



BUILT ON WHAT MATTERS



Comprehensive Annual Financial Report

For fiscal year ended
December 31, 2021



Town of Frederick, Colorado

Comprehensive Annual Financial Report

For the fiscal year ended
December 31, 2021



Prepared by the Finance Department for the Town of Frederick

Town of Frederick, Colorado
Comprehensive Annual Financial Report
For the year ended, December 31, 2021

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June 30, 2022

To the Honorable Mayor Tracie Crites, Town Board Members, and the Citizens of Frederick, Colorado:

It is my pleasure to present the Comprehensive Annual Financial Report (“CAFR”) of the Town of Frederick, Colorado (the “Town”), for the fiscal year ended December 31, 2021. State law requires the Town publish audited financial statements for each fiscal year. This document is intended to satisfy that requirement and to provide the readers with a more complete and comprehensive understanding of the Town.

The Town assumes responsibility for the accuracy of the data, completeness and fairness of the presentation, including all disclosures in this report. In order to provide a reasonable basis for making those representations, the Town has established an internal control framework that is designed to protect Town assets and to compile reliable information in conformance with U.S. Generally Accepted Accounting Principles (GAAP). Because internal control costs should not outweigh the benefits, the Town’s internal controls have been designed to provide reasonable (not absolute) assurance that the financial statements are free of any material misstatements.

The Town’s financial statements have been audited by John Cutler & Associates, LLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the year ended December 31, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the year ended December 31, 2021 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first component of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) require management to provide an introduction and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter is intended to complement the MD&A and should be read in conjunction with it.



Profile of the Town

The Town of Frederick is located on Colorado’s beautiful Front Range of the Rocky Mountains, about 25 miles north of the state capital of Denver. The Town is comprised of 16 square miles of area, both east and west of Interstate 25, south of State Highway 119, and north of State Highway 52. Its current population of 15,315 residents enjoy the town’s central location, which allows easy access to the Denver and northern metropolitan areas. The transportation network opens up a wide variety of major attractions less than 30 minutes away. At the center of the Carbon Valley area, which also includes Firestone, Dacono, Mead and Erie, Frederick plays the role of community hub for a larger population of 67,000.

The Town of Frederick has an elevation of approximately 5,000 feet and our residents enjoy on average 300 days of sunshine a year. The climate is dry and cool, and attracts a large population of health conscious people and those who enjoy the outdoors year round. The Town boasts beautiful parks, wonderful trails, open space, a golf course and Milavec Lake for our outdoor enthusiasts.

Frederick is a statutory municipality that was incorporated in 1907. State statutes provide for a Council-Manager form of government. The Town Board is composed of six members and one Mayor, all of whom are elected at large and serve staggered four-year terms. The executive power is vested in the Town Board who appoints the Town Manager to run the daily affairs of the Town. The Town Manager is responsible to the Town Board for the proper administration of all affairs of the Town.

The Town provides a full range of municipal services including but not limited to, police protection and code enforcement, public records, sanitation services and recycling, construction and maintenance of streets and infrastructure, cultural arts and events, community development, planning and zoning, engineering, constructing and maintaining parks, trails and open space, a golf course and general administrative duties. In addition, the Town also supplies both potable and non-potable water service and storm water services as part of its enterprise operations. Other services provided include the legally separate Frederick Urban Renewal Authority.

The Town Budget is adopted annually and serves as the foundation for the Town's financial planning and control. The process begins in the spring of each year at the Town Board goal setting sessions. During those sessions, the Town Board establishes goals and objectives for the upcoming year. Departments then take those goals and use them to build their respective budget requests. Once complete, the Finance Director collects the requests from all Town departments to which appropriations are made and/or revenues are collected and compiles the operating budget for submission to the Town Board. There is at least one budget hearing that is held annually, during which taxpayers are given the opportunity to comment prior to final adoption. The budget is legally enacted and adopted by resolution prior to December 15 of each year and has an operative date beginning January 1. The appropriated budget and level of budgetary control is adopted on a fund basis and appropriations for all funds lapse at year-end, including those funds for capital improvements.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

Factors Affecting Financial Conditions

Local economy: There has been substantial growth in Frederick for the past several years. As a result of the recession, growth did continue but at a much slower pace from 2008 to 2010. Since 2011 the pace has quickly increased back to pre-recession levels. In 2021, the Town experienced residential decline of 8 percent and commercial growth of 48 percent. Due to the location of Frederick, employment in the area is diverse with opportunities in nearly every possible sector including transportation, utilities, manufacturing, government, professional and business services, education and health, and leisure. Currently the largest employment sector in Frederick is the education sector with St. Vrain Valley School District being the number one employer in the town.

Sales and use tax is the primary source of general fund revenues (59.4%) followed by property tax (19.7%), totaling 79.1 percent of the general fund revenues for fiscal year 2021. The Town's sales tax base is well diversified which has contributed to fairly dependable revenues over the years. With the substantial population growth that the Town has experienced, we have also had an increase in tax revenues of 285 percent from 2016 to 2021. It is anticipated that continued population and commercial growth will continue to increase both the sales and property tax revenues.

The fiscal health of the Town of Frederick remains strong. As outlined in the Management’s Discussion and Analysis, the Town has maintained a healthy financial position through sound financial management. We exercise strong fiscal discipline and continually review operations, being ever vigilant to find new efficiencies and cost reduction measures.

Long-term financial planning: The Town takes a long range approach to capital spending through the adoption of a ten-year capital plan. The ten-year capital plan is continually refined to set the stage for continued financial stability, sustainable economic growth, development and maintenance of a vibrant and growing community. Some of the primary issues facing the Town are those related to downtown revitalization, economic sustainability, commercial growth, public safety, and upgrading and improving aging infrastructure.

Major Initiatives: Capital projects that were completed in 2021 include Windy Gap Storage, Northern Integrated Supply Project, downtown concrete and alleyway maintenance, irrigation improvements, vehicle and equipment replacements, gateway signage replacement, and park concrete and shelter improvements. Capital projects that were started in 2020 and continued in 2021 were general pavement maintenance, open space land acquisition, trail system expansion, storm water design and drainage improvements.



Reporting Achievements

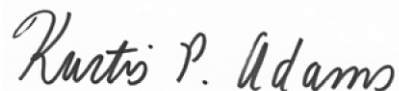
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Frederick for its comprehensive annual financial report for the fiscal year ended December 31, 2020. This was the seventh year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

Acknowledgements

The preparation of the comprehensive annual financial report could not have been accomplished without the efficient and dedicated service of a highly qualified staff. Their cooperation and assistance is necessary and appreciated. I would like to thank all personnel who helped and contributed to the preparation of this report. I also want to acknowledge the thorough and professional manner in which our independent auditors, John Cutler and Associates, LLP, conducted their audit. Finally, we wish to thank the Mayor and Town Board for their continued support.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kurtis P. Adams".

Kurtis P. Adams
Finance Director

Town Officials as of June 30, 2022



EXECUTIVE BRANCH:

Tracie Crites, Mayor

Jason Leslie, Treasurer

Meghan Martinez, Clerk

TOWN BOARD:

Tracie Crites.....Mayor

Dan March.....Mayor Pro Tem

Adam Mahan.....Trustee

Kevin Brown.....Trustee

Mark LamachTrustee

Windi Padia.....Trustee

Chad teVelde.....Trustee

COURTS:

Jeff Cahn.....Municipal Judge

DEPARTMENT DIRECTORS AND ADMINISTRATORS:

Bryan Ostler.....Town Manager

Jason Leslie.....Deputy Town Manager

Kurtis Adams.....Finance Director

Kevin Ash.....Engineering Director

Ryan Johnson.....Assistant Town Manager

Colby Johnson.....Parks & Open Space Director

Cindy Kamigaki.....GIS Manager

Meghan Martinez.....Town Clerk

Jason Meyers.....Town Attorney

Lauren Mueller.....Human Resources Director

Todd NorrisChief of Police

Tim Schwartz.....Golf Course General Manager

Kent VanDyne.....Public Works Director

Angela Wilson.....Community & Engagement Manager

Town Board



Tracie Crites
Mayor



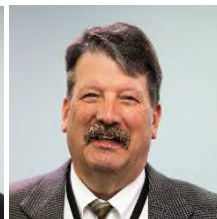
Dan March
Mayor Pro Tem



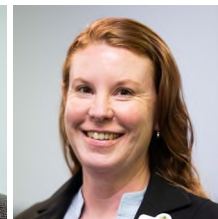
Adam Mahan
Trustee



Kevin Brown
Trustee



Mark Lamach
Trustee



Windi Padia
Trustee



Chad teVelde
Trustee



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Frederick
Colorado**

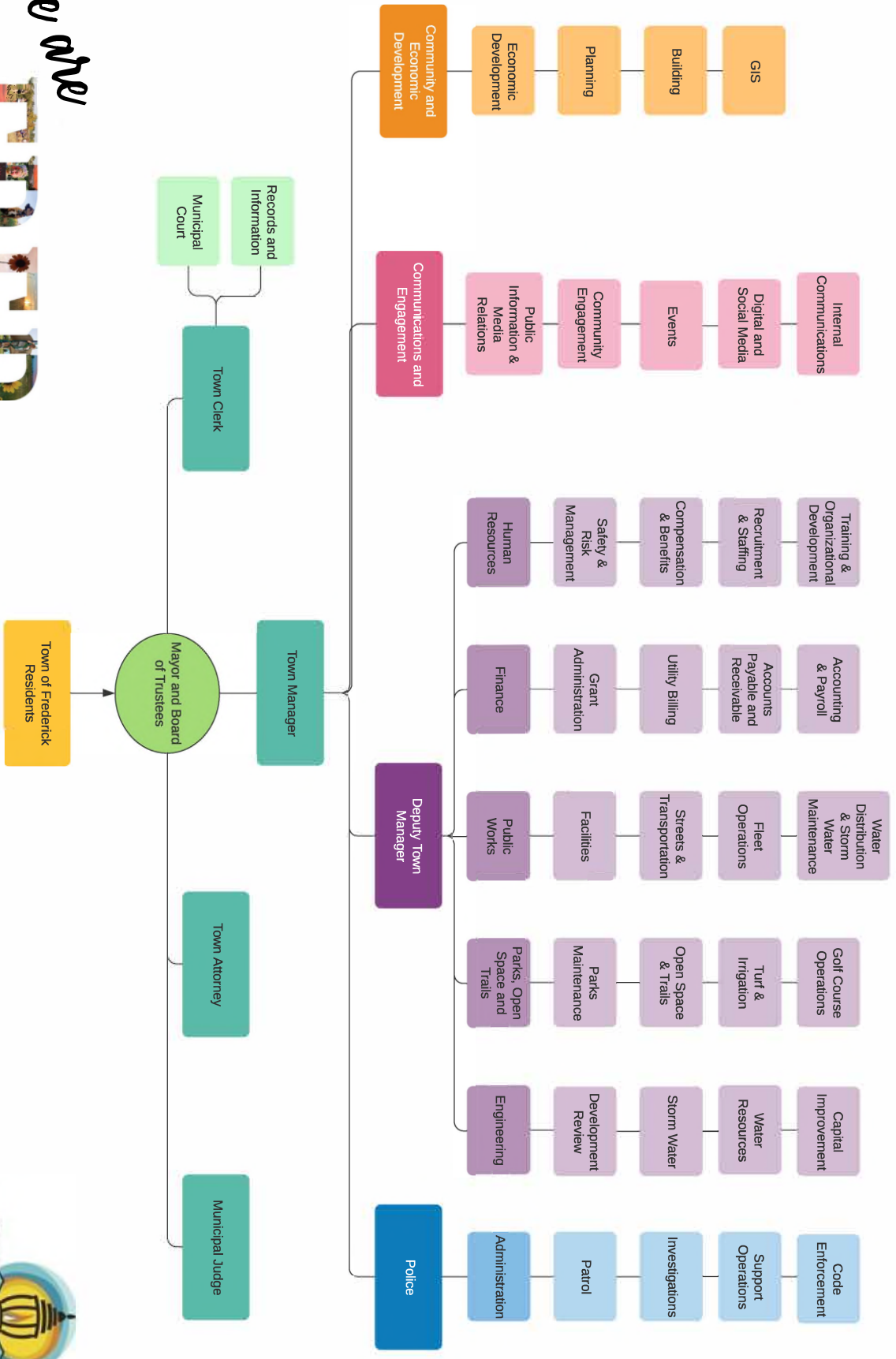
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

We are



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Independent Auditor's Report





JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frederick (the "Town") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frederick as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison schedules for the general and major special revenue funds, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 of Frederick, and to meet our 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 the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 37-42 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other 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 and individual fund schedules and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The combining and individual fund schedules and State Compliance have 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

June 14, 2022

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Management's Discussion and Analysis



Management's Discussion and Analysis

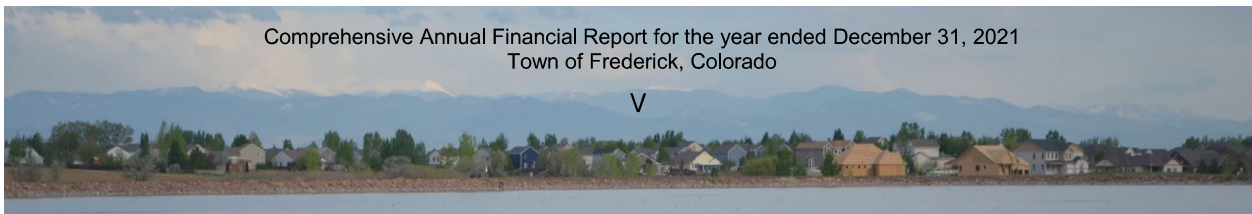
This section of the annual financial report offers readers of the Town of Frederick a discussion and analysis of the Town's financial performance during the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Financial Highlights

- Assets and deferred outflow of resources for the Town exceeded liabilities and deferred inflow of resources by \$192 million, an increase of \$19 million, or 11 percent.
- As of December 31, 2021, net position for governmental activities was \$62 million, up \$5.9 million or 10.5 percent from December 31, 2020. Business type activities reported a net position of \$131 million, up \$13.2 million or 11.2 percent in the same time frame.
- General revenues account for \$18,598,009 or 42.3 percent of all revenues. The Town had \$25,270,975 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.
- The Town had \$18,857,727 in expenses related to governmental activities, of which \$7,560,871 were offset by program specific charges for services and operating grants and contributions. Taxes of \$17,891,496, other general revenues of \$706,513, and transfers out of (\$1,598,818) as shown on the statement of activities, offset the costs.
- The Town had water and storm water charges for service income totaling \$5,451,953. Grants and capital contribution revenues for these funds totaled \$12,258,151. The cost of providing water and storm water services totaled \$6,047,729.
- Outlays for capital assets were primarily comprised of street infrastructure, vehicles and equipment. See the Capital Assets Section of the Financial Statements for detail.
- The Town's governmental funds have outstanding debt consisting of capital leases, FURA tax increment revenue bonds, and the 2015 sales and use tax bond totaling \$6,283,432 at December 31, 2021.
- The Town's business-type funds have no outstanding debt at December 31, 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) specific fund financial statements, and 3) notes to the financial statements.



Government-Wide Financial Statements

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

There are two government-wide financial statements:

Statement of net position – This statement presents information on all of the Town's assets, liabilities, deferred inflows and deferred outflows, with the difference between them being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Statement of activities – This statement presents information showing how the Town of Frederick's net position changed during 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements reflect three distinct activities:

Governmental Activities – These activities are primarily supported by taxes and intergovernmental revenues. The Governmental Activities of the Town of Frederick include general government, public safety (police), public works, community development and events.

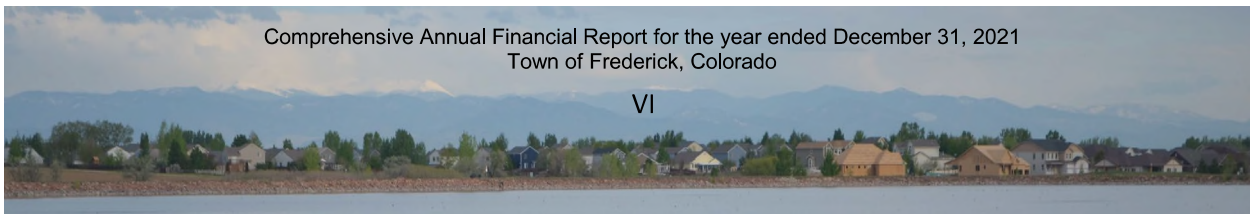
Business-type Activities – These activities are supported by user fees and service charges which are intended to recover all of their costs. The Business-type Activities of the Town of Frederick include Water, Storm Water and Golf. Governmental activities and business-type activities combined comprise the primary government.

Component Units – There is only one entity that is legally separate and is reported separately from the primary government; however, the Town of Frederick is financially accountable for it. That entity is the Frederick Urban Renewal Authority (FURA). It is reported as part of the Town as a blended component unit.

Governmental activities and business-type activities combine to comprise the primary government. The government wide financial statements begin on page 1 of this report.

Fund Financial Statements

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



Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s short-term financing requirements. The accounting method used is *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and other major funds. The minor funds are combined in the *Other Governmental Funds* into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Governmental fund financial statements begin on page 3 of this report.

Proprietary Funds – The Town of Frederick maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Water, Storm Water, and Golf Course Funds. These funds are considered major funds of the Town of Frederick.

Proprietary fund statements begin on page 6 of this report.

Fiduciary Funds – The Town of Frederick maintains one type of fiduciary fund. Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities. The Oil Royalty Fund is the only fiduciary fund held by the Town.

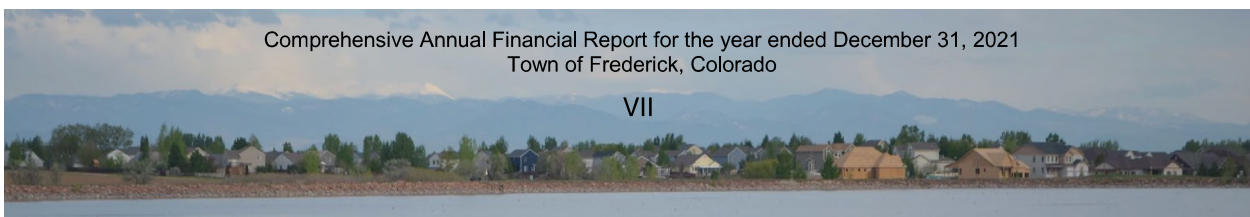
Fiduciary fund statements begin on page 9 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes can be found on pages 11 to 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. The budgetary comparisons are included on pages 35 to 51 of this report.

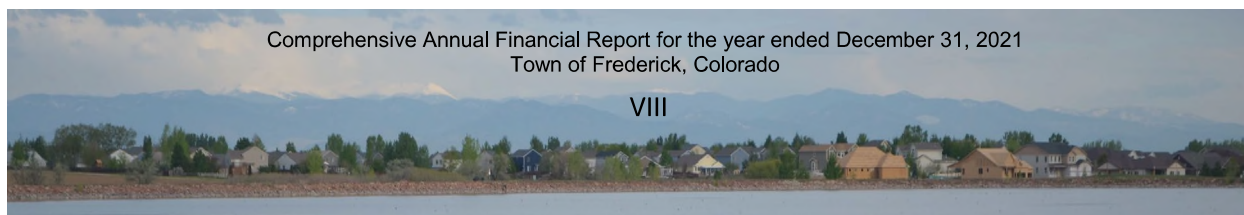


Financial Analysis of the Town as a Whole

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ending December 31, 2021, the Town's combined assets exceeded liabilities and deferred inflows of resources by \$192,347,255.

TOWN OF FREDERICK, COLORADO CONDENSED STATEMENT OF NET POSITION 2020/2021

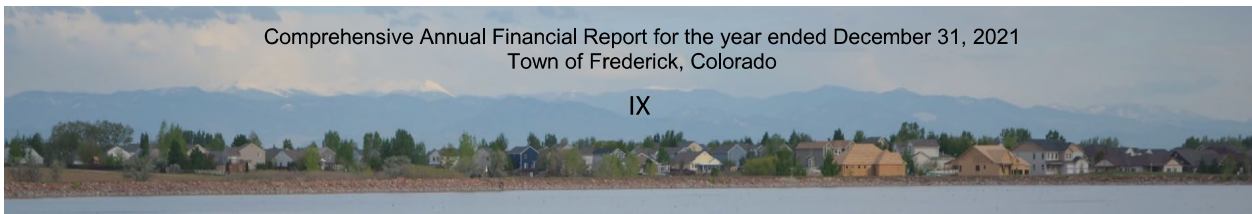
	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Assets						
Current Assets	31,611,638	39,307,551	34,664,244	46,945,756	66,275,882	86,253,307
Capital Assets - Net	36,189,738	35,654,577	83,495,640	84,460,773	119,685,378	120,115,350
Total Assets	67,801,376	74,962,128	118,159,884	131,406,529	185,961,260	206,368,657
Deferred Outflow of Resources						
Related to Pensions	388,264	338,416	-	-	388,264	338,416
Liabilities						
Current Liabilities	3,797,375	3,651,753	574,130	559,582	4,371,505	4,211,335
Long-Term Liabilities	5,821,813	5,697,595	49,980	49,980	5,871,793	5,747,575
Total Liabilities	9,619,188	9,349,348	624,110	609,562	10,243,298	9,958,910
Deferred Inflows of Resources						
Related to Pensions	116,554	328,911	-	-	116,554	328,911
Deferred Property Tax Revenue	2,605,945	4,071,997	-	-	2,605,945	4,071,997
Net Position						
Net Investment in Capital Assets	30,070,047	29,743,765	83,495,640	84,446,758	113,565,687	114,190,523
Restricted	600,000	720,000	-	-	600,000	720,000
Unrestricted	25,177,906	31,086,523	34,040,134	46,350,209	59,218,040	77,436,732
Total Net Position at December 31	55,847,953	61,550,288	117,535,774	130,796,967	173,383,727	192,347,255
Total Increase in Net Position		5,702,335		13,261,193		18,963,528
Percent Increase in Net Position		10.2%		11.3%		10.9%



The largest portion of the Town of Frederick's net position (59.3%) reflects its investment in capital assets (e.g. land, buildings, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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.

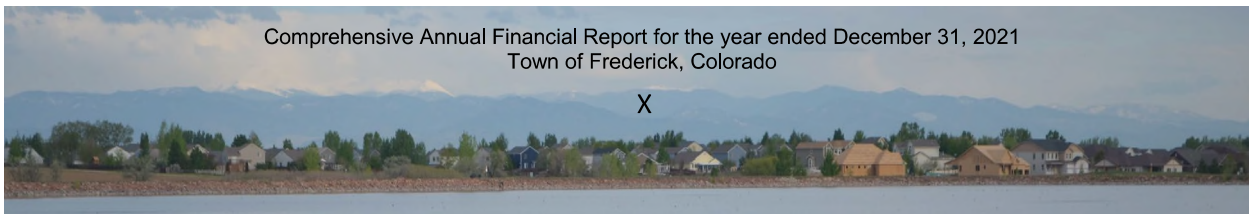
The restricted portion of net position (.37%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position (\$77,436,732) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate Governmental and Business-type Activities.



TOWN OF FREDERICK, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2020/2021

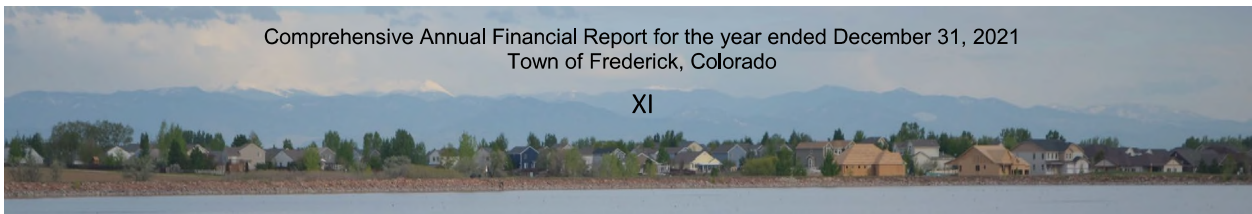
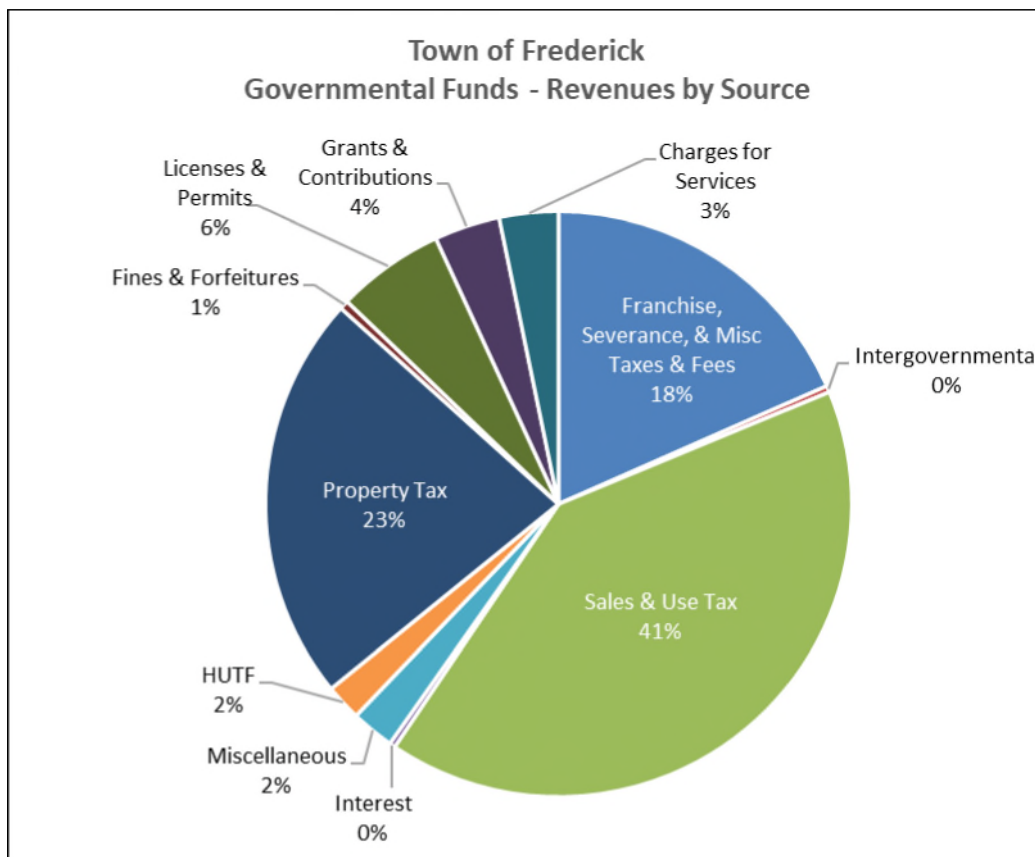
Revenues	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Program Revenues						
Charges for Services	2,569,244	2,633,871	5,296,966	5,451,953	7,866,210	8,085,824
Operating Grants and Contributions	480,504	947,400	-	-	480,504	947,400
Capital Grants and Contributions	4,477,221	3,979,600	7,959,441	12,258,151	12,436,662	16,237,751
General Revenues						
Property Taxes	3,848,770	5,895,042	-	-	3,848,770	5,895,042
Sales and Use Taxes	8,756,258	10,647,145	-	-	8,756,258	10,647,145
Franchise Taxes	602,322	606,370	-	-	602,322	606,370
Other Taxes	955,299	742,939	-	-	955,299	742,939
Interest	146,346	83,988	117,359	-	263,705	83,988
Other Revenues	439,713	622,525	-	-	439,713	622,525
Loss on Disposal of Assets	(1,913)	-	-	-	(1,913)	-
Total Revenues	22,273,764	26,158,880	13,373,766	17,710,104	35,647,530	43,868,984
Expenses						
General Government	4,063,755	5,258,822	-	-	4,063,755	5,258,822
Public Safety	3,587,463	4,707,524	-	-	3,587,463	4,707,524
Public Works	5,748,372	7,050,619	-	-	5,748,372	7,050,619
Parks and Recreation	8,168	26,006	-	-	8,168	26,006
Economic Development	859,926	1,567,599	-	-	859,926	1,567,599
Interest on Long-Term Debt	210,015	247,157	-	-	210,015	247,157
Water	-	-	2,986,616	3,668,581	2,986,616	3,668,581
Storm Water	-	-	668,548	1,044,076	668,548	1,044,076
Golf Course	-	-	987,596	1,335,072	987,596	1,335,072
Total Expenses	14,477,699	18,857,727	4,642,760	6,047,729	19,120,459	24,905,456
Excess (deficiency) before transfers	7,796,065	7,301,153	8,731,006	11,662,375	16,527,071	18,963,528
Transfers	(787,059)	(1,598,818)	787,059	1,598,818	-	-
Prior Period Adjustment	-	-	-	-	-	-
Change in Net Position	7,009,006	5,702,335	9,518,065	13,261,193	16,527,071	18,963,528
NET POSITION, Beginning	48,838,947	55,847,953	108,017,709	117,535,774	156,856,656	173,383,727
NET POSITION, Ending	<u>55,847,953</u>	<u>61,550,288</u>	<u>117,535,774</u>	<u>130,796,967</u>	<u>173,383,727</u>	<u>192,347,255</u>



Financial Analysis of the Town's Funds

Governmental Activities. The focus of the Town of Frederick's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

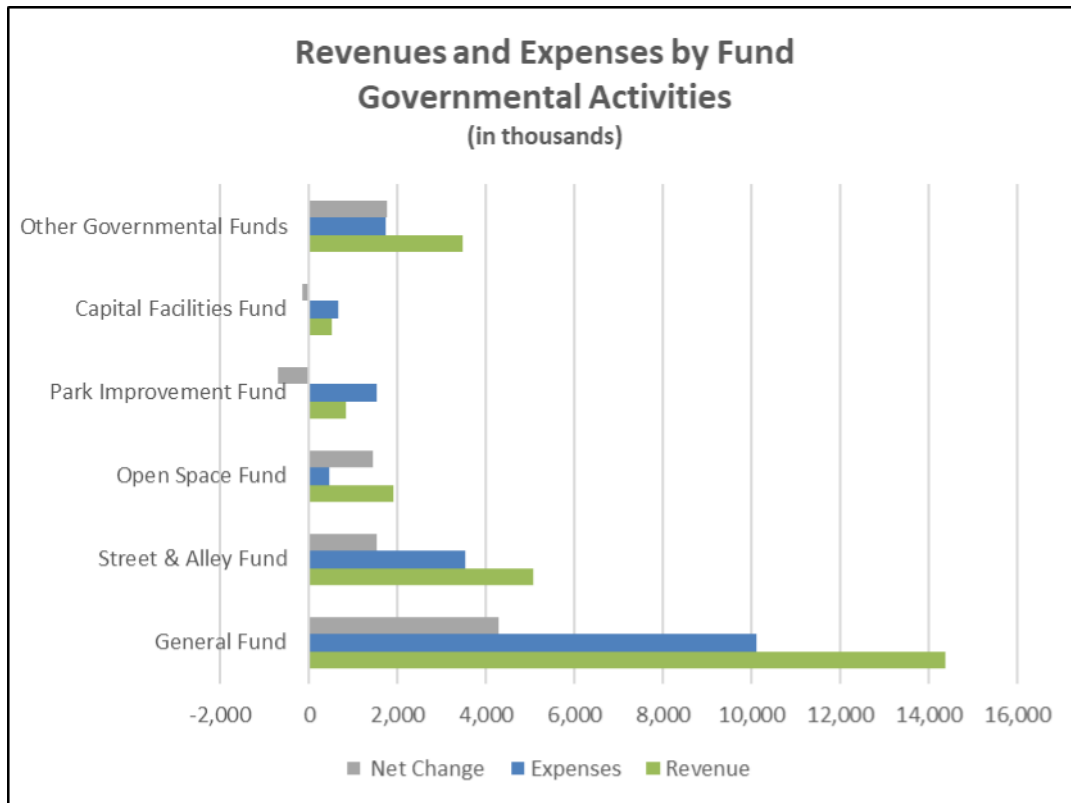
As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$32,355,355, an increase of \$6,541,297. This is largely attributed to a \$3,540,369 increase in Tax and Fee revenues and a (\$1,930,324) decrease in Capital Outlay expenditures. Notable restricted fund equity changes include a \$939,969 increase for Street Improvements, a \$1,445,749 increase for Open Space, and a \$1,449,454 increase for Urban Renewal Authority. Unassigned fund equity increased by \$2,820,506. Overall governmental revenues increased \$3,883,203 or 17.4 percent. The General Fund revenue increase of \$1,579,508 was the result of an increase in Tax and Fee income due to strong residential and commercial growth, and the resulting sales and use tax collections. Street & Alley, Open Space, Park Improvement, and Capital Facilities fund revenues all increased 5-10% due to marginal Tax and Fee revenue growth. Other Governmental Funds revenues increased by \$2,185,731, due to increased Taxes and Fees resulting from a strong and growing economy. That economic growth did result in an increase of Economic Development expenditures by \$707,673.



Expenses for the current year increased \$1,256,708 or 7.5 percent. The increase in expenses is largely attributed to General Government, Public Safety, and Economic Development activities. Capital Outlay commitment decreased in the Open Space and Park Improvement funds by (\$1,930,324). Even with the slight expenditure increase, the excess of revenues over expenditures increased by 47% from 2020.

The statement of net position reports a combined net position for governmental activities of \$61,550,288, an increase of \$5,702,335. The increase is primarily attributed to an increase in Cash and Investments.

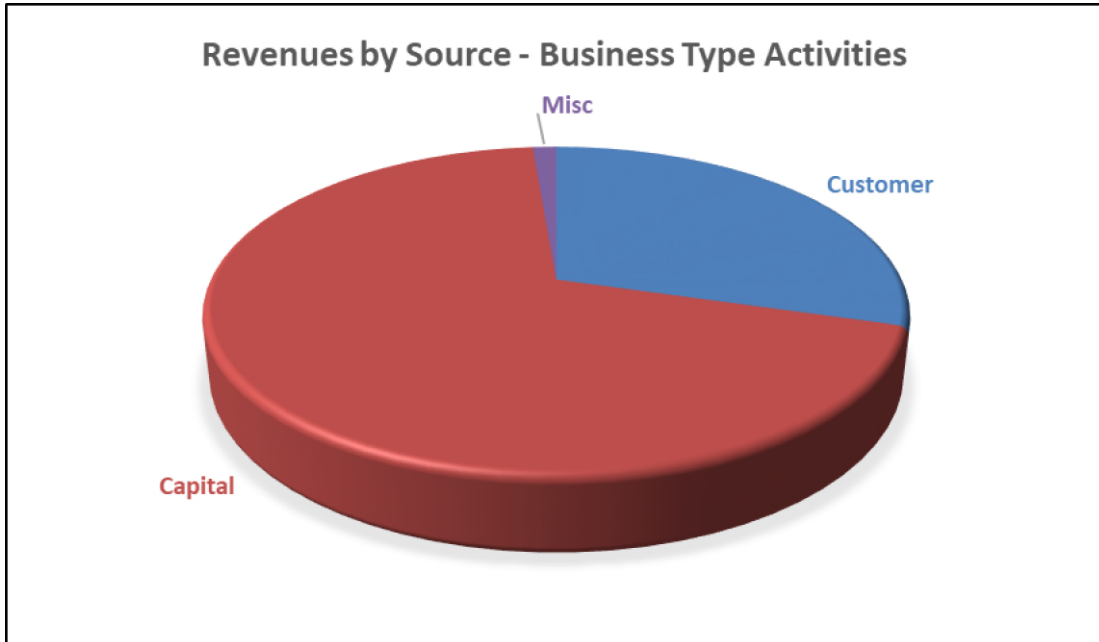
The graph below provides the program revenue and expenses for each governmental activity as well as providing net change.



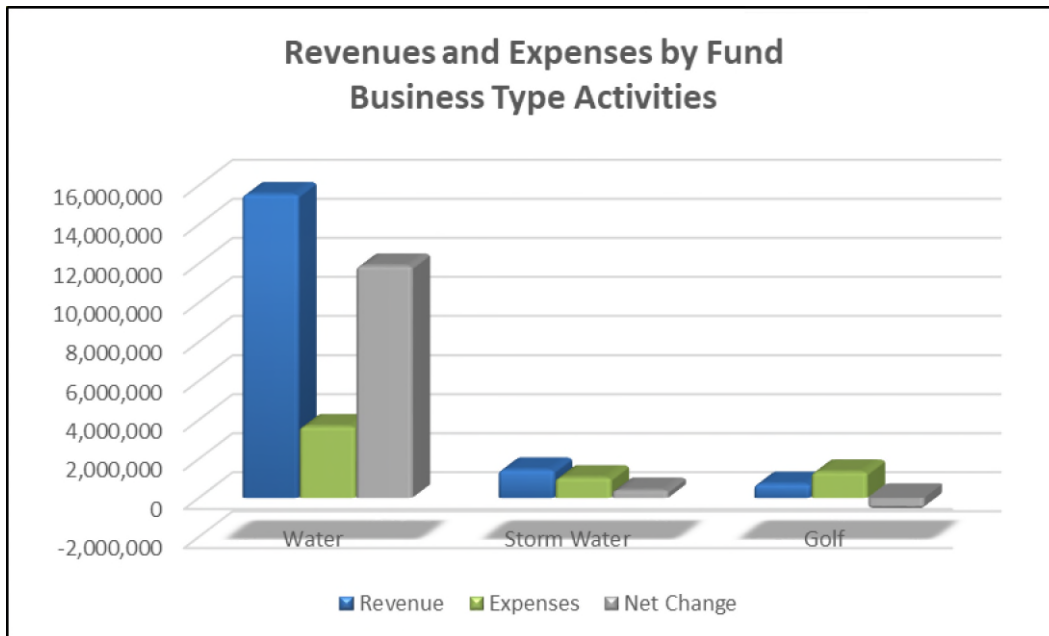
Business-type Activities. Net position of business-type activities increased by \$13.2 million primarily due to an increase in Cash and Investments and Capital Contributions, including: raw water lines, water projects and golf course equipment. The Water Fund’s Net Position increased \$11,881,375, primarily due to Capital Contributions, Storm Water increased \$1,470,890 due to Transfers In, and the Golf Course decreased (\$156,723) due to a net loss before contributions and transfers. This is the third year that the Golf Course Fund incorporated restaurant operations. This net position is dedicated solely to finance the continuing operations of the water, storm water, and golf course operations.

Revenues for the Town’s business-type activities, net of the transfer out, were \$19,243,271, a 35.9 percent increase. The increase in revenues is largely attributed to increased Charges for Services, increased Capital Contributions, and decreased Transfers Out. Charges for services for business-type activities increased \$421,244. Operating revenues increased \$154,987 and operating expenses also increased \$1,404,969.

As you can see from the following graph, the highest source of revenue for business-type activities is Capital Contributions.



The following graph provides program revenue and expenses for each of the business-type activities operated by the Town.



General Fund Budgetary Highlights

The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. In 2021, total fund balance increased 33 percent or \$3,244,918. The unassigned fund balance of the General Fund at the end of 2021, totaled \$12,039,017 while the total fund balance totaled \$13,069,082. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. For 2021, unassigned fund balance represents approximately 119 percent of total General Fund Expenditures and transfers out, while total fund balance represents 129 percent of that same amount.

The Town budgeted for General Fund expenditures of \$9,223,831 for the year ended December 31, 2021 and actual expenditures were \$10,118,419. Expenditures were (\$894,588) more than budgeted as a result of General Government spending 2.6% over budget, Public Safety spending 9.8% over budget, and unanticipated Capital Outlay of \$406,411. Revenues, excluding transfers, for 2021 were budgeted at \$9,313,060 and actual revenues were \$14,386,144. Revenues from sales taxes, use taxes, permitting for new construction, and grants and contributions were stronger than anticipated.

Capital Assets and Debt Administration

Capital Assets

By the end of 2021, the Town had invested \$119,695,051 in a broad range of capital assets, including land, buildings, site improvements, infrastructure, vehicles and other equipment. This amount represents an increase of \$67,243 or .05 percent from last year. Additional information on the Town's capital assets can be found in Note 4 of the financial statements. Total accumulated depreciation expense was \$38,504,126 in the governmental activities and \$7,276,987 in the business-type activities. There have been no significant changes in the condition level of the capital assets of the Town.

Long-Term Debt

At year-end, the Town's governmental funds had outstanding capital leases, accrued compensated absences, Sales and Use Tax Revenue Refunding Bonds Series 2015A and Sales and Use Tax Revenue Bonds Series 2015B outstanding, and 2018 FURA Tax Increment Revenue Bonds, which totaled \$6,283,432 at December 31, 2021.

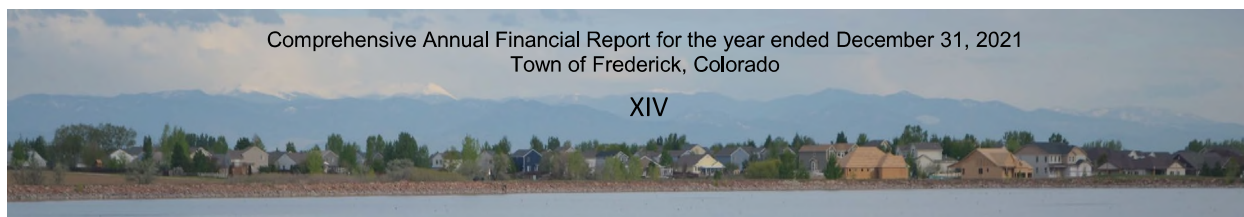
The Town's business-type funds have accrued compensated absences totaling \$174,026 at December 31, 2021.

Additional information on the Town's long-term debt can be found in Note 5 on pages 24 to 26 of this report.

Fiduciary Fund Activities

Oil Royalty Trust Fund

The fund received \$269,033 in oil royalty and investment revenues and paid out \$189,585 in scholarships and support of other community organizations. The fund balance at December 31, 2021, is \$1,622,962.



Economic Factors and Next Year's Budgets and Rates

The annual budget ensures the efficient and effective uses of Town funds, as well as highlights the priority objectives. Direction for the upcoming year is established by the Board when the budget is adopted, funds are appropriated and resources are allocated.

The following factors were taken into account when adopting the budget for 2022:

- The Town has forecast most revenues as relatively steady from 2021 through 2022. Revenues from sales taxes are expected to continually increase as a result of an increase of one percent (1.0%) with the passage of a Public Safety Sales Tax.
- The Town has conservatively forecasted new growth which was projected at 363 homes and the mill levy for property tax revenues has been set at a steady 6.555.
- Expenditures exceed revenues by \$18.2 million, reflecting a large increase in Capital Outlay for the 2022 budget year. Capital projects planned for 2022 include vehicle and equipment improvements, raw water line extensions, unit water purchases, pavement maintenance, alley improvements, open space acquisition, park improvements, and trail improvements. The difference between revenues and expenditures will be filled by accumulated fund balances, which grew from unanticipated revenue growth and lower than expected expenditures in recent years.
- There are eleven new full-time positions included in the 2022 Budget. The positions added town-wide include a Deputy Town Manager, Parks & Open Space Director, two Police Officers, Planning Technician, Grants Administrator, Water Supervisor, Storm Water Engineer, Fleet Mechanic, Facilities Maintenance Technician, and Economic Development Manager. All positions are allocated to different funds based on the amount of time spent in each fund.
- The Town's business-type activities are expected to have revenues that remain steady compared to 2021 actuals. There was no rate increase in the Storm Water fund. There was a 5% increase in the usage rates in the Water fund that went into effect January 1, 2022.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the monies it receives. If you have questions about this report or need additional financial information, contact:

Town of Frederick Finance Department
311 Fifth Street
Frederick, Colorado 80530-0435
(720) 382-5500

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Basic Financial Statements



TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2021	2020
ASSETS				
Cash and Investments	\$ 34,804,308	\$ 46,326,032	\$ 81,130,340	\$ 60,595,215
Restricted Cash and Investments	100,797	-	100,797	32,723
Receivables				
Property Taxes	2,255,414	-	2,255,414	2,605,945
Sales and Other	1,836,967	41,745	1,878,712	2,486,973
Accounts	-	385,065	385,065	347,552
Prepaid Items	310,065	192,914	502,979	193,459
Inventory	-	14,015	14,015	14,015
Interfund Activity	150,000	-	150,000	-
Net Pension Asset	256,284	-	256,284	57,570
Capital Assets, Not Depreciated	6,724,769	74,151,708	80,876,477	82,814,968
Capital Assets, Depreciated				
Net of Accumulated Depreciation	28,523,524	10,295,050	38,818,574	36,812,840
TOTAL ASSETS	<u>74,962,128</u>	<u>131,406,529</u>	<u>206,368,657</u>	<u>185,961,260</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	338,416	-	338,416	388,264
LIABILITIES				
Accounts Payable	803,134	425,867	1,229,001	917,513
Accrued Salaries and Benefits	29,006	23,083	52,089	317,881
Accrued Interest	35,717	-	35,717	38,163
Developer Escrow	1,148,059	-	1,148,059	1,555,410
Deposits	-	105,078	105,078	106,011
Due to Oil Royalty Fund	1,050,000	-	1,050,000	863,396
Due within One Year				
Compensated Absences	77,890	5,554	83,444	38,281
Bonds, Loans and Capital Leases	507,947	-	507,947	534,850
Due in More Than One Year				
Compensated Absences	701,014	49,980	750,994	344,522
Bonds, Loans and Capital Leases	4,996,581	-	4,996,581	5,527,271
TOTAL LIABILITIES	<u>9,349,348</u>	<u>609,562</u>	<u>9,958,910</u>	<u>10,243,298</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	328,911	-	328,911	116,554
Deferred Property Tax Revenue	4,071,997	-	4,071,997	2,605,945
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,400,908</u>	<u>-</u>	<u>4,400,908</u>	<u>2,722,499</u>
Net Investment in Capital Assets	29,743,765	84,446,758	114,190,523	113,565,687
Restricted for Emergencies	720,000	-	720,000	600,000
Unrestricted	31,086,523	46,350,209	77,436,732	59,218,040
TOTAL NET POSITION	<u>\$ 61,550,288</u>	<u>\$ 130,796,967</u>	<u>\$ 192,347,255</u>	<u>\$ 173,383,727</u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 5,258,822	\$ 1,558,677	\$ 927,300	\$ 515,946
Public Safety	4,707,524	128,515	20,100	255,469
Public Works	7,050,619	943,204	-	2,290,268
Parks and Recreation	26,006	3,475	-	917,917
Economic Development	1,567,599	-	-	-
Interest and Other Fiscal Charges	247,157	-	-	-
Total Governmental Activities	<u>18,857,727</u>	<u>2,633,871</u>	<u>947,400</u>	<u>3,979,600</u>
Business-Type Activities				
Water	3,668,581	3,818,242	-	11,731,714
Electric	-	-	-	-
Storm Water	1,044,076	916,540	-	526,437
Golf Course	1,335,072	717,171	-	-
Total Business-Type Activities	<u>6,047,729</u>	<u>5,451,953</u>	<u>-</u>	<u>12,258,151</u>
Total Primary Government	<u>\$ 24,905,456</u>	<u>\$ 8,085,824</u>	<u>\$ 947,400</u>	<u>\$ 16,237,751</u>

GENERAL REVENUES

- Sales Taxes
- Property Taxes
- Franchise Taxes
- Other Taxes
- Interest
- Other

TRANSFERS

SPECIAL ITEM

- Loss of Disposal of Capital Assets

TOTAL GENERAL REVENUES
AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning, as Restated

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2021	2020
\$ (2,256,899)	\$ -	\$ (2,256,899)	\$ (1,109,328)
(4,303,440)	-	(4,303,440)	(3,222,717)
(3,817,147)	-	(3,817,147)	(2,458,633)
895,386	-	895,386	909,889
(1,567,599)	-	(1,567,599)	(859,926)
(247,157)	-	(247,157)	(210,015)
<u>(11,296,856)</u>	<u>-</u>	<u>(11,296,856)</u>	<u>(6,950,730)</u>
-	11,881,375	11,881,375	8,640,882
-	-	-	-
-	398,901	398,901	544,339
<u>-</u>	<u>(617,901)</u>	<u>(617,901)</u>	<u>(571,574)</u>
<u>-</u>	<u>11,662,375</u>	<u>11,662,375</u>	<u>8,613,647</u>
(11,296,856)	11,662,375	365,519	1,662,917
10,647,145	-	10,647,145	8,756,258
5,895,042	-	5,895,042	3,848,770
606,370	-	606,370	602,322
742,939	-	742,939	955,299
83,988	-	83,988	263,705
622,525	-	622,525	439,713
(1,598,818)	1,598,818	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,913)</u>
<u>16,999,191</u>	<u>1,598,818</u>	<u>18,598,009</u>	<u>14,864,154</u>
5,702,335	13,261,193	18,963,528	16,527,071
<u>55,847,953</u>	<u>117,535,774</u>	<u>173,383,727</u>	<u>156,856,656</u>
<u>\$ 61,550,288</u>	<u>\$ 130,796,967</u>	<u>\$ 192,347,255</u>	<u>\$ 173,383,727</u>

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Governmental Fund Financial Statements



TOWN OF FREDERICK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2021

	GENERAL FUND	STREET AND ALLEY FUND	OPEN SPACE FUND	PARK IMPROVEMENT FUND	CAPITAL FACILITIES FUND
ASSETS					
Cash and Investments	\$ 13,803,663	\$ 7,516,072	\$ 3,919,670	\$ 880,872	\$ 6,161,275
Restricted Cash and Investments	-	-	-	-	-
Taxes Receivable	2,255,414	-	-	-	-
Accounts Receivable	1,627,368	100,399	-	9,200	-
Prepaid Items	310,065	-	-	-	-
Due from Other Funds	100,000	-	-	-	-
Advances to Other Funds	50,000	-	-	-	-
Due from Developers	-	-	-	-	-
TOTAL ASSETS	\$ 18,146,510	\$ 7,616,471	\$ 3,919,670	\$ 890,072	\$ 6,161,275
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 651,255	\$ 113,108	\$ 769	\$ 7,249	\$ 30,753
Accrued Liabilities	29,006	-	-	-	-
Developer Escrows and Deposits	325,170	820,970	-	1,919	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	1,000,000	-	-	-
TOTAL LIABILITIES	1,005,431	1,934,078	769	9,168	30,753
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	2,255,414	-	-	-	-
Deferred Revenue	1,816,583	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	4,071,997	-	-	-	-
FUND EQUITY					
Fund Balance					
Nonspendable	310,065	-	-	-	-
Restricted for Emergencies	720,000	-	-	-	-
Restricted for Open Space	-	-	3,918,901	-	-
Restricted for Street Improvements	-	5,682,393	-	-	-
Restricted for Parks and Recreation	-	-	-	-	-
Restricted for Public Safety	-	-	-	-	-
Restricted for Urban Renewal	-	-	-	-	-
Committed for Parks, Open Space, and Capital Outlay	-	-	-	880,904	6,130,522
Unassigned	12,039,017	-	-	-	-
TOTAL FUND EQUITY	13,069,082	5,682,393	3,918,901	880,904	6,130,522
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 18,146,510	\$ 7,616,471	\$ 3,919,670	\$ 890,072	\$ 6,161,275

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the fund. These include Bonds Payable of (\$3,736,103), Premium on Bonds (\$125,737), Notes Payable (\$1,642,688), Compensated Absences (\$778,905), Accrued Interest Payable (\$35,717), Net Pension Asset \$202,783, Deferred Outflows Related to Pensions \$492,668, and Deferred Inflows Related to Pensions of (\$237,432).

Net position of governmental activities

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
	2021	2020
\$ 2,522,756	\$ 34,804,308	\$ 26,870,782
100,797	100,797	32,723
-	2,255,414	2,605,945
100,000	1,836,967	1,890,329
-	310,065	5,653
-	100,000	-
-	50,000	619,683
-	-	206,206
<u>\$ 2,723,553</u>	<u>\$ 39,457,551</u>	<u>\$ 32,231,321</u>

\$ -	\$ 803,134	\$ 499,941
-	29,006	272,888
-	1,148,059	1,555,410
-	-	-
50,000	1,050,000	1,483,079
<u>50,000</u>	<u>3,030,199</u>	<u>3,811,318</u>

-	2,255,414	2,605,945
-	1,816,583	-
<u>-</u>	<u>4,071,997</u>	<u>2,605,945</u>

-	310,065	5,653
-	720,000	600,000
-	3,918,901	2,473,152
-	5,682,393	4,742,424
132,269	132,269	73,603
416,495	416,495	166,819
2,124,789	2,124,789	675,335
-	7,011,426	7,858,561
-	12,039,017	9,218,511
<u>2,673,553</u>	<u>32,355,355</u>	<u>25,814,058</u>

\$ 2,723,553

35,248,293 36,132,168

(5,853,232) (6,098,273)

\$ 61,750,416 \$ 55,847,953

TOWN OF FREDERICK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	GENERAL FUND	STREET AND ALLEY FUND	OPEN SPACE FUND	PARK IMPROVEMENT FUND	CAPITAL FACILITIES FUND
REVENUES					
Taxes and Fees	\$ 11,105,183	\$ 4,195,517	\$ 1,888,669	\$ 794,511	\$ 494,513
Licenses and Permits	1,558,677	-	-	-	-
Intergovernmental	-	-	-	-	8,900
Charges for Services	-	846,316	-	3,475	-
Fines and Forfeitures	128,515	-	-	-	-
Grants and Contributions	947,400	-	-	-	-
Interest	83,985	-	-	-	-
Miscellaneous	562,384	15,367	6,126	37,243	-
TOTAL REVENUES	14,386,144	5,057,200	1,894,795	835,229	503,413
EXPENDITURES					
General Government	4,573,819	-	-	-	-
Public Safety	4,624,856	-	-	-	-
Public Works	513,333	1,776,309	314,311	1,171,355	-
Parks and Recreation	-	-	-	-	-
Economic Development	-	-	-	-	-
Capital Outlay	406,411	1,355,611	134,735	365,238	479,544
Debt Service					
Principal	-	315,000	-	-	109,461
Interest and Other Fiscal Charges	-	94,300	-	-	60,179
TOTAL EXPENDITURES	10,118,419	3,541,220	449,046	1,536,593	649,184
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,267,725	1,515,980	1,445,749	(701,364)	(145,771)
OTHER FINANCING SOURCES (USES)					
Transfers In	576,011	-	-	-	-
Transfers Out	(1,598,818)	(576,011)	-	-	-
Bonds Issued	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,022,807)	(576,011)	-	-	-
NET CHANGE IN FUND BALANCES	3,244,918	939,969	1,445,749	(701,364)	(145,771)
FUND BALANCES, Beginning	9,824,164	4,742,424	2,473,152	1,582,268	6,276,293
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-
FUND BALANCES, Beginning, as restated	9,824,164	4,742,424	2,473,152	1,582,268	6,276,293
FUND BALANCES, Ending	\$ 13,069,082	\$ 5,682,393	\$ 3,918,901	\$ 880,904	\$ 6,130,522

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
	2021	2020
\$ 3,396,019	\$ 21,874,412	\$ 18,334,043
-	1,558,677	1,572,430
84,672	93,572	259,759
-	849,791	779,524
-	128,515	140,162
-	947,400	603,700
3	83,988	146,346
1,405	622,525	439,713
<u>3,482,099</u>	<u>26,158,880</u>	<u>22,275,677</u>
-	4,573,819	3,745,264
-	4,624,856	3,538,167
-	3,775,308	3,208,844
26,006	26,006	8,168
1,567,599	1,567,599	859,926
5,793	2,747,332	4,677,656
65,733	490,194	491,286
59,172	213,651	232,746
<u>1,724,303</u>	<u>18,018,765</u>	<u>16,762,057</u>
<u>1,757,796</u>	<u>8,140,115</u>	<u>5,513,620</u>
-	576,011	2,399,470
-	(2,174,829)	(3,186,529)
-	-	384,533
<u>-</u>	<u>(1,598,818)</u>	<u>(402,526)</u>
1,757,796	6,541,297	5,111,094
915,757	25,814,058	20,743,667
-	-	(40,703)
<u>915,757</u>	<u>25,814,058</u>	<u>20,702,964</u>
<u>\$ 2,673,553</u>	<u>\$ 32,355,355</u>	<u>\$ 25,814,058</u>

TOWN OF FREDERICK, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 6,541,297
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 and reported as depreciation expense. This is the amount by which depreciation expense (\$2,328,574), exceeded capital outlay \$1,444,699, in the current period.	(883,875)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include capital lease payments of \$45,782, bond payments of \$489,068, amortization of bond premium \$22,743, change in accrued compensated absences of (\$474,379), and change in accrued interest payable of (\$32,380).	50,834
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>194,207</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,902,463</u></u>

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

Proprietary Fund Financial Statements



TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2021

ASSETS	WATER	STORM	GOLF	TOTALS	
	FUND	WATER FUND	COURSE FUND	2021	2020
Current Assets					
Cash and Investments	\$ 41,430,697	\$ 5,033,662	\$ (138,327)	\$ 46,326,032	\$ 33,724,433
Accounts Receivable	320,161	64,904	-	385,065	347,552
Other Accounts Receivable	12,591	29,154	-	41,745	390,438
Prepaid Items	192,914	-	-	192,914	187,806
Inventory	-	-	14,015	14,015	14,015
Total Current Assets	41,956,363	5,127,720	(124,312)	46,959,771	34,664,244
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	81,557,058	2,629,142	260,558	84,446,758	83,495,640
TOTAL ASSETS	123,513,421	7,756,862	136,246	131,406,529	118,159,884
LIABILITIES					
Current Liabilities					
Accounts Payable	204,578	188,005	33,284	425,867	417,572
Accrued Expenses	-	-	23,083	23,083	44,993
Compensated Absences	2,840	1,050	1,664	5,554	5,554
Total Current Liabilities	207,418	189,055	58,031	454,504	468,119
Noncurrent Liabilities					
Deposits	42,127	42,984	19,967	105,078	106,011
Compensated Absences	25,556	9,451	14,973	49,980	49,980
Total Noncurrent Liabilities	67,683	52,435	34,940	155,058	155,991
TOTAL LIABILITIES	275,101	241,490	92,971	609,562	624,110
NET POSITION					
Net Investment in Capital Assets	81,557,058	2,629,142	260,558	84,446,758	83,495,640
Unrestricted	41,681,262	4,886,230	(217,283)	46,350,209	34,040,134
TOTAL NET POSITION	\$ 123,238,320	\$ 7,515,372	\$ 43,275	\$ 130,796,967	\$ 117,535,774

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2021

	WATER FUND	STORM WATER FUND	GOLF COURSE FUND	TOTALS	
				2021	2020
OPERATING REVENUES					
Charges for Services	\$ 3,760,965	\$ 756,571	\$ 705,506	\$ 5,223,042	\$ 4,801,798
Miscellaneous	57,277	159,969	11,665	228,911	495,168
TOTAL OPERATING REVENUES	3,818,242	916,540	717,171	5,451,953	5,296,966
OPERATING EXPENSES					
Administration	487,431	-	-	487,431	368,711
Operations	2,820,399	922,233	1,311,946	5,054,578	3,807,265
Depreciation	360,751	121,843	23,126	505,720	466,784
TOTAL OPERATING EXPENSES	3,668,581	1,044,076	1,335,072	6,047,729	4,642,760
OPERATING INCOME	149,661	(127,536)	(617,901)	(595,776)	654,206
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	-	-	-	-	117,359
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	-	-	-	117,359
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	149,661	(127,536)	(617,901)	(595,776)	771,565
Capital Contributions	11,731,714	526,437	-	12,258,151	7,959,441
Transfers In	-	1,137,640	1,598,818	2,736,458	30,797,430
Transfers Out	-	-	(1,137,640)	(1,137,640)	(30,010,371)
CHANGES IN NET POSITION	11,881,375	1,536,541	(156,723)	13,261,193	9,518,065
NET POSITION, Beginning	111,356,945	5,978,831	199,998	117,535,774	108,017,709
NET POSITION, Ending	\$ 123,238,320	\$ 7,515,372	\$ 43,275	\$ 130,796,967	\$ 117,535,774

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2021
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	STORM WATER FUND	GOLF COURSE FUND	TOTALS	
				2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 3,779,978	\$ 917,291	\$ 717,171	\$ 5,414,440	\$ 5,283,168
Cash Paid to Suppliers	(3,406,794)	(856,891)	(1,296,847)	(5,560,532)	(4,080,025)
Net Cash Provided (Used) by Operating Activities	<u>373,184</u>	<u>60,400</u>	<u>(579,676)</u>	<u>(146,092)</u>	<u>1,203,143</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments (to) from Other Funds	-	1,137,640	461,178	1,598,818	787,059
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>1,137,640</u>	<u>461,178</u>	<u>1,598,818</u>	<u>787,059</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(1,276,896)	(65,651)	(114,291)	(1,456,838)	(2,374,667)
Grants and Contributions	378,769	11,669	-	390,438	401,881
Capital Contributions	11,719,123	497,283	-	12,216,406	7,569,003
Deposits from Customers	(2,081)	-	1,148	(933)	(5,156)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>10,818,915</u>	<u>443,301</u>	<u>(113,143)</u>	<u>11,149,073</u>	<u>5,591,061</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	-	-	-	-	117,359
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,359</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,192,099	1,641,341	(231,641)	12,601,799	7,698,622
CASH AND INVESTMENTS, Beginning	<u>30,238,598</u>	<u>3,392,321</u>	<u>93,314</u>	<u>33,724,233</u>	<u>26,025,811</u>
CASH AND INVESTMENTS, Ending	<u>\$ 41,430,697</u>	<u>\$ 5,033,662</u>	<u>\$ (138,327)</u>	<u>\$ 46,326,032</u>	<u>\$ 33,724,433</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 149,661	\$ (127,536)	\$ (617,901)	\$ (595,776)	\$ 654,206
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation and Amortization	360,751	121,843	23,126	505,720	466,784
Changes in Assets and Liabilities					
Accounts Receivable	(38,264)	751	-	(37,513)	(13,798)
Prepaid Items	(4,908)	-	-	(4,908)	(19,150)
Inventory	-	-	-	-	-
Accounts Payable	(74,347)	72,099	10,543	8,295	78,419
Accrued Expenses	(19,709)	(6,757)	4,556	(21,910)	21,773
Compensated Absences	-	-	-	-	14,909
Total Adjustments	<u>223,523</u>	<u>187,936</u>	<u>38,225</u>	<u>449,684</u>	<u>548,937</u>
Net Cash Provided by Operating Activities	<u>\$ 373,184</u>	<u>\$ 60,400</u>	<u>\$ (579,676)</u>	<u>\$ (146,092)</u>	<u>\$ 1,203,143</u>

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

Fiduciary Fund Financial Statements



TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
OIL ROYALTY TRUST FUND
December 31, 2021

	<u>PRIVATE PURPOSE TRUST</u>
ASSETS	
Cash and Investments	\$ 538,283
Accounts Receivable	85,784
Due from Other Funds	<u>1,000,000</u>
TOTAL ASSETS	<u>1,624,067</u>
LIABILITIES	
Accounts Payable	<u>1,105</u>
NET POSITION	<u>\$ 1,622,962</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,624,067</u></u>

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF CHANGES IN NET POSITION
 OIL ROYALTY TRUST FUND
 Year Ended December 31, 2021

	<u>PRIVATE PURPOSE TRUST</u>
ADDITIONS	
Oil Royalties	\$ 189,557
Taxes	<u>79,476</u>
TOTAL ADDITIONS	<u>269,033</u>
DEDUCTIONS	
Purchased Services	13,393
Scholarships	32,000
Donations	7,500
	<u>136,692</u>
TOTAL DEDUCTIONS	<u>189,585</u>
CHANGE IN NET POSITION	79,448
NET POSITION, Beginning	<u>1,543,514</u>
NET POSITION, Ending	<u><u>\$ 1,622,962</u></u>

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

Notes to Financial Statements



TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Frederick, Colorado was incorporated in 1907. The Town is governed by a Mayor and six-member council elected by the residents.

The accounting policies of the Town of Frederick, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of Frederick has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Frederick Urban Renewal Authority

The Frederick Urban Renewal Authority (the “Authority”) is considered to be financially accountable to the Town. The purpose of the Authority is to improve condition of blighted areas of the Town. The Authority is considered to be part of the Town for financial reporting purposes because its resources are entirely for the direct benefit of the Town and is blended into the Town’s financial statements as a special revenue fund. The basis for blending of the component unit is that its governing body is the same as the governing body of the Town, plus three additional representatives. Management of the Town also has operational responsibility for the Authority.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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

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

In the fund financial statements, the Town reports the following major governmental funds:

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

The *Street and Alley Fund* accounts for revenues from specific sources and to account for the construction and maintenance of the Town's streets and alleys

The *Open Space Fund* accounts for allocated impact fees and sales tax revenues approved by voters to provide funding for the acquisition and maintenance of open space areas within the Town.

The *Park Improvement Fund* accounts for allocated impact fees, grants, and contributions to provide funding for the acquisition and maintenance of parks and recreation areas within the Town.

The *Capital Facilities Fund* accounts for allocated impact fee revenues to provide funding for the acquisition of property and equipment, construction of streets, drainage, and planning and engineering studies.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Storm Water Fund* accounts for the financial activities associated with the provision of drainage services.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The *Golf Course Fund* accounts for the financial activities associated with the operation of the Bella Rosa Golf Course.

Additionally, the Town reports the following fund type:

The *Fiduciary Fund* accounts for the activities of the Town's oil royalties.

Cash and Investments

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

Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

Buildings	20 - 50 years
Water System	10 - 50 years
Machinery and Equipment	5 - 10 years
Vehicles	5 - 10 years
Infrastructure	10 - 30 years

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time up to 160 hours if they have less than 15 years of service. Employees with over 15 years can accumulate 400 hours. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time at their current pay rate. Employees are not compensated for any of their accrued sick time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the period incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The Town reports prepaid expenses as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the Open Space Fund as restricted because its use is restricted by taxpayer initiative, the Street and Alley Fund as restricted as the revenues are restricted through taxpayer initiatives and State Statute, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town reports the fund balances of the Park Improvement Fund and the Capital Facilities Fund as committed as the Town has passed ordinances to create impact fees that are committed for the costs of infrastructure necessary to support new development.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The elected board of trustees assigns amounts to a specific purpose by adopted ordinance.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Property Taxes

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

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

- Budgets are legally adopted for all funds of the Town, except for the Electric Fund, a proprietary fund, which was closed to the Water Fund in 2021 and the Public Safety Special Revenue Fund which was a newly created in 2021. Budgets for the General, Special Revenue, and Private Purpose Trust Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Legal Compliance

At December 31, 2021, actual expenditures exceeded budgeted amounts by the following amounts, for the following funds:

General Fund	\$ 1,733,466
Open Space Fund	9,694
Park Improvement Fund	460,805
Capital Facilities	378,544
Conservation Trust Fund	25,756
Golf Course Fund	437,893
Oil Royalty Trust Fund	132,585

This may be a violation of State statute.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2021 follows:

Petty Cash	\$ 1,400
Cash Deposits	17,675,759
Investments	<u>64,092,261</u>
Total	<u>\$ 81,769,420</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

The above amounts are classified in the statement of net position as follows:

Cash and Investments	\$ 81,130,340
Restricted Cash and Investments	100,797
Fiduciary Funds	<u>538,283</u>
 Total	 <u>\$ 81,769,420</u>

Cash in the amount of \$100,797 is restricted for debt service and capital improvements in the Frederick Urban Renewal Authority Fund.

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2021, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2021, the Town had deposits with financial institutions with a carrying amount of \$17,675,759. The bank balances with the financial institutions were \$17,739,512. Of these balances, \$750,000 was covered by federal depository insurance and \$16,989,512 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2021, the Town had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
		<u>0 – 1 Years</u>	<u>1 – 5 Years</u>
Local Government Investment Pools	<u>\$ 64,092,261</u>	<u>\$ 64,092,261</u>	<u>\$ -</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Investments (Continued)

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pools

The Town had invested \$50,250,384 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pools (Continued)

The Town had invested \$13,841,877 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables. This investment is valued using Level 2 inputs.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021 is summarized below:

	Balances <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2021</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 6,592,410	\$ -	\$ -	\$ 6,592,410
Construction in Process	<u>3,319,850</u>	<u>132,359</u>	<u>3,319,850</u>	<u>132,359</u>
Total Capital Assets, not depreciated	<u>9,912,260</u>	<u>132,359</u>	<u>3,319,850</u>	<u>6,724,769</u>
Capital Assets, depreciated				
Buildings	5,808,323	1,477,838	-	7,286,61
Improvements other than buildings	12,089,987	1,721,836	209,412	13,602,411
Infrastructure	41,686,168	911,739	-	42,597,907
Equipment	<u>5,129,313</u>	<u>520,777</u>	<u>2,108,919</u>	<u>3,541,171</u>
Total Capital Assets, depreciated	<u>64,713,791</u>	<u>4,632,190</u>	<u>2,318,331</u>	<u>67,027,650</u>
Less Accumulated Depreciation				
Buildings	1,667,140	214,352	-	1,667,140
Improvements	3,651,082	446,895	209,412	3,651,082
Infrastructure	29,318,876	1,365,526	-	29,318,876
Equipment	<u>3,856,785</u>	<u>301,801</u>	<u>2,108,919</u>	<u>3,856,785</u>
Total Accumulated Depreciation	<u>38,493,883</u>	<u>2,328,574</u>	<u>2,318,331</u>	<u>38,504,126</u>
Total Capital Assets, depreciated, Net	<u>26,219,908</u>	<u>2,303,616</u>	<u>-</u>	<u>28,523,524</u>
Governmental Activities, Capital Assets, Net	<u>\$ 36,132,168</u>	<u>\$ 2,435,975</u>	<u>\$ 3,319,850</u>	<u>\$ 35,248,293</u>

Net depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities

General Government	\$ 233,367
Public Safety	76,747
Public Works	<u>2,018,460</u>
Total	<u>\$ 2,328,574</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2021</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 1,229,794	\$ -	\$ -	\$ 1,229,794
Water Rights	60,060,283	1,249,000	-	67,309,283
System Enhancement	1,019,000	-	-	1,019,000
Construction in Progress	<u>4,593,631</u>	<u>-</u>	<u>-</u>	<u>4,593,631</u>
Total Capital Assets, not depreciated	<u>72,902,708</u>	<u>1,249,000</u>	<u>-</u>	<u>74,151,708</u>
Capital Assets, depreciated				
Intangible Assets	74,850	-	-	74,850
Buildings	490,826	-	-	490,826
Utility Systems	15,617,499	-	14,494	15,603,005
Infrastructure	86,780	-	-	86,780
Equipment	<u>1,094,246</u>	<u>222,332</u>	<u>-</u>	<u>1,316,578</u>
Total Capital Assets, depreciated	<u>17,364,201</u>	<u>222,332</u>	<u>14,494</u>	<u>17,572,039</u>
Less: Accumulated Depreciation				
Intangible Assets	74,850	-	-	74,850
Buildings	173,560	12,646	-	186,206
Utility Systems	5,979,794	377,146	-	6,356,940
Infrastructure	-	4,340	-	4,340
Equipment	<u>543,065</u>	<u>111,588</u>	<u>-</u>	<u>654,653</u>
Total Accumulated Depreciation	<u>6,771,269</u>	<u>505,720</u>	<u>-</u>	<u>7,276,987</u>
Total Capital Assets, depreciated, Net	<u>10,592,932</u>	<u>(283,388)</u>	<u>(14,494)</u>	<u>10,295,050</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 83,495,640</u>	<u>\$ 965,612</u>	<u>\$ (14,494)</u>	<u>\$ 84,446,758</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Business-type Activities

Water Fund	\$ 360,751
Storm Water Fund	121,843
Golf Course Fund	<u>23,126</u>
Total	<u>\$ 505,720</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021.

	Balance As Restated <u>12/31/2020</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/2021</u>	Due In <u>One Year</u>
General Obligation Bonds					
2015 Revenue and Refunding Bonds	\$ 2,360,000	\$ -	\$ 315,000	\$ 2,045,000	\$ 330,000
2015 Bond Premium	148,480	-	22,743	125,737	-
Debt from Direct Borrowings					
Direct Placements					
2018 FURA Tax Increment					
Revenue Bonds	1,756,836	-	65,733	1,691,103	65,733
PW Facility – Loan	1,751,023	-	108,335	1,642,688	112,214
Street Sweeper – Lease	45,782	-	45,782	-	-
Compensated Absences	<u>327,269</u>	<u>864,425</u>	<u>412,790</u>	<u>778,904</u>	<u>77,890</u>
Total	<u>\$ 6,477,051</u>	<u>\$ 864,425</u>	<u>\$ 970,383</u>	<u>\$ 6,283,432</u>	<u>\$ 585,837</u>

Compensated Absences are expected to be liquidated primarily with resources of the General Fund. The Town currently estimates that 10% of the accrued compensated absences shown above will be liquidated currently.

2015 Revenue Refunding Bonds

In December 2015, the Town issued Sales and Use Tax Revenue Refunding Bonds Series 2015A and Sales and Tax Revenue Bonds Series 2015B to refund the Town's 2006 Revenue Bonds and to finance capital improvements and bond issuance costs. Principal and interest payments are due annually on December 15 through December 15, 2029. Interest accrues at rates ranging from 2.00% of 4.00%.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

2015 Revenue Refunding Bonds (Continued)

The Bonds maturing on and before December 15, 2021, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after December 15, 2022 are subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on December 15, 2021 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. There is no provision for the acceleration of maturity of the principal of the Bonds in the event of default in the payment of principal or interest on the Bonds.

2018 FURA Tax Increment Revenue Bonds

In June 2018, the Frederick Urban Renewal Authority (FURA) was authorized for up to \$3,550,000 in Tax Increment Revenue Bonds Series 2018 to finance capital improvements within the Meadowlark Business Park Plan Area and to finance bond issuance costs. These bonds are issued as a draw down bond and funds will be available to the FURA as requested. As of December 31, 2021, the FURA has drawn \$1,878,057 on these bonds. Principal and Interest on the amounts drawn are due annually on December 1, 2018, through December 1, 2040. Interest is currently accruing at rates ranging from 2.848% to 4.832%. This is a variable rate equal to 80% of the Taxable Rate, which is 3.0% plus the five-year Federal Home Loan Bank Des Moines Fixed Advance regular rate as of the date of the date of the draw request. This rate shall not exceed 8.00% per annum.

The Bonds maturing on and after December 31, 2018, are subject to redemption prior to maturity at the redemption price set forth in the 2018 Bond Agreement. In the event of default, the principal and accrued interest on the Bonds shall be immediately due and payable.

Street Sweeper Lease

In November 2016, the Town entered into lease purchase agreement with Wells Fargo Bank to finance the acquisition of a Street Sweeper. Principal and interest payments are due annually on January 31 through January 31, 2021. Interest accrues at a rate of 2.59%. The lease was paid in full as of December 31, 2021.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the general obligation bonds as of December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 330,000	\$ 81,800	\$ 411,800
2023	345,000	68,600	413,600
2024	355,000	54,800	409,800
2025	370,000	40,600	410,600
2026	380,000	25,800	405,800
2027 – 2029	<u>265,000</u>	<u>21,400</u>	<u>286,400</u>
Total Debt Service Requirements - Bonds	<u>\$ 2,045,000</u>	<u>\$ 293,000</u>	<u>\$ 2,338,000</u>

Annual debt service requirements for the outstanding direct placement and direct borrowings as of December 31, 2021, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 177,947	\$ 131,090	\$ 309,037
2023	172,572	124,346	296,918
2024	181,296	118,171	299,467
2025	190,431	111,015	301,446
2026	204,284	103,825	308,109
2027 – 2031	1,183,301	395,421	1,578,722
2032 – 2036	861,015	176,209	1,037,224
2037 – 2040	<u>362,945</u>	<u>46,518</u>	<u>409,463</u>
Total Debt Service Requirements - Direct	<u>\$ 3,333,791</u>	<u>\$ 1,206,595</u>	<u>\$ 4,540,386</u>

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2021.

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Due In</u> <u>One Year</u>
Accrued Compensated Absences	\$ 55,534	\$ 184,154	\$ 65,662	\$ 174,026	\$ 5,554
Total	<u>\$ 55,534</u>	<u>\$ 184,154</u>	<u>\$ 65,662</u>	<u>\$ 174,026</u>	<u>\$ 5,554</u>

Compensated Absences are expected to be liquidated with resources of the Proprietary Funds and the Town currently estimates that 10% of the accrued compensated absences shown above will be liquidated currently.

NOTE 6: INTERFUND TRANSFERS

Below is a schedule of interfund transfers made during the year ended December 31, 2021.

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
Street and Alley Fund	General Fund	\$ 576,011
General Fund	Golf Course Fund	1,598,818
Golf Course Fund	Water Fund	<u>1,137,640</u>
Total		<u>\$ 3,312,469</u>

The transfers to the General Fund were made to assist with operating and administrative costs and the one percent fee charged to capital construction projects to support the Art in Public Places program. The transfers to the Conservation Trust and Capital Facilities Funds were made to offset the cost of park improvements and capital construction projects. The transfer to the Golf Fund was made to offset additional operating and capital costs in the Golf Fund. These transfers are budgeted annually.

NOTE 7: TAX ABATEMENTS

The Town entered into a Developer Incentive agreement with a local business under Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes ("C.R.S.") and under C.R.S. § 30-11-123 which provides that the Town may negotiate incentive payments to taxpayers who establish new business facilities or who expand existing business facilities.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 7: TAX ABATEMENTS (Continued)

During the year ended December 31, 2016, the Town entered into an incentive agreement with a new local business to promote economic development within the Town and to generate employment opportunities for residents of the Town. Under this agreement, the Town abated sales taxes and interest totaling \$3,233, \$723, and \$5,539, for the years ended December 31, 2019, 2020, and 2021, respectively. In addition, this agreement provided for permit and plan review fee waivers totaling \$494, \$0 and \$0, for the years ended December 31, 2019, 2020, and 2021, respectively.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The Town contributes to the Statewide Defined Benefit Pension Plan (“SWDB Plan”), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the FPPA. The net pension 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.

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).

General Information about the Pension Plan

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA’s Pension Fund Board of Trustees. Colorado Revised Statutes (“CRS”), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA’s website at <http://www.fppaco.org>.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. 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 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually.

Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments 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 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited 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 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8.00 and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.00 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.00 percent and 8.00 percent, respectively, of pensionable earnings for a total contribution rate of 19.00 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.00 percent and 23.50 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4.00 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4.00 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.50 percent and 4.00 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.00 percent of pensionable earnings. Employer contributions are 4 percent in 2020 and 2021. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.50 percent of pensionable earnings.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Town reported an asset in the amount of \$256.284 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2021.

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2020 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2020 the Town's proportion was 0.11805%, which was an increase of 0.01626% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021 the Town recognized a pension expense of \$63,491. At December 31, 2021, 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	\$217,354	\$1,019
Net difference between projected and actual earnings on pension plan investments	N/A	\$263,240
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$12,061	\$64,652
Change in assumptions and other inputs	\$109,001	N/A
Contributions subsequent to the measurement date	N/A	N/A
Total	\$338,416	\$328,911

\$0 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Year ended December 31	
2022	(\$35,922)
2023	(\$1,848)
2024	(\$46,135)
2025	(\$935)
2026	\$41,430
Thereafter	\$52,985

Actuarial assumptions. The actuarial valuations for the SWDB Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2021
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2020
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.0 percent
Projected salary increases*	4.25-11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability and actuarially determined contributions, 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 preretirement 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 FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2020. 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 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income – Rates	10.00%	4.01%
Fixed Income – Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (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 percent.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$257,909	(\$256,284)	(\$682,099)

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

TOWN OF FREDERICK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 9: OTHER RETIREMENT COMMITMENTS

Deferred Compensation Plan

All full-time employees are eligible to participate in a voluntary 457 Deferred Comp Plan. The Plan is administered by the International Town/County Management Association (ICMA-RC). The Town matches up to 6% of employee contributions. The Town contributed \$168,177, \$224,581 and \$463,222 to the plan for the years ended December 31, 2019, 2020 and 2021, respectively, equal to the required contribution.

NOTE 10: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town carries commercial insurance to cover these risks. The Town has not had any claims that exceeded insurable amounts for the last three years.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 2013, voters within the Town approved the collection, retention and expenditure the full amount of the town taxes, grants and all other revenue collected from all sources including property taxes, received in 2012 and each subsequent year, without regard to any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado constitution or any other law.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of \$720,000 was recorded in the General Fund.

NOTE 12: SUBSEQUENT EVENTS

Potential subsequent events were considered through June 14, 2022. It was determined that no events were required to be disclosed through this date.

Required Supplementary Information



TOWN OF FREDERICK, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes and Fees	\$ 7,653,260	\$ 11,105,183	\$ 3,451,923	\$ 10,159,886
Licenses and Permits	1,248,000	1,558,677	310,677	1,572,430
Fines and Forfeitures	114,000	128,515	14,515	140,162
Grants and Contributions	92,000	947,400	855,400	480,504
Interest	31,000	83,985	52,985	85,051
Miscellaneous	174,800	562,384	387,584	368,603
TOTAL REVENUES	9,313,060	14,386,144	5,073,084	12,806,636
EXPENDITURES				
General Government	4,457,149	4,573,819	(116,670)	3,745,264
Public Safety	4,211,176	4,624,856	(413,680)	3,538,167
Public Works	553,006	513,333	39,673	499,247
Capital Outlay	2,500	406,411	(403,911)	248,380
TOTAL EXPENDITURES	9,223,831	10,118,419	(894,588)	8,031,058
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	89,229	4,267,725	4,178,496	4,775,578
OTHER FINANCING SOURCES (USES)				
Transfers In	70,000	576,011	506,011	32,000
Transfers Out	(759,940)	(1,598,818)	(838,878)	(3,154,529)
TOTAL OTHER FINANCING SOURCES (USES)	(689,940)	(1,022,807)	(332,867)	(3,122,529)
NET CHANGE IN FUND BALANCE	(600,711)	3,244,918	3,845,629	1,653,049
FUND BALANCE, Beginning	11,226,811	9,824,164	(1,402,647)	8,171,115
FUND BALANCE, Ending	\$ 10,626,100	\$ 13,069,082	\$ 2,442,982	\$ 9,824,164

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

STREET AND ALLEY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes and Fees	\$ 2,770,000	\$ 4,195,517	\$ 1,425,517	\$ 3,933,364
Charges for Services	725,000	846,316	121,316	779,384
Grants and Contributions	-	-	-	123,196
Interest	10,000	-	(10,000)	24,921
Miscellaneous	1,000	15,367	14,367	990
TOTAL REVENUES	3,506,000	5,057,200	1,551,200	4,861,855
EXPENDITURES				
Public Works	1,858,618	1,776,309	82,309	1,601,294
Capital Outlay	-	1,355,611	(1,355,611)	1,265,114
Debt Service				
Principal	315,000	315,000	-	305,000
Interest	94,000	94,300	(300)	102,850
TOTAL EXPENDITURES	2,267,618	3,541,220	(1,273,602)	3,274,258
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,238,382	1,515,980	277,598	1,587,597
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,159,450)	(576,011)	1,583,439	(14,000)
NET CHANGE IN FUND BALANCE	(921,068)	939,969	1,861,037	1,573,597
FUND BALANCE, Beginning	4,881,372	4,742,424	(138,948)	3,168,827
FUND BALANCE, Ending	\$ 3,960,304	\$ 5,682,393	\$ 1,722,089	\$ 4,742,424

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

OPEN SPACE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 1,010,000	\$ 1,723,669	\$ 713,669	\$ 1,450,832
Open Space Fees	-	165,000	165,000	176,250
Grants and Contributions			-	-
Interest Income	1,000	-	(1,000)	7,171
Miscellaneous	-	6,126	6,126	-
TOTAL REVENUES	<u>1,011,000</u>	<u>1,894,795</u>	<u>883,795</u>	<u>1,634,253</u>
EXPENDITURES				
Public Works	438,152	314,311	123,841	283,072
Capital Outlay	1,200	134,735	(133,535)	1,495,608
TOTAL EXPENDITURES	<u>439,352</u>	<u>449,046</u>	<u>(9,694)</u>	<u>1,778,680</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>571,648</u>	<u>1,445,749</u>	<u>874,101</u>	<u>(144,427)</u>
OTHER FINANCING USES				
Transfers Out	<u>(2,265,700)</u>	<u>-</u>	<u>2,265,700</u>	<u>(2,500)</u>
TOTAL OTHER FINANCING USES	<u>(2,265,700)</u>	<u>-</u>	<u>2,265,700</u>	<u>(2,500)</u>
NET CHANGE IN FUND BALANCES	<u>(1,694,052)</u>	<u>1,445,749</u>	<u>3,139,801</u>	<u>(146,927)</u>
FUND BALANCES, Beginning	<u>1,868,017</u>	<u>2,473,152</u>	<u>605,135</u>	<u>2,620,079</u>
FUND BALANCES, Ending	<u>\$ 173,965</u>	<u>\$ 3,918,901</u>	<u>\$ 3,744,936</u>	<u>\$ 2,473,152</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

PARK IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Park Impact Fees	\$ 436,500	\$ 794,511	\$ 358,011	\$ 848,400
Charges for Services	-	3,475	3,475	140
Grants and Contributions	-	-	-	-
Interest Income	1,500	-	(1,500)	9,116
Miscellaneous	-	37,243	37,243	70,120
TOTAL REVENUES	438,000	835,229	397,229	927,776
EXPENDITURES				
Public Works	1,075,788	1,171,355	(95,567)	825,231
Capital Outlay	-	365,238	(365,238)	1,222,435
TOTAL EXPENDITURES	1,075,788	1,536,593	(460,805)	2,047,666
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(637,788)	(701,364)	(63,576)	(1,119,890)
OTHER FINANCING SOURCES (USES)				
Transfers In	(604,200)	-	604,200	-
Transfers Out	-	-	-	(15,500)
TOTAL OTHER FINANCING SOURCES	(604,200)	-	604,200	(15,500)
NET CHANGE IN FUND BALANCES	(1,241,988)	(701,364)	540,624	(1,135,390)
FUND BALANCES, Beginning	1,441,255	1,582,268	141,013	2,717,658
FUND BALANCES, Ending	\$ 199,267	\$ 880,904	\$ 681,637	\$ 1,582,268

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
 STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2013	2014	2015	2016	2017	2018	2019	2020
Town's proportionate share of the Net Pension Liability (Asset)	0.108%	0.119%	0.127%	0.116%	0.103%	0.096%	0.102%	0.118%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (96,865)	\$ (134,339)	\$ (2,238)	\$ 42,056	\$ 148,621	\$ 121,550	\$ (57,570)	\$ (256,284)
Town's covered payroll	\$ 941,000	\$ 1,068,711	\$ 1,230,975	\$ 1,191,312	\$ 1,208,518	\$ 1,288,016	\$ 1,500,466	\$ 1,896,336
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-10.3%	-12.6%	-0.2%	3.5%	12.3%	9.4%	-3.8%	-13.5%
Plan fiduciary net position as a percentage of the total pension liability	105.8%	106.8%	100.1%	98.2%	98.2%	95.2%	101.9%	106.7%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Statutorily required contributions	\$ 37,640	\$ 42,824	\$ 49,239	\$ 47,653	\$ 48,341	\$ 51,521	\$ 60,019	\$ 75,854	\$ -
Contributions in relation to the Statutorily required contributions	37,640	42,824	49,239	47,653	48,341	51,521	60,019	75,854	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 941,000	\$ 1,068,711	\$ 1,230,975	\$ 1,191,312	\$ 1,208,518	\$ 1,288,016	\$ 1,500,466	\$ 1,896,336	\$ -
Contributions as a percentage of covered payroll	4.00%	4.01%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	0.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

Other Supplementary Information
Combining and Individual Fund Schedules



TOWN OF FREDERICK, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2021

	SPECIAL REVENUE			TOTALS	
	CONSERVATION	PUBLIC	FREDERICK	2021	2020
	TRUST FUND	SAFETY FUND	URBAN RENEWAL AUTHORITY		
ASSETS					
Cash and Investments	\$ 132,269	\$ 416,495	\$ 1,973,992	\$ 2,522,756	\$ 832,534
Restricted Cash and Investments	-	-	100,797	100,797	32,723
Accounts Receivable	-	-	100,000	100,000	500
Due from Developers	-	-	-	-	100,000
TOTAL ASSETS	\$ 132,269	\$ 416,495	\$ 2,174,789	\$ 2,723,553	\$ 965,757
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Advances from Other Funds	-	-	50,000	50,000	50,000
TOTAL LIABILITIES	-	-	50,000	50,000	50,000
FUND EQUITY					
Fund Balance					
Restricted for Parks & Recreation	132,269	-	-	132,269	73,603
Restricted for Public Safety	-	416,495	-	416,495	166,819
Restricted for Urban Renewal	-	-	2,124,789	2,124,789	675,335
TOTAL FUND EQUITY	132,269	416,495	2,124,789	2,673,553	915,757
TOTAL LIABILITIES AND FUND BALANCES	\$ 132,269	\$ 416,495	\$ 2,174,789	\$ 2,723,553	\$ 965,757

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2021

	SPECIAL REVENUE			TOTALS	
	CONSERVATION	PUBLIC	FREDERICK	2021	2020
	TRUST FUND	SAFETY FUND	URBAN RENEWAL AUTHORITY		
REVENUES					
Taxes	\$ -	\$ -	\$ 3,140,550	\$ 3,140,550	\$ 1,005,727
Public Safety Impact Fee	-	255,469	-	255,469	220,559
Intergovernmental	84,672	-	-	84,672	69,517
Interest Income	-	-	3	3	565
Miscellaneous	-	-	1,405	1,405	-
TOTAL REVENUES	84,672	255,469	3,141,958	3,482,099	1,296,368
EXPENDITURES					
Parks and Recreation	26,006	-	-	26,006	8,168
Economic Development	-	-	1,567,599	1,567,599	859,926
Capital Outlay	-	5,793	-	5,793	134,074
Debt Service					
Principal	-	-	65,733	65,733	80,528
Interest and Other Fiscal Charges	-	-	59,172	59,172	66,014
TOTAL EXPENDITURES	26,006	5,793	1,692,504	1,724,303	1,148,710
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	58,666	249,676	1,449,454	1,757,796	147,658
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	10,000
Bonds Issued	-	-	-	-	384,533
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	394,533
NET CHANGE IN FUND BALANCES	58,666	249,676	1,449,454	1,757,796	542,191
FUND BALANCES, Beginning	73,603	166,819	675,335	915,757	414,269
PRIOR PERIOD ADJUSTMENT	-	-	-	-	(40,703)
FUND BALANCES, Beginning, as restated	73,603	166,819	675,335	915,757	373,566
FUND BALANCES, Ending	\$ 132,269	\$ 416,495	\$ 2,124,789	\$ 2,673,553	\$ 915,757

See the accompanying independent auditors' report.

Budgetary Comparison Schedules



TOWN OF FREDERICK, COLORADO

CAPITAL FACILITIES FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Capital Improvement Fees	\$ -	\$ 494,513	\$ 494,513	\$ 539,025
Intergovernmental	330,000	8,900	(321,100)	190,242
Interest Income	-	-	-	19,522
Miscellaneous	1,000	-	(1,000)	-
TOTAL REVENUES	<u>331,000</u>	<u>503,413</u>	<u>172,413</u>	<u>748,789</u>
EXPENDITURES				
Capital Outlay	270,640	479,544	(208,904)	312,045
Debt Service				
Principal	-	109,461	(109,461)	105,758
Interest	-	60,179	(60,179)	63,882
TOTAL EXPENDITURES	<u>270,640</u>	<u>649,184</u>	<u>(378,544)</u>	<u>481,685</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>60,360</u>	<u>(145,771)</u>	<u>(206,131)</u>	<u>267,104</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	2,357,470
NET CHANGE IN FUND BALANCES	60,360	(145,771)	(206,131)	2,624,574
FUND BALANCES, Beginning	<u>3,811,816</u>	<u>6,276,293</u>	<u>2,464,477</u>	<u>3,651,719</u>
FUND BALANCES, Ending	<u>\$ 3,872,176</u>	<u>\$ 6,130,522</u>	<u>\$ 2,258,346</u>	<u>\$ 6,276,293</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 66,000	\$ 84,672	\$ 18,672	\$ 69,517
Interest Income	50	-	(50)	-
TOTAL REVENUES	<u>66,050</u>	<u>84,672</u>	<u>18,622</u>	<u>69,517</u>
EXPENDITURES				
Parks and Recreation	-	26,006	(26,006)	8,168
Capital Outlay	250	-	250	80,000
TOTAL EXPENDITURES	<u>250</u>	<u>26,006</u>	<u>(25,756)</u>	<u>88,168</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>65,800</u>	<u>58,666</u>	<u>(7,134)</u>	<u>(18,651)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(65,000)</u>	<u>-</u>	<u>65,000</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	800	58,666	57,866	(8,651)
FUND BALANCE, Beginning	<u>38,390</u>	<u>73,603</u>	<u>35,213</u>	<u>82,254</u>
FUND BALANCE, Ending	<u>\$ 39,190</u>	<u>\$ 132,269</u>	<u>\$ 93,079</u>	<u>\$ 73,603</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

FREDERICK URBAN RENEWAL AUTHORITY
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 965,000	\$ 3,140,550	\$ 2,175,550	\$ 1,005,727
Interest Income	2,000	3	(1,997)	231
Miscellaneous	7,500	1,405	(6,095)	-
TOTAL REVENUES	<u>974,500</u>	<u>3,141,958</u>	<u>2,167,458</u>	<u>1,005,958</u>
EXPENDITURES				
Economic Development	\$ 492,200	\$ 1,567,599	\$ (1,075,399)	\$ 859,926
Capital Outlay	1,200,000	-	1,200,000	-
Debt Service				
Principal	65,733	65,733	-	80,528
Interest and Other Fiscal Charges	58,518	59,172	(654)	66,014
TOTAL EXPENDITURES	<u>1,816,451</u>	<u>1,692,504</u>	<u>123,947</u>	<u>1,006,468</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(841,951)</u>	<u>1,449,454</u>	<u>2,291,405</u>	<u>(510)</u>
OTHER FINANCING SOURCES (USES)				
Bonds Issued	<u>1,200,000</u>	<u>-</u>	<u>(1,200,000)</u>	<u>384,533</u>
NET CHANGE IN FUND BALANCES	358,049	1,449,454	1,091,405	384,023
FUND BALANCES, Beginning	<u>735,456</u>	<u>675,335</u>	<u>(60,121)</u>	<u>332,015</u>
PRIOR PERIOD ADJUSTMENT	-	-	-	(40,703)
FUND BALANCES, Beginning, as restated	<u>735,456</u>	<u>675,335</u>	<u>(60,121)</u>	<u>291,312</u>
FUND BALANCES, Ending	<u>\$ 1,093,505</u>	<u>\$ 2,124,789</u>	<u>\$ 1,031,284</u>	<u>\$ 675,335</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 2,964,500	\$ 3,760,965	\$ 796,465	\$ 3,668,456
Contributions	2,241,000	11,731,714	9,490,714	7,483,977
Reimbursed Expenses	-	627	627	404,221
Interest Income	10,000	-	(10,000)	457
Miscellaneous	20,000	56,650	36,650	70,844
Transfers In	-	1,951,000	1,951,000	30,010,371
TOTAL REVENUES	5,235,500	17,500,956	12,265,456	41,638,326
EXPENDITURES				
Administration	-	487,431	(487,431)	368,711
Operations	3,937,034	2,820,399	1,116,635	2,263,870
Capital Outlay	-	1,276,896	(1,276,896)	2,966,280
Depreciation Expense	-	360,751	(360,751)	354,035
Transfers Out	6,541,250	1,951,000	4,590,250	-
TOTAL EXPENDITURES	10,478,284	6,896,477	3,581,807	5,952,896
CHANGE IN NET POSITION, Budget Basis	<u>\$ (5,242,784)</u>	10,604,479	<u>\$ 15,847,263</u>	35,685,430
GAAP BASIS ADJUSTMENTS				
Capital Outlay		1,276,896		2,966,280
CHANGE IN NET POSITION, GAAP Basis		11,881,375		38,651,710
NET POSITION, Beginning		111,356,945		72,705,235
NET POSITION, Ending		<u>\$ 123,238,320</u>		<u>\$ 111,356,945</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

STORM WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Drainage Fees	\$ 600,000	\$ 756,571	\$ 156,571	\$ 717,394
Contributions	-	526,437	526,437	475,464
Reimbursed Expenses	-	153,212	153,212	20,029
Interest Income	1,000	-	(1,000)	12,434
Miscellaneous	375,000	6,757	(368,243)	-
Transfers In		1,137,640	1,137,640	-
TOTAL REVENUES	<u>976,000</u>	<u>2,580,617</u>	<u>1,604,617</u>	<u>1,225,321</u>
EXPENDITURES				
Operations	908,816	922,233	(13,417)	568,016
Capital Outlay	-	-	-	111,442
Depreciation Expense	-	121,843	(121,843)	100,532
Transfers Out	228,750	65,651	163,099	-
TOTAL EXPENDITURES	<u>1,137,566</u>	<u>1,109,727</u>	<u>27,839</u>	<u>779,990</u>
CHANGE IN NET POSITION, Budget Basis	<u>\$ (161,566)</u>	1,470,890	<u>\$ 1,632,456</u>	445,331
GAAP BASIS ADJUSTMENTS				
Capital Outlay		65,651		111,442
CHANGE IN NET POSITION, GAAP Basis		1,536,541		556,773
NET POSITION, Beginning		<u>5,978,831</u>		<u>5,422,058</u>
NET POSITION, Ending		<u>\$ 7,515,372</u>		<u>\$ 5,978,831</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

GOLF COURSE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Golf Fees and Passes	\$ -	\$ 455,558	\$ 455,558	\$ 277,463
Merchandise Sales	-	244,126	244,126	135,795
Rental Income	-	5,822	5,822	2,690
Reimbursed Expenses	-	11,665	11,665	-
Interest Income	-	-	-	65
Miscellaneous	548,800	-	(548,800)	74
Transfers In	-	1,598,818	1,598,818	787,059
TOTAL REVENUES	548,800	2,315,989	1,767,189	1,203,146
EXPENDITURES				
Operations	996,988	1,311,946	(314,958)	975,379
Capital Outlay	12,990	114,291	(101,301)	98,978
Depreciation Expense	-	23,126	(23,126)	12,217
Transfers Out	1,137,640	1,137,640	-	-
TOTAL EXPENDITURES	2,147,618	2,587,003	(439,385)	1,086,574
CHANGE IN NET POSITION, Budget Basis	<u>\$ (1,598,818)</u>	(271,014)	<u>\$ 1,327,804</u>	116,572
GAAP BASIS ADJUSTMENTS				
Capital Outlay		114,291		98,978
CHANGE IN NET POSITION, GAAP Basis		(156,723)		215,550
NET POSITION, Beginning		199,998		(15,552)
NET POSITION, Ending		<u>\$ 43,275</u>		<u>\$ 199,998</u>

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

OIL ROYALTY TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Oil Royalties	\$ 40,000	\$ 189,557	\$ 149,557	\$ 58,648
Taxes	-	79,476	79,476	-
Investment Income	1,500	-	(1,500)	4,626
TOTAL REVENUES	41,500	269,033	227,533	63,274
EXPENDITURES				
Purchased Services	57,000	13,393	43,607	5,716
Scholarships	-	32,000	(32,000)	20,000
Donations	-	7,500	(7,500)	5,641
Miscellaneous	-	136,692	(136,692)	-
TOTAL EXPENDITURES	57,000	189,585	(132,585)	31,357
CHANGE IN NET POSITION	(15,500)	79,448	94,948	31,917
NET POSITION, Beginning	1,522,287	1,543,514	21,227	1,511,597
NET POSITION, Ending	<u>\$ 1,506,787</u>	<u>\$ 1,622,962</u>	<u>\$ 116,175</u>	<u>\$ 1,543,514</u>

See the accompanying independent auditors' report.

Other Financial Information



Town of Frederick
 Debt Service Requirements
 Governmental Activities
 December 31, 2021

Sales & Use Tax Revenue Bonds - Series 2015A
 Street Improvements

Year	Principal	Interest	Total Payment	Principal Balance
2022	260,000	56,000	316,000	1,140,000
2023	270,000	45,600	315,600	870,000
2024	280,000	34,000	314,000	590,000
2025	290,000	23,600	313,600	300,000
2026	300,000	12,000	312,000	0
	\$ 1,400,000	\$ 171,200	\$ 1,571,200	

Town of Frederick
Debt Service Requirements
Governmental Activities
December 31, 2021

Sales & Use Tax Revenue Bonds - Series 2015B
Street Improvements

Year	Principal	Interest	Total Payment	Principal Balance
2022	70,000	25,800	95,800	575,000
2023	75,000	23,000	98,000	500,000
2024	75,000	20,000	95,000	425,000
2025	80,000	17,000	97,000	345,000
2026	80,000	13,800	93,800	265,000
2027	85,000	10,600	95,600	180,000
2028	90,000	7,200	97,200	90,000
2029	90,000	3,600	93,600	0
	\$ 645,000	\$ 121,000	\$ 766,000	

Town of Frederick
Debt Service Requirements
Governmental Activities
December 31, 2021

Public Works Facility Loan - 2013

Year	Principal	Interest	Total Payment	Principal Balance
2022	112,214	57,427	169,640	1,533,534
2023	116,231	53,409	169,640	1,417,303
2024	120,260	49,380	169,640	1,297,043
2025	124,698	44,943	169,640	1,172,345
2026	129,162	40,478	169,640	1,043,183
2027	133,786	35,854	169,642	909,397
2028	138,494	31,146	169,640	770,903
2029	143,534	26,106	169,640	627,369
2030	148,672	20,968	169,640	478,697
2031	153,995	15,645	169,640	324,702
2032	159,484	10,156	169,643	165,218
2033	165,218	4,422	169,640	0
	\$ 1,645,748	\$ 389,934	\$ 2,035,685	

Town of Frederick
Debt Service Requirements
Governmental Activities
December 31, 2021

Frederick Urban Renewal Authority (FURA) Series 2018 - Meadowlark Business Park

Year	Principal
2022	124,251
2023	106,501
2024	115,376
2025	124,251
2026	142,001
2027	142,001
2028	168,626
2029	177,501
2030	195,251
2031	195,251
2032	195,251
2033	199,172
2034	199,172
2035	199,172
2036	218,776
2037	218,776
2038	213,001
2039	213,001
2040	209,059
	\$ 3,425,749

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Frederick
	YEAR ENDING : December 2021

This Information From The Records Of (example - City of _ or County of _) Town of Frederick	Prepared By: Phone:	Kurtis Adams 720-382-5562
--	------------------------	------------------------------

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES
--	--

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,696,116
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	115,504
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	0	b. Snow and ice removal	47,944
3. Other local imposts (from page 2)	3,409,996	c. Other	70,135
4. Miscellaneous local receipts (from page 2)	313,213	d. Total (a. through c.)	118,079
5. Transfers from toll facilities		4. General administration & miscellaneous	743,313
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,673,011
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	94,300
7. Total (1 through 6)	3,723,208	b. Redemption	315,000
B. Private Contributions		c. Total (a. + b.)	409,300
C. Receipts from State government (from page 2)	594,022	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,317,231	b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	409,300
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,082,311

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,004,678	4,317,231	4,082,311	3,239,597	

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2021	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,777,661	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,480,947	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	151,388	g. Other Misc. Receipts	313,213
6. Total (1. through 5.)	3,409,996	h. Other	
c. Total (a. + b.)	3,409,996	i. Total (a. through h.)	313,213
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	522,907	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	71,115	d. Federal Transit Admin	
d. Other (Specify) - CDOT Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	71,115	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	594,022	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			
(4). System Enhancement & Operation		2,696,116	2,696,116
(5). Total Construction (1) + (2) + (3) + (4)		2,696,116	2,696,116
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		2,696,116	2,696,116
			(Carry forward to page 1)
Notes and Comments:			

Statistical Information



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Town of Frederick, Colorado
Comprehensive Annual Financial Report
For the year ended, December 31, 2021

STATISTICAL SECTION (Unaudited)

Contents

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Financial Trends – These schedules contain trend information to help the reader understand government’s financial performance and overall fiscal health.

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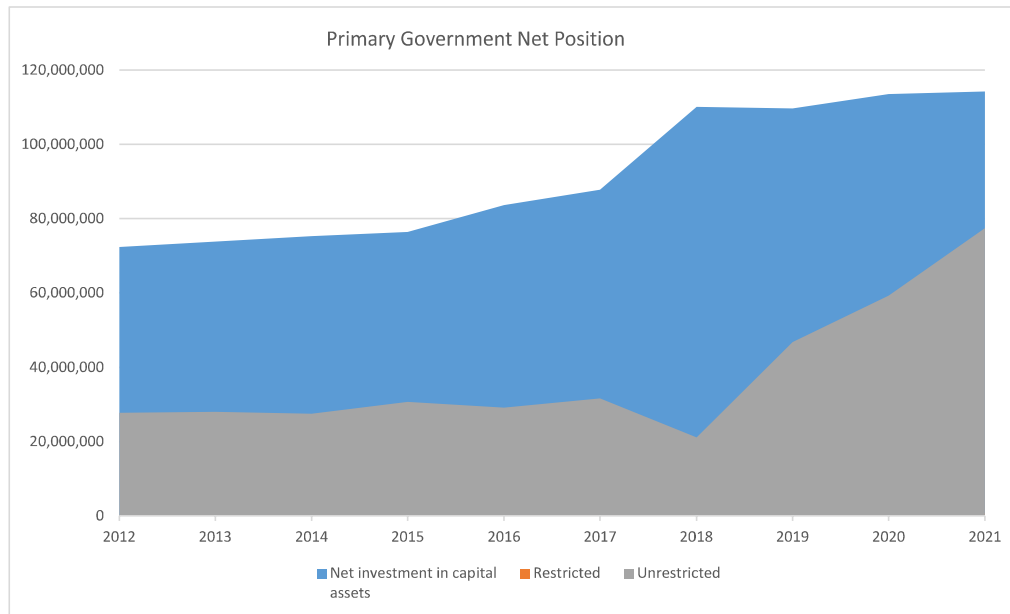
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Town of Frederick
Net Position by Component
Last Ten Calendar Years
(accrual basis of accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	25,157,845	21,955,319	23,276,472	22,508,531	23,620,697	25,490,193	28,641,572	28,075,094	30,070,047	29,743,765
Restricted	221,000	242,000	242,000	260,000	305,000	308,000	388,000	485,000	600,000	720,000
Unrestricted	7,900,319	11,960,277	9,908,300	11,850,350	11,912,877	13,221,009	13,325,429	20,278,853	25,177,906	31,086,523
Total governmental activities net position	33,279,164	34,157,596	33,426,772	34,618,881	35,838,574	39,019,202	42,355,001	48,838,947	55,847,953	61,550,288
Business-type Activities										
Net investment in capital assets	47,177,589	51,805,946	51,999,376	53,925,352	59,976,867	62,221,808	81,455,372	81,587,757	83,495,640	84,446,758
Restricted	0	0	0	0	0	0	0	0	0	0
Unrestricted	19,855,548	16,089,018	17,555,838	18,818,628	17,236,594	18,453,382	7,799,224	26,429,952	34,040,134	46,350,209
Total business-type activities net position	67,033,137	67,894,964	69,555,214	72,743,980	77,213,461	80,675,190	89,254,596	108,017,709	117,535,774	130,796,967
Net Position										
Net investment in capital assets	72,335,434	73,761,265	75,275,848	76,433,883	83,597,564	87,712,001	110,096,944	109,662,851	113,565,687	114,190,523
Restricted	221,000	242,000	242,000	260,000	305,000	308,000	388,000	485,000	600,000	720,000
Unrestricted	27,755,867	28,049,295	27,464,138	30,668,978	29,149,471	31,674,391	21,124,653	46,708,805	59,218,040	77,436,732
Total primary government net position	100,312,301	102,052,560	102,981,986	107,362,861	113,052,035	119,694,392	131,609,597	156,856,656	173,383,727	192,347,255



Notes: As per GASB 63, 2011 and prior in the chart above represent: Net Assets as opposed to Net Position; Invested in capital assets, net of related debt as opposed to net investment in capital assets.

Sources: Current and prior years' financial statements.

Town of Frederick
Changes in Net Position
Last Ten Calendar Years
(accrual basis of accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	2,551,048	1,946,039	2,052,774	2,712,183	2,403,069	2,051,006	2,390,057	2,799,200	4,063,755	5,258,822
Public Safety	1,935,341	2,271,507	2,497,099	2,464,806	2,708,584	2,711,375	2,786,937	3,075,246	3,587,463	4,707,524
Public Works	3,249,055	3,712,465	4,094,069	3,195,499	4,504,214	4,733,571	5,745,509	5,483,548	5,748,372	7,050,619
Parks and Recreation	22,888	203,261	101,977	64,722	28,982	8,673	13,026	6,347	8,168	26,006
Economic Development	0	0	0	64,133	37,735	16,687	27,291	874,841	859,926	1,567,599
Interest and Other Fiscal Charges	276,551	164,473	243,252	292,793	183,648	180,851	282,843	202,785	210,015	247,157
Total Governmental Activities	8,034,883	8,297,745	8,989,171	8,794,136	9,866,232	9,702,163	11,245,663	12,441,967	14,477,699	18,857,727
Business-type Activities:										
Water	3,036,244	1,930,210	1,637,432	1,950,134	1,793,615	1,767,997	2,223,019	2,174,489	2,986,616	3,668,581
Electric	7,122,314	5,586,175	3,052,655	3,324,686	3,190,848	3,547,917	3,789,743	821,618	-	-
Storm Water	8,705	509,190	440,034	1,024,458	313,676	413,483	449,860	417,841	668,548	1,044,076
Golf Course	-	-	-	-	-	70,852	507,460	871,855	987,596	1,335,072
Interest and Other Fiscal Charges	32,668	5,454	-	3,751	4,775	335	-	-	-	-
Total business-type activities net position	10,199,931	8,031,029	5,130,121	6,303,029	5,302,914	5,800,584	6,970,082	4,285,803	4,642,760	6,047,729
Total Primary Government	18,234,814	16,328,774	14,119,292	15,097,165	15,169,146	15,502,747	18,215,745	16,727,770	19,120,459	24,905,456
Program Revenues										
Governmental Activities										
Charges for services:										
General Government	800	-	-	988,534	1,004,770	1,030,910	1,442,963	1,761,056	1,572,430	1,558,677
Public Safety	125,076	152,247	118,538	105,128	104,833	117,732	130,952	154,533	140,162	128,515
Public Works	1,151,482	1,293,500	1,166,471	565,625	655,248	759,626	762,762	835,662	856,512	943,204
Parks and Recreation	50,106	51,270	53,855	53,945	65,450	66,115	4,250	3,100	140	3,475
Operating grants and contributions	120,841	179,664	138,000	209,241	95,578	136,958	137,599	142,739	480,504	947,400
Capital grants and contributions	1,613,782	1,540,065	1,375,858	1,809,581	1,762,777	3,112,685	2,453,625	5,027,582	4,477,221	3,979,600
Total Governmental Activities	3,062,087	3,216,746	2,852,722	3,732,054	3,688,656	5,224,026	4,932,151	7,924,672	7,526,969	7,560,871
Business-type Activities										
Charges for services:										
Water	2,023,935	2,008,976	2,040,313	2,778,118	3,036,789	2,846,688	4,027,061	3,404,903	4,143,521	3,818,242
Electric	8,538,539	6,139,650	3,687,074	3,343,979	3,776,204	4,005,965	5,769,597	315,236	-	-
Storm Water	411,051	424,315	615,505	501,313	495,316	510,966	674,009	667,734	737,423	916,540
Golf Course	-	-	-	-	-	48,038	386,593	399,311	416,022	717,171
Capital grants and contributions	2,438,739	1,359,880	787,557	3,269,927	2,853,484	1,791,449	5,751,417	5,670,276	7,959,441	12,258,151
Total business-type activities	13,412,264	9,932,821	7,130,449	9,893,337	10,161,793	9,203,106	16,608,677	10,457,460	13,256,407	17,710,104
Total Primary Government	16,474,351	13,149,567	9,983,171	13,625,391	13,850,449	14,427,132	21,540,828	18,382,132	20,783,376	25,270,975
Net (Expense)/Revenue										
Governmental Activities	(4,972,796)	(5,080,999)	(6,136,449)	(5,062,082)	(6,177,576)	(4,478,137)	(6,313,512)	(4,517,295)	(6,950,730)	(11,296,856)
Business-type Activities	3,212,333	1,901,792	2,000,328	3,590,308	4,858,879	3,402,522	9,638,595	6,171,657	8,613,647	11,662,375
Total primary government and expenses	(1,760,463)	(3,179,207)	(4,136,121)	(1,471,774)	(1,318,697)	(1,075,615)	3,325,083	1,654,362	1,662,917	365,519
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Sales Taxes	2,604,990	3,267,211	3,170,132	3,320,802	3,806,495	4,074,972	4,540,572	5,678,575	8,756,258	10,647,145
Property Taxes	1,345,225	1,348,577	1,299,539	1,301,235	1,635,113	1,412,799	2,075,205	2,415,798	3,848,770	5,895,042
Franchise Taxes	143,341	131,132	143,600	159,215	185,358	218,111	272,401	574,238	602,322	606,370
Other Taxes	355,696	181,387	344,692	757,243	646,904	616,383	691,348	950,782	955,299	742,939
Interest	33,755	25,474	91,689	72,094	144,015	132,577	322,981	349,189	146,346	83,988
Other	66,817	48,349	97,505	87,644	551,257	1,191,542	579,469	496,355	439,713	622,525
Transfers	1,251,936	1,049,122	428,485	416,268	428,127	12,381	1,167,335	(138,600)	(787,059)	(1,598,818)
Loss on Disposal of Assets	-	(91,821)	(95,125)	-	-	-	-	(15,424)	(1,913)	-
Total Governmental Activities	5,801,760	5,959,431	5,480,517	6,114,501	7,397,269	7,658,765	9,649,311	10,310,913	13,959,736	16,999,191
Business-type Activities:										
Other Taxes	-	-	-	-	-	-	-	-	-	-
Interest	-	9,157	88,407	14,726	38,729	71,588	108,146	311,554	117,359	-
Other	80,442	-	-	-	-	-	-	-	-	-
Transfers	(1,251,936)	(1,049,122)	(428,485)	(416,268)	(428,127)	(12,381)	(1,167,335)	138,600	787,059	1,598,818
Sale of Electric Utility	-	-	-	-	-	-	-	18,000,000	-	-
Loss on Disposal of Assets	-	-	-	-	-	-	-	(5,858,698)	-	-
Total Business-type Activities	(1,171,494)	(1,039,965)	(340,078)	(401,542)	(389,398)	59,207	(1,059,189)	12,591,456	904,418	1,598,818
Total primary government	-	-	-	-	-	-	-	-	-	-
Changes in Net Position										
Governmental Activities	828,964	878,432	(655,932)	1,052,419	1,219,693	3,180,628	3,335,799	5,793,618	7,009,006	5,702,335
Business-type Activities	2,040,839	861,827	1,660,250	3,188,766	4,469,481	3,461,729	8,579,406	18,763,113	9,518,065	13,261,193
Total primary government	2,869,803	1,740,259	1,004,318	4,241,185	5,689,174	6,642,357	11,915,205	24,556,731	16,527,071	18,963,528

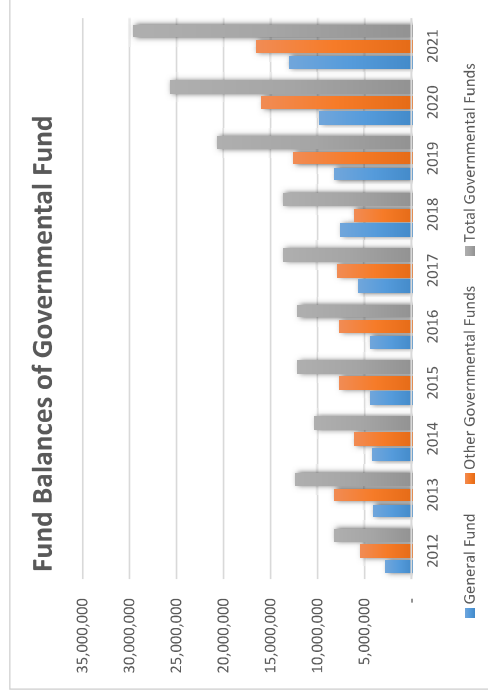
Notes: As per GASB 63, 2011 and prior in the chart above represent: Net Assets as opposed to Net Position; Invested in capital assets, net of related debt as opposed to net investment in capital assets.

GASB 34 implemented in 2004

Sources: Current and prior years' financial statements.

Town of Frederick
Fund Balances of Governmental Funds
Last Ten Calendar Years
 (modified accrual basis of accounting)
 (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved/Restricted	301,117	256,643	331,365	263,129	305,600	318,763	407,288	496,504	605,653	1,030,065
Unreserved/Unassigned	2,494,828	3,834,263	3,858,131	4,201,944	4,589,110	5,372,329	7,161,226	7,674,611	9,218,511	12,039,017
Total General Fund	2,795,945	4,090,906	4,189,496	4,465,073	4,894,710	5,691,092	7,568,514	8,171,115	9,824,164	13,069,082
All Other Governmental Funds										
Reserved/Restricted	-	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned	5,471,177	8,274,161	6,162,079	7,690,319	7,372,474	7,915,855	6,138,565	12,572,552	15,989,894	16,612,720
Total all other governmental funds	5,471,177	8,274,161	6,162,079	7,690,319	7,372,474	7,915,855	6,138,565	12,572,552	15,989,894	16,612,720
Governmental Funds	8,267,122	12,365,067	10,351,575	12,155,392	12,267,184	13,606,947	13,707,079	20,743,667	25,814,058	29,681,802
General Fund	2,795,945	4,090,906	4,189,496	4,465,073	4,465,073	5,691,092	7,568,514	8,171,115	9,824,164	13,069,082
Other Governmental Funds	5,471,177	8,274,161	6,162,079	7,690,319	7,690,319	7,915,855	6,138,565	12,572,552	15,989,894	16,612,720
Total Governmental Funds	8,267,122	12,365,067	10,351,575	12,155,392	12,155,392	13,606,947	13,707,079	20,743,667	25,814,058	29,681,802



Notes: As per GASB 63, 2011 and prior in the chart above represent: Net Assets as opposed to Net Position; Invested in capital assets, net of related debt as opposed to net investment in capital assets; and does not include the Frederick Urban Renewal

Sources: Current and prior years' financial statements.

Town of Frederick
Changes in Fund Balances of Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes and Fees	5,902,091	6,477,172	6,347,354	7,039,439	7,986,322	8,220,307	9,976,301	13,064,018	18,334,043	21,874,412
Licenses and Permits	776,188	802,059	643,944	988,534	1,004,770	1,030,910	1,442,963	1,761,056	1,572,430	1,558,677
Intergovernmental	43,842	48,696	45,583	48,749	60,809	56,422	61,810	72,689	259,759	93,572
Charges for Services	426,199	485,213	517,266	563,016	650,755	726,727	692,550	741,980	779,524	849,791
Fines and Forfeitures	125,076	152,247	118,538	105,128	104,833	117,732	130,952	154,533	140,162	128,515
Grants and Contributions	237,943	179,663	138,000	525,682	155,038	1,394,192	207,100	2,440,116	603,700	947,400
Interest	33,755	25,474	91,689	72,094	144,015	132,577	322,981	349,189	146,346	83,988
Miscellaneous	66,817	48,352	97,505	120,645	551,256	1,191,543	579,470	496,356	439,713	622,525
Total Revenues	7,611,911	8,218,876	7,999,879	9,463,287	10,657,798	12,870,410	13,414,127	19,079,937	22,275,677	26,158,880
Expenditures										
General Government	2,427,308	1,794,940	1,912,372	2,533,095	2,219,557	1,856,447	2,126,884	2,550,887	3,745,264	4,573,819
Public Safety	1,926,518	2,157,038	2,371,300	2,392,800	2,598,966	2,570,384	2,788,195	3,050,923	3,538,167	4,624,856
Public Works	1,417,031	1,457,203	1,613,740	1,851,679	2,662,390	3,079,193	3,239,336	3,513,022	3,208,844	3,775,308
Parks and Recreation	22,888	203,261	101,977	64,722	28,982	8,673	13,026	6,347	8,168	26,006
Economic Development	-	-	-	64,133	37,735	16,687	27,291	874,841	859,926	1,567,599
Capital Outlay	1,637,093	1,624,201	3,813,945	1,359,383	3,063,703	3,376,541	6,455,837	1,917,650	4,677,656	2,747,332
Miscellaneous	-	-	1,480	1,649	3,777	51,631	3,454	-	-	-
Debt Service										
Principal	282,737	215,000	344,869	403,382	373,722	379,878	382,491	402,123	491,286	490,194
Interest	179,858	168,410	207,281	221,778	207,618	203,594	304,604	222,692	232,746	213,651
Total Expenditures	7,893,433	7,620,053	10,366,964	8,892,621	11,196,450	11,543,028	15,341,118	12,538,485	16,762,057	18,018,765
Excess of revenues over (under) expenditures	(281,522)	598,823	(2,367,085)	570,666	(538,652)	1,327,382	(1,926,991)	6,541,452	5,513,620	8,140,115
Other Financing Sources (Uses)										
Transfers In	2,002,028	1,380,969	460,009	559,034	455,224	532,208	1,428,840	2,927,478	2,399,470	576,011
Transfers Out	-	(331,847)	(31,524)	(142,766)	(27,097)	(519,827)	(261,505)	(3,066,078)	(3,186,529)	(2,174,829)
Proceeds from Issuance of Debt	-	-	-	4,419,938	222,317	-	859,788	633,700	384,533	-
Proceeds from Sale of Capital Assets	-	-	-	(3,505,000)	-	-	-	-	-	-
Capital Leases	(750,092)	2,450,000	-	(98,055)	-	-	-	-	-	-
Total other financing sources (uses)	1,251,936	3,499,122	428,485	1,233,151	650,444	12,381	2,027,123	495,100	(402,526)	(1,598,818)
Net Change in fund balances	970,414	4,097,945	(1,938,600)	1,803,817	111,792	1,339,763	100,132	7,036,552	5,111,094	6,541,297
Debt Service as a percentage of noncapital expenditure	7.39%	6.39%	8.43%	8.30%	7.15%	7.14%	7.73%	5.88%	5.99%	4.61%

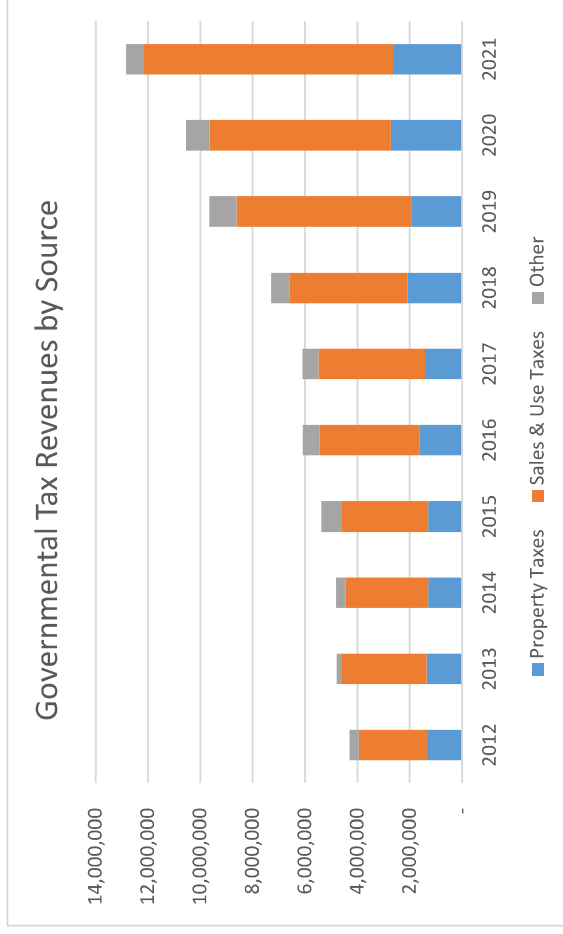
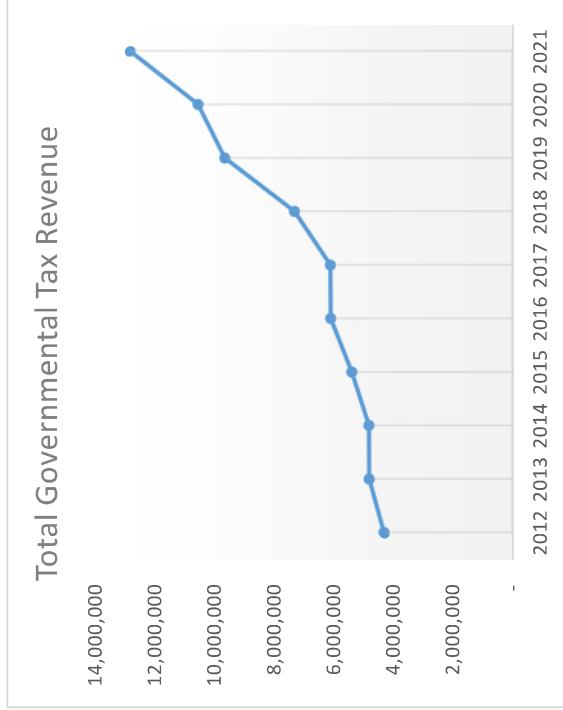
Notes: As per GASB 63, 2011 and prior in the chart above represent: Net Assets as opposed to Net Position; Invested in capital assets, net of related debt as opposed to net investment in capital assets; and does not include the Frederick

The fluctuations in fund balance in 2013 and 2014 are the result of revenues and expenditures for a large capital project. Revenues were recognized in 2013 with expenditures not being recognized until 2014.

Sources: Current and prior years' financial statements.

Town of Frederick
Governmental Tax Revenue by Source
Last Ten Calendar Years
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property Taxes	1,345,225	1,348,577	1,299,539	1,301,235	1,635,113	1,412,799	2,075,205	1,917,235	2,718,267	2,603,105
Sales & Use Taxes	2,604,990	3,267,211	3,170,132	3,320,802	3,806,495	4,074,972	4,540,572	6,693,631	6,920,061	9,578,841
Other	355,696	181,387	344,692	757,243	646,904	616,383	691,348	1,034,492	903,785	646,906
Total Governmental Revenue	4,305,911	4,797,175	4,814,363	5,379,280	6,088,512	6,104,154	7,307,125	9,645,358	10,542,113	12,828,852



Town of Frederick
Sales Tax Collections by Category (Sample Accounts Only)
Last Ten Calendar Years
(Unaudited)

Year	Grocery & Convenience	Restaurants	Machinery	Auto Sales & Service	Other Retail	Entertainment	Utilities	Total Sample Accounts	Total Sales Tax Collections
2021	570,885	507,453	1,960,614	951,475	1,003,373	299,859	472,854	5,766,513	7,688,684
% Total	9.9%	8.8%	34.0%	16.5%	17.4%	5.2%	8.2%	100%	
2020	379,391	337,237	1,302,960	632,319	666,809	199,276	314,243	3,832,236	5,109,648
2019	372,687	331,277	1,279,935	621,145	655,026	195,755	308,690	3,764,514	4,948,423
2018	237,245	229,753	746,697	466,998	501,960	127,363	187,299	2,497,315	4,540,572
2017	200,086	177,836	689,864	334,563	352,617	105,917	167,009	2,027,892	4,074,972
2016	136,521	132,925	429,659	268,779	289,335	73,864	107,781	1,438,864	2,019,809
2015	138,953	102,300	338,762	182,886	184,937	61,542	91,030	1,100,410	1,838,011
2014	128,842	87,600	216,108	176,216	229,080	86,164	92,470	1,016,479	1,758,477
2013	142,819	53,347	374,863	161,745	178,807	33,466	138,339	1,083,387	1,753,524
2012	100,775	86,844	343,329	118,368	177,264	53,444	143,250	1,023,274	1,375,903

Notes: Information in this chart does not include all accounts but is representative of overall business collections.

Sales taxes represented in this table include the sales tax collected by the State of Colorado and do not include sales taxes associated with motor vehicle sales or use taxes.

Sales tax rate for the Town of Frederick is 3.5%. 2.0% is designated to General Fund, 1% to Public Safety Fund, and .5% to Open Space Fund.

Detailed sales tax reports for periods prior to 2009 are not available for analysis and have not been included.

Source: Colorado Department of Revenue

Town of Frederick
 Direct and Overlapping Sales Tax Rates
 Last Ten Calendar Years
 (Unaudited)

Year	Town of Frederick Direct Sales Tax Rate	Overlapping Rates		Combined Direct and Overlapping Sales Tax Rates
		State of Colorado Sales Tax Rate	Weld County Sales Tax Rate	
2012	2.5%	2.9%	0.0%	5.4%
2013	2.5%	2.9%	0.0%	5.4%
2014	2.5%	2.9%	0.0%	5.4%
2015	2.5%	2.9%	0.0%	5.4%
2016	2.5%	2.9%	0.0%	5.4%
2017	2.5%	2.9%	0.0%	5.4%
2018	2.5%	2.9%	0.0%	5.4%
2019	2.5%	2.9%	0.0%	5.4%
2020	2.5%	2.9%	0.0%	5.4%
2021	2.5%	2.9%	0.0%	5.4%

Source: State of Colorado Department of Revenue

Town of Frederick
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years
(Unaudited)

Year Ended December 31	Assessed Value										Total Taxable Assessed Value	Estimated Actual Value	Assessed Value as a Percentage of Actual Value (1)	Direct Tax Rate (2)(3)
	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Production	State Assessed	Minerals						
2021	11,383,210	152,171,150	83,554,890	56,918,020	733,580	29,596,740	35,819,270	206,080	370,382,940	2,828,452,959	13.09%	6.555		
2020	7,817,310	134,646,690	74,890,870	60,262,860	763,110	115,291,030	34,875,090	217,130	428,764,090	2,648,278,032	16.19%	6.555		
2019	7,510,060	127,994,420	67,813,010	38,201,560	779,330	160,631,090	31,421,400	10,550	434,361,420	2,494,143,032	17.42%	6.555		
2018	5,010,720	106,843,220	51,453,440	23,786,740	841,340	70,024,000	27,644,680	11,350	285,615,490	1,954,844,977	14.61%	6.555		
2017	6,694,110	101,332,550	50,457,020	18,237,600	842,730	85,033,850	29,778,450	385,600	292,761,910	1,882,411,918	15.55%	6.555		
2016	4,201,850	84,296,920	43,711,800	16,228,660	685,200	20,468,730	29,001,630	520,240	199,115,030	1,415,284,993	14.07%	6.555		
2015	6,102,640	78,756,020	42,783,530	15,636,280	686,810	59,103,270	31,462,360	384,380	234,915,290	1,398,972,880	16.79%	6.555		
2014	3,916,590	60,429,070	39,635,170	14,722,570	567,140	36,963,140	29,390,850	2,380	185,626,910	1,027,204,921	18.07%	6.555		
2013	4,763,360	56,282,150	37,283,360	14,200,640	518,870	41,998,876	29,464,490	2,410	184,514,156	943,362,349	19.56%	6.555		
2012	5,537,210	54,339,580	35,416,430	15,150,770	473,030	53,334,140	29,043,870	1,060	193,296,090	932,088,927	20.74%	6.555		

Source: Weld County Treasurer

- (1) Exempt properties are excluded from this calculation.
- (2) Includes base tax rate only. Additional rates for debt service have been excluded. Additional tax rates were charged in 2008. The additional rate attributed to debt service was 1.76%.
- (3) Tax rates are per \$1,000 of assessed value.

Town of Frederick
Property Tax Rates - Direct and Overlapping Governments
Last Ten Calendar Years per \$1,000 of Assessed Valuation
(Unaudited)

Levy Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Town of Frederick	6.555	6.555	6.555	6.555	6.555	6.555	6.555	6.555	6.555	6.555
Town of Frederick Bond	-	-	-	-	-	-	-	-	-	-
AIMS Junior College	6.318	6.302	6.333	6.325	6.308	6.317	6.305	6.354	6.354	6.354
Carbon Valley Rec	6.657	6.657	6.710	6.794	7.055	5.955	4.619	4.427	4.427	4.427
Carriage Hills Metro	50.000	50.000	50.000	50.000	50.000	55.275	55.275	55.664	55.664	55.664
Frederick Fire	-	-	-	-	-	-	-	-	-	-
Frederick-Firestone Fire	11.360	11.360	11.360	11.360	11.360	11.360	11.360	14.409	14.409	14.409
Frederick-Firestone Fire Bond	0.837	0.917	0.890	0.761	0.698	0.698	0.601	0.404	0.404	0.404
High Plains Library	3.261	3.264	3.267	3.308	3.271	3.256	3.252	3.217	3.217	3.217
Marketplace Metro	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
Mountain View Fire	11.747	11.747	11.747	11.747	11.747	11.747	16.247	13.274	13.274	13.274
Mountain View Fire Bond	-	-	-	-	-	-	-	1.400	1.400	1.400
Northern Colorado Water	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
School Dist. RE1J Longmont	53.500	53.679	53.673	53.887	56.945	56.394	56.385	57.559	57.559	57.559
School Dist. RE8 Fort Lupton	22.350	20.703	19.563	15.755	21.379	22.146	19.480	18.313	18.313	18.313
St Vrain Sanitation	0.682	0.680	0.685	0.585	0.519	0.517	0.519	0.484	0.484	0.484
Weld County	16.804	16.804	15.800	15.800	15.800	15.800	15.038	15.038	15.038	15.038
Weld Library	-	-	-	-	-	-	-	-	-	-
Wildflower Metro #1	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
Wildflower Metro #2	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
Wildflower Metro #3	50.000	50.000	50.000	50.000	50.000	50.000	50.000	55.670	55.670	55.670
Wyndham Hill Metro #1	50.000	50.000	50.000	50.000	50.000	50.000	55.275	55.663	55.663	55.663
Wyndham Hill Metro #2	50.000	50.000	50.000	50.000	50.000	50.000	55.275	55.663	55.663	55.663
Wyndham Hill Metro #3	20.000	50.000	50.000	50.000	50.000	50.000	55.275	55.663	55.663	55.663

Note: Not all of these entities overlap every parcel in the Town.

Source: Weld County Assessors Office

Town of Frederick
Property Tax Levies and Collections
Last Ten Calendar Years
(Unaudited)

Year Ended December 31	Total Taxable Assessed Value	Town of Frederick Levy	Taxes Levied for the Year (1)	Collected within the Fiscal Year of the Levy		Collections and Adjustments in Subsequent Years (3)	Total Collections to Date	
				Tax Amount (2)	Percentage of Levy		Tax Amount	Percentage of Levy
2021	428,764,090	6.555	2,810,549	2,797,374	99.53%	-5,052	2,792,322	99.35%
2020	424,316,692	6.555	2,781,396	2,784,874	100.13%	-716	2,784,159	100.10%
2019	280,420,067	6.555	1,838,153	1,828,771	99.49%	-2,739	1,826,032	99.34%
2018	292,713,770	6.555	1,918,738	1,916,056	99.86%	-92	1,915,964	99.86%
2017	199,093,850	6.555	1,305,060	1,304,627	99.97%	-34	1,304,594	99.96%
2016	234,915,290	6.555	1,539,869	1,539,209	99.96%	-130	1,539,079	99.95%
2015	185,626,910	6.555	1,216,784	1,213,055	99.69%	-2,746	1,210,308	99.47%
2014	184,068,438	6.555	1,206,569	1,198,241	99.31%	-5,307	1,192,934	98.87%
2013	193,296,090	6.555	1,267,056	1,264,563	99.80%	-2,019	1,262,544	99.64%
2012	191,762,470	6.555	1,257,003	1,187,065	94.44%	-3,426	1,183,639	94.16%

Notes:

- (1) Taxes levied is for the year of which levied.
- (2) Treasurers' Tax Distribution
- (3) YTD Treasurers Tax Distributions. Negative values reflect subsequent rebates and adjustments

Source: Weld County Treasurer

Town of Frederick
Principal Property Taxpayers
Current Year and Four Years Prior
(Unaudited)

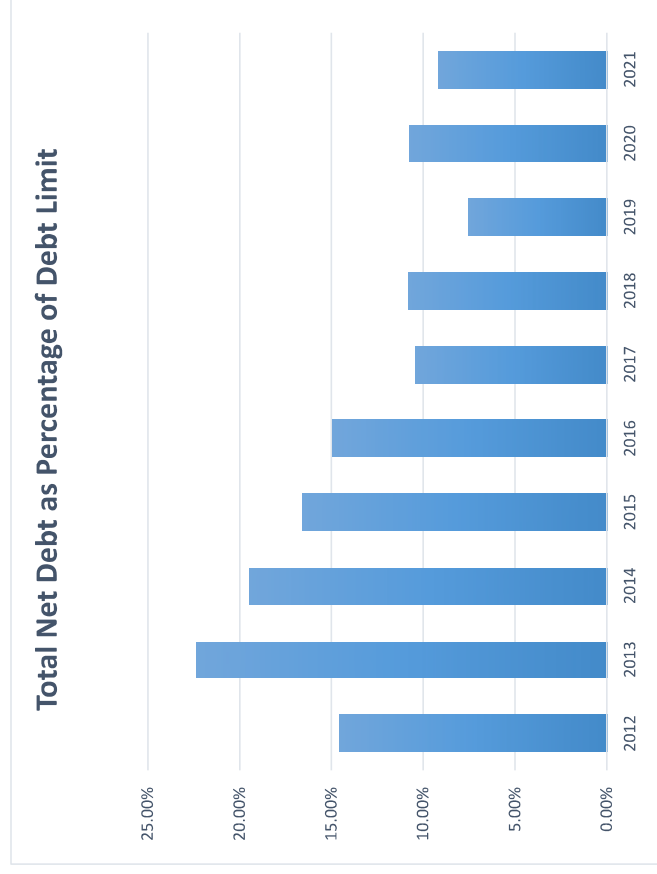
Property Owner	2017			2018			2019			2020			2021		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
SPINDLE HILL ENERGY LLC	22,231,500	2	16.99%	19,420,500	2	14.84%	22,491,800	2	17.19%	24,915,300	3	19.04%	25,152,300	1	25.58%
AGILENT TECHNOLOGIES INC				5,241,030	5	4.01%	9,071,380	4	6.93%	30,755,910	2	23.51%	24,801,560	2	25.22%
CRESTONE PEAK RESOURCES, LP	6,056,120	4	4.63%	12,594,930	3	9.63%	133,499,590	1	102.04%	103,078,830	1	78.79%	23,092,370	3	23.48%
KERR-MCGEE GATHERING LLC	3,322,020	6	2.54%	3,554,170	7	2.72%	3,391,240	8	2.59%	4,029,950	6	3.08%	4,542,410	4	4.62%
AK CONSOLIDATED	4,647,330	5	3.55%	4,647,330	6	3.55%	4,356,870	6	3.33%	4,356,870	5	3.33%	4,473,250	5	4.55%
FR FREDERICK LLC	2,272,640	8	1.74%	2,272,640	9	1.74%	3,577,270	7	2.73%	3,577,270	7	2.73%	3,740,990	6	3.80%
EXTRACTION OIL & GAS LLC	55,263,060	1	42.24%	43,101,090	1	32.94%	17,575,060	3	13.43%	7,024,580	4	5.37%	3,422,390	7	3.48%
METAL SALES MANUFACTURING CORP	2,122,590	9	1.62%	2,122,590	10	1.62%	3,100,090	9	2.37%	3,100,090	8	2.37%	3,204,380	8	3.26%
STAR PRECISION INC							2,962,860	10	2.26%	2,962,860	9	2.26%	3,016,000	9	3.07%
ASBURY CO LEX LLC													2,897,300	10	2.95%
AUTOMOTIVE SERVICES INC	2,590,170	7	1.98%	2,526,440	8	1.93%							2,697,000	10	2.06%
KERR-MCGEE OIL & GAS ONSHORE LP	20,862,950	3	15.95%	10,072,090	4	7.70%	6,132,260	5	4.69%						
LITTLE MIGHT LLLP	2,025,040	10	1.55%												
GEP INVESTMENTS INC															
ENCANA OIL & GAS (USA) INC															
KP KAUFFMAN COMPANY INC															
YES COMPANIES LLC															
OIRE COLORADO C LLC															
DDW PROPERTIES LLC															
QWEST CORPORATION															
GEP INVESTMENTS INC															
SOURCEGAS DISTRIBUTION LLC															
Assessed Value	99,161,920			80,891,280			174,595,240			130,827,450			98,342,950		

Town of Frederick
 Computation of Legal Debt Margin
 As of December 31, 2021
 (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debit Limit - 3% of Actual Valuation	27,962,668	28,300,870	30,816,148	39,212,204	42,458,550	56,472,358	58,645,349	74,824,291	79,448,341	84,853,589
Total net debt applicable to limit	4,089,264	6,339,351	5,995,722	6,506,631	6,353,827	5,909,257	6,351,579	5,622,640	8,548,193	7,798,634
Legal Debt Margin	23,873,404	21,961,519	24,820,426	32,705,573	36,104,723	50,563,101	52,293,770	69,201,651	70,900,148	77,054,955

Total net debt applicable to the limit
 as a percentage of debt limit

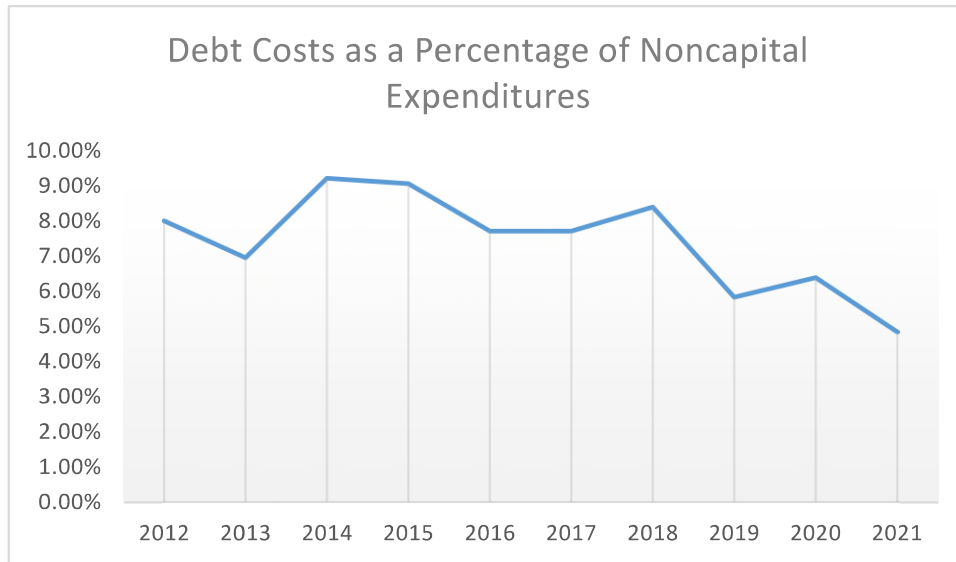
	14.62%	22.40%	19.46%	16.59%	14.96%	10.46%	10.83%	7.51%	10.76%	9.19%
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Source: Town of Frederick Finance Department
<https://www.weldgov.com/Government/Departments/Assessor/Taxing-Authority-Information/Abstract-Reports>

Town of Frederick
Ratio of Total Debt Service Expenditures
To Noncapital Governmental Expenditures
Last Ten Years
(Unaudited)

Year	Direct Operating Expense	Debt Service Requirements			Percentage of Noncapital Expenditures
		Principal	Interest	Total Debt Service	
2012	5,793,604	282,878	179,858	462,736	7.99%
2013	5,606,605	220,837	168,410	389,247	6.94%
2014	6,000,869	344,869	207,281	552,150	9.20%
2015	6,908,078	403,382	221,778	625,160	9.05%
2016	7,551,407	373,722	207,618	581,340	7.70%
2017	7,583,015	379,878	203,594	583,472	7.69%
2018	8,198,186	382,491	304,604	687,095	8.38%
2019	9,996,020	400,981	180,509	581,490	5.82%
2020	11,360,369	491,286	232,746	724,032	6.37%
2021	14,567,588	490,194	213,651	703,845	4.83%



Source: Current and Previous Financial Statements, Town Finance Department

Town of Frederick
 Ratio of Outstanding Debt by Type
 Last Ten Calendar Years
 (Unaudited)

Year	Governmental Activities										Business-Type Activities					
	Sales & Use Revenue Bonds 2015	Bond Premium 2015	Sales & Use Revenue Bonds 2006	Public Works Facility Loan 2013	FURA Tax Increment Revenue Bonds	Equipment Lease 2016	Compensated Absences	Water Revenue Note 2002	Water Note	Compensated Absences	Total Primary Government	Debt to Assessed Actual Value of Property	Percentage of Personal Income	Per Capita	Percentage of Personal Income	Per Capita
2012	-	-	3,945,000	-	-	-	-	695,136	-	-	4,640,136	0.5%	1.5%	492.74	0.0%	\$ -
2013	-	-	3,730,000	2,450,000	-	-	-	-	-	-	6,180,000	0.7%	1.8%	605.70	0.7%	240.13
2014	-	-	3,505,000	2,329,494	-	-	-	-	-	-	5,834,494	0.6%	1.6%	533.95	0.6%	213.19
2015	4,077,195	-	-	2,241,759	-	-	-	1,792,000	-	-	8,110,954	0.6%	2.1%	710.68	0.6%	196.42
2016	3,774,452	-	-	2,151,097	-	222,317	-	896,106	-	-	7,043,972	0.5%	1.7%	600.56	0.5%	202.35
2017	3,250,000	-	-	2,056,975	-	176,309	-	-	-	-	5,483,284	0.3%	1.3%	467.50	0.5%	190.41
2018	2,965,000	-	-	1,959,485	-	133,908	-	-	-	-	5,058,393	0.3%	1.2%	431.27	0.5%	178.48
2019	2,665,000	-	-	1,858,504	-	90,408	-	-	-	-	4,613,912	0.2%	1.1%	393.38	0.4%	166.16
2020	2,360,000	148,480	-	1,751,023	1,756,836	45,782	327,269	-	55,534	6,444,924	0.3%	1.5%	549.49	0.4%	153.19	
2021	2,045,000	125,743	-	1,642,688	1,691,103	-	778,904	-	174,026	6,457,464	0.3%	1.5%	550.56	0.4%	140.05	

Source: Current and Prior Year Financial Statements, Town Bond and Loan Documents

Town of Frederick
Computation of Direct and Overlapping Activities Debt (1)
Last Ten Calendar Years
(Unaudited)

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to Town (2)	Estimated Amount Applicable to Town
Direct:			
Town of Frederick			
Sales and Use Tax Revenue and Revenue Refunding Bonds	2,045,000		
Public Works Loan	1,642,688		
Frederick Urban Renewal Authority	1,691,103		
Equipment Lease	<u>0</u>		
Total Direct Debt	<u>\$ 5,378,791</u>	100.00%	<u>\$ 5,378,791</u>
Overlapping:			
St. Vrain Valley School District	<u>510,148,820</u>	3.92%	19,997,834
Total Overlapping Debt	<u>\$ 510,148,820</u>		<u>\$ 19,997,834</u>
Total District and Overlapping Debt			<u>\$ 25,376,625</u>

Notes: (1) Computation of overlapping debt includes only one major governmental unit and excludes several special districts that only partially overlap the Town.

(2) Computation of the debt portion applicable to the Town of Frederick was determined by the ratio of assessed value of the portion of the applicable district located within the Town.

Sources: Current and prior year financial statements for the Town of Frederick and St. Vrain Valley School District

Town of Frederick
Revenue Bond Coverage
Governmental Funds
Last Ten Calendar Years

Year	Total Revenues (1)	Less: Operating Expense (2)	Net Available Revenue	Debt Service			Coverage Ratio
				Principal (3)	Interest (4)	Total	
2012	2,604,990	300	2,604,690	200,000	176,760	376,760	6.91
2013	3,267,211	1,036	3,266,175	215,000	168,260	383,260	8.52
2014	3,170,132	1,961	3,168,171	225,000	157,510	382,510	8.29
2015	3,320,802	1,249	3,319,553	320,000	87,586	407,586	8.15
2016	3,806,495	1,382	3,805,113	280,000	131,700	411,700	9.25
2017	4,074,972	1,050	4,073,922	285,000	126,100	411,100	9.91
2018	4,540,572	1,050	4,539,522	285,000	120,400	405,400	11.20
2019	9,645,358	1,050	9,644,308	300,000	111,850	411,850	23.42
2020	10,542,113	1,050	10,541,063	305,000	102,850	407,850	25.85
2021	12,828,852	1,050	12,827,802	315,000	93,700	408,700	31.39

(1) Total Revenues include base sales and use tax revenues only.

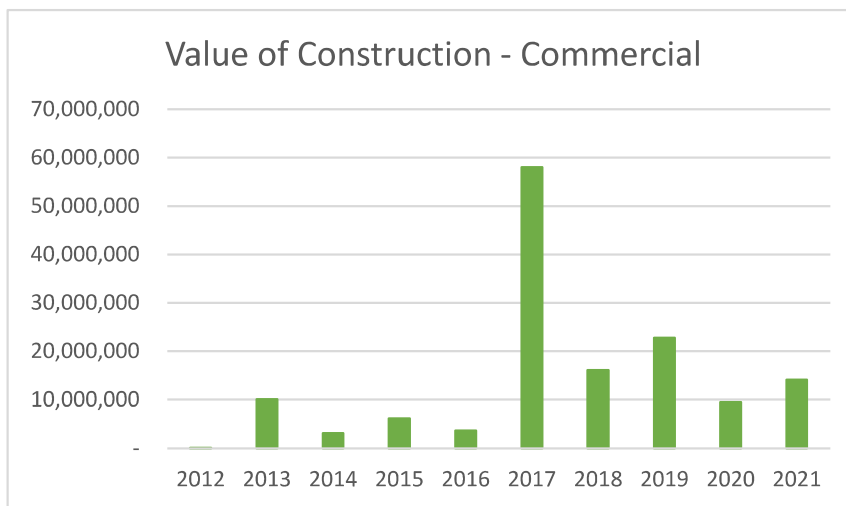
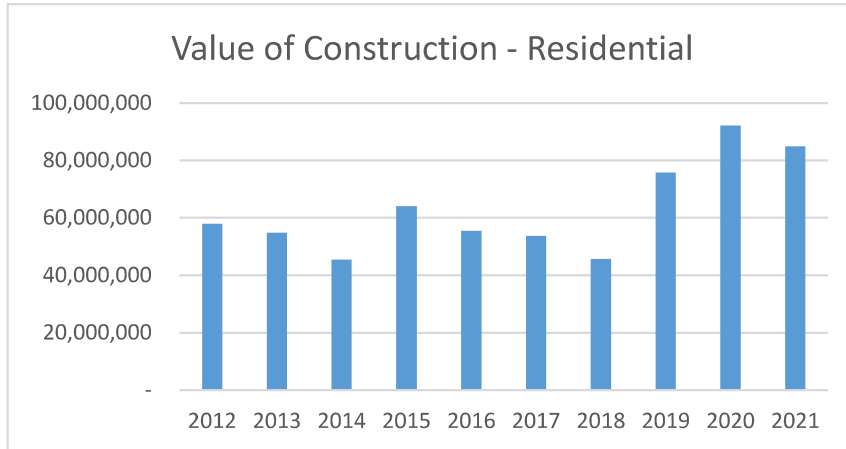
(2) Operating expenses include bank charges. Detailed operating expenses are not available for the years 2007 to 2008.

(3) Principal in 2015 includes Revenue Bonds 2015 Series A & Series B. In 2007 to 2014 it includes the 2006 Revenues Bonds.

(4) Interest in 2015 includes Revenue Bonds 2015 Series A & Series B. In 2007 to 2014 it includes the 2006 Revenue Bonds.

Town of Frederick
Building Permits and Value of Construction
Last Ten Calendar Years
(Unaudited)

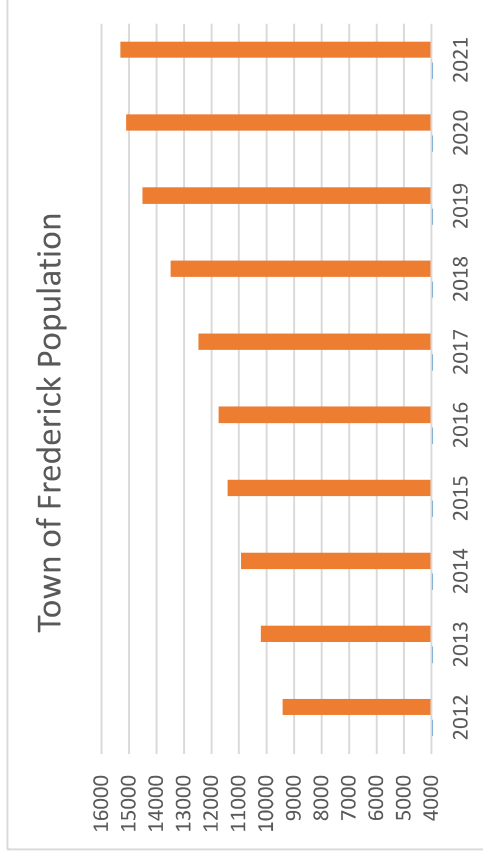
Year	Number of New Residential Building Permits	Value of Construction for New Residential Construction	Number of New Commercial/Industrial Permits	Total Value of Construction for New Commercial/Industrial Buildings
2012	229	57,932,716	1	87,000
2013	202	54,775,825	3	10,100,202
2014	165	45,525,710	3	3,179,801
2015	238	64,015,820	5	6,175,594
2016	199	55,411,830	3	3,680,000
2017	229	53,664,764	9	58,068,534
2018	178	45,734,775	8	16,142,400
2019	291	75,793,271	14	22,801,916
2020	364	92,240,744	7	9,493,376
2021	331	84,895,839	10	14,106,191



Source: Permit information is provided by the Town Building Department

Town of Frederick
Demographic and Economic Statistics
Last Ten Calendar Year
(Unaudited)

Year	Personal Income (1)	County Population	Population (2)	Per Capita Income (3)	Median		School Enrollment	Unemployment Rate (2)(4)
					Age (2)	Unemployment Rate (2)(4)		
2012	9,651,698,000	264,117	9,417	36,543	33.3	2,545	7.3%	
2013	10,169,971,000	270,369	10,203	37,615	34.0	2,889	6.2%	
2014	11,284,659,000	276,379	10,927	40,830	34.2	3,010	3.9%	
2015	12,201,617,000	285,174	11,413	42,787	34.8	2,957	3.4%	
2016	12,593,779,000	294,932	11,729	42,701	33.7	2,702	2.7%	
2017	13,549,771,207	304,633	12,478	44,479	34.1	2,795	2.9%	
2018	15,050,180,620	314,305	13,480	47,884	34.4	2,924	3.0%	
2019	15,875,122,116	324,492	14,506	48,923	36.3	3,026	4.1%	
2020	17,394,833,126	334,169	15,106	52,054	36.6	3,082	6.4%	
2021	18,425,331,756	343,846	15,315	53,586	35.4	3,143	3.4%	



Sources:

- (1) U.S. Department of Commerce Bureau of Economic Analysis - Weld County. Personal income not available for 2021.
- (2) U.S. Census Bureau and Denver Regional Council of Governments
- (3) Calculation based on Personal Income and Population
- (4) United States Department of Labor - Bureau of Labor Statistics

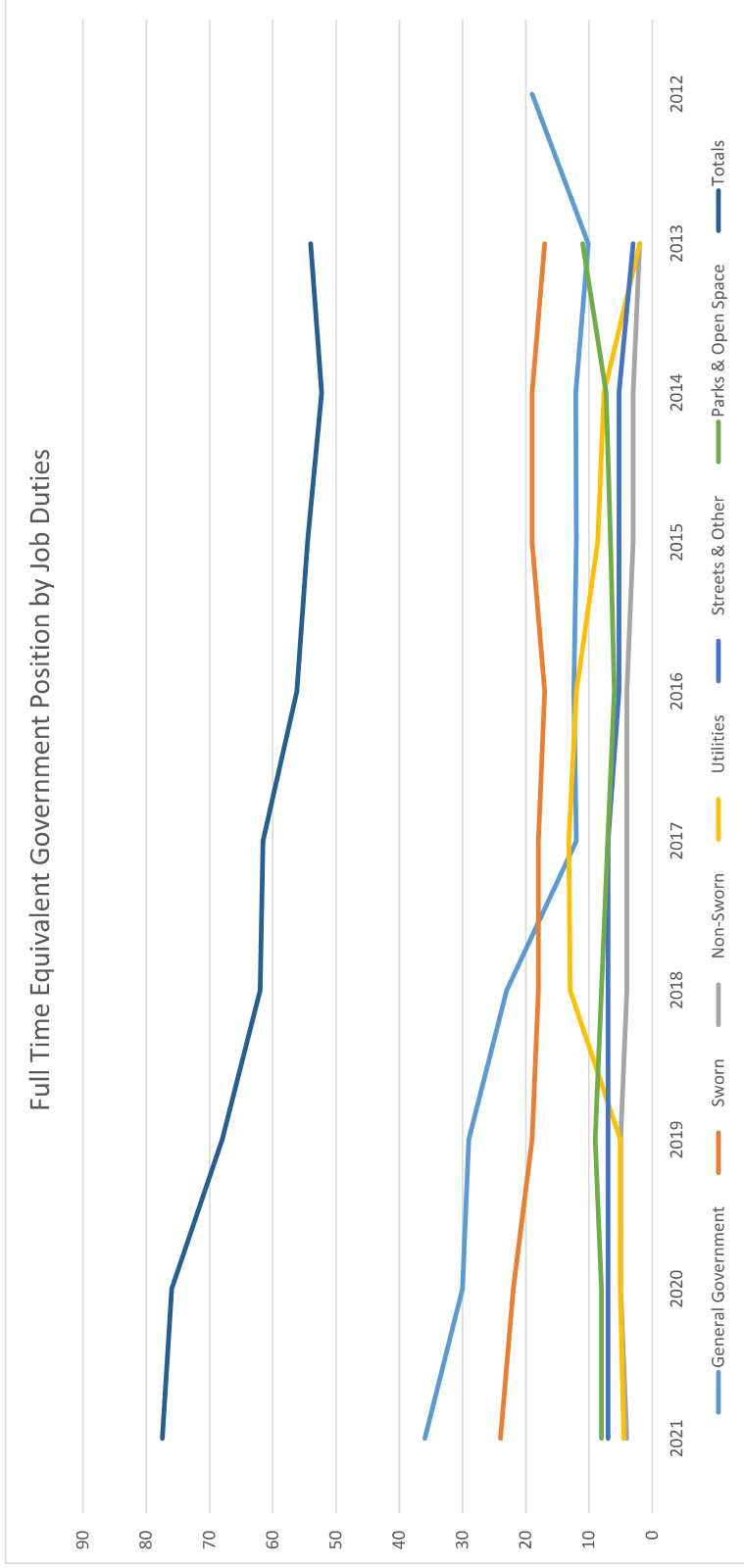
Town of Frederick
Private Principal Employers
Current Year and Five Years Ago
(Unaudited)

<u>Employer</u>	2021			2017		
	Rank	Estimated Number of Employees	Percentage of Total City Employment	Rank	Estimated Number of Employees	Percentage of Total City Employment
Otterbox	1	194	2.7%	2	214	6.6%
Agilent Technologies	2	180	2.5%			
FCI Constructors	3	158	2.2%			
PCS Ferguson	4	144	2.0%			
Varra Companies, Inc	5	119	1.7%			
Hirsch Precision Products	6	105	1.5%			
Metal Sales Manufacturing	7	100	1.4%	5	98	3.0%
Western States Contracting	8	100	1.4%			
McDonald Farms	9	94	1.3%			
TSN	10	85	1.2%	8	85	2.6%
Western States Reclamation	11	83	1.2%			
Premier Manufacturing	12	81	1.1%	3	123	3.8%
St. Vrain Valley School District				1	307	9.4%
Transwest Truck Trailer RV				4	99	3.0%
Production Control Services				6	89	2.7%
Stevinson Lexus				7	86	2.6%
Spartan Medical Systems				9	74	2.3%
Star Precision				10	73	2.2%
Total		1443	20.0%		1248	38.2%

Source: Frederick Town Economic Development Department

Town of Frederick
Full Time Equivalent Town Government Positions
Last Ten Calendar Years
(Unaudited)

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government	36	30	29	23	12	12	12	12	10	19
Public Safety										
Sworn	27	24	22	19	18	18	17	19	19	17
Non-Sworn	4	4	5	5	4	4	4	3	3	2
Public Works										
Utilities	5	5	5	5	13	13	12	9	8	2
Streets & Other	8	7	7	7	7	7	5	5	5	3
Parks & Open Space	11	8	8	9	8	7	6	7	7	11
Totals	91	78	76	68	61	62	56	55	52	54



*Notes: Allocation methods changed in 2013
 General Government category includes Administration, Finance, Planning, and Engineering Departments
 Source: Town Human Resource Department*

Town of Frederick
 Operating Indicators by Function
 Last Ten Calendar Years
 (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Registered voters	5,819	5,895	6,606	7,267	8,197	8,322	8,499	8,733	10,671	11,225
Elected officials	7	7	7	7	7	7	7	7	7	7
Full-Time employees	54	51	54	56	60	56	68	76	78	91
Part-Time employees	6	4	3	3	9	9	9	7	13	19
Seasonal employees	12	10	18	12	6	6	6	6	7	10
Public Safety										
Adult arrests	463	480	366	361	347	314	358	338	279	277
Juvenile detentions	123	119	119	119	115	88	54	103	55	58
Parking violations	32	10	21	34	37	64	32	10	12	15
Traffic violations	1,062	1,119	902	767	709	1,950	2,289	2,280	1,891	2,304
Vehicle accidents	143	185	200	223	239	268	261	253	178	246
Calls for service	7,622	8,283	8,748	9,094	8,504	9,988	10,919	11,305	10,725	11,403
Public Works										
Miles of streets	84.00	85.17	86.99	88.36	90.07	91.97	96.00	98.72	98.72	104.74
Utilities										
Total number of water service connections	3138	3327	3437	3551	3671	3779	3891	4020	4296	4526
Number of utility accounts	3819	4048	4250	4415	4653	4745	5098	5425	5845	6396
Number of new utility accounts	229	202	165	238	213	85	353	327	420	551

Source: Various Town of Frederick Departments

Town of Frederick
Capital Asset Statistics by Function
Last Ten Calendar Years
(Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Safety										
Patrol units	17	16	15	16	14	18	18	18	19	35
Public Works										
Miles of streets	84.00	85.17	86.99	88.36	90.07	91.97	96.00	98.72	98.72	104.74
Number of streets	265	270	275	275	275	278	391	405	405	434
Miles of sidewalks	58.3	59.15	60.46	62.41	66.17	69.42	99.8	119.274	119.274	131.32
Number of traffic lights	2	2	2	3	3	3	4	4	4	4
Parks & Open Space										
Number of parks	14	15	16	17	18	18	18	18	18	20
Acreage of Parks	290.65	296.73	297.73	302.63	320.00	320.00	320.00	320.00	320.00	380.44
Number of Playgrounds	10	10	10	12	12	12	12	12	12	17
Miles of Trails	17.1	17.2	17.5	17.56	17.81	17.81	16.4	16.4	16.4	22.39
Acreage of Open Space	383.7	406.2	406.2	406.2	406.2	406.2	406.2	406.2	406.2	532.8
Number of Waterparks/Splash Pads	0	1	1	1	1	1	1	1	1	1
Number of Park Shelters	17	17	17	19	20	20	20	20	20	20
Number of Museums	1	1	1	1	1	1	1	1	1	1
Utilities										
Miles of Water Mains	45.72	47.96	49.92	60.47	61.35	61.78	62.35	62.92	65.21	68.76
Water Storage Capacity (in millions of gallons)	2.58	2.58	2.58	2.58	2.58	2.28	2.58	2.58	2.58	2.58
Number of fire hydrants	336	355	413	485	485	490	510	530	592	619
Maximum daily capacity of water lines	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Number of power poles	222	229	229	230	230	230	225	*n/a	*n/a	*n/a

Source: Various Town of Frederick Departments

*Utilities-Number of power poles: no longer applicable due to sale of electric utility to United Power