022
(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 assets 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.I.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

I. 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 assets 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.I.

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.J.

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, 2022
(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 2022.

- (1) For the 2022 budget year, prior to August 25, 2021, 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, 2022
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (2) Prior to the end of the 2021 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
- (3) Prior to December 15, 2021, 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 2021 were collected in 2022, and taxes certified in 2022 will be collected in 2023. 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 \$739,000 of the December 31, 2022 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, 2022
(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, 2022, the carrying value of the Town's deposits was \$3,387,565. The bank balance of these accounts was \$3,018,459.

At the end of 2022, 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	\$ 4,750	4,750	-
Checking	Not Rated	1,955,740	1,955,740	-
Savings and money market	Not Rated	1,431,825	1,431,825	-
Certificates of deposit*	Not Rated	1,550,602	553,104	997,498
Investments:				
United States instrumentality	AA+ ¹ /AAA ³	4,748,320	-	4,748,320
Certificates of deposit**	Not Rated	2,806,895	-	2,806,895
Investment pools	AAAm ¹ /AAA ²	26,893,749	26,893,749	-
Total		\$ 39,391,881	30,839,168	8,552,713

* Non-negotiable

** Negotiable

¹ Standard and Poor's; ² Fitch; ³ Moody's

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(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	\$ 38,974,216
Cash and investments - Restricted	417,665
Total	<u><u>\$ 39,391,881</u></u>

At December 31, 2022, the Marina Fund reported \$417,165 in restricted cash held by the trustee for debt service and the General Fund reported \$500 in restricted cash held for others.

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, 2022, 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	\$ 4,748,320	-	4,748,320	-
Negotiable certificates of deposit	2,806,895	-	2,806,895	-
Total	\$ 7,555,215	-	7,555,215	-
<u>Investments Measured at Amortized Cost:</u>				
CSIP (Local government investment pool)	<u>\$ 4,688,068</u>			
<u>Investments Measured at Net Asset Value:</u>				
COLOTRUST	\$ 20,431,727			
C-SAFE	1,773,954			
Total	<u>\$ 22,205,681</u>			

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(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. Debt securities classified in Level 2 are valued using prices quoted for identical securities in markets that are not active.

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, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Receivables

Receivables as of December 31, 2022 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Summit County Housing 5A	Capital Improvement Fund	Lodging Tax Fund
Property taxes	\$ 200,625	-	-	-
Other taxes	713,036	525,533	-	115,176
Intergovernmental	1,258,574	-	-	-
Employees	37,508	-	-	-
Other	389,771	5,950	56,950	-
Non-current	63,233	-	-	-
Gross Receivables	2,662,747	531,483	56,950	115,176
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	\$ 2,662,747	531,483	56,950	115,176

	Nicotine Tax Fund	Water Fund	Marina Fund	Total
Property taxes	-	-	-	200,625
Other taxes	104,589	-	-	1,458,334
Intergovernmental	-	-	-	1,258,574
Employees	-	-	-	37,508
Other	-	337,837	14,614	805,122
Non-current	-	-	-	63,233
Gross Receivables	104,589	337,837	14,614	3,823,396
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	104,589	337,837	14,614	3,823,396

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, 2022, the Town has accrued interest of \$754,058 receivable with respect to the Promissory Note.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(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 - 2033	5,352,354
Total	<u>\$ 6,352,354</u>

D. Capital Assets

Governmental capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 7,954,195	1,594,996	-	9,549,191
Intangibles	381,528	-	-	381,528
Construction in progress	786,805	3,194,372	(73,498)	3,907,679
Total Capital Assets Not Being Depreciated	<u>9,122,528</u>	<u>4,789,368</u>	<u>(73,498)</u>	<u>13,838,398</u>
Capital Assets Being Depreciated:				
Buildings and improvements	13,546,123	3,688,490	(19,529)	17,215,084
Infrastructure and improvements	39,142,204	853,790	(7,587,129)	32,408,865
Equipment and vehicles	7,782,854	1,070,446	(937,212)	7,916,088
Total Capital Assets Being Depreciated	<u>60,471,181</u>	<u>5,612,726</u>	<u>(8,543,870)</u>	<u>57,540,037</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(4,809,906)	(412,737)	10,906	(5,211,737)
Infrastructure and improvements	(16,095,469)	(1,027,250)	2,719,420	(14,403,299)
Equipment and vehicles	(5,664,111)	(710,907)	915,387	(5,459,631)
Total Accumulated Depreciation	<u>(26,569,486)</u>	<u>(2,150,894)</u>	<u>3,645,713</u>	<u>(25,074,667)</u>
Total Capital Assets Being Depreciated, Net	<u>33,901,695</u>	<u>3,461,832</u>	<u>(4,898,157)</u>	<u>32,465,370</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,024,223</u>	<u>8,251,200</u>	<u>(4,971,655)</u>	<u>46,303,768</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Business-type capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u><i>Business-type Activities:</i></u>				
Capital Assets Not Being Depreciated:				
Land, easements and water rights	\$ 102,562	-	-	102,562
Projects in progress	4,553,884	598,036	(1,796,214)	3,355,706
Total Capital Assets Not Being Depreciated	4,656,446	598,036	(1,796,214)	3,458,268
Capital Assets Being Depreciated:				
Buildings and improvements	6,124,155	560,316	-	6,684,471
Infrastructure and improvements	14,543,248	2,314,480	-	16,857,728
Equipment and vehicles	2,290,536	111,389	(210,229)	2,191,696
Total Capital Assets Being Depreciated	22,957,939	2,986,185	(210,229)	25,733,895
Less Accumulated Depreciation For:				
Buildings and improvements	(4,384,514)	(193,864)	-	(4,578,378)
Infrastructure and improvements	(5,245,245)	(420,780)	-	(5,666,025)
Equipment and vehicles	(1,723,841)	(222,109)	210,229	(1,735,721)
Total Accumulated Depreciation	(11,353,600)	(836,753)	210,229	(11,980,124)
Total Capital Assets Being Depreciated, Net	11,604,339	2,149,432	-	13,753,771
Business-type Activities Capital Assets, Net	\$ 16,260,785	2,747,468	(1,796,214)	17,212,039

Depreciation expense for 2022 was charged to Town functions as follows:

Governmental Activities:

General government	\$ 516,108
Public safety	99,778
Public works	884,708
Community development	14,644
Culture and recreation	635,656
Total Depreciation Expense - Governmental Activities	\$ 2,150,894

Business-type Activities:

Water Fund	\$ 354,087
Marina Fund	482,666
Total Depreciation Expense - Business-type Activities	\$ 836,753

At December 31, 2022, the Town had \$9,469,420 of fully-depreciated assets.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Interfund Receivables, Payables, and Transfers

1. Loan Agreement – Water Fund and Capital Improvement Fund

Balances due between funds at December 31, 2022 were as follows:

Receivable	Payable	Balance
<u>By</u>	<u>By</u>	<u>Dec. 31/22</u>
Water Fund	Capital Fund	\$ 625,066

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, 2022, the principal amount outstanding on this loan was \$625,066. Interest and principal payments made by the Capital Improvement Fund to the Water Fund during 2022 totaled \$2,082 and \$92,918, respectively, representing an interest rate of 0.29% per annum for the year.

2. Transfers

The following interfund transfers occurred during the year ended December 31, 2022:

Transferred	Transferred	Amount
<u>To</u>	<u>From</u>	<u>Transferred</u>
Capital Fund	General Fund	\$ 928,193
Marina Fund	Capital Fund	\$ 466,257

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

The transfer to the Marina Fund from the Capital Improvement Fund during 2022 provided additional funding for capital improvements made to marina facilities during the year.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities

Governmental Activities:

1. Equipment Notes

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

On April 1, 2015, the Town executed an equipment financing 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 equipment purchase financing 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.

2. Annual Debt Service Requirements – Governmental Activities

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

	Principal	Interest	Total
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	335,993	42,427	378,420
2028 - 2031	1,072,592	68,757	1,141,349
Total	\$ 2,704,869	377,284	3,082,153

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities (continued)

Business-type Activities:

3. 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
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	110,000	245,750	355,750
2028 - 2032	680,000	1,137,750	1,817,750
2033 - 2037	915,000	945,500	1,860,500
2038 - 2042	1,215,000	687,750	1,902,750
2043 - 2047	1,615,000	346,000	1,961,000
2048	380,000	19,000	399,000
Total	\$ 5,295,000	4,414,000	9,709,000

G. 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, 2022 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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

H. Long-term Liabilities – Debt Service Schedule

Long-term liability activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
<i>Equipment Notes:</i>					
First & Main, L.L.C.	\$ 774,105	-	(69,036)	705,069	\$ 71,797
Vectra Bank Colorado	2,243,900	-	(244,100)	1,999,800	243,400
Equipment Notes, net	3,018,005	-	(313,136)	2,704,869	315,197
Net pension liability (asset)	(206,217)	-	(385,219)	(591,436)	-
Compensated absences	541,676	525,429	(452,468)	614,637	245,855
Total Governmental Activities					
Long-term Liabilities	<u>\$ 3,353,464</u>	<u>525,429</u>	<u>(1,150,823)</u>	<u>2,728,070</u>	<u>\$ 561,052</u>
Business-type Activities:					
Revenue bonds	\$ 5,375,000	-	(80,000)	5,295,000	\$ 85,000
Issuance premium	58,818	-	(2,178)	56,640	-
Revenue bonds, net	5,433,818	-	(82,178)	5,351,640	85,000
Compensated absences	80,474	61,879	(61,058)	81,295	32,519
Total Business-type Activities					
Long-term Liabilities	<u>\$ 5,514,292</u>	<u>61,879</u>	<u>(143,236)</u>	<u>5,432,935</u>	<u>\$ 117,519</u>

The pension liability is paid by the General Fund.

I. 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”).

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Contributions. Contribution rates may be increased equally 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 increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. In 2022, employees and employers are contributing at a rate of 12.0% and 9.0%, respectively, of base salary for a total contribution rate of 21%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rates for members and employers of affiliated social security employers are 5.75% and 4.25%, respectively, of pensionable earnings for a total contribution rate of 10.0% in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

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% for each year of service thereafter.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Net Pension Asset: At December 31, 2022, the SWDB Plan's fiduciary net position exceeds the total pension liability; consequently, the Town reported an asset of \$591,436 for its proportionate share of the SWDB Plan's net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. The Town's proportion of the net pension asset was based on Town contributions to the SWDB Plan for calendar year 2021, relative to the total contributions of participating employers to the SWDB Plan.

At the December 31, 2021 measurement, the Town's proportionate share was 0.094862%, as compared to 0.104242% at the December 31, 2020 measurement.

For the year ended December 31, 2022, the Town recognized pension revenue of \$150,810.

At December 31, 2022, 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	\$ 169,359	13,794
Change of assumptions or other inputs	84,343	-
Net difference between projected and actual earnings on pension plan investments	-	395,822
Changes in proportionate share of contributions	81,324	44,440
Difference between actual and reported contributions recognized	327	4,461
Contributions subsequent to measurement date	92,984	-
	<u>\$ 428,337</u>	<u>458,517</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Contributions subsequent to the measurement date of December 31, 2021 – 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, 2023. 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
2023	\$ (44,720)
2024	(85,663)
2025	(45,772)
2026	(9,376)
2027	41,990
Thereafter	20,377
	<u><u>\$ (123,164)</u></u>

Actuarial assumptions: The collective total pension liability and actuarially-determined contributions in the December 31, 2021 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	2022	2021
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25%-11.25%	4.25%-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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 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	26.00%	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>100.00%</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).

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of net pension liability (asset)	\$ (81,563)	\$ (591,436)	\$ (1,013,837)

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>.

J. 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, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

J. 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 approval.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Detailed Notes on all Funds (continued)

J. Fund Balance Disclosures (continued)

As of December 31, 2022, fund balances are composed of the following:

<u>Classification</u>	<u>General Fund</u>	<u>Summit County</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>Housing Authority 5A Fund</u>	<u>Capital Improvement Fund</u>		
Non-spendable:					
Inventories	\$ 30,816	-	-	5,360	36,176
Prepays	17,616	-	-	-	17,616
Long-term receivables	63,233	-	-	-	63,233
Restricted:					
State constitution:					
TABOR reserve	739,000	-	-	-	739,000
Conservation Trust	-	-	-	119,676	119,676
Historic preservation	-	-	-	1,030	1,030
Voter-approved measures for:					
Affordable housing	-	5,816,544	-	-	5,816,544
Economic development	-	-	-	1,247,698	1,247,698
Nicotine tax - Public health	-	-	-	830,709	830,709
Committed:					
Council resolutions:					
Insurance reserve	-	-	-	213,545	213,545
Open space	-	-	-	12,605	12,605
Capital projects	-	-	14,458,491	-	14,458,491
Assigned:					
Due from other governments	9,463	-	-	-	9,463
Cash held for others	11,291	-	-	-	11,291
Unassigned	11,991,001	-	-	-	11,991,001
Total	<u>\$ 12,862,420</u>	<u>5,816,544</u>	<u>14,458,491</u>	<u>2,430,623</u>	<u>35,568,078</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 rent expense of \$65,956 in connection with the Lease during 2022. As payments depend on the future performance of the lessee, no lease liability is estimated.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(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, 2022
(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 \$249,215 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 2022 the Town used \$0 of forfeitures to fund contributions. There are no forfeitures available for spending at December 31, 2022.

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 \$27,685 on behalf of members to the SWDD Plan during 2022.

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, 2022
(Continued)

V. Other Information (continued)

E. Retirement Health Savings Account

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

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

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

Employees are 100% vested at all times.

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

The Town's contributed \$40,949 to RHSA for 2022.

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, 2022
(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, 2022. The deductible amount paid by the Town for each incident in 2022 was \$1,000; there is no change in coverage from past years. All settlements for the year ended December 31, 2022 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, 2022 (the latest year for which audited data is available) is as follows:

<u>Property and Casualty Pool</u>	<u>Equity Ratio</u>	<u>Share of</u>
		<u>Surplus (Deficit)</u>
		<u>Dec 31/2022</u>
Operating Fund	0.709%	\$ 78,941
Loss Fund	0.623%	147,371
Pooled Excess Fund	0.874%	(99,782)
Reserve Fund	0.616%	54,547

CIRSA's combined financial information for the year ended December 31, 2022 (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	\$ 84,448,127
Other assets	12,479,376
Total assets	<u>\$ 96,927,503</u>
 Total liabilities	 <u>\$ 52,728,701</u>
 Net position	 <u>\$ 44,198,802</u>
 Total contributions and other revenues	\$ 32,686,577
Total expenses and distributions	(44,606,905)
Change in net position	<u><u>\$(11,920,328)</u></u>

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(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 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Unpaid (prepaid) claims, beginning of year	\$ 64,700	119,700
New claims incurred	(1,181,200)	673,200
Claim payments	<u>1,266,600</u>	<u>(728,200)</u>
Unpaid (prepaid) claims, end of year	<u><u>\$ 150,100</u></u>	<u><u>64,700</u></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, 2022.

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, 2022.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2022
(Continued)

V. Other Information (continued)

I. Restatement of Net Position

Beginning Net Position for governmental activities in the government-wide Statement of Activities has been restated to include certain capital assets as follows:

Net Position - Beginning of Year	\$ 80,734,714
Record capital asset	410,000
Record accumulated depreciation	<u>(5,125)</u>
Net Position - Beginning of Year (restated)	<u><u>\$ 81,139,589</u></u>

J. Subsequent Event

On April 26, 2023, the Town issued Certificates of Participation, Series 2023, totaling \$6,350,000 for the purpose of funding the construction of affordable housing. Blended payments are due semi-annually on June 1 and December 1, beginning in December 2023 through maturity in 2042 at a coupon rate of 5.0% per annum.

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, 2022
(With Comparative Actual Amounts for 2021)

	2022			2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Taxes:				
General property	193,011	193,011	211,924	18,913
Specific ownership	10,000	10,000	10,088	88
City sales tax	5,300,000	5,300,000	6,280,486	980,486
County sales tax	5,800,000	5,800,000	7,019,467	1,219,467
Franchise fees	324,000	324,000	429,380	105,380
Other taxes	510,500	510,500	466,306	(44,194)
Total - Taxes	12,137,511	12,137,511	14,417,651	2,280,140
License and Permits:				
Business and liquor licenses	155,000	155,000	190,475	35,475
Development	79,000	79,000	113,996	34,996
Building	200,000	200,000	365,722	165,722
Short term rental licenses	175,000	175,000	231,000	56,000
Other	100	100	3,735	3,635
Total - License and Permits	609,100	609,100	904,928	295,828
Intergovernmental:				
Highway users	100,000	100,000	117,765	17,765
County road and bridge	100,000	100,000	108,004	8,004
Grants	421,000	421,000	404,883	(16,117)
Motor vehicle registration	50,000	50,000	57,519	7,519
Other	2,000	2,000	5,659	3,659
Total - Intergovernmental	673,000	673,000	693,830	20,830
Charges for Services:				
Nordic Center	487,500	487,500	690,125	202,625
Historic Park	10,800	10,800	18,034	7,234
Special events	464,500	464,500	393,846	(70,654)
Recreation fees	311,000	311,000	382,863	71,863
Frisco Adventure Park fees	1,686,000	1,686,000	1,710,241	24,241
Building rents	149,850	149,850	198,494	48,644
Police services and Fines	27,000	27,000	27,666	666
Administration fees	62,500	62,500	62,500	-
Total - Charges for Services	3,199,150	3,199,150	3,483,769	284,619
Investment Income	19,000	19,000	88,918	69,918
Other Revenues:				
Disposable bag fee	120,000	120,000	161,332	41,332
Other	51,500	51,500	95,382	43,882
Total - Other Revenues	171,500	171,500	256,714	85,214
Total Revenues	16,809,261	16,809,261	19,845,810	3,036,549

(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, 2022
(With Comparative Actual Amounts for 2021)
(Continued)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Interdepartmental services	3,088,109	3,195,109	3,310,520	(115,411)	2,868,694
Legislative	77,236	77,236	87,302	(10,066)	67,586
Finance	413,439	413,439	457,192	(43,753)	384,163
Municipal Court	30,569	30,569	30,177	392	27,156
Administrative	930,944	930,944	1,165,493	(234,549)	1,177,276
Discretionary funds	365,000	365,000	260,411	104,589	639,930
Total - General Government	<u>4,905,297</u>	<u>5,012,297</u>	<u>5,311,095</u>	<u>(298,798)</u>	<u>5,164,805</u>
Public Safety:					
Police and animal control	1,789,988	1,789,988	1,784,538	5,450	1,447,067
Community Development:					
Planning and building department	914,765	914,765	799,553	115,212	792,135
Marketing and communications	673,322	673,322	693,036	(19,714)	612,390
Community relations	292,377	292,377	204,457	87,920	75,798
Total - Community Development	<u>1,880,464</u>	<u>1,880,464</u>	<u>1,697,046</u>	<u>183,418</u>	<u>1,480,323</u>
Public Works:					
Streets/properties -					
Maintenance/improvements	2,619,913	2,619,913	2,312,938	306,975	1,990,149
Culture and Recreation:					
Historic Park	328,584	328,584	316,909	11,675	218,873
Special events	790,501	790,501	552,792	237,709	204,936
Recreation	561,365	561,365	580,928	(19,563)	456,671
Frisco Adventure Park	1,575,438	1,575,438	1,280,425	295,013	952,635
Nordic Center	681,640	681,640	617,399	64,241	391,145
Total - Culture and Recreation	<u>3,937,528</u>	<u>3,937,528</u>	<u>3,348,453</u>	<u>589,075</u>	<u>2,224,260</u>
Total Expenditures	<u>15,133,190</u>	<u>15,240,190</u>	<u>14,454,070</u>	<u>786,120</u>	<u>12,306,604</u>
Excess (Deficiency) of Revenues over Expenditures	1,676,071	1,569,071	5,391,740	3,822,669	5,114,299
Other Financing Sources (Uses):					
Transfers (out)	(928,193)	(928,193)	(928,193)	-	(13,767,605)
Net Change in Fund Balance	747,878	640,878	4,463,547	3,822,669	(8,653,306)
Fund Balance - January 1	<u>6,901,032</u>	<u>6,901,032</u>	<u>8,398,873</u>	<u>1,497,841</u>	<u>17,052,179</u>
Fund Balance - December 31	<u><u>7,648,910</u></u>	<u><u>7,541,910</u></u>	<u><u>12,862,420</u></u>	<u><u>5,320,510</u></u>	<u><u>8,398,873</u></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, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
County sales tax	1,596,000	1,596,000	2,021,593	425,593	1,787,396
Short term rental tax	-	570,000	483,131	(86,869)	-
Developer impact fees	70,000	70,000	53,693	(16,307)	90,206
Investment income	7,500	7,500	25,809	18,309	3,854
Rental income	78,340	78,340	51,960	(26,380)	70,730
Total Revenues	1,751,840	2,321,840	2,636,186	314,346	1,952,186
Expenditures:					
General government	202,155	202,155	175,973	26,182	145,184
Capital outlay	6,555,000	6,555,000	6,187,546	367,454	717,805
Total Expenditures	6,757,155	6,757,155	6,363,519	393,636	862,989
Excess (Deficiency) of Revenues over Expenditures	(5,005,315)	(4,435,315)	(3,727,333)	707,982	1,089,197
Other Financing Sources (Uses):					
Partnership contributions	-	1,500,000	1,500,000	-	-
Transfers in	-	-	-	-	287,500
Total Other Financing Sources (Uses)	-	1,500,000	1,500,000	-	287,500
Net Change in Fund Balance	(5,005,315)	(2,935,315)	(2,227,333)	707,982	1,376,697
Fund Balance - January 1	7,142,503	7,142,503	8,043,877	901,374	6,667,180
Fund Balance - December 31	2,137,188	4,207,188	5,816,544	1,609,356	8,043,877

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,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's portion of the net pension (asset) liability	0.109134%	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	(591,436)	(206,217)	(58,957)	129,084	(185,598)	53,226	(2,375)	(154,808)	(157,737)
Town's covered payroll	837,612	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	70.6%	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%	0.00%

* 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,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	92,984	71,197	61,366	59,472	54,535	60,505	60,519	52,741	49,447
Actual contributions	(92,984)	(71,197)	(61,366)	(59,472)	(54,535)	(60,505)	(60,519)	(52,741)	(49,447)
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	1,033,156	837,612	767,075	743,400	681,688	756,313	756,488	659,263	618,088
Contributions as a percentage of covered payroll	9.0%	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, 2022

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, 2022
(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 (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes - Real estate investment fees	2,200,000	2,200,000	1,957,428	(242,572)	2,773,501
Intergovernmental - grants	-	-	79,153	79,153	105,584
Investment income	6,000	6,000	93,994	87,994	2,470
Miscellaneous	-	-	5,000	5,000	16,628
Total Revenues	2,206,000	2,206,000	2,135,575	(70,425)	2,898,183
Expenditures:					
General government - Agent fees	2,000	2,000	-	2,000	2,800
Capital outlay	11,837,400	14,168,575	5,416,420	8,752,155	1,715,034
Debt service:					
Principal	439,100	439,100	406,054	33,046	398,194
Interest	58,790	58,790	91,836	(33,046)	98,795
Total Expenditures	12,337,290	14,668,465	5,914,310	8,754,155	2,214,823
Excess (Deficiency) of Revenues Over Expenditures	(10,131,290)	(12,462,465)	(3,778,735)	8,683,730	683,360
Other Financing Sources (Uses):					
Sale of assets	-	-	3,925	3,925	14,190
Transfers out	-	(640,430)	(466,257)	174,173	-
Transfers in	928,193	928,193	928,193	-	13,480,105
Total Other Financing Sources (Uses)	928,193	287,763	465,861	178,098	13,494,295
Change in Fund Balance - Budget Basis	(9,203,097)	(12,174,702)	(3,312,874)	8,861,828	14,177,655
Reconciliation to GAAP Basis:					
Interfund loan principal repayment			92,918		94,413
Change in Fund Balance - GAAP Basis			(3,219,956)		14,272,068

Town of Frisco, Colorado
Enterprise Fund - Water Fund
Schedule of Revenues, Expenses and Change in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for service - User charges	1,312,500	1,312,500	1,346,338	33,838	1,332,279
Water meter sales	15,000	15,000	9,831	(5,169)	14,585
Other operating revenue	-	-	9,942	9,942	3,983
Total Operating Revenues	1,327,500	1,327,500	1,366,111	38,611	1,350,847
Operating Expenses:					
Salaries and benefits	386,893	386,893	431,214	(44,321)	369,896
Administrative fees	42,500	42,500	42,500	-	42,500
Professional fees	106,100	106,100	113,807	(7,707)	57,559
Supplies and chemicals	95,000	95,000	37,147	57,853	18,181
Utilities	75,000	75,000	37,893	37,107	60,389
Repair and maintenance	97,200	97,200	247,716	(150,516)	30,685
General expenses	85,100	85,100	113,122	(28,022)	162,230
Capital outlay	795,000	1,771,574	786,898	984,676	730,967
Water meter replacements	55,000	55,000	46,779	8,221	51,612
Total Expenses	1,737,793	2,714,367	1,857,076	857,291	1,524,019
Operating Income (Loss)	(410,293)	(1,386,867)	(490,965)	895,902	(173,172)
Non-operating Revenues (Expenses):					
Intergovernmental - Non-operating grants	-	-	220	220	-
Investment income	6,000	6,000	30,203	24,203	3,515
Interfund loan principal repayment	95,000	95,000	92,918	(2,082)	94,431
Plant investment fees	60,000	60,000	90,452	30,452	62,449
Total Non-operating Revenues (Expenses)	161,000	161,000	213,793	52,793	160,395
Change in Net Position - Budget Basis	(249,293)	(1,225,867)	(277,172)	948,695	(12,777)
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			(92,918)		(94,431)
Capitalized assets			786,898		730,967
Depreciation			(354,087)		(323,965)
Change in Net Position - GAAP Basis			62,721		299,794

Town of Frisco, Colorado
Enterprise Fund - Marina Fund
Schedule of Revenues, Expenses and Change in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for service - User charges	2,230,200	2,230,200	1,864,327	(365,873)	2,090,803
Intergovernmental - Operating grants	45,000	45,000	40,000	(5,000)	39,888
Total Operating Revenues	<u>2,275,200</u>	<u>2,275,200</u>	<u>1,904,327</u>	<u>(370,873)</u>	<u>2,130,691</u>
Operating Expenses:					
Salaries and benefits	1,176,110	1,176,110	848,811	327,299	710,440
Administrative fees	20,000	20,000	20,000	-	20,000
Professional fees	67,000	67,000	88,508	(21,508)	131,494
Supplies	104,600	104,600	133,611	(29,011)	64,313
Utilities	30,000	30,000	31,650	(1,650)	23,569
Repairs and maintenance	127,000	127,000	122,153	4,847	69,678
General expenses	461,000	461,000	297,985	163,015	319,559
Capital outlay	1,246,000	2,143,906	1,001,109	1,142,797	3,477,211
Total Expenses	<u>3,231,710</u>	<u>4,129,616</u>	<u>2,543,827</u>	<u>1,585,789</u>	<u>4,816,264</u>
Operating Income (Loss)	(956,510)	(1,854,416)	(639,500)	1,214,916	(2,685,573)
Non-operating Revenues (Expenses):					
Interfund transfers	-	640,430	466,257	(174,173)	-
Investment income	2,500	2,500	6,902	4,402	3,104
Gain (loss) on asset disposal	63,500	63,500	3,318	(60,182)	3,101
Agent fees	(400)	(400)	(400)	-	(400)
Principal repayment	-	-	(80,000)	(80,000)	(75,000)
Interest expense	(347,500)	(347,500)	(266,239)	81,261	(270,011)
Total Non-operating Revenues (Expenses)	<u>(281,900)</u>	<u>358,530</u>	<u>129,838</u>	<u>(228,692)</u>	<u>(339,206)</u>
Change in Net Position - Budget Basis	<u>(1,238,410)</u>	<u>(1,495,886)</u>	<u>(509,662)</u>	<u>986,224</u>	<u>(3,024,780)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			80,000		75,000
Capitalized assets			1,001,109		3,477,211
Depreciation			(482,666)		(418,588)
Change in Net Position - GAAP Basis			<u>88,781</u>		<u>108,843</u>

NON-MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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



Town of Frisco, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2022

	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	119,676	1,030	213,545	1,132,580	12,605	726,120	2,205,556
Receivables, net of allowance for uncollectible accounts:							
Other taxes	-	-	-	115,176	-	104,589	219,765
Inventory	-	-	-	5,360	-	-	5,360
Total Assets	<u>119,676</u>	<u>1,030</u>	<u>213,545</u>	<u>1,253,116</u>	<u>12,605</u>	<u>830,709</u>	<u>2,430,681</u>
Liabilities and Fund Equity:							
Liabilities:							
Accounts/vouchers payable	-	-	-	58	-	-	58
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>58</u>
Fund Balances:							
Non-spendable	-	-	-	5,360	-	-	5,360
Restricted	119,676	1,030	-	1,247,698	-	830,709	2,199,113
Committed	-	-	213,545	-	12,605	-	226,150
Total Fund Balances	<u>119,676</u>	<u>1,030</u>	<u>213,545</u>	<u>1,253,058</u>	<u>12,605</u>	<u>830,709</u>	<u>2,430,623</u>
Total Liabilities and Fund Balances	<u>119,676</u>	<u>1,030</u>	<u>213,545</u>	<u>1,253,116</u>	<u>12,605</u>	<u>830,709</u>	<u>2,430,681</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, 2022

	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
Revenues:							
Taxes	-	-	-	809,962	-	644,392	1,454,354
Licenses, permits, and fees	-	-	-	-	-	6,600	6,600
Intergovernmental revenue	37,115	-	-	30,000	-	-	67,115
Investment income	712	6	1,344	7,402	79	5,463	15,006
Miscellaneous	-	-	-	1,193	-	-	1,193
Total Revenues	37,827	6	1,344	848,557	79	656,455	1,544,268
Expenditures:							
Community development	-	-	-	330,140	-	-	330,140
Culture and recreation	27,814	-	-	279,176	-	-	306,990
Health and welfare	-	-	-	-	-	474,006	474,006
Total Expenditures	27,814	-	-	609,316	-	474,006	1,111,136
Net Change in Fund Balances	10,013	6	1,344	239,241	79	182,449	433,132
Fund Balances - January 1	109,663	1,024	212,201	1,013,817	12,526	648,260	1,997,491
Fund Balances - December 31	119,676	1,030	213,545	1,253,058	12,605	830,709	2,430,623

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, 2022
(With Comparative Actual Amounts for December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental - Lottery proceeds	40,000	40,000	37,115	(2,885)	38,368
Investment income	100	100	712	612	45
Total Revenues	40,100	40,100	37,827	(2,273)	38,413
Expenditures:					
Culture and recreation	38,500	38,500	27,814	10,686	95
Total Expenditures	38,500	38,500	27,814	10,686	95
Net Change in Fund Balance	1,600	1,600	10,013	8,413	38,318
Fund Balance - January 1	73,445	73,445	109,663	36,218	71,345
Fund Balance - December 31	75,045	75,045	119,676	44,631	109,663

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, 2022
(With Comparative Actual Amounts for 2021)

	2022			2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Investment income	5	5	6	1
Total Revenues	5	5	6	1
Expenditures:				
Capital Projects	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	5	5	6	1
Fund Balance - January 1	1,026	1,026	1,024	(2)
Fund Balance - December 31	1,031	1,031	1,030	(1)

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, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Investment income	250	250	1,344	1,094	126
Total Revenues	250	250	1,344	1,094	126
Expenditures:					
Claims	65,000	65,000	-	65,000	-
Total Expenditures	65,000	65,000	-	65,000	-
Net Change in Fund Balance	(64,750)	(64,750)	1,344	66,094	126
Fund Balance - January 1	212,326	212,326	212,201	(125)	212,075
Fund Balance - December 31	147,576	147,576	213,545	65,969	212,201

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, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Lodging tax	600,000	600,000	809,962	209,962	701,513
Local grants	30,000	30,000	30,000	-	19,000
Investment income	1,000	1,000	7,402	6,402	497
Miscellaneous	3,150	3,150	1,193	(1,957)	2,324
Total Revenues	634,150	634,150	848,557	214,407	723,334
Expenditures:					
Community development	495,361	495,361	330,140	165,221	294,605
Culture and recreation	266,500	266,500	279,176	(12,676)	188,693
Total Expenditures	761,861	761,861	609,316	152,545	483,298
Net Change in Fund Balance	(127,711)	(127,711)	239,241	366,952	240,036
Fund Balance - January 1	752,426	752,426	1,013,817	261,391	773,781
Fund Balance - December 31	624,715	624,715	1,253,058	628,343	1,013,817

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, 2022
(With Comparative Actual Amounts for 2021)

	2022			2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Investment income	15	15	79	64
Total Revenues	15	15	79	64
Expenditures:				
Culture and recreation	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	15	15	79	64
Fund Balance - January 1	12,534	12,534	12,526	(8)
Fund Balance - December 31	12,549	12,549	12,605	56

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, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Nicotine tax	580,000	580,000	644,392	64,392	622,771
Nicotine licenses	6,600	6,600	6,600	-	4,800
Investment income	550	550	5,463	4,913	276
Total Revenues	587,150	587,150	656,455	69,305	627,847
Expenditures:					
General government	15,000	15,000	-	15,000	-
Health and welfare	602,963	602,963	474,006	128,957	467,600
Total Expenditures	617,963	617,963	474,006	143,957	467,600
Net Change in Fund Balance	(30,813)	(30,813)	182,449	213,262	160,247
Fund Balance - January 1	536,352	536,352	648,260	111,908	488,013
Fund Balance - December 31	505,539	505,539	830,709	325,170	648,260

Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Capital Outlay Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Capital Outlay:					
Alley paving	545,000	545,000	438,417	106,583	-
Asphalt overlay and resurface road	455,000	455,000	453,100	1,900	212,942
Building relocation costs	-	-	-	-	20,917
Complete streets	-	43,893	-	43,893	-
Computers and technology	98,000	98,000	93,127	4,873	136,478
Consultant - Historic preservation	-	-	-	-	24,430
Crack fill streets and bike paths	10,000	10,000	4,364	5,636	825
Curb replacement	99,400	99,400	46,757	52,643	27,161
Electric vehicle charging station	-	-	-	-	796
Environmental sustainability	100,000	100,000	74,417	25,583	4,554
Equipment and vehicle leases	40,000	40,000	18,516	21,484	19,449
Facility capital repair	220,000	1,945,000	2,133,695	(188,695)	38,930
Fiber infrastructure	200,000	251,955	624	251,331	148,045
First and Main building	-	-	-	-	2,117
Historic Park deck stairs	24,000	37,500	11,286	26,214	3,915
Ice rink evaluation	-	-	-	-	32,236
Lake Hill analysis/support	-	-	6,638	(6,638)	24,843
Mainstreet promenade	75,000	75,000	308	74,692	57,475
Playground/site improvement at Town parks	750,000	950,000	393,792	556,208	22,952
PRA Plan implementation	5,200,000	5,200,000	390,208	4,809,792	215,990
Public art funding	50,000	62,735	57,955	4,780	12,264
Storm system study	100,000	100,000	-	100,000	16,603
Summit Blvd. masonry work	1,000,000	1,098,092	91,110	1,006,982	101,907
Town-wide security cameras	75,000	75,000	68,599	6,401	-
Town Hall atrium design	-	146,000	5,364	140,636	-
Town Hall dumpster enclosure	50,000	50,000	-	50,000	-
Trails enhancement	490,000	490,000	243,296	246,704	92,193
Transportation Master Plan update	200,000	200,000	-	200,000	-
Update planning documents	10,000	10,000	56,241	(46,241)	86,106
Vehicles and equipment	2,034,000	2,074,000	828,606	1,245,394	411,906
Wayfinding	12,000	12,000	-	12,000	-
Total Expenditures - Capital Outlay	11,837,400	14,168,575	5,416,420	8,752,155	1,715,034

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 2022
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**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,096,739
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	61,303
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	1,115,637	b. Snow and ice removal	443,491
3. Other local imposts (from page 2)	809,850	c. Other	
4. Miscellaneous local receipts (from page 2)	-	d. Total (a. through c.)	443,491
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	456,741
a. Bonds - Original Issues		6. Total (1 through 5)	2,058,274
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	
7. Total (1 through 6)	1,925,487	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	-
C. Receipts from State government		2. Notes:	
(from page 2)	132,787	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	-	c. Total (a. + b.)	-
E. Total receipts (A.7 + B + C + D)	2,058,274	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)	2,058,274

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
	-	2,058,274	2,058,274	-	-

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>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>	<u>2022</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 43,598,899
Restricted	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	8,515,384
Unrestricted	<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>	<u>32,227,174</u>
Subtotal Governmental Activities Net Position	<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>	<u>84,341,457</u>
Business-type Activities										
Net Investment in Capital Assets	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	11,845,401
Restricted for CRCA projects	-	-	-	-	198,940	664,551	-	-	-	-
Unrestricted	<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>	<u>5,570,152</u>
Subtotal Business-type Activities Net Position	<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>	<u>17,415,553</u>
Total Primary Government Net Position	<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>	<u>\$ 101,757,010</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 6,022,485
Public Safety	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	1,735,781
Public Works	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	2,140,602
Community Development	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	8,229,009
Culture and Recreation	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	4,736,900
Health and welfare	-	-	-	-	-	-	-	80,005	467,600	474,006
Housing	201,348	179,043	69,091	42,728	181,102	45,547	51,025	427,401	703,750	390,955
Interest on long-term debt	246,315	228,200	271,129	262,753	255,106	155,488	147,620	121,885	95,624	88,638
Total Governmental Activities Expenses	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	23,818,376
Business-type Activities:										
Interest on long-term debt	4,840	4,144	3,427	2,702	5,287	-	228,690	270,322	270,011	266,239
Water Fund	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	1,424,265
Marina Fund	874,024	977,565	980,887	951,376	998,766	1,231,122	1,435,127	1,562,129	1,758,042	2,025,783
Total Business-type Activities Expenses	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	3,716,287
Total Primary Government Expenses	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	27,534,663
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	339,703	439,635	433,333	350,659	288,696	263,086	373,077	380,220	374,150	459,243
Public Safety	31,499	26,898	19,356	41,461	35,748	47,275	40,329	31,779	44,414	27,666
Public Works	13,052	9,447	10,997	8,422	4,480	5,270	12,590	11,600	398,888	473,668
Community Development	263,445	274,096	287,170	194,122	290,400	468,573	417,968	220,822	4,300	9,350
Culture and Recreation	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	3,167,356
Housing	54,950	200,279	139,848	116,626	36,745	125,254	213,175	223,656	160,936	105,653
Operating Grants and Contributions	225,754	306,029	323,147	363,938	364,857	308,543	309,791	1,028,828	808,636	2,230,945
Capital Grants and Contributions	396,097	112,228	78,510	78,614	65,668	30,000	421,975	139,792	124,584	109,153
Total Governmental Activities Program Revenues	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	6,583,034
Business-type Activities:										
Charges for Services:										
Water	1,112,007	802,865	891,006	900,407	906,696	989,542	1,001,193	1,253,959	1,350,847	1,366,111
Marina	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	1,864,327
Operating Grants and Contributions	18,915	26,376	26,385	27,645	32,622	27,570	34,830	36,255	39,888	40,000
Capital Grants and Contributions	104,046	532,386	117,137	153,241	331,623	647,832	225,910	43,170	62,449	90,672
Total Business-type Activities Program Revenues	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	3,361,110
Total Program Revenues	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	9,944,144
Net (Expense)/Revenue										
Governmental Activities	(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)	(17,146,704)
Business-type Activities	278,470	380,168	325,399	472,562	670,517	993,213	313,578	1,174,547	668,928	(88,938)
Interest on Long Term Debt	(251,155)	(232,344)	(274,556)	(265,455)	(260,393)	(155,488)	(376,310)	(392,207)	(365,635)	(354,877)
Total Primary Government Net (Expense) Revenue	(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)	(17,590,519)
General Revenues and Transfers										
Governmental Activities:										
Taxes:										
Property Taxes	133,336	133,516	135,115	151,002	154,136	168,344	168,930	201,949	203,382	222,012
Sales and use Taxes	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	15,321,546
Real Estate Transfer Tax	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	1,957,428
Franchise Taxes	313,906	328,507	319,524	320,432	323,924	318,602	326,461	320,081	348,211	429,380
Lodging Taxes	325,768	388,199	426,458	471,041	490,541	534,342	555,084	498,972	701,513	809,962
Other Taxes	55,795	179,962	302,658	356,527	393,420	404,064	440,671	1,085,556	1,141,169	1,593,828
Transfers	(21,445)	-	-	-	-	-	-	-	-	(466,257)
Interest and Other	4,716,360	287,565	283,144	314,599	313,756	2,577,111	587,692	633,214	521,928	569,311
Total General Activities	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	20,437,210
Business-type Activities										
Transfers	21,445	-	-	-	-	-	-	-	-	466,257
Interest and Other	20,538	56,416	29,252	55,977	126,744	125,686	223,025	115,286	9,720	40,423
Total Business-type Activities	41,983	56,416	29,252	55,977	126,744	125,686	223,025	115,286	9,720	506,680
Total General Revenues and Transfers	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	20,943,890
Changes in Net Position										
Governmental Activities	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	3,201,868
Business-type Activities	315,613	432,440	351,224	525,837	791,974	1,118,899	307,913	1,019,511	408,637	151,503
Total Government Changes in Net Position	\$ 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	\$ 3,353,371

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Non-Spendable	\$ 63,151	\$ 54,861	\$ 49,193	\$ 46,433	\$ 63,425	\$ 66,363	\$ 102,026	\$ 88,591	\$ 64,214	\$ 111,665
Restricted	332,000	377,000	478,000	468,000	596,000	626,000	621,000	632,000	709,000	739,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	497,510	419,941	244,002	16,396	14,637	14,662	18,230	15,749	16,266	20,754
Unassigned	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	11,991,001
Total General Fund	<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>	<u>12,862,420</u>
All Other Governmental Funds										
Non-Spendable	-	-	14,070	13,194	12,597	12,140	23,097	13,085	10,181	5,360
Restricted	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	8,015,657
Committed	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	14,684,641
Assigned	3,169,091	1,215,757	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>22,705,658</u>
Total Governmental Funds										
Non-Spendable	63,151	54,861	63,263	59,627	76,022	78,503	125,123	101,676	74,395	117,025
Restricted	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	8,754,657
Committed	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	14,684,641
Assigned	3,666,601	1,635,698	244,002	16,396	14,637	14,662	18,230	15,749	16,266	20,754
Unassigned	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	11,991,001
Total Governmental Funds Balance	<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>	<u>\$ 35,568,078</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 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	\$ 19,851,026
Licenses, Permits, and Fees	429,595	604,633	554,513	459,556	482,663	746,210	778,469	647,627	758,969	1,448,352
Intergovernmental Revenue	249,217	251,625	260,675	264,873	325,407	333,474	734,232	1,193,620	933,220	840,098
Charges for Services	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	3,483,769
Investment Income	18,426	26,019	25,702	68,115	115,715	289,622	471,187	234,043	17,658	223,727
Capital Interest Subsidy	48,040	48,405	48,510	48,614	35,668	-	-	-	-	-
Rental Income	-	-	-	-	-	6,938	88,776	76,820	70,730	51,960
Reimbursements	318,057	33,823	-	-	-	-	-	-	-	-
Miscellaneous	94,419	97,401	116,920	119,634	50,820	66,758	102,833	295,521	411,330	262,907
Total Revenues	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	26,161,839
Expenditures										
General Government	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	5,487,068
Public Safety	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	1,784,538
Community Development	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	2,027,186
Public Works	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	2,312,938
Culture and Recreation	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	3,655,443
Health and welfare	-	-	-	-	-	-	-	80,005	467,600	474,006
Capital Outlay	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	11,603,966
Debt Service:										
Cost of issuance	-	-	-	-	74,559	-	-	-	-	-
Principal	502,582	665,122	780,197	578,488	524,621	274,712	282,573	295,627	303,781	406,054
Interest	211,538	206,668	244,383	246,992	212,837	145,370	141,420	119,768	98,795	91,836
Total Expenditures	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	27,843,035
Excess of Revenues										
Over/(Under) Expenditures	(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	(1,681,196)
Other Financing Sources/(Uses)										
Certificate of Participation proceeds	-	-	-	-	2,487,000	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	(2,412,441)	-	-	-	-	-
Lease Purchase Proceeds	370,922	477,184	1,765,000	-	-	-	-	-	-	-
Interfund loan principal repayment	-	-	-	-	-	-	-	-	-	92,918
Sales of Assets	136,240	153,163	796,590	25,600	45,973	2,127,677	69,527	6,500	14,190	3,925
Partnership contributions	-	-	-	-	-	-	-	-	-	1,500,000
Transfers In	-	-	-	-	3,350,000	2,191,510	3,304,674	4,700,000	13,767,605	461,936
Transfers Out	-	-	-	-	(3,350,000)	(2,191,510)	(3,304,674)	(4,700,000)	(13,767,605)	(928,193)
Total Other Financing Sources (Uses)	507,162	630,347	2,561,590	25,600	120,532	2,127,677	69,527	6,500	14,190	1,130,586
Net Change in Fund Balances	\$ 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	\$ (550,610)
Debt Service as a Percentage of Noncapital Expenditures	7.4%	8.5%	9.7%	7.5%	6.2%	3.0%	3.2%	3.2%	2.6%	2.8%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue Source										
City Sales Tax	\$ 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	\$ 6,280,486
County Sales Tax	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	7,019,467
Housing Authority Tax	148,941	164,435	186,973	204,393	1,285,174	1,393,760	1,618,610	1,533,798	1,787,396	2,021,593
Property Tax	127,301	126,849	128,253	143,493	145,468	158,901	159,915	192,149	192,957	211,924
Lodging Tax	325,768	388,199	426,458	471,041	490,541	534,342	555,083	498,972	701,513	809,962
Real Estate Investment Fee Tax	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	1,957,428
Franchise Tax	313,906	328,507	319,524	320,432	323,924	318,602	326,461	320,081	348,211	429,380
Specific Ownership Tax	6,035	6,667	6,862	7,509	8,668	9,443	9,015	9,800	10,425	10,088
Miscellaneous Tax	55,795	179,962	302,658	356,527	393,420	404,064	440,671	509,064	518,398	466,306
Total Revenues	\$ 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	\$ 19,206,634
 % change from prior year	 7.6%	 16.5%	 16.7%	 7.6%	 13.4%	 6.9%	 7.4%	 5.0%	 17.5%	 4.7%
 Percentage of Total										
City Sales Tax	37.4%	37.4%	36.3%	36.7%	33.8%	33.8%	33.5%	32.0%	31.7%	32.7%
County Sales Tax	38.2%	37.9%	36.8%	37.9%	35.8%	35.6%	35.3%	35.1%	33.8%	36.5%
Housing Authority Tax	1.9%	1.8%	1.8%	1.8%	9.9%	10.1%	10.9%	9.8%	9.7%	10.5%
Property Tax	1.6%	1.4%	1.2%	1.3%	1.1%	1.1%	1.1%	1.2%	1.1%	1.1%
Lodging Tax	4.2%	4.3%	4.0%	4.1%	3.8%	3.9%	3.7%	3.2%	3.8%	4.2%
Real Estate Investment Fee Tax	11.8%	11.5%	14.0%	12.2%	10.0%	10.2%	10.4%	13.3%	15.1%	10.2%
Franchise Tax	4.0%	3.6%	3.0%	2.8%	2.5%	2.3%	2.2%	2.0%	1.9%	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	0.7%	2.0%	2.9%	3.1%	3.0%	2.9%	3.0%	3.3%	2.8%	2.4%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Town of Frisco Financial Statements

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

	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022	
<u>Taxable Sales</u>																				
Retail - General	\$ 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%	\$ 53,462,285	18%	\$ 104,038,554	33%
Grocery	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%	59,929,061	21%	63,902,916	20%
Restaurants	17,475,500	12%	29,173,050	17%	33,167,975	17%	36,862,925	17%	37,483,825	17%	40,972,200	17%	42,527,275	17%	36,196,850	14%	50,929,589	17%	54,920,788	17%
Hotels & Inns	9,872,450	7%	11,744,800	7%	12,671,750	7%	13,103,850	6%	12,961,625	6%	13,576,850	6%	12,608,700	5%	18,791,250	3%	9,304,789	3%	13,151,875	4%
Utility	9,122,425	6%	10,014,700	6%	10,087,375	5%	10,022,425	5%	10,388,350	5%	10,023,600	4%	9,672,550	4%	9,736,475	4%	9,736,475	4%	14,454,409	6%
Construction Supplies	7,092,675	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%	19,055,133	7%	23,075,704	7%
Automotive	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%	10,845,399	4%	-	0%
Recreation	7,572,575	5%	7,657,350	4%	8,955,050	5%	9,413,650	4%	9,232,025	4%	9,865,900	4%	9,678,675	4%	8,527,000	3%	12,260,072	4%	-	0%
Liquor & Marijuana	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%	11,512,722	4%	20,725,328	7%
Home Furnishings	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%	6,740,927	2%	-	0%
Vacation Rentals	4,347,575	3%	5,284,475	3%	6,059,050	3%	7,315,175	3%	9,508,150	4%	11,560,775	5%	14,113,375	6%	16,474,625	6%	20,698,938	7%	21,541,096	7%
Clothing	2,779,150	2%	2,937,025	2%	3,119,125	2%	3,822,725	2%	4,280,900	2%	4,620,075	2%	4,552,900	2%	4,025,625	2%	5,042,782	2%	-	0%
Gifts	2,193,025	1%	2,683,600	2%	2,871,750	1%	3,129,850	1%	2,958,025	1%	3,170,775	1%	2,883,775	1%	3,018,325	1%	5,019,618	2%	-	0%
Marijuana	-	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%	7,448,732	3%	-	0%
Health & Beauty	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%	2,183,054	1%	-	0%
Office	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%	3,756,464	1%	-	0%
Arts & Crafts	758,900	1%	699,250	0%	672,875	0%	487,275	0%	398,700	0%	406,575	0%	386,200	0%	558,700	0%	671,596	0%	-	0%
Total	\$ 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%	\$291,245,594	100%	\$315,810,670	100%

	2013 (*)		2014 (*)		2015 (*)		2016 (*)		2017 (*)		2018 (*)		2019 (*)		2020 (*)		2021 (*)		2022 (*)	
<u>Sales Tax Collected</u>																				
Retail - General	\$ 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	19%	\$ 4,682,516	35%
Grocery	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	21%	2,671,679	20%
Restaurants	1,094,078	19%	1,166,922	17%	1,326,719	17%	1,466,517	17%	1,499,353	17%	1,638,888	17%	1,701,091	17%	1,447,874	14%	1,905,523	16%	2,200,768	17%
Hotels & Inns	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%	504,024	4%
Utility	394,898	7%	400,588	6%	403,495	5%	400,899	5%	400,944	5%	400,944	4%	386,902	4%	389,459	4%	445,949	4%	545,581	4%
Construction Supplies	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	7%	927,046	7%
Automotive	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	4%	-	0%
Recreation	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	4%	-	0%
Liquor & Marijuana	213,248	4%	232,265	3%	306,446	4%	346,344	4%	351,910	4%	384,564	4%	371,151	4%	447,193	4%	461,588	4%	791,083	6%
Home Furnishings	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%	-	0%
Vacation Rentals	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	8%	1,012,985	8%
Clothing	111,166	2%	117,461	2%	124,765	2%	152,909	2%	171,236	2%	184,803	2%	182,116	2%	161,025	2%	209,056	2%	-	0%
Gifts	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%	-	0%
Marijuana	-	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%	-	0%
Health & Beauty	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%	-	0%
Office	36,030	1%	34,431	1%	34,654	0%	37,893	0%	44,298	0%	48,312	1%	54,731	1%	114,416	1%	149,672	1%	-	0%
Arts & Crafts	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%	-	0%
Total	\$ 5,905,233	100%	\$ 6,652,990	100%	\$ 7,752,448	100%	\$ 8,527,421	100%	\$ 9,011,859	100%	\$ 9,616,814	100%	\$ 10,236,448	100%	\$ 10,527,897	100%	\$ 12,034,473	100%	\$ 13,335,682	100%

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

Source: Town of Frisco Sales Tax Reports

In 2022 sales tax categories were adjusted combining Liquor & Marijuana, along with all other zero categories combining with Retail - General

(*) 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
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%
2022	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
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%
2022	168,795,915	78,531,203	7,151,009	3,086,523	(7,788,746)	257,564,650	0.798	2,735,257,113	9.42%

(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
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%
2021	2022	210,973	210,378	99.72%	186	210,564	99.81%

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	
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
2022	0.798	0.798	19.809	18.871	13.826	0.000	53.304

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 2022

	<u>Assessed Value</u>
Maximum Debt Allowed:	
Actual Value	2,735,257,113
Debt Limit (3% of valuation)	0.03
Legal Debt Limit	<u><u>\$ 82,057,713</u></u>
Debt Applicable to Limit:	
Total Bonds Outstanding	\$ 5,295,000
Less: Sales and Use Tax Revenue Bonds	-
Debt Subject to Limitation	<u><u>\$ 5,295,000</u></u>
Debt Limit	\$ 82,057,713
less: Total Net Debt Applicable to Limit	5,295,000
Legal Debt Margin	<u><u>\$ 76,762,713</u></u>
 Total Net Debt Applicable to Limit as a percentage of debt limit	 6.5%

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

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

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

Fiscal Year Ended December 31	Operating Revenues	Operating Expenses Excluding Depreciation	Net Non-Operating Revenues (Expenses) (2)	Net Revenue Available for Debt Service	Current Debt Service Requirements (1)			Times Coverage
					Principal	Interest	Total	
2019 (*)	\$ 1,614,255	\$ 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
2022	1,904,327	1,542,718	209,838	571,447	80,000	268,750	348,750	1.64

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

(1) The Marina issued Revenue Bonds Series 2019, dated February 26, 2019, in the amount 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
	Equipment Notes	Certificates of Participation	Notes Payable					
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	5,513,173	9,131,223	89,100	0.98%	2,912	3,136
2020	3,256,786	65,122	5,510,995	8,832,903	95,900	1.09%	2,902	3,044
2021	3,018,005	-	5,433,813	8,451,818	96,100	1.14%	2,859	2,956
2022	2,704,869	-	5,351,640	8,056,509	99,800	1.24%	*	*

* Statistics not yet released for 2022

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 2022

<u>Jurisdiction</u>	<u>2022 Assessed Value</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Town</u>	<u>Amount Applicable to Town</u>
Direct Debt:				
Town of Frisco	257,564,650	\$ 2,704,869	100.00%	\$ 2,704,869
<i>Total Direct Debt</i>		<u>2,704,869</u>		
Summit County	2,458,966,100	-	10.47%	-
Summit School District	2,449,685,940	61,415,000	10.51%	6,457,290
Summit Fire and EMS	1,283,365,050	-	20.07%	-
Frisco Sanitation District	277,070,910	-	92.96%	-
<i>Total Direct and Overlapping Debt</i>		<u>64,119,869</u>		
Total Direct and Overlapping Debt				<u><u>\$ 9,162,159</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)
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	76,517	1,023	2.70%
2020	2,902	31,055	95,900	81,157	1,047	4.40%
2021	2,859	30,970	96,100	86,390	1,135	4.20%
2022	*	*	99,800	*	1,132	2.80%

* Statistics not yet released for 2022

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 2022**

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:	21,094	

* 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government *	8	9	9	9	9	10	10	10	12	15
Communications, Marketing, & Special Events	0	0	0	0	0	0	0	0	9	9
Public Safety	16	15	16	17	17	17	18	18	18	17
Public Works	19	19	19	20	21	21	21	21	21	22
Community Development**	6	6	6	6	6	8	8	9	10	9
Culture and Recreation	14	14	16	17	19	21	32	33	43	43
Water	3	3	4	4	3	3	4	4	6	6
Marina	3	3	3	3	4	4	3	3	15	15
Total	69	69	73	76	79	84	96	98	134	136

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>General Government</u>										
Council meetings	20	22	21	25	25	24	23	30	26	23
Business licenses	1,464	1,457	1,472	1,498	1,539	1,539	1,579	1575	1706	1602
Sales tax licenses	967	1,003	1,034	1,096	1,117	1,257	1,795	1983	2207	2421
Elections	1	0	0	1	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	175	157	186	135	116	133	95	75	169	262
Traffic violations	631	883	638	653	367	501	245	141	129	137
Parking violations	16	44	30	23	49	80	81	51	50	11
<u>Public Works</u>										
Miles of streets	18	18	18	18	19	19	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	169	157	209	190	196	239	357	214	266	208
COs issued	83	73	46	59	52	72	87	55	42	50
Planning Commission meetings	16	16	14	14	24	20	20	12	15	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	1	1	1
Miles of trails	12	12	12	12	12	12	12	12	1	1
Nordic ski trails	43 km	43 km	43 km	43 km	43 km	43 km	43km	43km	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)	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	54,929 sq ft	34,173 sq ft
<u>Municipal Water</u>										
Number of water service connections	1,906	1,935	1,954	1,960	1,998	2,036	2,008	2018	2031	2038
Daily average water consumption in million gallons	0.607 mgd	0.600 mgd	0.617 mgd	.657 mgd	.736 mgd	.699 mgd	.685 mgd	0.650 mgd	.711 mgd	.719 mgd
Miles of water mains	32.8	33	33	33	33	33	33	33	33	33
<u>Marina</u>										
Service and storage buildings	4	4	4	4	4	4	4	4	6	6
Offices	1	1	1	1	1	1	1	1	1	2
Lighthouses	1	1	1	1	1	1	1	1	1	1
Restaurants	1	1	1	1	1	1	1	1	1	1
Docks	12	12	11	12	12	12	15	16	16	16
Paddle boats	62	33	36	56	31	53	80	45	93	109
Power boats	14	10	14	14	13	12	17	19	29	29

Source: Town of Frisco Human Resources