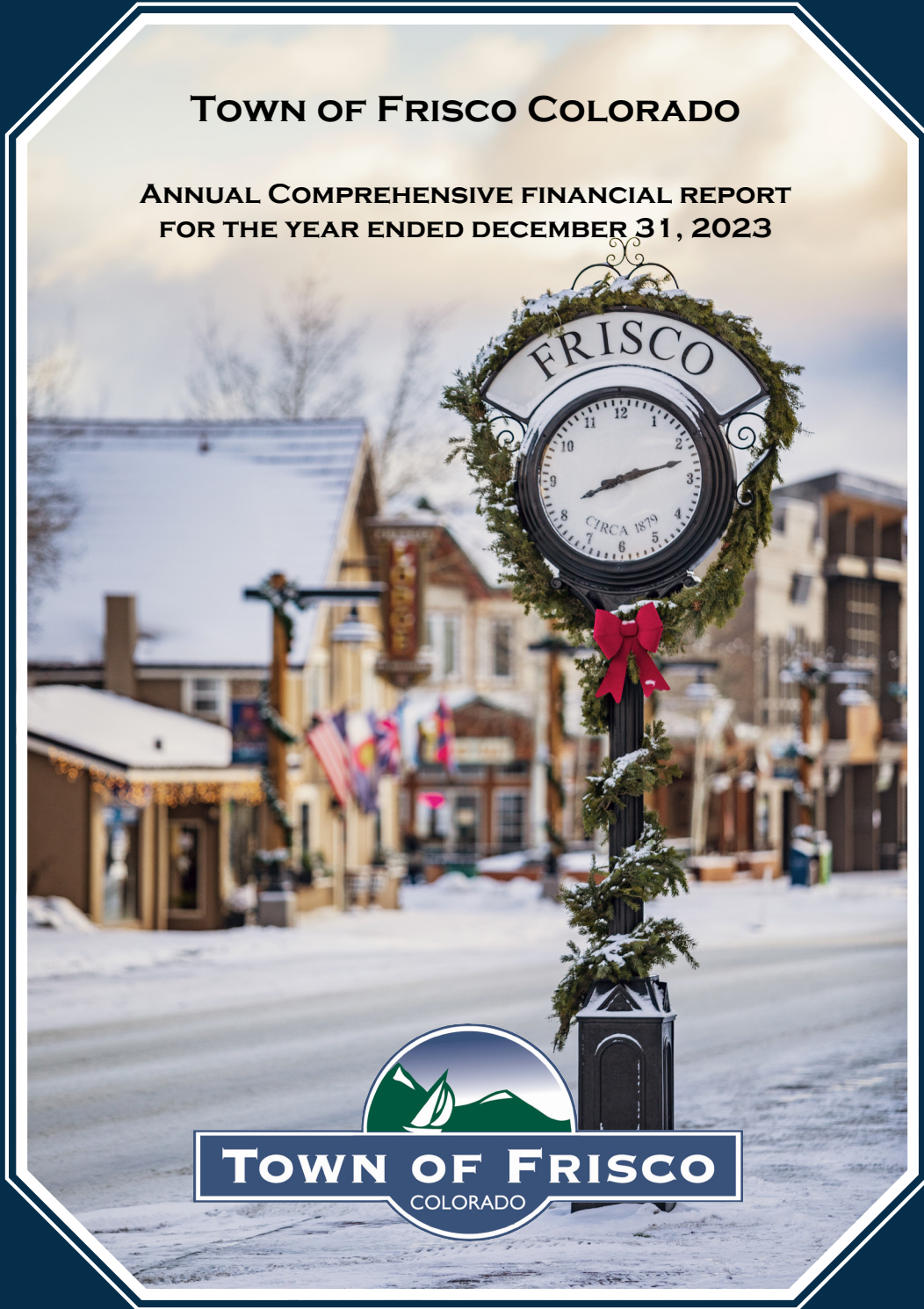


TOWN OF FRISCO COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023



TOWN OF FRISCO
COLORADO

**FRISCO
COLORADO**

PREPARED BY THE
TOWN OF FRISCO
FINANCE DEPARTMENT

VISIT FRISCOGOV.COM
OR 970 668-5276

**Town of Frisco, Colorado
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023**

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INTRODUCTORY SECTION



TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443



June 19, 2024

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, 2023. 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 is 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 2023. 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, 2023, 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, 2023 are fairly presented in conformance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Overview and Governmental Structure

Incorporated in 1879, the Town of Frisco has approximately 3,000 full-time residents and became officially chartered as a Colorado home-rule municipality in 1988. The Town is roughly 70 miles west of Denver, at an elevation of 9,097 feet above sea-level. It is situated along Ten Mile Creek, in the shadow of 12,900-foot Peak One of the Ten Mile mountain range, bordered on the east by Lake Dillon reservoir and is largely surrounded

TOWN of FRISCO

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by wilderness areas owned by the U.S. Forest Service. Often referred to as the heart of Summit County, the Town is conveniently located off 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. 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 2023, it is important to note the Town Council's mission statement:

To maintain and enhance our welcoming mountain town with the involvement of our community members in a way that respects our unique character, that sustains our natural environment, that is economically resilient, and that improves 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, AC Marriott, Grand Hotel, Outer Range Brewing, five fast-food restaurants and numerous other enterprises, this area, by far, generates the greatest amount of revenue for the Town. Just off 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 2023 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 CommonSpirit 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 2023 included Wal-Mart, Safeway, Whole Foods, Town of Frisco, Outer Range Brewing, and an assortment of

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lodging, 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, CommonSpirit 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 2023, sales tax revenues comprised approximately 66% 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 2022 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 3% (from \$13,299,953 to \$13,720,105) from 2022 to 2023. 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, was 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. This project is expected to be completed in the Summer of 2024.

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. Other exciting projects around and/or near the building include a brand new state-of-the-art fueling system with dispensing capabilities both on land and on the docks. The establishment of a Lighthouse Lawn at the Marina Park area was completed in the summer of 2023, providing a place for park and marina users to relax and a space for future concerts and other gatherings.

TOWN of FRISCO

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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 2023 Summit County Housing Needs Update, by the year 2028 Summit County's housing supply is expected to be over 2,700 units short of the housing needed to meet the demands of the local workforce.

A pillar of the Town's Strategic Plan to support a Thriving Economy is to increase workforce housing to appropriate levels. The Town is currently 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 2023, 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 2023, 2 parcels of land were transferred from the State of Colorado for the purpose of constructing deed restricted workforce housing. The parcel located at 619 Granite began construction in 2023, which is being developed in conjunction with CDOT (Colorado Department of Revenue). This project should be completed by fall 2024. Another parcel located at 602 Galena St. purchased from the Department of Labor, is planned to become a 54-unit workforce housing project to be completed in 2025; Summit County Government contributed \$1.5M towards this purchase. An additional 52-unit Low Income Housing Tax Credit (LIHTC) workforce housing project is planned for 101 W Main Street to begin construction in 2025. These three housing projects will add a total of 128 units to the Frisco housing inventory reserved for workforce.

Long-Term Financial Planning

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P.O. Box 4100 • Frisco, Colorado 80443

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 2023 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 6 months of expenses in the Insurance Reserve Fund. At this time, the Marina Fund has dipped below this reserve amount targeted by Town Council. However, a plan has been communicated to the Frisco Town Council to increase the reserves back to recommended levels within 5 years.

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 2023 Strategic Plan, which includes the following priorities:

Priority 1: Inclusive Community

Priority 2: Thriving Economy

Priority 3: Vibrant Culture, Arts & Recreation

Priority 4: Quality Core Services

The Town is looking forward to new opportunities and meeting the challenges of 2024, including:

TOWN of FRISCO

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- In 2024, the Town will break ground on a 54-unit project for local workforce located at 602 Galena Street. Another workforce housing project at 101 W Main Street is expected to break ground in 2025.
- In 2024, the Town will issue a request for proposals (RFP) for design of a fiber network in Town. This proposal process is expected to adopt a plan that will translate into future infrastructure investment that will support the Town's Thriving Economy goals within the 2023 Strategic Plan.
- In May 2021, the Town of Frisco released a 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. 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 finalize design for the Granite Street portion of the project in 2024 with construction to likely begin in 2026, depending on timing of appropriate grants identified for the project.

Acknowledgements

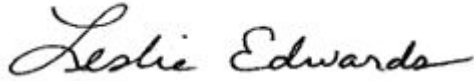
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Frisco for its ACFR for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Town believes the current report continues to conform to the Certificate of Achievement. The GFOA has also awarded the Town its Distinguished Budget Presentation Award for fiscal years 2008 through 2023 and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal years 2009 through 2022.

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.

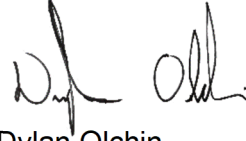
TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

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, 2022

Christopher P. Morill

Executive Director/CEO



ORGANIZATIONAL CHART

RESIDENTS OF FRISCO

TOWN COUNCIL

Prosecuting Attorney
Municipal Court Judge
Town Attorney

Boards & Commissions

Town Manager

Assistant Town Manager

FINANCE

Audit
Budget
Revenue
Payroll
Accounts Payable
Utility Billing
Procurement

TOWN ENGINEER AND PUBLIC WORKS

Streets
Buildings
Fleet
Grounds
Water
Capital Projects

POLICE

Administration
Municipal Court
Law Enforcement
Investigation

RECREATION AND EVENTS

Adventure Park (Nordic Center, Tubing, Ski & Ride, Amenities)
Marina
Youth/Adult Programs
Special Events

ADMINISTRATION

Town Clerk/
Executive Assistant
Deputy Town Clerk
Administrative Assistant/Front Desk Reception
Environmental Sustainability Programs and Initiatives
Sustainable Materials

COMMUNITY DEVELOPMENT

Planning
Zoning
Building
Housing
Short Term Rentals

HUMAN RESOURCES

Recruitment & Retention
Employee Benefits
Timekeeping
Performance Management
Recognition & Celebrations

MARKETING, COMMUNICATIONS AND CULTURE

Marketing
Public Information Officer
Historic Park & Museum
Information Center
Arts and Culture

**TOWN OF FRISCO, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2023**

Elected Officials

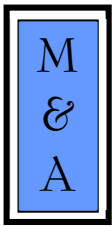
Mayor	Hunter Mortensen
Mayor Pro-tem	Rick Ihnken
Council Members	Andrew Aerenson
	Jessica Burley
	Andy Held
	Lisa Holenko
	Elizabeth J. Skrzypczak-Adrian

Administrative Officials

Town Manager	Tom Fisher
Assistant Town Manager	Diane McBride
Recreation Director	Linsey Joyce
Town Attorney	Thad Renaud
Town Clerk	Stacey Nell
Finance Director	Leslie Edwards
Police Chief	Tom Wickman
Public Works Director	Jeff Goble
Community Development Director	Katie Kent
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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P.O. Box 5850, AVON, CO 81620

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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, 2023, 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, 2023, 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

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

**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, the Local Highway Finance Report in Section F, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section 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, the Local Highway Finance Report in Section F, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section 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, the Local Highway Finance Report in Section F, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
June 19, 2024**

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, 2023. 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 2023 by \$109,096,999 (net position). Of this amount, \$35,320,551 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- General fund 2023 revenues increased by \$1.1 million or 5.5% as compared to 2022. Governmental funds tax revenues increased by 2.3% compared to 2022. Increases experienced are indicative of the inflation experienced in 2023, as well as a continued strong tourism economy in the Town of Frisco. Overall, in 2023, businesses in town generally experienced increases over prior year net taxable sales of: construction supplies (6.4%), grocery (1.5%), hotels & inns (8.7%), liquor & marijuana (15.1% decrease), restaurants (5.8%), retail (4.5%), utility (0.5% decrease), and vacation rental (23.8%)
- While revenues exceeded budget and expenditures were below budget in 2023, the Town decreased its Capital Improvement Fund balance due to one-time spending budgeted in 2023. The most significant capital project in 2023 was the \$3.9M to start construction of Slopeside Hall at the Frisco Adventure Park (FAP); the total budget for the project is \$10M and is expected to be completed in 2024. Additionally, the Town invested \$2.5M into the completion of the medians and roundabouts along Summit Boulevard, including landscaping. The final capital project in 2023 exceeding \$1M was an investment in the Marina Park, creating the Lighthouse Lawn at a cost of \$1.5M. (See the Transmittal Letter for more detail about both of these projects).
- As of the close of fiscal year 2023, the Town of Frisco's governmental funds reported a combined ending fund balance of \$35,574,987, a decrease of \$611,376 compared to fiscal year 2022. Note that the General Fund ending fund balance increased by \$712,472, ending the year with \$12,125,391 in unassigned fund balance, representing 73% 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

Proprietary funds are unlike government funds in that they report the business-type activities of the Town.

- *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.



- *Internal service funds* account for goods and services provided by specific programs on a fee basis to the Town's other departments and programs. The Town uses internal service funds to account for its self-funded insurance related costs.

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, 2023, the Town had total assets of \$127,416,019. As of December 31, 2022, the Town's net position was \$109,096,999.

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	45,300,724	43,483,178	6,617,422	5,723,178	51,918,146	49,206,356
Capital assets	58,613,534	46,303,768	16,884,339	17,212,039	75,497,873	63,515,807
Total Assets	103,914,258	89,786,946	23,501,761	22,935,217	127,416,019	112,722,163
Deferred Outflows of Resources:	772,271	428,337	-	-	772,271	428,337
Liabilities:						
Other liabilities	3,990,775	2,451,318	173,089	204,248	4,163,864	2,655,566
Long-term liabilities	9,331,477	2,758,454	5,224,880	5,315,416	14,556,357	8,073,870
Total Liabilities	13,322,252	5,209,772	5,397,969	5,519,664	18,720,221	10,729,436
Deferred Inflows of Resources:	371,070	664,054	-	-	371,070	664,054
Net Position:						
Net investment in capital assets	48,976,418	43,598,899	11,619,879	11,845,401	60,596,297	55,444,300
Restricted	13,180,151	8,515,384	-	-	13,180,151	8,515,384
Unrestricted	28,836,638	32,227,174	6,483,913	5,570,152	35,320,551	37,797,326
Total Net Position	\$90,993,207	\$84,341,457	18,103,792	17,415,553	\$109,096,999	\$101,757,010



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 2023, 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, 2023 amounts to \$60,596,297 net of related debt, up from \$55,444,300 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 2023 was \$5,151,997. This is primarily due to the construction in progress of Slopeside Hall, roundabouts & medians on Summit Boulevard, the Lighthouse Lawn at Marina Park, and investment in vehicles/equipment.

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 \$10,233,902 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 – D19).

The \$127,416,019 in total assets includes \$37,253,472 in equity in pooled cash and investments. This reflects the strong cash balances that the Town of Frisco has maintained during 2023.

At the end of 2023, 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 107% of total expenses in the statement of activities for governmental activities for 2023 and 112% 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		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program revenues:						
Charges for services	4,777,107	4,242,936	3,836,779	3,230,438	8,613,886	7,473,374
Operating grants and contributions	4,925,089	2,230,945	45,000	40,000	4,970,089	2,270,945
Capital grants and contributions	59,000	109,153	692,084	90,672	751,084	199,825
General revenues:						
Property taxes	216,913	222,012	-	-	216,913	222,012
Sales and use taxes	15,757,065	15,321,546	-	-	15,757,065	15,321,546
Real estate investment fee	1,977,492	1,957,428	-	-	1,977,492	1,957,428
Franchise taxes	414,279	429,380	-	-	414,279	429,380
Lodging taxes	965,621	809,962	-	-	965,621	809,962
Other taxes	2,508,317	1,593,828	-	-	2,508,317	1,593,828
Interest and other	2,020,762	103,054	527,740	506,680	2,548,502	609,734
Total Revenues	33,621,645	27,020,244	5,101,603	3,867,790	38,723,248	30,888,034
EXPENSES:						
Program Expenses						
General government	7,508,901	6,022,485	-	-	7,508,901	6,022,485
Public safety	2,411,020	1,735,781	-	-	2,411,020	1,735,781
Public works	2,261,520	2,140,602	-	-	2,261,520	2,140,602
Community development	7,591,283	8,229,009	-	-	7,591,283	8,229,009
Culture and recreation	5,723,728	4,736,900	-	-	5,723,728	4,736,900
Health and welfare	782,355	474,006	-	-	782,355	474,006
Housing	367,790	390,955	-	-	367,790	390,955
Interest	323,298	88,638	-	-	323,298	88,638
Marina	-	-	2,949,608	2,292,023	2,949,608	2,292,023
Water	-	-	1,463,755	1,424,265	1,463,755	1,424,265
Total Expenses	26,969,895	23,818,376	4,413,363	3,716,288	31,383,258	27,534,664
Change in Net Position	6,651,750	3,201,868	688,240	151,502	7,339,990	3,353,370
Net Position-Beginning	84,341,457	81,139,589	17,415,552	17,264,050	101,757,009	98,403,639
Net Position - Ending	\$90,993,207	\$84,341,457	\$18,103,792	\$17,415,552	\$109,096,999	\$101,757,009



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 \$35,574,987. Of that fund balance, \$12,125,391 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 \$10,271,973.

The General Fund is the chief operating fund of the Town of Frisco. At the end of the 2023, the General Fund balance was \$13,574,892 and 89% of the fund balance was unassigned. The General Fund balance increased in 2023 by \$712,472 or approximately 6%. This was largely due to investment income exceeding budget by \$623k, Frisco Adventure Park fees exceeding budget by \$443k, building permits exceeding budget by \$242k. 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 \$8,222,762. The decrease in fund balance during the current year was \$6,235,729. This decrease is related to the construction of Slopeside Hall and Roundabout/Median improvements along Summit Boulevard. Additionally, it should be noted that several budgeted projects were not completed in 2023 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 increased 1% over 2023). 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. Future projects are planned for in the 5-year Capital Improvement Program adopted by Town Council each year.

Special Revenue Funds - These funds have a total combined fund balance of \$13,777,333. 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 2023. These tax revenues amounted to \$3,443,268 in 2023, an increase of 37% or \$939k 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 inflation and a successful tax compliance program. Completion of housing projects is expected to ramp up in 2023 and beyond.

Other Special Revenue Funds balance increased by \$237,948 in 2023, due to increased collection in Lodging Tax. For lodging taxes, we saw an increase in compliance related to Staff efforts.



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 \$815,518 in 2023. Key elements of this increase are as follows:

- Water investment income exceeded original budgeted amounts by \$253,495
- Water fund capital outlay was under budget by \$3,067,859
- Marina user charges fell behind budget by \$25,610
- Marina salaries and benefits exceeded budget by \$368,600
- Marina capital outlay was over budget by \$48,599

Unrestricted net position for the Water Fund at the end of the current fiscal year was \$6,375,366 while the Marina Fund reported unrestricted net position of \$108,547.

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 \$1.2M primarily due to Frisco Adventure Park fees, investment income, and building permit fees exceeding budgeted amounts. The 2023 General Fund expenditure budget was increased by approximately \$391k. Approximately \$64k was related to the rollover of 2022 funds for Historic Park Lighting, Solarize Summit rebates, and Street Maintenance projects; an additional \$349k was appropriated for new expenditures – snow removal, short term rental compliance, new personnel positions (Town Engineer, Sustainable Materials Management Technician, and Human Resources Technician), and a transfer to the Marina Fund to subsize operations. Actual General Fund expenditures were under the amended budget by \$603k.

Key elements are as follows:

- The following sources of revenue exceeded original budget projections as follows: Town sales tax \$98,482; SCHA taxes \$436,960; investment income \$1,575,846; Real Estate Investment Fees (REIF) \$477,492; Frisco Adventure Park fees \$443,088; lodging tax \$165,621; and building permits \$242,151. County sales tax collected by the State of Colorado lagged behind budget by \$422,377.
- County sales tax collected by the State of Colorado lagged behind budget by \$422,377. Grants budgeted in the Housing Fund were short of budget by \$1,725,513 due to the timing of construction reimbursements; funding is expected to be received in 2024. Marina boat rentals fell short of budget by \$179,632.
- Likewise, overall expenditures were significantly under budget by \$22,834,239, the majority as a result of capital projects budgeted but not fully completed in 2023 (including Granite Park



workforce housing project, Slopeside Hall, Old Town Hall remodel, and Summit Boulevard sidewalks).

- All governmental activities were subsidized by tax revenue.

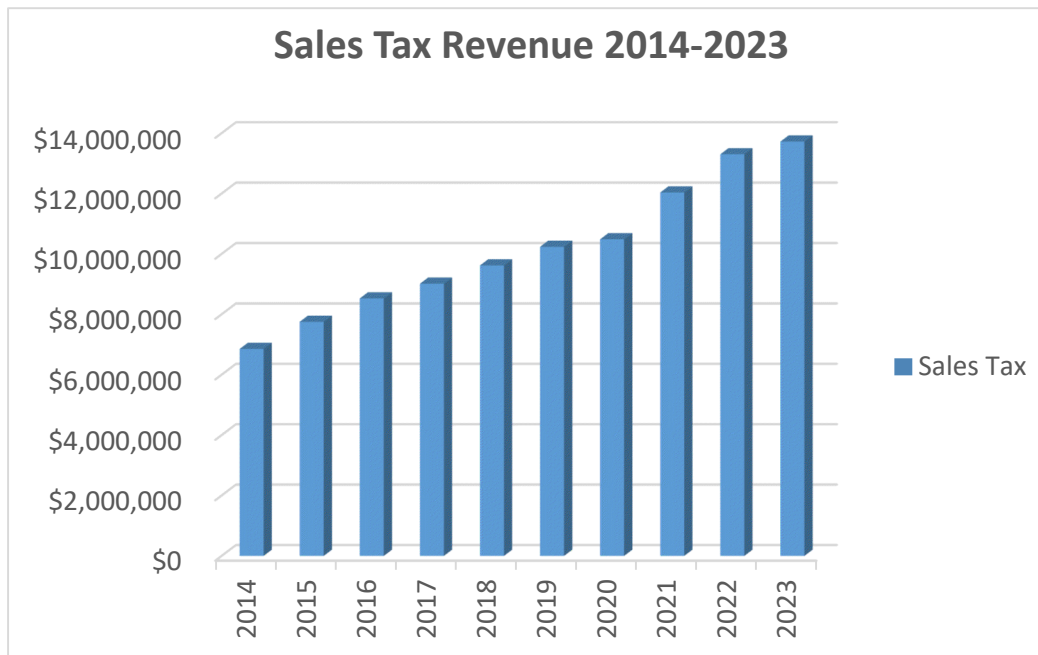
Economic Factors and Next Year's Budget

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 2024, revenue budgeted for the General Fund totals \$21,421,408, as compared to the 2023 budget of \$19,688,349. Revenue budgeted in 2024 for All Funds totals \$38,894,612, as compared to 2023 total budget of \$35,345,433.

► Budgeted expenditures for 2024 were based on projections of 2023 annual budget, with the exception of the Capital Fund. The budgeted expenditures for 2024 in the General Fund are \$19,996,530 (excluding transfers), and \$37,234,272 for all funds. In 2023, the budgeted expenditures were \$16,819,946 for the General Fund and \$58,728,485 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 2023, sales tax revenue accounted for approximately 66% 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 2024. 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, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	25,874,865	5,484,383	31,359,248
Cash and investments - Restricted	5,454,767	439,457	5,894,224
Receivables, net:			
Property taxes assessed	288,005	-	288,005
Other taxes	5,628,839	-	5,628,839
Intergovernmental	1,284,374	-	1,284,374
Employees	35,748	-	35,748
Other	355,816	344,817	700,633
Non-current	67,722	-	67,722
Internal balances	(236,160)	236,160	-
Notes receivable	4,500,000	-	4,500,000
Interest receivable	880,031	-	880,031
Inventories	1,095,070	112,605	1,207,675
Prepaid items	71,647	-	71,647
Capital assets - Not being depreciated	25,108,259	278,878	25,387,137
Capital assets - Net of accumulated depreciation	33,505,275	16,605,461	50,110,736
Total Assets	103,914,258	23,501,761	127,416,019
Deferred Outflows of Resources:			
Pension-related deferred outflows	772,271	-	772,271
Liabilities:			
Accounts payable	2,660,159	24,417	2,684,576
Interest payable	55,124	21,708	76,832
Unearned revenue	124,560	-	124,560
Deposits payable	248,507	1,404	249,911
Compensated absences:			
Due within one year	270,897	35,560	306,457
Due in more than one year	406,344	50,418	456,762
Debt payable:			
Due within one year	526,369	90,000	616,369
Due in more than one year	8,925,133	5,174,462	14,099,595
Net pension liability:			
Due in more than one year	105,159	-	105,159
Total Liabilities	13,322,252	5,397,969	18,720,221
Deferred Inflows of Resources:			
Property taxes	283,416	-	283,416
Pension-related deferred inflows	87,654	-	87,654
Total Deferred Inflows of Resources	371,070	-	371,070
Net Position:			
Net investment in capital assets	48,976,418	11,619,879	60,596,297
Restricted:			
TABOR emergency reserve	1,247,000	-	1,247,000
Affordable housing	10,271,973	-	10,271,973
Conservation Trust Fund	36,245	-	36,245
Economic development	1,623,856	-	1,623,856
Historic preservation	1,077	-	1,077
Unrestricted	28,836,638	6,483,913	35,320,551
Total Net Position	90,993,207	18,103,792	109,096,999

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

Town of Frisco, Colorado
Statement of Activities
For the Year Ended December 31, 2023

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Functions/Programs:							
Governmental activities:							
General government	7,508,901	569,480	278,848	-	(6,660,573)		(6,660,573)
Public safety	2,411,020	38,296	5,045	-	(2,367,679)		(2,367,679)
Community development	2,261,520	606,103	46,508	41,000	(1,567,909)		(1,567,909)
Public works	7,591,283	17,000	-	18,000	(7,556,283)		(7,556,283)
Culture and recreation	5,723,728	3,314,712	40,201	-	(2,368,815)		(2,368,815)
Health and welfare	782,355	-	-	-	(782,355)		(782,355)
Housing	367,790	231,516	4,554,487	-	4,418,213		4,418,213
Interest on long-term debt	323,298	-	-	-	(323,298)		(323,298)
Total - Governmental activities	<u>26,969,895</u>	<u>4,777,107</u>	<u>4,925,089</u>	<u>59,000</u>	<u>(17,208,699)</u>		<u>(17,208,699)</u>
Business-type activities:							
Water	1,463,755	1,461,089	-	662,084		659,418	659,418
Marina	2,949,608	2,375,690	45,000	30,000		(498,918)	(498,918)
Total - Business-type activities	<u>4,413,363</u>	<u>3,836,779</u>	<u>45,000</u>	<u>692,084</u>		<u>160,500</u>	<u>160,500</u>
Total	<u>31,383,258</u>	<u>8,613,886</u>	<u>4,970,089</u>	<u>751,084</u>	<u>(17,208,699)</u>	<u>160,500</u>	<u>(17,048,199)</u>
General revenues:							
Taxes:							
Sales and use taxes					15,757,065	-	15,757,065
Real estate investment fees					1,977,492	-	1,977,492
Franchise taxes					414,279	-	414,279
Lodging taxes					965,621	-	965,621
Property and specific ownership taxes					216,913	-	216,913
Miscellaneous taxes					2,508,317	-	2,508,317
Investment earnings					1,802,381	281,788	2,084,169
Gain on asset disposition					84,083	1,248	85,331
Miscellaneous					379,002	-	379,002
Transfers					(244,704)	244,704	-
Total - General revenues and transfers					<u>23,860,449</u>	<u>527,740</u>	<u>24,388,189</u>
Change in Net Position					6,651,750	688,240	7,339,990
Net Position - January 1					<u>84,341,457</u>	<u>17,415,552</u>	<u>101,757,009</u>
Net Position - December 31					<u>90,993,207</u>	<u>18,103,792</u>	<u>109,096,999</u>

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

FUND FINANCIAL STATEMENTS



Town of Frisco, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Housing Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents - Unrestricted	13,180,230	491,976	8,962,090	2,223,612	24,857,908
Cash and cash equivalents - Restricted	500	5,454,267	-	-	5,454,767
Receivables, net of allowance for uncollectible accounts:					
Property taxes	288,005	-	-	-	288,005
Other taxes	766,192	4,626,955	-	235,692	5,628,839
Intergovernmental	1,284,374	-	-	-	1,284,374
Employees	35,748	-	-	-	35,748
Other	337,537	5,380	792	-	343,709
Non-current	67,722	-	-	-	67,722
Assets held for resale	-	1,050,334	-	-	1,050,334
Internal balances	318,346	-	-	-	318,346
Inventory	41,742	-	-	2,994	44,736
Prepaid items	71,646	-	-	-	71,646
Total Assets	16,392,042	11,628,912	8,962,882	2,462,298	39,446,134
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	1,671,626	299,955	185,614	72	2,157,267
Accrued payroll and related liabilities	502,891	-	-	-	502,891
Internal balances	-	-	554,506	-	554,506
Unearned revenue	116,090	1,270	-	7,200	124,560
Deposits payable	243,127	5,380	-	-	248,507
Total Liabilities	2,533,734	306,605	740,120	7,272	3,587,731
Deferred Inflows of Resources:					
Property taxes	283,416	-	-	-	283,416
Fund Balances:					
Non-spendable	181,110	1,050,334	-	2,994	1,234,438
Restricted	1,247,000	10,271,973	-	2,438,851	13,957,824
Committed	-	-	8,222,762	13,181	8,235,943
Assigned	21,391	-	-	-	21,391
Unassigned	12,125,391	-	-	-	12,125,391
Total Fund Balances	13,574,892	11,322,307	8,222,762	2,455,026	35,574,987
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	16,392,042	11,628,912	8,962,882	2,462,298	39,446,134

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, 2023

Total Governmental Funds Balance		35,574,987
Amounts reported for governmental activities in the Statement of Net Positions are different because:		
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		1,029,064
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of capital assets	85,217,598	
Less: accumulated depreciation	<u>(26,604,064)</u>	58,613,534
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	880,031	
Pension related deferred outflows of resources	<u>772,271</u>	6,152,302
Long-term liabilities and deferred inflows of resources, including debt payable, interest payable, compensated absences and pension related deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds.		
Certificates of participation	(6,230,000)	
Premium on issuance of certificates of participation	(831,830)	
Capital finance obligations payable	(2,389,672)	
Interest payable	(55,124)	
Net pension liability	(105,159)	
Accrued compensated absences	(677,241)	
Pension-related deferred inflows of resources	<u>(87,654)</u>	<u>(10,376,680)</u>
Net Position of Governmental Activities		<u><u>90,993,207</u></u>

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

Town of Frisco, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	<u>General Fund</u>	<u>Housing Fund</u>	<u>Capital Improvement Fund</u>	<u>Non- major Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	14,749,945	2,036,960	1,977,492	1,668,983	20,433,380
Licenses, permits, and fees	1,155,459	1,520,169	-	7,200	2,682,828
Intergovernmental revenue	308,702	4,554,487	18,000	81,201	4,962,390
Charges for services	3,699,117	-	-	-	3,699,117
Investment income	632,817	357,850	519,468	102,621	1,612,756
Rental income	-	117,655	-	-	117,655
Miscellaneous	392,067	-	-	4,414	396,481
Total Revenues	<u>20,938,107</u>	<u>8,587,121</u>	<u>2,514,960</u>	<u>1,864,419</u>	<u>33,904,607</u>
Expenditures:					
Current:					
General government	4,618,664	175,267	-	11,877	4,805,808
Public safety	2,403,040	-	-	-	2,403,040
Community development	1,895,201	-	-	434,264	2,329,465
Public works	3,315,003	-	-	-	3,315,003
Culture and recreation	4,376,439	-	-	267,976	4,644,415
Health and welfare	-	-	-	782,354	782,354
Capital outlay	-	9,585,811	11,917,406	-	21,503,217
Cost of issuance	-	192,492	-	-	192,492
Debt service:					
Principal	-	120,000	315,197	-	435,197
Interest	-	189,618	104,753	-	294,371
Total Expenditures	<u>16,608,347</u>	<u>10,263,188</u>	<u>12,337,356</u>	<u>1,496,471</u>	<u>40,705,362</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,329,760	(1,676,067)	(9,822,396)	367,948	(6,800,755)
Other Financing Sources (Uses):					
Certificate of participation debt proceeds	-	6,350,000	-	-	6,350,000
Certificate of participation premium proceeds	-	831,830	-	-	831,830
Sale of assets	-	-	84,083	-	84,083
Interfund transfers (net)	(3,617,288)	-	3,502,584	(130,000)	(244,704)
Total Other Financing Sources (Uses)	<u>(3,617,288)</u>	<u>7,181,830</u>	<u>3,586,667</u>	<u>(130,000)</u>	<u>7,021,209</u>
Net Change in Fund Balances	712,472	5,505,763	(6,235,729)	237,948	220,454
Fund Balances - January 1	<u>12,862,420</u>	<u>5,816,544</u>	<u>14,458,491</u>	<u>2,217,078</u>	<u>35,354,533</u>
Fund Balances - December 31	<u>13,574,892</u>	<u>11,322,307</u>	<u>8,222,762</u>	<u>2,455,026</u>	<u>35,574,987</u>

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, 2023

Net Change in Fund Balance of Governmental Funds		220,454
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital outlay and depreciation:</p>		
Depreciation expense	(2,050,431)	
Capital outlay	<u>14,360,197</u>	12,309,766
<p>Internal service funds are used by management to charge the cost of health insurance to individual funds. This is the amount of internal service fund change in net position for the year.</p>		
		815,518
<p>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.</p>		
Debt proceeds	(6,350,000)	
Debt premium	(831,830)	
Principal repayments	<u>435,197</u>	(6,746,633)
<p>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.</p>		
Accrued interest income	<u>125,973</u>	125,973
<p>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.</p>		
Change in accrued compensated absences	(62,603)	
Change in accrued interest	(28,927)	
Pension revenue	<u>18,202</u>	(73,328)
Change in Net Position of Governmental Activities		<u><u>6,651,750</u></u>

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

Town of Frisco, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities			Governmental Activities - Internal Service Fund
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total	
Assets:				
Current assets:				
Cash and investments - Unrestricted	5,476,784	7,599	5,484,383	1,016,957
Cash and investments - Restricted	-	439,457	439,457	-
Accounts receivable	310,461	34,356	344,817	12,107
Inventories	85,882	26,723	112,605	-
Total - Current assets	5,873,127	508,135	6,381,262	1,029,064
Long-term assets:				
Internal balances	554,506	-	554,506	-
Land and other non-depreciable assets	110,542	168,336	278,878	-
Property, plant and equipment, net of accumulated depreciation	6,538,605	10,066,856	16,605,461	-
Total - Long-term assets	7,203,653	10,235,192	17,438,845	-
Total Assets	13,076,780	10,743,327	23,820,107	1,029,064
Liabilities:				
Current liabilities:				
Accounts payable	151	24,266	24,417	-
Interest payable	-	21,708	21,708	-
Internal balances	-	318,346	318,346	-
Reimbursable deposits	1,404	-	1,404	-
Current portion of compensated absences	20,285	15,275	35,560	-
Current portion of debt	-	90,000	90,000	-
Total - Current liabilities	21,840	469,595	491,435	-
Noncurrent liabilities:				
Compensated absences, net of current portion	30,427	19,991	50,418	-
Debt, net of current portion	-	5,174,462	5,174,462	-
Total - Noncurrent liabilities	30,427	5,194,453	5,224,880	-
Total Liabilities	52,267	5,664,048	5,716,315	-
Net Position				
Net investment in capital assets	6,649,147	4,970,732	11,619,879	-
Unrestricted	6,375,366	108,547	6,483,913	1,029,064
Total Net Position	13,024,513	5,079,279	18,103,792	1,029,064

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, 2023

	Business-type Activities			Governmental Activities - Internal Service Fund
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total	
Operating Revenues:				
Charges for services - User charges	1,427,712	2,375,690	3,803,402	151,698
Employer-paid premiums	-	-	-	1,898,054
Water meter sales	13,895	-	13,895	-
Intergovernmental - Operating grants	-	75,000	75,000	-
Other operating revenues	19,482	-	19,482	52,213
Total Operating Revenues	1,461,089	2,450,690	3,911,779	2,101,965
Operating Expenses:				
Salaries and benefits	548,141	1,397,235	1,945,376	-
Administrative fees	42,500	20,000	62,500	-
Professional fees	91,641	106,471	198,112	-
Supplies	33,280	89,280	122,560	-
Utilities	38,820	32,891	71,711	-
Repairs and maintenance	56,066	85,520	141,586	-
General expenses	231,416	372,274	603,690	1,350,099
Water meter replacements	42,513	-	42,513	-
Depreciation	379,378	583,320	962,698	-
Total Operating Expenses	1,463,755	2,686,991	4,150,746	1,350,099
Operating Income (Loss)	(2,666)	(236,301)	(238,967)	751,866
Non-Operating Revenue (Expenses):				
State and federal grants	31,569	-	31,569	-
Investment income	259,495	22,293	281,788	63,652
Gain (loss) on asset disposal	-	1,248	1,248	-
Transfers in (out), net	-	244,704	244,704	-
Interest expense	-	(262,217)	(262,217)	-
Agent fees	-	(400)	(400)	-
Total Non-Operating Revenues (Expenses)	291,064	5,628	296,692	63,652
Income Before Capital Contributions	288,398	(230,673)	57,725	815,518
Capital Contributions:				
Plant investment fees	630,515	-	630,515	-
Change in Net Position	918,913	(230,673)	688,240	815,518
Net Position - January 1	12,105,600	5,309,952	17,415,552	213,546
Net Position - December 31	13,024,513	5,079,279	18,103,792	1,029,064

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, 2023

	<u>Business-type Activities</u>			Governmental Activities - Internal Service Fund
	<u>Enterprise Fund - Water Fund</u>	<u>Enterprise Fund - Marina Fund</u>	<u>Total</u>	
Cash Flows From Operating Activities:				
Cash received from customers and others	1,489,869	2,430,948	3,920,817	2,089,859
Cash paid to suppliers for goods and services	(572,739)	(668,496)	(1,241,235)	(1,350,099)
Cash paid to employees for services	(549,298)	(1,391,395)	(1,940,693)	-
Cash paid to other funds for services provided	(42,500)	(20,000)	(62,500)	-
Net Cash Provided (Used) by Operating Activities	<u>325,332</u>	<u>351,057</u>	<u>676,389</u>	<u>739,760</u>
Cash Flows From Noncapital and Related Financing Activities:				
Grants awards	31,569	-	31,569	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>31,569</u>	<u>-</u>	<u>31,569</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Plant investment fees received	630,515	-	630,515	-
Interfund transfers (net)	-	335,799	335,799	-
Principal payment	-	(85,000)	(85,000)	-
Sale of capital assets	-	40,332	40,332	-
Interest expense	-	(264,750)	(264,750)	-
Agent fees	-	(400)	(400)	-
Acquisition of capital assets	(304,641)	(369,440)	(674,081)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>325,874</u>	<u>(343,459)</u>	<u>(17,585)</u>	<u>-</u>
Cash Flows From Investing Activities:				
Interest received	259,495	22,293	281,788	63,652
Principal received on loan receivable	70,560	-	70,560	-
Net Cash Provided (Used) by Investing Activities	<u>330,055</u>	<u>22,293</u>	<u>352,348</u>	<u>63,652</u>
Net Change in Cash and Investments	1,012,830	29,891	1,042,721	803,412
Cash and Investments - January 1	<u>4,463,954</u>	<u>417,165</u>	<u>4,881,119</u>	<u>213,545</u>
Cash and Investments - December 31	<u>5,476,784</u>	<u>447,056</u>	<u>5,923,840</u>	<u>1,016,957</u>
Cash and Investments				
Cash and investments - Unrestricted	5,476,784	7,599	5,484,383	1,016,957
Cash and investments - Restricted	-	439,457	439,457	-
Total Cash and Investments	<u>5,476,784</u>	<u>447,056</u>	<u>5,923,840</u>	<u>1,016,957</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(2,666)	(236,301)	(238,967)	751,866
Adjustments:				
Depreciation expense	379,378	583,320	962,698	-
(Increase) decrease in accounts receivable	27,376	(19,742)	7,634	(12,106)
Increase (decrease) in accounts payable	(41,609)	1,358	(40,251)	-
(Increase) decrease in inventory	(37,394)	16,582	(20,812)	-
Increase (decrease) in refundable deposits	1,404	-	1,404	-
Increase (decrease) in accrued benefits	(1,157)	5,840	4,683	-
Total Adjustments	<u>327,998</u>	<u>587,358</u>	<u>915,356</u>	<u>(12,106)</u>
Net Cash Provided (Used) by Operating Activities	<u>325,332</u>	<u>351,057</u>	<u>676,389</u>	<u>739,760</u>

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023

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 are two blended component units reported in the Town's financial statements: Town of Frisco Finance Authority (the "Authority") and Frisco Community Housing Development Authority ("FCHDA"). The Authority has been blended into the Capital Improvement Fund, and FCHDA has been blended into the Housing Fund.

Town of Frisco Finance 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, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Frisco Community Housing Development Authority

On June 27, 2023, the Town established FCHDA for the purposes of developing and financing safe and sanitary dwelling accommodations with the Town. FCHDA's seven-member Board of Commissioners is comprised of the members of the Town Council, with the Mayor as Chairperson and the Mayor Pro Tem as Vice Chairperson. In the event that both the Mayor and the Mayor Pro Tem are absent or incapacitated at the same time, the Town Manager or Assistant Town Manager may lawfully execute documents on behalf of FCHDA.

FCHDA did not have any financial activity in 2023.

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

The *Housing 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.

The Town also reports an *Internal Service Fund* – the Health Insurance Reserve Fund – to account for the Town's self-insured health insurance plan activity. Prior to 2023, the Town utilized the Health Insurance Reserve Fund to account for funds set aside to cover substantial insurance claims and unforeseen increases in the cost of providing insurance. Effective in 2023, the Health Insurance Reserve Fund is utilized to provide single-fund reporting of the Town's health insurance program.

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Current Financial Focus and Modified Accrual Basis (continued)

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.

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents, and Investments (continued)

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

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Capital Assets (continued)

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.

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

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.

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.

8. Fund Equity

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

9. Interfund Transactions

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(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 2023.

- (1) For the 2023 budget year, prior to August 25, 2022, 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, 2023
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (2) Prior to the end of the 2022 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
- (3) Prior to December 15, 2022, 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 2022 were collected in 2023, and taxes certified in 2023 will be collected in 2024. 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 \$1,247,000 of the December 31, 2023 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, 2023
(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, 2023, the carrying value of the Town's deposits was \$4,239,904. The bank balance of these accounts was \$3,575,223.

At the end of 2023, the Town held deposits and investments with the following maturities:

	Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 5,100	5,100	-
Checking	Not Rated	1,114,681	1,114,681	-
Savings and money market	Not Rated	3,125,223	3,125,223	-
Certificates of deposit*	Not Rated	1,520,168	546,849	973,319
Investments:				
United States instrumentality	AA+ ¹ /AAA ³	5,158,664	-	5,158,664
Certificates of deposit**	Not Rated	2,862,304	-	2,862,304
Investment pools	AAAm ¹ /AAAF ²	23,467,332	23,467,332	-
Total		\$ 37,253,472	28,259,185	8,994,287

*Non-negotiable

**Negotiable

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(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	\$ 31,359,248
Cash and investments - Restricted	5,894,224
Total	\$ 37,253,472

At December 31, 2023, the Marina Fund reported \$439,457 and the Housing Fund reported \$5,454,767 for 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, 2023, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value:</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. agencies	\$ 5,158,664	-	5,158,664	-
Negotiable certificates of deposit	2,862,304	-	2,862,304	-
Total	\$ 8,020,968	-	8,020,968	-
<u>Investments Measured at Amortized Cost:</u>				
CSIP (Local government investment pool)	\$ 4,936,888			
<u>Investments Measured at Net Asset Value:</u>				
COLOTRUST	\$ 16,662,544			
C-SAFE	1,867,900			
Total	\$ 18,530,444			

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(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 U.S. 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, 2023
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Receivables

Receivables as of December 31, 2023 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Housing Fund	Capital Improvement Fund	Lodging Tax Fund
Property taxes	\$ 288,005	-	-	-
Other taxes	766,192	4,626,955	-	119,753
Intergovernmental	1,284,374	-	-	-
Employees	35,748	-	-	-
Other	337,537	5,380	792	-
Non-current	67,722	-	-	-
Gross Receivables	<u>2,779,578</u>	<u>4,632,335</u>	<u>792</u>	<u>119,753</u>
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	<u>\$ 2,779,578</u>	<u>4,632,335</u>	<u>792</u>	<u>119,753</u>

	Nicotine Tax Fund	Water Fund	Marina Fund	Insurance Reserve	Total
Property taxes	-	-	-	-	288,005
Other taxes	\$ 115,939	-	-	-	5,628,839
Intergovernmental	-	-	-	-	1,284,374
Employees	-	-	-	-	35,748
Other	-	310,461	34,356	12,107	700,633
Non-current	-	-	-	-	67,722
Gross Receivables	<u>115,939</u>	<u>310,461</u>	<u>34,356</u>	<u>12,107</u>	<u>8,005,321</u>
Less: Allowance for uncollectibles	-	-	-	-	-
Net Receivables	<u>\$ 115,939</u>	<u>310,461</u>	<u>34,356</u>	<u>12,107</u>	<u>8,005,321</u>

C. Governmental Note Receivable

On June 3, 2013, the Town accepted a \$4,500,000 Promissory Note from Brynn Grey X, LLC ("Brynn Grey") as proceeds for the sale of land. The Promissory Note, which is secured by a Deed of Trust on the land, matures in June 2033, and bears simple interest at 2.25% per annum. However, if Brynn Grey completes construction of certain buildings on the land securing the promissory note before June 3, 2018, the Promissory Note is to bear simple interest at 1.75% per annum. The agreement was amended July 28, 2017 to modify the construction completion requirement to include covenanted work force housing. Brynn Grey has since satisfied the construction requirements, so the Promissory Note bears simple interest at 1.75% per annum. As of December 31, 2023, the Town has accrued interest of \$880,031 receivable with respect to the Promissory Note.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(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. Annual blended payments are due beginning June 3, 2024 as follows:

2024	\$ 200,000
2025	200,000
2026	200,000
2027	200,000
2028	200,000
2029 - 2033	<u>5,352,354</u>
Total	<u><u>\$ 6,352,354</u></u>

D. Capital Assets

Governmental capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 9,549,191	-	-	9,549,191
Intangibles	381,528	-	-	381,528
Construction in progress	3,907,679	11,269,861	-	15,177,540
Total Capital Assets Not Being Depreciated	<u>13,838,398</u>	<u>11,269,861</u>	<u>-</u>	<u>25,108,259</u>
Capital Assets Being Depreciated:				
Buildings and improvements	17,215,084	516,611	-	17,731,695
Infrastructure and improvements	32,408,865	1,154,309	-	33,563,174
Equipment and vehicles	7,916,088	1,419,416	(521,034)	8,814,470
Total Capital Assets Being Depreciated	<u>57,540,037</u>	<u>3,090,336</u>	<u>(521,034)</u>	<u>60,109,339</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(5,211,737)	(437,079)	-	(5,648,816)
Infrastructure and improvements	(14,403,299)	(869,756)	-	(15,273,055)
Equipment and vehicles	(5,459,631)	(743,596)	521,034	(5,682,193)
Total Accumulated Depreciation	<u>(25,074,667)</u>	<u>(2,050,431)</u>	<u>521,034</u>	<u>(26,604,064)</u>
Total Capital Assets Being Depreciated, Net	<u>32,465,370</u>	<u>1,039,905</u>	<u>-</u>	<u>33,505,275</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 46,303,768</u></u>	<u><u>12,309,766</u></u>	<u><u>-</u></u>	<u><u>58,613,534</u></u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Business-type capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Business-type Activities:</i>				
Capital Assets Not Being Depreciated:				
Land, easements and water rights	\$ 102,562	-	-	102,562
Projects in progress	3,355,706	176,316	(3,355,706)	176,316
Total Capital Assets Not Being Depreciated	<u>3,458,268</u>	<u>176,316</u>	<u>(3,355,706)</u>	<u>278,878</u>
Capital Assets Being Depreciated:				
Buildings and improvements	6,684,471	1,170,115	-	7,854,586
Infrastructure and improvements	16,857,728	2,287,016	-	19,144,744
Equipment and vehicles	2,191,696	356,149	(128,523)	2,419,322
Total Capital Assets Being Depreciated	<u>25,733,895</u>	<u>3,813,280</u>	<u>(128,523)</u>	<u>29,418,652</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(4,578,378)	(215,555)	-	(4,793,933)
Infrastructure and improvements	(5,666,025)	(527,701)	1,107	(6,192,619)
Equipment and vehicles	(1,735,721)	(219,442)	128,524	(1,826,639)
Total Accumulated Depreciation	<u>(11,980,124)</u>	<u>(962,698)</u>	<u>129,631</u>	<u>(12,813,191)</u>
Total Capital Assets Being Depreciated, Net	<u>13,753,771</u>	<u>2,850,582</u>	<u>1,108</u>	<u>16,605,461</u>
Business-type Activities Capital Assets, Net	<u>\$ 17,212,039</u>	<u>3,026,898</u>	<u>(3,354,598)</u>	<u>16,884,339</u>

Depreciation expense for 2023 was charged to Town functions as follows:

Governmental Activities:

General government	\$ 523,236
Public safety	122,450
Public works	818,841
Community development	11,470
Culture and recreation	574,434
Total Depreciation Expense - Governmental Activities	<u>\$ 2,050,431</u>

Business-type Activities:

Water Fund	\$ 379,378
Marina Fund	583,320
Total Depreciation Expense - Business-type Activities	<u>\$ 962,698</u>

At December 31, 2023, the Town had \$11,198,070 of fully-depreciated assets.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(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, 2023 were as follows:

<u>Receivable By</u>	<u>Payable By</u>	<u>Balance</u> <u>Dec. 31/23</u>
Water Fund	Capital Improvement Fund	\$ 554,506

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, 2023, the principal amount outstanding on this loan was \$554,506. Interest and principal payments made by the Capital Improvement Fund to the Water Fund during 2023 totaled \$24,440 and \$70,560, respectively, representing an interest rate of 3.91% per annum for the year.

2. Transfers

The following interfund transfers occurred during the year ended December 31, 2023:

<u>Transferred To</u>	<u>Amount</u> <u>Transferred</u>	<u>Transferred From</u>
Capital Improvement Fund	\$ 3,372,584	General Fund
Marina Fund	\$ 244,704	General Fund
Capital Improvement Fund	\$ 130,000	Conservation Trust Fund

The 2023 transfer to the Capital Improvement Fund from the General Fund moves funds exceeding the Town's minimum General 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 General Fund during 2023 provided additional funding for capital improvements made to marina facilities during the year.

The 2023 transfer to the Capital Improvement Fund from the Conservation Trust Fund represented additional funding for improvements to the peninsula recreation area.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(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. Certificates of Participation, Series 2023

On April 12, 2023, the Town issued Certificate of Participation, Series 2023, in the principal amount of \$6,350,000 with UMB Bank, N.A., for the construction of affordable housing units. The Series 2023 Certificates of Participation are payable semi-annually on May 21 and November 20 of each year beginning November 20, 2023 through maturity on November 20, 2042, and bear an interest rate of 5% per annum.

3. Annual Debt Service Requirements – Governmental Activities

Aggregate annual debt service requirements to maturity for governmental activities at December 31, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 526,369	382,849	909,218
2025	542,156	363,148	905,304
2026	557,562	342,755	900,317
2027	570,993	321,677	892,670
2028	589,052	299,966	889,018
2029 - 2033	2,173,540	1,174,041	3,347,581
2034 - 2038	1,835,000	740,750	
2039 - 2042	1,825,000	233,500	
Total	<u>\$ 8,619,672</u>	<u>3,858,686</u>	<u>7,844,108</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities (continued)

Business-type Activities:

4. Marina Revenue Bonds

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

Annual debt service requirements to maturity for business-type activities at December 31, 2023 are as follows:

	Principal	Interest	Total
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	120,000	240,250	360,250
2029 - 2033	720,000	1,103,750	1,823,750
2034 - 2038	970,000	899,750	1,869,750
2039 - 2043	1,290,000	627,000	1,917,000
2044 - 2048	1,705,000	265,250	1,970,250
Total	\$ 5,210,000	4,149,250	9,359,250

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, 2023 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, 2023
(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, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
<i>Certificates of Participation:</i>					
Series 2023	\$ -	6,350,000	(120,000)	6,230,000	205,000
Issuance premium	-	831,830	-	831,830	-
Certificates of Participation, net	-	7,181,830	(120,000)	7,061,830	205,000
<i>Equipment notes:</i>					
First & Main, L.L.C.	705,069	-	(71,797)	633,272	74,669
Vectra Bank Colorado	1,999,800	-	(243,400)	1,756,400	246,700
Equipment notes, net	2,704,869	-	(315,197)	2,389,672	321,369
Net pension liability (asset)	(591,436)	696,595	-	105,159	-
Compensated absences	614,637	62,604	-	677,241	270,897
Total Governmental Activities Long-term Liabilities	\$ 2,728,070	7,941,029	(435,197)	10,233,902	797,266
Business-type Activities:					
Revenue bonds	\$ 5,295,000	-	(85,000)	5,210,000	90,000
Issuance premium	56,640	-	(2,178)	54,462	-
Revenue bonds, net	5,351,640	-	(87,178)	5,264,462	90,000
Compensated absences	81,295	4,683	-	85,978	35,560
Total Business-type Activities Long-term Liabilities	\$ 5,432,935	4,683	(87,178)	5,350,440	125,560

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, 2023
(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 2023, employees and employers are contributing at a rate of 12.5% and 9.5%, respectively, of base salary for a total contribution rate of 22%.

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 6.0% and 4.5%, respectively, of pensionable earnings for a total contribution rate of 10.5% in 2022. 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, 2023
(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 / Liability: At December 31, 2023, the SWDB Plan's total pension liability exceeds the Plan's fiduciary net position; consequently, the Town reported a liability of \$105,159 for its proportionate share of the SWDB Plan's net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability was based on Town contributions to the SWDB Plan for calendar year 2022, relative to the total contributions of participating employers to the SWDB Plan.

At the December 31, 2022 measurement, the Town's proportionate share was 0.118476%, as compared to 0.109134% at the December 31, 2021 measurement.

For the year ended December 31, 2023, the Town recognized pension revenue of \$18,202.

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 227,636	12,908
Change of assumptions or other inputs	134,725	-
Net difference between projected and actual earnings on pension plan investments	237,975	-
Changes in proportionate share of contributions	65,547	70,879
Difference between actual and reported contributions recognized	239	3,867
Contributions subsequent to measurement date	106,149	-
	<u>\$ 772,271</u>	<u>87,654</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(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, 2022 – 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be annually recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amortization</u>
2024	\$ 59,821
2025	103,256
2026	142,911
2027	198,568
2028	39,399
Thereafter	34,513
	<u>\$ 578,468</u>

Actuarial assumptions: The collective total pension liability and actuarially-determined contributions in the December 31, 2022 actuarial valuation were determined using the following actuarial assumptions and other inputs:

<u>Actuarial Assumptions</u>	<u>Total Pension Liability</u>	<u>Actuarially Determined Contribution</u>
Actuarial Valuation Date - January 1	2023	2022
Actuarial method	Entry Age	Entry Age
	Normal	Normal
Amortization Method	N/A	Level % of Payroll, open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes inflation at	2.5%	2.5%

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2023
(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 2022 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, 2023. 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Global equity	35.00%	8.93%
Equity long/short	6.00%	7.47%
Private markets	34.00%	10.31%
Fixed income-rates	10.00%	5.45%
Fixed income-credit	5.00%	6.90%
Absolute return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

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

Discount rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the 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, 2023
(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 4.05% (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)	\$ 724,961	\$ 105,159	\$ (408,236)

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, 2023
(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, 2023
(Continued)

IV. Detailed Notes on all Funds (continued)

J. Fund Balance Disclosures (continued)

As of December 31, 2023, fund balances are composed of the following:

<u>Classification</u>	<u>General Fund</u>	<u>Housing Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Non-spendable:					
Inventories	\$ 41,742	1,050,334	-	2,994	1,095,070
Prepays	71,646	-	-	-	71,646
Long-term receivables	67,722	-	-	-	67,722
Restricted:					
State constitution:					
TABOR reserve	1,247,000	-	-	-	1,247,000
Conservation Trust	-	-	-	36,245	36,245
Historic preservation	-	-	-	1,077	1,077
Voter-approved measures for:					
Affordable housing	-	10,271,973	-	-	10,271,973
Economic development	-	-	-	1,623,856	1,623,856
Nicotine tax - Public health	-	-	-	777,673	777,673
Committed:					
Council resolutions:					
Open space	-	-	-	13,181	13,181
Capital projects	-	-	8,222,762	-	8,222,762
Assigned:					
Due from other governments	9,627	-	-	-	9,627
Cash held for others	11,764	-	-	-	11,764
Unassigned	12,125,391	-	-	-	12,125,391
Total	<u>\$ 13,574,892</u>	<u>11,322,307</u>	<u>8,222,762</u>	<u>2,455,026</u>	<u>35,574,987</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 \$82,897 in connection with the Lease during 2023. 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, 2023
(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, 2023
(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 \$259,999 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 2023, the Town used \$0 of forfeitures to fund contributions. There are no forfeitures available for spending at December 31, 2023.

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 \$32,078 on behalf of members to the SWDD Plan during 2023.

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, 2023
(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 \$53,522 to RHSA for 2023.

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, 2023
(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, 2023. The deductible amount paid by the Town for each incident in 2023 was \$1,000; there is no change in coverage from past years. All settlements for the year ended December 31, 2023 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, 2023 (the latest year for which audited data is available) is as follows:

<u>Property and Casualty Pool</u>	<u>Equity Ratio</u>	<u>Share of Surplus (Deficit) Dec 31/2023</u>
Operating Fund	0.460%	\$ 101,718
Loss Fund	0.800%	17,827
Pooled Excess Fund	0.441%	(98,291)
Reserve Fund	0.643%	57,707

CIRSA's combined financial information for the year ended December 31, 2023 (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	\$ 89,418,033
Other assets	5,430,422
Total assets	<u>\$ 94,848,455</u>
 Total liabilities	 <u>\$ 60,691,640</u>
 Net position	 <u>\$ 34,156,815</u>
 Total contributions and other revenues	 \$ 44,242,681
Total expenses and distributions	(53,505,623)
Change in net position	<u>\$ (9,262,942)</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, 2023
(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 offers health insurance to certain employees through the City's self-funded health plan, with excess coverage underwritten by a commercial carrier. The Town's stop loss insurance provides coverage up to \$60,000 per employee and \$1,000,000 in the aggregate. 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 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Unpaid (prepaid) claims, beginning of year	\$ 64,700	119,700
New claims incurred	(846,600)	673,200
Claim payments	<u>895,400</u>	<u>(728,200)</u>
Unpaid (prepaid) claims, end of year	<u>\$ 113,500</u>	<u>64,700</u>

H. Claims and Contingencies

1. Legal Claims

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town's management, such claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2023.

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, 2023.

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, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			<u>Final Budget</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
General property	205,574	205,574	206,610	1,036	211,924
Specific ownership	10,000	10,000	10,303	303	10,088
City sales tax	6,557,000	6,557,000	6,655,482	98,482	6,280,486
County sales tax	7,487,000	7,487,000	7,064,623	(422,377)	7,019,467
Franchise fees	370,000	370,000	414,279	44,279	429,380
Other taxes	470,500	470,500	398,648	(71,852)	466,306
Total - Taxes	<u>15,100,074</u>	<u>15,100,074</u>	<u>14,749,945</u>	<u>(350,129)</u>	<u>14,417,651</u>
License and Permits:					
Business and liquor licenses	156,000	156,000	290,450	134,450	190,475
Development	103,500	103,500	174,053	70,553	113,996
Building	200,000	200,000	442,151	242,151	365,722
Short term rental licenses	190,000	190,000	241,500	51,500	231,000
Other	5,400	5,400	7,305	1,905	3,735
Total - License and Permits	<u>654,900</u>	<u>654,900</u>	<u>1,155,459</u>	<u>500,559</u>	<u>904,928</u>
Intergovernmental:					
Highway users	100,000	100,000	117,119	17,119	117,765
County road and bridge	100,000	100,000	107,378	7,378	108,004
Grants	18,000	18,000	29,853	11,853	404,883
Motor vehicle registration	40,000	40,000	43,236	3,236	57,519
Other	2,000	2,000	11,116	9,116	5,659
Total - Intergovernmental	<u>260,000</u>	<u>260,000</u>	<u>308,702</u>	<u>48,702</u>	<u>693,830</u>
Charges for Services:					
Nordic Center	584,500	584,500	710,222	125,722	690,125
Historic Park	13,100	13,100	17,997	4,897	18,034
Special events	416,400	416,400	41,439	(374,961)	393,846
Recreation fees	417,100	417,100	424,384	7,284	382,863
Frisco Adventure Park fees	1,746,000	1,746,000	2,189,088	443,088	1,710,241
Building rents	205,000	205,000	205,191	191	198,494
Police services and fines	26,000	26,000	48,296	22,296	27,666
Administration fees	62,500	62,500	62,500	-	62,500
Total - Charges for Services	<u>3,470,600</u>	<u>3,470,600</u>	<u>3,699,117</u>	<u>228,517</u>	<u>3,483,769</u>
Investment Income	<u>10,000</u>	<u>10,000</u>	<u>632,817</u>	<u>622,817</u>	<u>88,918</u>
Other Revenues:					
Disposable bag fee	120,000	120,000	101,858	(18,142)	161,332
Other	72,775	72,775	290,209	217,434	95,382
Total - Other Revenues	<u>192,775</u>	<u>192,775</u>	<u>392,067</u>	<u>199,292</u>	<u>256,714</u>
Total Revenues	<u>19,688,349</u>	<u>19,688,349</u>	<u>20,938,107</u>	<u>1,249,758</u>	<u>19,845,810</u>

(Continued)

Town of Frisco, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)
(Continued)

	<u>2023</u>			<u>Final Budget</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures:					
General Government:					
Interdepartmental services	1,919,862	1,919,862	1,775,307	144,555	3,310,520
Legislative	82,185	82,185	77,091	5,094	87,302
Finance	771,751	771,751	832,507	(60,756)	457,192
Municipal court	33,227	33,227	20,362	12,865	30,177
Administrative	742,196	742,196	897,492	(155,296)	1,165,493
Discretionary funds	167,050	167,050	200,014	(32,964)	260,411
Human resources	576,187	620,187	528,761	91,426	-
Sustainability	410,651	481,651	287,130	194,521	-
Total - General Government	<u>4,703,109</u>	<u>4,818,109</u>	<u>4,618,664</u>	<u>199,445</u>	<u>5,311,095</u>
Public Safety:					
Police and animal control	2,311,891	2,311,891	2,403,040	(91,149)	1,784,538
Community Development:					
Planning and building department	844,676	899,676	1,006,593	(106,917)	799,553
Marketing and communications	745,404	745,404	768,422	(23,018)	693,036
Community relations	295,128	295,155	120,186	174,969	204,457
Total - Community Development	<u>1,885,208</u>	<u>1,940,235</u>	<u>1,895,201</u>	<u>45,034</u>	<u>1,697,046</u>
Public Works:					
Streets/properties - Maintenance/improvements	3,322,297	3,559,162	3,315,003	244,159	2,312,938
Culture and Recreation:					
Historic Park	468,651	475,151	457,422	17,729	316,909
Special events	798,040	798,013	371,235	426,778	552,792
Recreation	726,804	726,804	776,132	(49,328)	580,928
Frisco Adventure Park	1,797,941	1,797,845	1,950,007	(152,162)	1,280,425
Nordic Center	806,005	784,047	821,643	(37,596)	617,399
Total - Culture and Recreation	<u>4,597,441</u>	<u>4,581,860</u>	<u>4,376,439</u>	<u>205,421</u>	<u>3,348,453</u>
Total Expenditures	<u>16,819,946</u>	<u>17,211,257</u>	<u>16,608,347</u>	<u>602,910</u>	<u>14,454,070</u>
Excess (Deficiency) of Revenues over Expenditures	2,868,403	2,477,092	4,329,760	1,852,668	5,391,740
Other Financing Sources (Uses):					
Transfers (out)	(5,059,922)	(5,304,626)	(3,617,288)	1,687,338	(928,193)
Total Other Financing Sources (Uses)	<u>(5,059,922)</u>	<u>(5,304,626)</u>	<u>(3,617,288)</u>	<u>1,687,338</u>	<u>(928,193)</u>
Net Change in Fund Balance	(2,191,519)	(2,827,534)	712,472	3,540,006	4,463,547
Fund Balance - January 1	<u>10,938,420</u>	<u>10,938,420</u>	<u>12,862,420</u>	<u>1,924,000</u>	<u>8,398,873</u>
Fund Balance - December 31	<u>8,746,901</u>	<u>8,110,886</u>	<u>13,574,892</u>	<u>5,464,006</u>	<u>12,862,420</u>

Town of Frisco, Colorado
Housing Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			<u>Final Budget</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
SCHA sales tax	1,600,000	1,600,000	2,036,960	436,960	2,021,593
Short term rental tax	1,200,000	1,200,000	1,406,308	206,308	483,131
Developer impact fees	70,000	70,000	113,861	43,861	53,693
Investment income	7,500	7,500	357,850	350,350	25,809
State/federal grants	5,030,000	6,280,000	4,554,487	(1,725,513)	-
Rental income	72,020	72,020	117,655	45,635	51,960
Total Revenues	<u>7,979,520</u>	<u>9,229,520</u>	<u>8,587,121</u>	<u>(642,399)</u>	<u>2,636,186</u>
Expenditures:					
General government	266,449	241,449	175,267	66,182	175,973
Capital outlay	12,717,500	17,627,500	9,585,811	8,041,689	6,187,546
Cost of issuance	-	115,000	192,492	(77,492)	-
Debt service:					
Principal	-	-	120,000	(120,000)	-
Interest	-	-	189,618	(189,618)	-
Total Expenditures	<u>12,983,949</u>	<u>17,983,949</u>	<u>10,263,188</u>	<u>7,720,761</u>	<u>6,363,519</u>
Excess (Deficiency) of Revenues over Expenditures	(5,004,429)	(8,754,429)	(1,676,067)	7,078,362	(3,727,333)
Other Financing Sources (Uses):					
Certificate of participation debt proceeds	-	7,200,000	6,350,000	(850,000)	-
Certificate of participation premium proceeds	-	-	831,830	831,830	-
Partnership contributions	-	-	-	-	1,500,000
Transfers (out)	(13,421)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(13,421)</u>	<u>7,200,000</u>	<u>7,181,830</u>	<u>(18,170)</u>	<u>1,500,000</u>
Net Change in Fund Balance	(5,017,850)	(1,554,429)	5,505,763	7,060,192	(2,227,333)
Fund Balance - January 1	<u>5,036,512</u>	<u>5,036,512</u>	<u>5,816,544</u>	<u>780,032</u>	<u>8,043,877</u>
Fund Balance - December 31	<u>18,662</u>	<u>3,482,083</u>	<u>11,322,307</u>	<u>7,840,224</u>	<u>5,816,544</u>

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

	Measurement period ending December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's portion of the net pension (asset) liability	0.118476%	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	105,159	(591,436)	(206,217)	(58,957)	129,084	(185,598)	53,226	(2,375)	(154,808)	(157,737)
Town's covered payroll	1,033,156	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	-10.2%	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%	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%	0.00%

The accompanying notes to RSI are an integral part of these statements.

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	106,149	92,984	71,197	61,366	59,472	54,535	60,505	60,519	52,741	49,447
Actual contributions	(106,149)	(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>	<u>-</u>
Town's covered payroll	1,117,358	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	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

The accompanying notes to RSI are an integral part of these statements.

Town of Frisco, Colorado
Notes to the Required Supplementary Information
December 31, 2023

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, 2023
(Continued)

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

B. Changes of Benefit Terms

No changes during the years presented.

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

No changes during the years presented.

IV. Notes to the Schedule of Town Contributions

A. Changes to Assumptions or Other Inputs

No changes during the years presented.

B. Changes of Benefit Terms

No changes during the years presented.

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

No changes during the years presented.

SUPPLEMENTARY INFORMATION



Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes - Real estate investment fees	1,500,000	1,500,000	1,977,492	477,492	1,957,428
Intergovernmental - grants	50,000	50,000	18,000	(32,000)	79,153
Investment income	6,000	6,000	519,468	513,468	93,994
Miscellaneous	-	-	-	-	5,000
Total Revenues	<u>1,556,000</u>	<u>1,556,000</u>	<u>2,514,960</u>	<u>958,960</u>	<u>2,135,575</u>
Expenditures:					
Capital outlay	19,211,000	22,839,769	11,917,406	10,922,363	5,416,420
Debt service:					
Principal	410,197	410,197	385,757	24,440	406,054
Interest	80,598	80,598	104,753	(24,155)	91,836
Total Expenditures	<u>19,701,795</u>	<u>23,330,564</u>	<u>12,407,916</u>	<u>10,922,648</u>	<u>5,914,310</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,145,795)	(21,774,564)	(9,892,956)	11,881,608	(3,778,735)
Other Financing Sources (Uses):					
Sale of assets	10,000	10,000	84,083	74,083	3,925
Transfers (out)	-	-	-	-	(466,257)
Transfers in	4,317,584	4,317,584	3,502,584	(815,000)	928,193
Total Other Financing Sources (Uses)	<u>4,327,584</u>	<u>4,327,584</u>	<u>3,586,667</u>	<u>(740,917)</u>	<u>465,861</u>
Change in Fund Balance - Budget Basis	<u>(13,818,211)</u>	<u>(17,446,980)</u>	(6,306,289)	<u>11,140,691</u>	(3,312,874)
Reconciliation to GAAP Basis:					
Adjustments:					
Interfund loan principal repayment			70,560		92,918
Change in Fund Balance - GAAP Basis			<u>(6,235,729)</u>		<u>(3,219,956)</u>

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, 2023
(With Comparative Actual Amounts for 2022)

	<u>2022</u>			Variance Positive (Negative)	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:					
Charges for service - User charges	1,464,000	1,464,000	1,427,712	(36,288)	1,346,338
Water meter sales	44,000	44,000	13,895	(30,105)	9,831
Other operating revenue	1,500	1,500	19,482	17,982	9,942
Total Operating Revenues	<u>1,509,500</u>	<u>1,509,500</u>	<u>1,461,089</u>	<u>(48,411)</u>	<u>1,366,111</u>
Operating Expenses:					
Salaries and benefits	521,043	521,043	548,141	(27,098)	431,214
Administrative fees	42,500	42,500	42,500	-	42,500
Professional fees	135,000	135,000	91,641	43,359	113,807
Supplies and chemicals	95,000	95,000	33,280	61,720	37,147
Utilities	75,000	75,000	38,820	36,180	37,893
Repair and maintenance	118,000	118,000	56,066	61,934	247,716
General expenses	88,300	88,300	231,416	(143,116)	113,122
Capital outlay	2,872,500	3,372,500	304,641	3,067,859	786,898
Water meter replacements	70,000	70,000	42,513	27,487	46,779
Total Expenses	<u>4,017,343</u>	<u>4,517,343</u>	<u>1,389,018</u>	<u>3,128,325</u>	<u>1,857,076</u>
Operating Income (Loss)	<u>(2,507,843)</u>	<u>(3,007,843)</u>	<u>72,071</u>	<u>3,079,914</u>	<u>(490,965)</u>
Non-operating Revenues (Expenses):					
Transfers in	(74,489)	(74,489)	-	74,489	-
Intergovernmental - Non-operating grants	-	-	31,569	31,569	220
Investment income	6,000	6,000	259,495	253,495	30,203
Interfund loan principal repayment	95,000	95,000	70,560	(24,440)	92,918
Plant investment fees	554,132	554,132	630,515	76,383	90,452
Total Non-operating Revenues (Expenses)	<u>580,643</u>	<u>580,643</u>	<u>992,139</u>	<u>411,496</u>	<u>213,793</u>
Change in Net Position - Budget Basis	<u>(1,927,200)</u>	<u>(2,427,200)</u>	<u>1,064,210</u>	<u>3,491,410</u>	<u>(277,172)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			(70,560)		(92,918)
Capitalized assets			304,641		786,898
Depreciation			(379,378)		(354,087)
Change in Net Position - GAAP Basis			<u>918,913</u>		<u>62,721</u>

Town of Frisco, Colorado
Enterprise Fund - Marina Fund
Schedule of Revenues, Expenses and Change in Fund Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			<u>Final Budget</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Operating Revenues:					
Charges for service - User charges	2,401,300	2,401,300	2,375,690	(25,610)	1,864,327
Intergovernmental - Operating grants	45,000	75,000	75,000	-	40,000
Total Operating Revenues	<u>2,446,300</u>	<u>2,476,300</u>	<u>2,450,690</u>	<u>(25,610)</u>	<u>1,904,327</u>
Operating Expenses:					
Salaries and benefits	986,467	1,028,635	1,397,235	(368,600)	848,811
Administrative fees	20,000	20,000	20,000	-	20,000
Professional fees	80,000	80,000	106,471	(26,471)	88,508
Supplies	57,641	57,641	89,280	(31,639)	133,611
Utilities	30,000	30,000	32,891	(2,891)	31,650
Repairs and maintenance	65,000	65,000	85,520	(20,520)	122,153
General expenses	349,500	349,500	372,274	(22,774)	297,985
Capital outlay	491,000	320,841	369,440	(48,599)	1,001,101
Total Expenses	<u>2,079,608</u>	<u>1,951,617</u>	<u>2,473,111</u>	<u>(521,494)</u>	<u>2,543,819</u>
Operating Income (Loss)	366,692	524,683	(22,421)	(547,104)	(639,492)
Non-operating Revenues (Expenses):					
Transfers in	-	244,704	244,704	-	466,257
Transfers (out)	(82,542)	(82,542)	-	82,542	-
Investment income	2,500	2,500	22,293	19,793	6,902
Gain (loss) on asset disposal	63,500	63,500	1,248	(62,252)	3,318
Agent fees	(400)	(400)	(400)	-	(400)
Principal repayment	(85,000)	(85,000)	(85,000)	-	(80,000)
Interest expense	(264,750)	(264,750)	(262,217)	2,533	(266,239)
Total Non-operating Revenues (Expenses)	<u>(366,692)</u>	<u>(121,988)</u>	<u>(79,372)</u>	<u>42,616</u>	<u>129,838</u>
Change in Net Position - Budget Basis	<u>-</u>	<u>402,695</u>	<u>(101,793)</u>	<u>(504,488)</u>	<u>(509,662)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			85,000		80,000
Capitalized assets			369,440		1,001,109
Depreciation			(583,320)		(482,666)
Change in Net Position - GAAP Basis			<u>(230,673)</u>		<u>88,781</u>

Town of Frisco, Colorado
Internal Service Fund - Insurance Reserve Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Operating Revenues:				
Charges for services:				
Insurance premiums - Employee-paid	120,466	120,466	151,698	31,232
Insurance premiums - Employer-paid	1,898,054	1,898,054	1,898,054	-
Stop loss	-	-	52,213	52,213
Investment income	250	250	63,652	63,402
Total Operating Revenues	<u>2,018,770</u>	<u>2,018,770</u>	<u>2,165,617</u>	<u>146,847</u>
Operating Expenses:				
Fixed costs	418,344	418,344	364,104	54,240
Claims	1,125,044	1,125,044	985,995	139,049
Total Operating Expenses	<u>1,543,388</u>	<u>1,543,388</u>	<u>1,350,099</u>	<u>193,289</u>
Change in Net Position	475,382	475,382	815,518	340,136
Net Position - January 1	<u>212,451</u>	<u>212,451</u>	<u>213,546</u>	<u>1,095</u>
Net Position - December 31	<u><u>687,833</u></u>	<u><u>687,833</u></u>	<u><u>1,029,064</u></u>	<u><u>341,231</u></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.

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, 2023**

Special Revenue Funds

	Conservation Trust Fund	Historic Preservation Fund	Lodging Tax Fund	Open Space Fund	Nicotine Tax Fund	Total Non-major Governmental Funds
Assets:						
Cash and cash equivalents - Unrestricted	36,245	1,077	1,504,175	13,181	668,934	2,223,612
Receivables, net of allowance for uncollectible accounts:						
Other taxes	-	-	119,753	-	115,939	235,692
Inventory	-	-	2,994	-	-	2,994
Total Assets	36,245	1,077	1,626,922	13,181	784,873	2,462,298
Liabilities and Fund Equity:						
Liabilities:						
Accounts/vouchers payable	-	-	72	-	-	72
Unearned revenue	-	-	-	-	7,200	7,200
Total Liabilities	-	-	72	-	7,200	7,272
Fund Balances:						
Non-spendable	-	-	2,994	-	-	2,994
Restricted	36,245	1,077	1,623,856	-	777,673	2,438,851
Committed	-	-	-	13,181	-	13,181
Total Fund Balances	36,245	1,077	1,626,850	13,181	777,673	2,455,026
Total Liabilities and Fund Balances	36,245	1,077	1,626,922	13,181	784,873	2,462,298

Town of Frisco, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue Funds					Total
	Conservation Trust Fund	Historic Preservation Fund	Lodging Tax Fund	Open Space Fund	Nicotine Tax Fund	Non-major Governmental Funds
Revenues:						
Taxes	-	-	965,621	-	703,362	1,668,983
Licenses, permits, and fees	-	-	-	-	7,200	7,200
Intergovernmental revenue	40,201	-	41,000	-	-	81,201
Investment income	6,368	47	64,997	576	30,633	102,621
Miscellaneous	-	-	4,414	-	-	4,414
Total Revenues	46,569	47	1,076,032	576	741,195	1,864,419
Expenditures:						
General government	-	-	-	-	11,877	11,877
Community development	-	-	434,264	-	-	434,264
Culture and recreation	-	-	267,976	-	-	267,976
Health and welfare	-	-	-	-	782,354	782,354
Total Expenditures	-	-	702,240	-	794,231	1,496,471
Excess (Deficiency) of Revenues Over Expenditures	46,569	47	373,792	576	(53,036)	367,948
Other Financing Sources (Uses):						
Transfers (out)	(130,000)	-	-	-	-	(130,000)
Net Change in Fund Balances	(83,431)	47	373,792	576	(53,036)	237,948
Fund Balances - January 1	119,676	1,030	1,253,058	12,605	830,709	2,217,078
Fund Balances - December 31	36,245	1,077	1,626,850	13,181	777,673	2,455,026

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, 2023
(With Comparative Actual Amounts for December 31, 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental - Lottery proceeds	36,000	36,000	40,201	4,201	37,115
Investment income	100	100	6,368	6,268	712
Total Revenues	<u>36,100</u>	<u>36,100</u>	<u>46,569</u>	<u>10,469</u>	<u>37,827</u>
Expenditures:					
Culture and recreation	-	-	-	-	27,814
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,814</u>
Excess (Deficiency) of Revenues over Expenditures	36,100	36,100	46,569	10,469	10,013
Other Financing Sources (Uses):					
Transfers (out)	<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	-	-
Net Change in Fund Balances	(93,900)	(93,900)	(83,431)	10,469	10,013
Fund Balance - January 1	<u>107,250</u>	<u>107,250</u>	<u>119,676</u>	<u>12,426</u>	<u>109,663</u>
Fund Balance - December 31	<u><u>13,350</u></u>	<u><u>13,350</u></u>	<u><u>36,245</u></u>	<u><u>22,895</u></u>	<u><u>119,676</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Historic Preservation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Investment income	1	1	47	46	6
Total Revenues	<u>1</u>	<u>1</u>	<u>47</u>	<u>46</u>	<u>6</u>
Expenditures:					
Capital projects	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1	1	47	46	6
Fund Balance - January 1	<u>1,029</u>	<u>1,029</u>	<u>1,030</u>	<u>1</u>	<u>1,024</u>
Fund Balance - December 31	<u><u>1,030</u></u>	<u><u>1,030</u></u>	<u><u>1,077</u></u>	<u><u>47</u></u>	<u><u>1,030</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Lodging Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Lodging tax	800,000	800,000	965,621	165,621	809,962
Local grants	30,000	30,000	41,000	11,000	30,000
Investment income	1,000	1,000	64,997	63,997	7,402
Miscellaneous	3,150	3,150	4,414	1,264	1,193
Total Revenues	<u>834,150</u>	<u>834,150</u>	<u>1,076,032</u>	<u>241,882</u>	<u>848,557</u>
Expenditures:					
Community development	443,311	446,056	434,264	11,792	330,140
Culture and recreation	253,500	253,500	267,976	(14,476)	279,176
Total Expenditures	<u>696,811</u>	<u>699,556</u>	<u>702,240</u>	<u>(2,684)</u>	<u>609,316</u>
Excess (Deficiency) of Revenues Over Expenditures	137,339	134,594	373,792	236,453	239,241
Other Financing Sources (Uses):					
Transfers (out)	(855,264)	(855,264)	-	855,264	-
Net Change in Fund Balance	(717,925)	(720,670)	373,792	1,094,462	239,241
Fund Balance - January 1	<u>1,242,530</u>	<u>1,242,530</u>	<u>1,253,058</u>	<u>10,528</u>	<u>1,013,817</u>
Fund Balance - December 31	<u><u>524,605</u></u>	<u><u>521,860</u></u>	<u><u>1,626,850</u></u>	<u><u>1,104,990</u></u>	<u><u>1,253,058</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Open Space Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Investment income	15	15	576	561	79
Total Revenues	<u>15</u>	<u>15</u>	<u>576</u>	<u>561</u>	<u>79</u>
Expenditures:					
Culture and recreation	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	15	15	576	561	79
Fund Balance - January 1	<u>12,541</u>	<u>12,541</u>	<u>12,605</u>	<u>64</u>	<u>12,526</u>
Fund Balance - December 31	<u><u>12,556</u></u>	<u><u>12,556</u></u>	<u><u>13,181</u></u>	<u><u>625</u></u>	<u><u>12,605</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Nicotine Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Nicotine tax	650,000	650,000	703,362	53,362	644,392
Nicotine licenses	6,600	6,600	7,200	600	6,600
Investment income	550	550	30,633	30,083	5,463
Total Revenues	<u>657,150</u>	<u>657,150</u>	<u>741,195</u>	<u>84,045</u>	<u>656,455</u>
Expenditures:					
General government	15,000	15,000	11,877	3,123	-
Health and welfare	615,495	795,495	782,354	13,141	474,006
Total Expenditures	<u>630,495</u>	<u>810,495</u>	<u>794,231</u>	<u>16,264</u>	<u>474,006</u>
Net Change in Fund Balance	26,655	(153,345)	(53,036)	100,309	182,449
Fund Balance - January 1	<u>665,723</u>	<u>665,723</u>	<u>830,709</u>	<u>164,986</u>	<u>648,260</u>
Fund Balance - December 31	<u><u>692,378</u></u>	<u><u>512,378</u></u>	<u><u>777,673</u></u>	<u><u>265,295</u></u>	<u><u>830,709</u></u>

Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Capital Outlay Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			<u>Final Budget</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Capital Outlay:					
Alley paving	-	-	-	-	438,417
Asphalt overlay and resurface road	1,100,000	1,100,000	981,872	118,128	453,100
Complete streets	250,000	250,000	130,432	119,568	-
Computers and technology	32,000	32,000	-	32,000	93,127
Crack fill streets and bike paths	10,000	10,000	-	10,000	4,364
Curb replacement	100,000	150,000	149,967	33	46,757
Environmental sustainability	400,000	400,000	286,061	113,939	74,417
Equipment and vehicle leases	21,000	40,097	24,291	15,806	18,516
Facility capital repair	510,000	510,000	232,514	277,486	2,133,695
Fiber infrastructure	170,000	170,000	87,633	82,367	624
Historic Park deck stairs	20,000	20,000	-	20,000	11,286
Lake Hill analysis/support	-	-	-	-	6,638
Mainstreet promenade	20,000	20,000	1,679	18,321	308
Playground/site improvement at Town parks	1,585,000	1,997,609	1,534,862	462,747	393,792
PRA Plan implementation	7,300,000	7,300,000	3,941,342	3,358,658	390,208
Public art funding	75,000	75,000	25,461	49,539	57,955
Storm system repairs	50,000	50,000	4,410	45,590	-
Summit Blvd. GAP project	1,000,000	2,460,499	2,460,499	-	91,110
Summit Blvd. sidewalk (Walmart)	1,350,000	1,470,000	103,032	1,366,968	-
Town-wide security cameras	-	-	-	-	68,599
Town Hall master plan	250,000	250,000	15,919	234,081	5,364
Town Hall dumpster enclosure	150,000	200,000	86,500	113,500	-
Trails enhancement	500,000	1,014,868	307,023	707,845	243,296
Update planning documents	-	-	-	-	56,241
Vehicles and equipment	2,706,000	3,695,696	1,443,803	2,251,893	828,606
VIC bathroom remodel	1,600,000	1,600,000	98,632	1,501,368	-
Wayfinding	12,000	24,000	1,474	22,526	-
Total Expenditures - Capital Outlay	19,211,000	22,839,769	11,917,406	10,922,363	5,416,420

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 2023
This Information From The Records Of (example - City of _ or County of <u> </u>) Town of Frisco, CO	Prepared By: Dylan Olchin/Town Accountant Phone: (970) 668-9137

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,913,309
3. Other local imposts (from page 2)	1,235,253
4. Miscellaneous local receipts (from page 2)	-
5. Transfers from toll facilities	-
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	-
b. Bonds - Refunding Issues	-
c. Notes	-
d. Total (a. + b. + c.)	-
7. Total (1 through 6)	3,148,562
B. Private Contributions	-
C. Receipts from State government (from page 2)	130,049
D. Receipts from Federal Government (from page 2)	-
E. Total receipts (A.7 + B + C + D)	3,278,611

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,719,364
2. Maintenance:	350,339
3. Road and street services:	
a. Traffic control operations	-
b. Snow and ice removal	657,552
c. Other	-
d. Total (a. through c.)	657,552
4. General administration & miscellaneous	-
5. Highway law enforcement and safety	551,356
6. Total (1 through 5)	3,278,611
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	-
b. Redemption	-
c. Total (a. + b.)	-
2. Notes:	
a. Interest	-
b. Redemption	-
c. Total (a. + b.)	-
3. Total (1.c + 2.c)	-
C. Payments to State for highways	-
D. Payments to toll facilities	-
E. Total disbursements (A.6 + B.3 + C + D)	3,278,611

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
	-	3,278,611	3,278,611	-	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2023	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	-	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	-	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	-
4. Licenses	-	f. Charges for Services	-
5. Specific Ownership &/or Other	1,235,253	g. Other Misc. Receipts	-
6. Total (1. through 5.)	1,235,253	h. Other	-
c. Total (a. + b.)	1,235,253	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	117,119	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	-
a. State bond proceeds		b. FEMA	-
b. Project Match		c. HUD	-
c. Motor Vehicle Registrations	12,930	d. Federal Transit Admin	-
d. Other (Specify) - DOLA Grant	-	e. U.S. Corps of Engineers	-
e. Other (Specify)	-	f. Other Federal	-
f. Total (a. through e.)	12,930	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	130,049	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	-	-	-
b. Engineering Costs	-	-	-
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	-	1,719,364	1,719,364
(4). System Enhancement & Operation	-	-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	1,719,364	1,719,364
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	1,719,364	1,719,364
			(Carry forward to page 1)
Notes and Comments:			

STATISTICAL SECTION

This part of the Town of Frisco's annual comprehensive 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>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>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 48,976,418
Restricted	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	13,180,151
Unrestricted	<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>	<u>28,836,638</u>
Subtotal Governmental Activities Net Position	<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>	<u>90,993,207</u>
Business-type Activities										
Net Investment in Capital Assets	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	11,619,879
Restricted for CRCA projects	-	-	-	198,940	664,551	-	-	-	-	-
Unrestricted	<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>	<u>6,483,913</u>
Subtotal Business-type Activities Net Position	<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>	<u>18,103,792</u>
Total Primary Government Net Position	<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>	<u>\$ 109,096,999</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 7,508,901
Public Safety	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	2,411,020
Public Works	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	7,591,283
Community Development	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	2,261,520
Culture and Recreation	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	5,723,728
Health and welfare	-	-	-	-	-	-	80,005	467,600	474,006	782,355
Housing	179,043	69,091	42,728	181,102	45,547	51,025	427,401	703,750	390,955	367,790
Interest on long-term debt	228,200	271,129	262,753	255,106	155,488	147,620	121,885	95,624	88,638	323,298
Total Governmental Activities Expenses	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	26,969,895
Business-type Activities:										
Interest on long-term debt	4,144	3,427	2,702	5,287	-	228,690	270,322	270,011	266,239	262,217
Water Fund	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	1,463,755
Marina Fund	977,565	980,887	951,376	998,766	1,231,122	1,435,127	1,562,129	1,758,042	2,025,783	2,687,391
Total Business-type Activities Expenses	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	4,413,363
Total Primary Government Expenses	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	31,383,258
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	439,635	433,333	350,659	288,696	263,086	373,077	380,220	374,150	459,243	569,480
Public Safety	26,898	19,356	41,461	35,748	47,275	40,329	31,779	44,414	27,666	38,296
Public Works	9,447	10,997	8,422	4,480	5,270	12,590	11,600	398,888	473,668	17,000
Community Development	274,096	287,170	194,122	290,400	468,573	417,968	220,822	4,300	9,350	606,103
Culture and Recreation	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	3,314,712
Housing	200,279	139,848	116,626	36,745	125,254	213,175	223,656	160,936	105,653	231,516
Operating Grants and Contributions	306,029	323,147	363,938	364,857	308,543	309,791	1,028,828	808,636	2,230,945	4,925,089
Capital Grants and Contributions	112,228	78,510	78,614	65,668	30,000	421,975	139,792	124,584	109,153	59,000
Total Governmental Activities Program Revenues	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	9,761,196
Business-type Activities:										
Charges for Services:										
Water	802,865	891,006	900,407	906,696	989,542	1,001,193	1,253,959	1,350,847	1,366,111	1,461,089
Marina	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	2,375,690
Operating Grants and Contributions	26,376	26,385	27,645	32,622	27,570	34,830	36,255	39,888	40,000	45,000
Capital Grants and Contributions	532,386	117,137	153,241	331,623	647,832	225,910	43,170	62,449	90,672	692,084
Total Business-type Activities Program Revenues	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	4,573,863
Total Program Revenues	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	14,335,059
Net (Expense)/Revenue										
Governmental Activities	(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)	(16,885,401)
Business-type Activities	380,168	325,399	472,562	670,517	993,213	313,578	1,174,547	668,928	(88,938)	422,717
Interest on Long Term Debt	(232,344)	(274,556)	(265,455)	(260,393)	(155,488)	(376,310)	(392,207)	(365,635)	(354,877)	(585,515)
Total Primary Government Net (Expense) Revenue	(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)	(17,048,199)
General Revenues and Transfers										
Governmental Activities:										
Taxes:										
Property Taxes	133,516	135,115	151,002	154,136	168,344	168,930	201,949	203,382	222,012	216,913
Sales and Use Taxes	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	15,757,065
Real Estate Transfer Tax	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	1,977,492
Franchise Taxes	328,507	319,524	320,432	323,924	318,602	326,461	320,081	348,211	429,380	414,279
Lodging Taxes	388,199	426,458	471,041	490,541	534,342	555,084	498,972	701,513	809,962	965,621
Other Taxes	179,962	302,658	356,527	393,420	404,064	440,671	1,085,556	1,141,169	1,593,828	2,508,317
Transfers	-	-	-	-	-	-	-	-	(466,257)	(244,704)
Interest and Other	287,565	283,144	314,599	313,756	2,577,111	587,692	633,214	521,928	569,311	2,265,466
Total General Activities	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	23,860,449
Business-type Activities										
Transfers	-	-	-	-	-	-	-	-	466,257	244,704
Interest and Other	56,416	29,252	55,977	126,744	125,686	223,025	115,286	9,720	40,423	283,036
Total Business-type Activities	56,416	29,252	55,977	126,744	125,686	223,025	115,286	9,720	506,680	527,740
Total General Revenues and Transfers	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	24,388,189
Changes in Net Position										
Governmental Activities	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	6,651,750
Business-type Activities	432,440	351,224	525,837	791,974	1,118,899	307,913	1,019,511	408,637	151,503	688,240
Total Government Changes in Net Position	\$ 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	\$ 7,339,990

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

	<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>	<u>2023</u>
General Fund										
Non-Spendable	\$ 54,861	\$ 49,193	\$ 46,433	\$ 63,425	\$ 66,363	\$ 102,026	\$ 88,591	\$ 64,214	\$ 111,665	\$ 181,110
Restricted	377,000	478,000	468,000	596,000	626,000	621,000	632,000	709,000	739,000	1,247,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	419,941	244,002	16,396	14,637	14,662	18,230	15,749	16,266	20,754	21,391
Unassigned	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	12,125,391
Total General Fund	<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>	<u>13,574,892</u>
All Other Governmental Funds										
Non-Spendable	-	14,070	13,194	12,597	12,140	23,097	13,085	10,181	5,360	1,053,328
Restricted	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	12,710,824
Committed	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	8,235,943
Assigned	1,215,757	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>22,000,095</u>
Total Governmental Funds										
Non-Spendable	54,861	63,263	59,627	76,022	78,503	125,123	101,676	74,395	117,025	1,234,438
Restricted	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	13,957,824
Committed	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	8,235,943
Assigned	1,635,698	244,002	16,396	14,637	14,662	18,230	15,749	16,266	20,754	21,391
Unassigned	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	12,125,391
Total Governmental Funds Balance	<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>	<u>\$ 35,574,987</u>

Last Ten Fiscal Years
(modified accrual basis of accounting)

	<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>	<u>2023</u>
Revenues										
Taxes	\$ 9,080,831	\$ 10,600,007	\$ 11,410,162	\$ 12,943,932	\$ 13,842,672	\$ 14,869,229	\$ 16,196,089	\$ 18,973,260	\$ 20,334,157	\$ 20,433,380
Licenses, Permits, and Fees	604,633	554,513	459,556	482,663	746,210	778,469	647,627	758,969	965,221	2,682,828
Intergovernmental Revenue	251,625	260,675	264,873	325,407	333,474	734,232	1,193,620	933,220	840,098	4,962,390
Charges for Services	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	3,699,117
Investment Income	26,019	25,702	68,115	115,715	289,622	471,187	234,043	17,658	223,727	1,612,756
Capital Interest Subsidy	48,405	48,510	48,614	35,668	-	-	-	-	-	-
Rental Income	-	-	-	-	6,938	88,776	76,820	70,730	51,960	117,655
Reimbursements	33,823	-	-	-	-	-	-	-	-	-
Miscellaneous	97,401	116,920	119,634	50,820	66,758	102,833	295,521	411,330	262,907	396,481
Total Revenues	<u>12,670,533</u>	<u>14,648,353</u>	<u>15,750,133</u>	<u>17,480,360</u>	<u>18,806,953</u>	<u>20,690,097</u>	<u>21,156,738</u>	<u>23,661,000</u>	<u>26,161,839</u>	<u>33,904,607</u>
Expenditures										
General Government	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	4,805,808
Public Safety	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	2,403,040
Community Development	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	2,329,465
Public Works	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	3,315,003
Culture and Recreation	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	4,644,415
Health and welfare	-	-	-	-	-	-	80,005	467,600	474,006	782,354
Capital Outlay	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	21,503,217
Debt Service:										
Cost of issuance	-	-	-	74,559	-	-	-	-	-	192,492
Principal	665,122	780,197	578,488	524,621	274,712	282,573	295,627	303,781	313,136	505,757
Interest	206,668	244,383	246,992	212,837	145,370	141,420	119,768	98,795	91,836	294,371
Total Expenditures	<u>13,769,673</u>	<u>16,048,809</u>	<u>14,166,384</u>	<u>13,180,984</u>	<u>19,567,430</u>	<u>15,669,048</u>	<u>14,961,017</u>	<u>16,240,996</u>	<u>27,750,117</u>	<u>40,775,922</u>
Excess of Revenues										
Over/(Under) Expenditures	<u>(1,099,140)</u>	<u>(1,400,456)</u>	<u>1,583,749</u>	<u>4,299,376</u>	<u>(760,477)</u>	<u>5,021,049</u>	<u>6,195,721</u>	<u>7,420,004</u>	<u>(1,588,278)</u>	<u>(6,871,315)</u>
Other Financing Sources/(Uses)										
Certificate of Participation proceeds	-	-	-	2,487,000	-	-	-	-	-	6,350,000
Premium on COPs issued	-	-	-	-	-	-	-	-	-	831,830
Payment to refund bond escrow agent	-	-	-	(2,412,441)	-	-	-	-	-	-
Lease Purchase Proceeds	477,184	1,765,000	-	-	-	-	-	-	-	-
Interfund loan principal repayment	-	-	-	-	-	-	-	-	-	70,560
Sales of Assets	153,163	796,590	25,600	45,973	2,127,677	69,527	6,500	14,190	3,925	84,083
Partnership contributions	-	-	-	-	-	-	-	-	1,500,000	-
Transfers In	-	-	-	3,350,000	2,191,510	3,304,674	4,700,000	13,767,605	461,936	3,502,584
Transfers Out	-	-	-	(3,350,000)	(2,191,510)	(3,304,674)	(4,700,000)	(13,767,605)	(928,193)	(3,747,288)
Total Other Financing Sources (Uses)	<u>630,347</u>	<u>2,561,590</u>	<u>25,600</u>	<u>120,532</u>	<u>2,127,677</u>	<u>69,527</u>	<u>6,500</u>	<u>14,190</u>	<u>1,037,668</u>	<u>7,091,769</u>
Net Change in Fund Balances	<u>\$ (468,793)</u>	<u>\$ 1,161,134</u>	<u>\$ 1,609,349</u>	<u>\$ 4,419,908</u>	<u>\$ 1,367,200</u>	<u>\$ 5,090,576</u>	<u>\$ 6,202,221</u>	<u>\$ 7,434,194</u>	<u>\$ (550,610)</u>	<u>\$ 220,454</u>
Debt Service as a Percentage of Noncapital Expenditures	8.5%	9.7%	7.5%	6.9%	3.4%	3.3%	3.3%	2.9%	2.5%	5.2%

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

	<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>	<u>2023</u>
Revenue Source										
City Sales Tax	\$ 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	\$ 6,655,482
County Sales Tax	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	7,064,623
Housing Authority Tax	164,435	186,973	204,393	1,285,174	1,393,760	1,618,610	1,533,798	1,787,396	2,021,593	2,036,960
Property Tax	126,849	128,253	143,493	145,468	158,901	159,915	192,149	192,957	211,924	206,610
Lodging Tax	388,199	426,458	471,041	490,541	534,342	555,083	498,972	701,513	809,962	965,621
Real Estate Investment Fee Tax	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	1,977,492
Franchise Tax	328,507	319,524	320,432	323,924	318,602	326,461	320,081	348,211	429,380	414,279
Specific Ownership Tax	6,667	6,862	7,509	8,668	9,443	9,015	9,800	10,425	10,088	10,303
Miscellaneous Tax	179,962	302,658	356,527	393,420	404,064	440,671	509,064	518,398	466,306	398,648
Total Revenues	<u>\$ 9,080,831</u>	<u>\$ 10,600,007</u>	<u>\$ 11,410,162</u>	<u>\$ 12,943,932</u>	<u>\$ 13,842,672</u>	<u>\$ 14,869,230</u>	<u>\$ 15,619,597</u>	<u>\$ 18,350,489</u>	<u>\$ 19,206,634</u>	<u>\$ 19,730,018</u>
% change from prior year	16.5%	16.7%	7.6%	13.4%	6.9%	7.4%	5.0%	17.5%	4.7%	2.7%
Percentage of Total										
City Sales Tax	37.4%	36.3%	36.7%	33.8%	33.8%	33.5%	32.0%	31.7%	32.7%	33.7%
County Sales Tax	37.9%	36.8%	37.9%	35.8%	35.6%	35.3%	35.1%	33.8%	36.5%	35.8%
Housing Authority Tax	1.8%	1.8%	1.8%	9.9%	10.1%	10.9%	9.8%	9.7%	10.5%	10.3%
Property Tax	1.4%	1.2%	1.3%	1.1%	1.1%	1.1%	1.2%	1.1%	1.1%	1.0%
Lodging Tax	4.3%	4.0%	4.1%	3.8%	3.9%	3.7%	3.2%	3.8%	4.2%	4.9%
Real Estate Investment Fee Tax	11.5%	14.0%	12.2%	10.0%	10.2%	10.4%	13.3%	15.1%	10.2%	10.0%
Franchise Tax	3.6%	3.0%	2.8%	2.5%	2.3%	2.2%	2.0%	1.9%	2.2%	2.1%
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	2.0%	2.9%	3.1%	3.0%	2.9%	3.0%	3.3%	2.8%	2.4%	2.0%
Total Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: Town of Frisco Financial Statements

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

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023			
Taxable Sales																						
Retail - General	\$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%	\$ 123,740,054	35%	\$ 129,522,192	36%	\$ 129,522,192	36%
Grocery	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%	70,307,305	20%	70,980,646	20%	70,980,646	20%
Restaurants	29,173,050	17%	33,167,975	17%	36,662,925	17%	37,483,825	17%	40,972,200	17%	42,527,275	17%	36,196,850	14%	50,929,589	17%	57,891,899	17%	61,640,860	17%	61,640,860	17%
Hotels & Inns	11,744,800	7%	12,871,750	7%	13,103,890	6%	12,961,825	6%	13,676,850	6%	12,608,700	5%	12,809,300	5%	8,179,250	3%	9,304,789	3%	12,498,887	4%	13,505,414	4%
Utility	10,014,700	6%	10,087,375	5%	10,022,475	5%	10,368,350	5%	10,023,800	4%	9,672,560	4%	17,224,000	7%	19,732,625	7%	19,055,133	7%	24,734,581	7%	26,358,634	7%
Construction Supplies	8,489,475	5%	9,292,600	5%	10,704,500	5%	12,575,300	6%	16,000,550	7%	17,224,000	7%	10,678,825	4%	10,573,250	4%	10,845,399	4%	-	0%	-	0%
Automotive	8,060,875	5%	8,466,700	4%	9,318,900	4%	9,076,550	4%	8,566,450	4%	9,678,875	4%	9,678,875	4%	8,527,000	3%	12,260,072	4%	-	0%	-	0%
Recreation	7,657,350	4%	8,955,050	5%	9,413,650	4%	9,232,025	4%	9,865,900	4%	9,614,100	4%	9,278,775	4%	11,179,825	4%	11,512,722	4%	19,456,652	6%	16,553,314	5%
Liquor & Marijuana	5,806,625	3%	7,661,150	4%	8,658,600	4%	8,797,750	4%	8,485,400	4%	7,954,225	3%	6,964,650	3%	6,732,800	3%	6,740,927	2%	-	0%	-	0%
Home Furnishings	5,647,100	3%	6,097,875	3%	8,037,600	4%	8,450,150	4%	9,508,150	4%	11,560,775	5%	14,113,375	6%	16,474,625	6%	20,698,938	7%	27,009,031	8%	28,000,710	8%
Vacation Rentals	5,284,475	3%	6,059,050	3%	7,315,175	3%	7,328,375	3%	4,280,900	2%	4,620,075	2%	4,552,900	2%	4,025,625	2%	5,042,762	2%	-	0%	-	0%
Clothing	2,937,025	2%	3,119,125	2%	3,822,725	2%	2,988,025	1%	3,170,775	1%	2,883,775	1%	2,883,775	1%	3,018,325	1%	5,019,618	2%	-	0%	-	0%
Gifts	2,683,600	2%	2,871,750	1%	3,129,850	1%	2,958,025	1%	3,170,775	1%	2,883,775	1%	2,883,775	1%	3,018,325	1%	5,019,618	2%	-	0%	-	0%
Marijuana	2,406,450	2%	4,319,100	2%	5,327,100	2%	5,911,925	3%	5,943,125	3%	6,468,725	3%	6,468,725	3%	7,616,425	3%	7,448,732	3%	-	0%	-	0%
Health & Beauty	915,850	1%	1,066,850	1%	1,442,575	1%	1,426,850	1%	1,635,450	1%	1,966,425	1%	1,966,425	1%	1,792,700	1%	2,183,054	1%	-	0%	-	0%
Office	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%	-	0%	-	0%
Arts & Crafts	699,250	0%	672,875	0%	487,275	0%	398,700	0%	406,575	0%	386,200	0%	568,700	0%	671,596	0%	-	0%	-	0%	-	0%
Total	\$ 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%	\$349,998,771	100%	\$361,055,379	100%	\$361,055,379	100%

	2014 (*)		2015 (*)		2016 (*)		2017 (*)		2018 (*)		2019 (*)		2020 (*)		2021 (*)		2022		2023			
Sales Tax Collected																						
Retail - General	\$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%	\$ 4,702,121	35%	\$ 4,921,843	37%	\$ 4,921,843	37%
Grocery	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%	2,671,678	20%	2,697,265	20%	2,697,265	20%
Restaurants	1,166,922	17%	1,326,719	17%	1,466,517	17%	1,499,353	17%	1,636,888	17%	1,701,091	17%	1,447,874	14%	1,905,523	16%	2,199,892	17%	2,342,353	18%	2,342,353	18%
Hotels & Inns	469,792	7%	506,870	7%	524,154	6%	518,465	6%	543,074	6%	504,348	5%	327,170	3%	357,297	3%	474,958	4%	513,206	4%	513,206	4%
Utility	400,588	6%	403,495	5%	400,899	5%	415,534	5%	400,944	4%	396,902	4%	389,459	4%	445,949	4%	545,694	4%	550,757	4%	550,757	4%
Construction Supplies	339,579	5%	370,504	5%	428,180	5%	503,012	6%	640,022	7%	688,960	7%	789,305	7%	851,024	7%	939,914	7%	1,001,628	8%	1,001,628	8%
Automotive	322,435	5%	338,668	4%	372,756	4%	372,062	4%	342,658	4%	387,153	4%	422,930	4%	483,921	4%	-	0%	-	0%	-	0%
Recreation	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%	-	0%	-	0%
Liquor & Marijuana	232,265	3%	306,446	4%	346,344	4%	351,910	4%	384,564	4%	371,151	4%	447,193	4%	461,588	4%	739,353	6%	629,026	5%	629,026	5%
Home Furnishings	225,894	3%	243,915	3%	321,504	4%	339,416	4%	318,169	3%	278,586	3%	269,312	3%	325,027	3%	-	0%	-	0%	-	0%
Vacation Rentals	211,379	3%	242,362	3%	292,607	3%	380,326	4%	462,431	5%	564,535	6%	658,985	6%	969,613	8%	1,026,343	8%	1,064,027	8%	1,064,027	8%
Clothing	117,481	2%	124,765	2%	152,909	2%	171,236	2%	184,803	2%	182,116	2%	161,025	2%	209,056	2%	-	0%	-	0%	-	0%
Gifts	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%	-	0%	-	0%
Marijuana	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%	-	0%	-	0%
Health & Beauty	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%	-	0%	-	0%
Office	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%	-	0%	-	0%
Arts & Crafts	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%	-	0%	-	0%
Total	\$ 6,852,990	100%	\$ 7,752,448	100%	\$ 8,527,421	100%	\$ 9,011,859	100%	\$ 9,618,814	100%	\$ 10,236,449	100%	\$ 10,527,897	100%	\$ 12,034,473	100%	\$ 13,299,953	100%	\$ 13,720,105	103%	\$ 13,720,105	103%

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. In 2022 the Town stopped reporting on penalties and interest for sales tax collection amounts.

(*) 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
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%
2023	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
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%
2023	247,675,666	93,844,123	10,593,548	3,044,763	(8,554,308)	355,158,100	0.798	4,081,889,882	8.70%

(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
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%
2022	2023	205,537	205,250	99.86%	4	205,254	99.86%

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	
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
2023	0.798	0.798	19.259	16.904	14.350	0.000	51.311

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 2023**

	Assessed Value
Maximum Debt Allowed:	
Actual Value	4,081,889,882
Debt Limit (3% of valuation)	0.03
Legal Debt Limit	\$ 122,456,696
Debt Applicable to Limit:	
Total Bonds Outstanding	\$ -
Less: Sales and Use Tax Revenue Bonds	-
Debt Subject to Limitation	\$ -
Debt Limit	\$ 122,456,696
less: Total Net Debt Applicable to Limit	-
Legal Debt Margin	\$ 122,456,696
Total Net Debt Applicable to Limit as a percentage of debt limit	0.0%

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
2023	2,450,690	2,103,671	5,628	352,647	85,000	264,750	349,750	1.01

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

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

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

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

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

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Median Family Income (1)	Outstanding Debt per Median Income	Population	Outstanding Debt Per Capita
	Equipment Notes	Certificates of Participation	Notes Payable					
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%	2,796	2,881
2023	2,389,672	7,061,830	5,264,462	14,715,964	110,800	0.75%	*	*

* Statistics not yet released for 2023

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 2023

<u>Jurisdiction</u>	<u>2023 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	355,158,100	\$ -	100.00%	\$ -
<i>Total Direct Debt</i>		<u> </u>		
Summit County	3,456,585,682	-	10.27%	-
Summit School District	3,581,243,539	53,562,082	9.92%	5,311,844
Summit Fire and EMS	1,788,471,242	-	19.86%	-
Frisco Sanitation District	384,459,034	-	92.38%	-
<i>Total Direct and Overlapping Debt</i>		<u>53,562,082</u>		
Total Direct and Overlapping Debt				<u><u>\$ 5,311,844</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	2,796	30,583	99,800	94,423	1,132	2.80%
2023	*	*	110,800	*	1,191	2.00%

* Statistics not yet released for 2023

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 2023**

Employer	Employee # Range 2023	(1) Percentage of Total County Employment
Copper Mountain Resort *	1,000 - 4,999	0.047 - 0.234%
Town of Frisco	100 - 249	0.005 - 0.012%
CommonSpirit St. Anthony Summit Medical Center *	100 - 249	0.005 - 0.012%
Summit School District *	100 - 249	0.005 - 0.012%
Whole Foods	100 - 249	0.005 - 0.012%
KCNC TV News 4 Mountain Bureau	100 - 249	0.005 - 0.012%
Wal-Mart	100 - 249	0.005 - 0.012%
Woodward at Copper*	50 - 99	0.002 - 0.005%
Safeway	50 - 99	0.002 - 0.005%
Outer Range Brewery	50 - 99	0.002 - 0.005%
(1) Total Employees within Summit County:	21,369	

* Business not within municipal limits of the Town of Frisco

Number of employees is only given in ranges

(1) Colorado LMI Gateway

Unable to determine 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	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government *	9	9	9	9	10	10	10	12	15
Communications, Marketing, & Special Events	0	0	0	0	0	0	0	9	9
Public Safety	15	16	17	17	17	18	18	18	17
Public Works	19	19	20	21	21	21	21	21	22
Community Development**	6	6	6	6	8	8	9	10	9
Culture and Recreation	14	16	17	19	21	32	33	43	43
Water	3	4	4	3	3	4	4	6	6
Marina	3	3	3	4	4	3	3	15	15
Total	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)

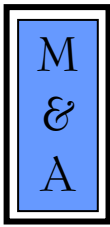
Town of Frisco, Colorado
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function/Program</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>
<u>General Government</u>									
Council meetings	22	21	25	25	24	23	30	26	23
Business licenses	1,457	1,472	1,498	1,539	1,539	1,579	1575	1706	1602
Sales tax licenses	1,003	1,034	1,096	1,117	1,257	1,795	1983	2207	2421
Elections	0	0	1	0	1	0	1	0	1
<u>Public Safety</u>									
Police stations	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8
Physical arrests	157	186	135	116	133	95	75	169	262
Traffic violations	883	638	653	367	501	245	141	129	137
Parking violations	44	30	23	49	80	81	51	50	11
<u>Public Works</u>									
Miles of streets	18	18	18	19	19	19	19	19	19
Total Town area (square miles)	2	2	2	2	2	2	2	2	2
<u>Community Development</u>									
Building permits issued	157	209	190	196	239	357	214	266	208
COs issued	73	46	59	52	72	87	55	42	50
Planning Commission meetings	16	14	14	24	20	20	12	15	12
<u>Culture and Recreation</u>									
Parks	10	10	10	10	10	10	10	10	10
Historic Park and Museum	1	1	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1	1	1
Volleyball courts	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	1	1	1
Miles of trails	12	12	12	12	12	12	12	1	1
Nordic ski trails	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
Baseball, soccer, and multi-use fields	2	2	2	2	2	2	2	2	2
Bike Park	1	1	1	1	1	1	1	1	1
<u>Housing</u>									
Impact Fees (\$2 or less/sq ft, new construction)	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	1,935	1,954	1,960	1,998	2,036	2,008	2018	2031	2038
Daily average water consumption in million gallons	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	33	33	33	33	33	33	33	33	33
<u>Marina</u>									
Service and storage buildings	4	4	4	4	4	4	4	6	6
Offices	1	1	1	1	1	1	1	1	2
Lighthouses	1	1	1	1	1	1	1	1	1
Restaurants	1	1	1	1	1	1	1	1	1
Docks	12	11	12	12	12	15	16	16	16
Paddle boats	33	36	56	31	53	80	45	93	109
Power boats	10	14	14	13	12	17	19	29	29

Source: Town of Frisco Human Resources

**REPORTS AND SCHEDULES FOR REPORTING REQUIREMENTS
OF UNIFORM GUIDANCE**





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 19, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Town's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Member: American Institute of Certified Public Accountants

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

Compliance and Other Matters

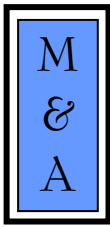
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 19, 2024



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Opinion on Each Major Federal Program

We have audited the compliance of the Town of Frisco, Colorado (the "Town") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2023. The Town's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Member: American Institute of Certified Public Accountants

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 19, 2024

Town of Frisco, Colorado, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, U.S. Code of Federal Regulations, Part 200	No
Major programs:	
Coronavirus State and Local Recovery Funds	ALN 21.027
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Town of Frisco, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

There were no findings or questioned costs for the fiscal year ended December 31, 2022.

Town of Frisco, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Department of Transportation:</u>			
Passed through Colorado Department of Transportation:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	176945	<u>\$ 1,425,000</u>
Total - Department of Transportation			<u>1,425,000</u>
<u>Department of Justice:</u>			
Passed through Colorado Department of Public Safety:			
Bulletproof Vest Grant	16.607	n/a	<u>5,045</u>
Total - Department of Justice			<u>5,045</u>
TOTALS			<u><u>\$ 1,430,045</u></u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Frisco, Colorado (the "Town") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Therefore, some amounts presented in this schedule or used in this schedule may differ from amounts presented in or used in the preparation of the Town's general purpose financial statements.

Note 2. Determining the Value of Non-cash Awards Expended:

The Town had no non-cash awards expended during 2023.

Note 3. Indirect Facilities and Administration costs

The Town does not use the 10% de minimis cost rate allowed in in §200.414, *Indirect (F&A) Costs*, of the Uniform Guidance. Instead, the Town prepares an annual cost allocation plan to allocate indirect costs.