Town of Fraser
Fraser, Colorado

Financial Statements
December 31, 2025

Town of Fraser, Colorado
Financial Statements
December 31, 2025

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M & A

McMahan and Associates, L.L.C.

Certified Public Accountants and Consultants

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Trustees
Town of Fraser, Colorado

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 Town of Fraser (the "Town"), as of and for the year ended December 31, 2025, 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

U.S. GAAP require the Management's Discussion and Analysis in section B, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information (continued)

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

Supplementary Information

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

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Fraser, Colorado

Management's Discussion and Analysis
December 31, 2025

As management of the Town of Fraser, Colorado, ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025.

The Town provides a high level of local government service and availability to the community including operation of the Town's water and wastewater systems, a public works department that provides for street maintenance, snow removal and management, park and open space preservation, public building and facility management and maintenance. Our planning department provides support for both our business/economic sectors in addition to community development support, all while maintaining our small town character in the bigger mountain resort community that we are a part of. The Town currently acts as the manager of the Upper Fraser Valley Wastewater Treatment Facility – providing both the operational expertise and financial management of the facility for the three member organizations who share the plant. In addition, the Town participates in a joint Fraser/Winter Park Police Department and a joint Winter Park/Fraser/Granby Building Services Department.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, and culture and recreation. The business-type activities of the Town include water production, water distribution system operation and maintenance, and the operation and maintenance of the Town's wastewater collection system.

The government-wide financial statements can be found on pages C1 and C2 of this report.

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

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The fund financial statements for the governmental funds are shown on pages C3 and C5.

The Town's Budget includes the following governmental funds:

- General Fund, which provides for the general functions and services such as administration, planning, law enforcement, streets and properties.
- Capital Asset Fund, which is intended to fund long term maintenance of capital assets (streets, buildings, parks, trails, etc.). The fund is consolidated with the GF in the financial statements.
- Restricted Revenue Fund, which is funded by a dedicated sales tax to be used for transportation, trails, and capital project expenditures.
- Fraser Housing Authority Fund, the fund is funded by short term rental permit fees to support workforce housing.
- Downtown Development Authority Fund, the fund is funded by property tax increment financing to support development in the Town Center.
- Debt Service Fund, which provides for bonded debt service payments.
- Conservation Trust Fund, which is funded by lottery proceeds and provides for open space and recreational related capital projects.
- Capital Equipment Replacement Fund, which provides for vehicle and heavy equipment purchases.

The Town adopts an annually appropriated budget for all governmental funds. A budgetary comparison statement has been provided all funds listed above to demonstrate compliance with the State budget statutes. These are included in Sections E and F.

Proprietary funds: The Town maintains two proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water operations and one to account for its wastewater operations, which was established on December 31, 2009 by the dissolution of the Fraser Sanitation District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town.

The Town's Budget includes the following enterprise funds:

- Water Fund, an enterprise fund for the Town's water utility.
- Wastewater Fund, an enterprise fund for the Town's wastewater utility.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary funds on pages F7 and F8.

Fiduciary fund: As managers of the Upper Fraser Valley Wastewater Treatment Plant, the Town operates the Joint Facilities Fund ("JFF") as a fiduciary fund to account for the operations and maintenance of the facility along any capital expenditures related to the plant.

Overview of the Financial Statements (continued)

The Wastewater Fund holds its portion of the JFF Operations and Maintenance (O&M) and the JFF Capital Replacement Reserve, both of which provide for operations and capital projects at the Wastewater Treatment Plant. The JFF activity is found on pages C10, C11, and F9.

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

The largest portion of the Town's assets are reflected in the investment in capital assets (i.e. land, streets, buildings, improvements, and equipment). Capital assets account for 74% of the total assets of $67,054,679. The Town uses these assets to provide services to its citizens. The Town has to pay liabilities out of the remaining liquid assets. The Town also has assets that are considered restricted for a variety of purposes. Accordingly, these assets are not an available source for payment of future spending, other than as restricted. The Town shows the detail of restricted net position below on page B4 and also in section D of this report.

Government-wide Fund Analysis

Financial Highlights

- On a short-term view, the Town's governmental fund balances decreased by $10,766,414 in 2025. The Town's General Fund balance decreased by $5,189,644.

- On a long-term view (including depreciation and excluding capital outlay, etc.) the Town had a 6% or $3,462,702 increase in net position from $56,876,052 to $60,338,754.

  "Net Position" for the Town refers to both the governmental and business-type (Water Fund ("WF") and Wastewater Fund ("WWF") activities. The business-type activities (WF & WWF) had a decrease in net position of $796,187, while the governmental activities had an increase in net position of $4,258,889.

  The "long-term" view includes depreciation expense. The schedule the Town uses to depreciate its assets is on page D6 and the corresponding schedules for depreciation and additions to capital assets (capital outlay) is in section D of this report. It's important to review the depreciation schedule and compare it to the age of the assets being depreciated. Annual depreciation expense for streets exceeds $750,000 and there is no designated revenue source or reserves associated with this asset. Annual depreciation expense on water and wastewater assets exceeds $1,000,000, with roughly $600,000 of that depreciation relating to underground utilities. Over half the Town's underground utilities have exceeded their depreciation life cycle. At December 31, 2025, the Fraser Town Board has many committed reserves in its General Fund and both of its Enterprise Funds, along with a reserve for unforeseen Joint Facility emergencies. These reserves will allow the Town to meet its short-term obligations for safe, reliable and sustainable water and wastewater systems. Available resources will be freed up in the Budget to address annual street maintenance. The Town continues to allow for additional growth in utilities and streets, while the issue of the cost of maintenance reflected by service fees and GF revenues remains a community concern.

Government-wide Fund Analysis (continued)

The Town's restricted net position for 2025 is shown in the following schedule:

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25
General Fund:				
Fees in lieu of Park	$ 8,205	114,026	(122,231)	-
Affordable housing impact fee	647,736	-	(647,736)	-
Emergency reserves	314,000	389,000	-	703,000
Conservation Trust Fund	52,626	11,568	-	64,194
Restricted Revenue Fund	2,126,533	1,401,751	(1,372,194)	2,156,090
Wastewater Fund				
Operating reserve	55,564	57	-	55,621
Capital replacement reserve	513,592	96,340	(101,895)	508,037
	$ 3,718,256	2,012,742	(2,244,056)	3,486,942

The following shows the Town's net position for 2025:

Town of Fraser's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$ 8,401,218	15,848,196	9,053,522	9,456,862	17,454,740	25,305,058
Capital assets	29,885,421	14,843,025	19,714,518	20,201,459	49,599,939	35,044,484
Total Assets	38,286,639	30,691,221	28,768,040	29,658,321	67,054,679	60,349,542
Liabilities:						
Other liabilities	4,847,813	1,561,079	179,432	270,078	5,027,245	1,831,157
Long-term liabilities outstanding	59,171	61,802	31,652	35,100	90,824	96,902
Total Liabilities	4,906,984	1,622,881	211,084	305,178	5,118,068	1,928,059
Deferred Inflows of Resources:						
Other revenue	-	-	830,900	830,900	830,900	830,900
Property taxes	766,957	714,531	-	-	766,957	714,531
Total Deferred Inflows of Resources	766,957	714,531	830,900	830,900	1,597,857	1,545,431
Net Position:						
Net investment in capital assets	26,301,128	14,843,025	19,714,518	20,201,459	46,015,646	35,044,484
Restricted	2,923,284	3,149,100	563,658	569,156	3,486,942	3,718,256
Unrestricted	3,388,286	10,361,684	7,447,880	7,751,628	10,836,166	18,113,312
Total Net Position	$32,612,698	28,353,809	27,726,056	28,522,243	60,338,754	56,876,052

Government-wide Financial Analysis (continued)

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The following chart is a summary of the Town's Change in Net Position:

Town of Fraser's Change in Net Position

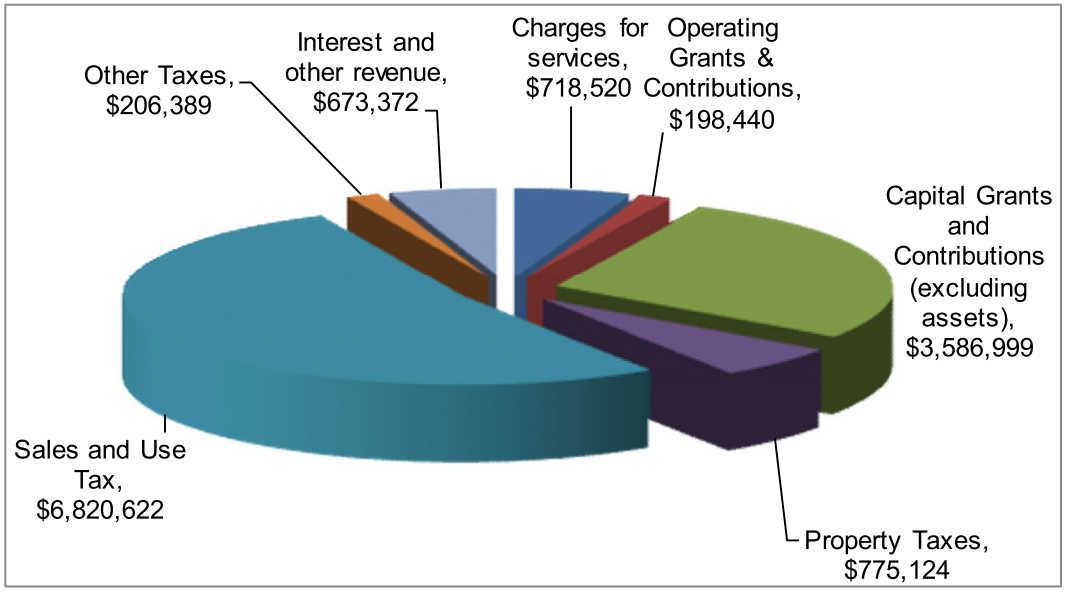
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES:						
Program revenues:						
Charges for services	$718,520	619,354	2,490,684	2,383,316	3,209,204	3,002,670
Operating grants and contributions	198,440	176,394	-	372,367	198,440	548,761
Capital grants and contributions	3,586,999	773,284	75,600	260,440	3,662,599	1,033,724
General revenues:						
Property taxes	775,124	730,892	-	-	775,124	730,892
Sales and Use taxes	6,820,622	6,663,516	-	-	6,820,622	6,663,516
Other taxes	206,389	211,153	-	-	206,389	211,153
Interest and other revenue	673,372	836,523	508,899	418,506	1,182,271	1,255,029
Total Revenues	12,979,466	10,011,116	3,075,183	3,434,629	16,054,649	13,445,745
EXPENSES:						
General government	4,547,927	4,074,307	-	-	4,547,927	4,074,307
Culture and recreation	84,562	277,619	-	-	84,562	277,619
Public safety	1,237,747	990,845	-	-	1,237,747	990,845
Public works	2,850,341	2,685,433	-	-	2,850,341	2,685,433
Water	-	-	2,092,289	1,642,216	2,092,289	1,642,216
Wastewater	-	-	1,779,081	1,729,965	1,779,081	1,729,965
Total Expenses	8,720,577	8,028,204	3,871,370	3,372,181	12,591,947	11,400,385
Change in Net Position	4,258,889	1,982,912	(796,187)	62,448	3,462,702	2,045,360
Net Position-Jan 1	28,353,809	26,370,897	28,522,243	28,459,795	56,876,052	54,830,692
Net Position - December 31	$32,612,698	28,353,809	27,726,056	28,522,243	60,338,754	56,876,052

Governmental activities: Governmental activities increased the Town's net position by $4,258,889 during 2025, as compared to an increase in net position of $1,982,912 during 2024. The following are the major elements of the change in net position of governmental activities from December 31, 2024 to December 31, 2025:

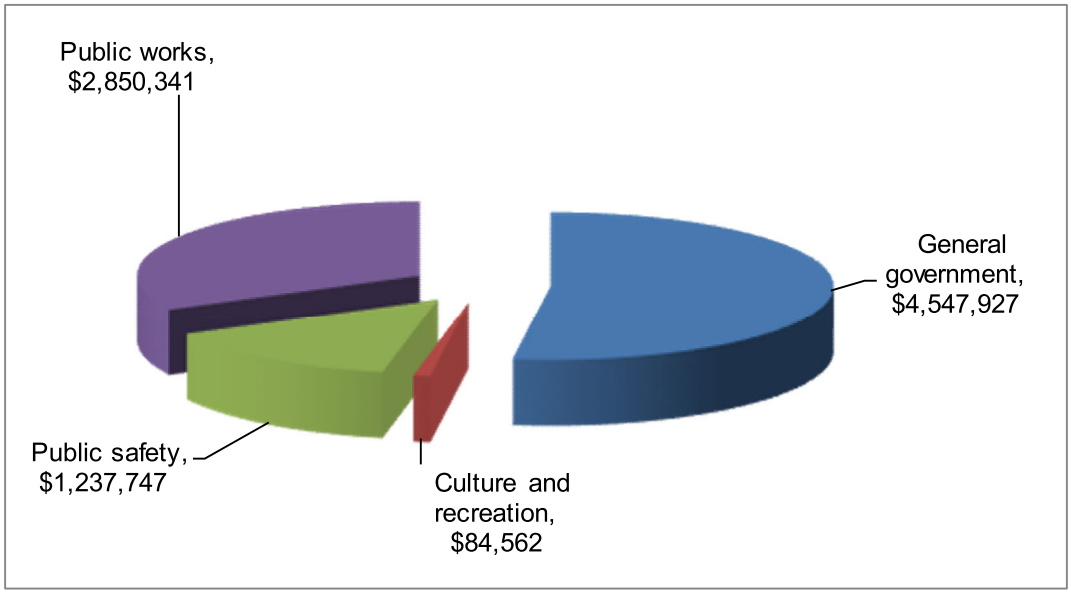
- Capital grant revenues to fund the St. Louis Landing Project significantly increased from the previous year.

Government-wide Financial Analysis (continued)

The following is a graph of the Town's governmental activities revenues by source for 2025. The Town continues to be challenged by its dependence on the very volatile resort-based sales tax revenues. Fortunately, the Town has the grocery, hardware, and department stores within its municipal boundaries. The Town will continue to help the local business community, attract and develop a more varied mixture of vendors appealing to both the community's residents and resort vacationers.



The following is a graph of the Town's governmental activities expenses by function for 2025.

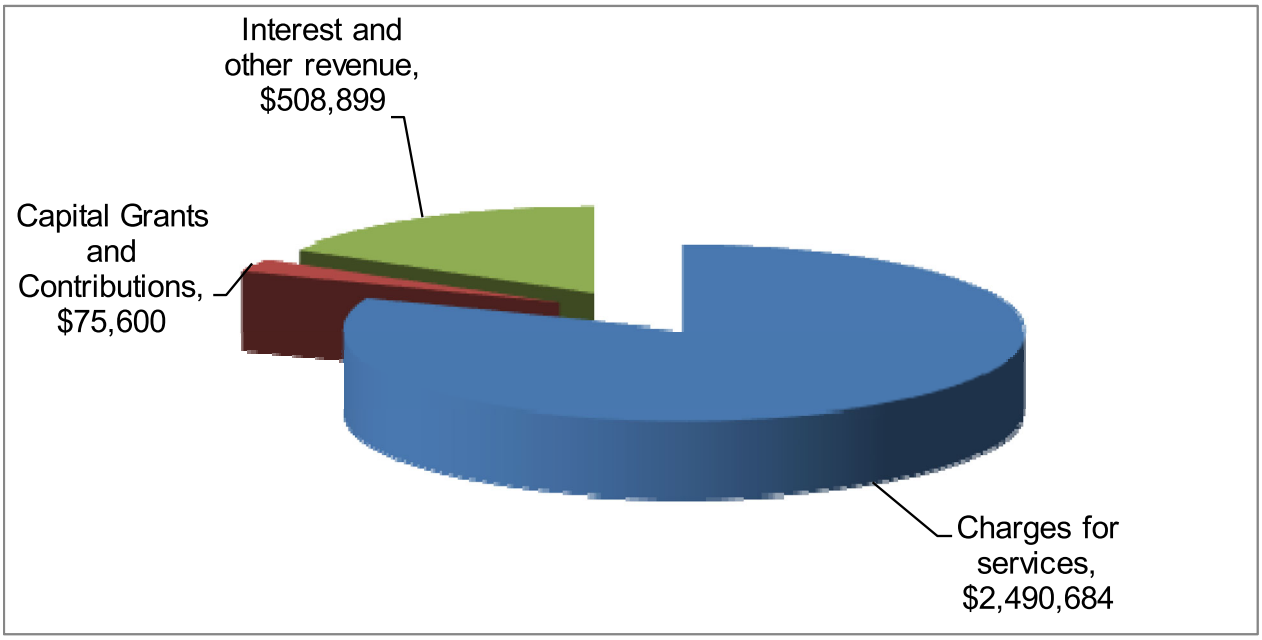


Government-wide Financial Analysis (continued)

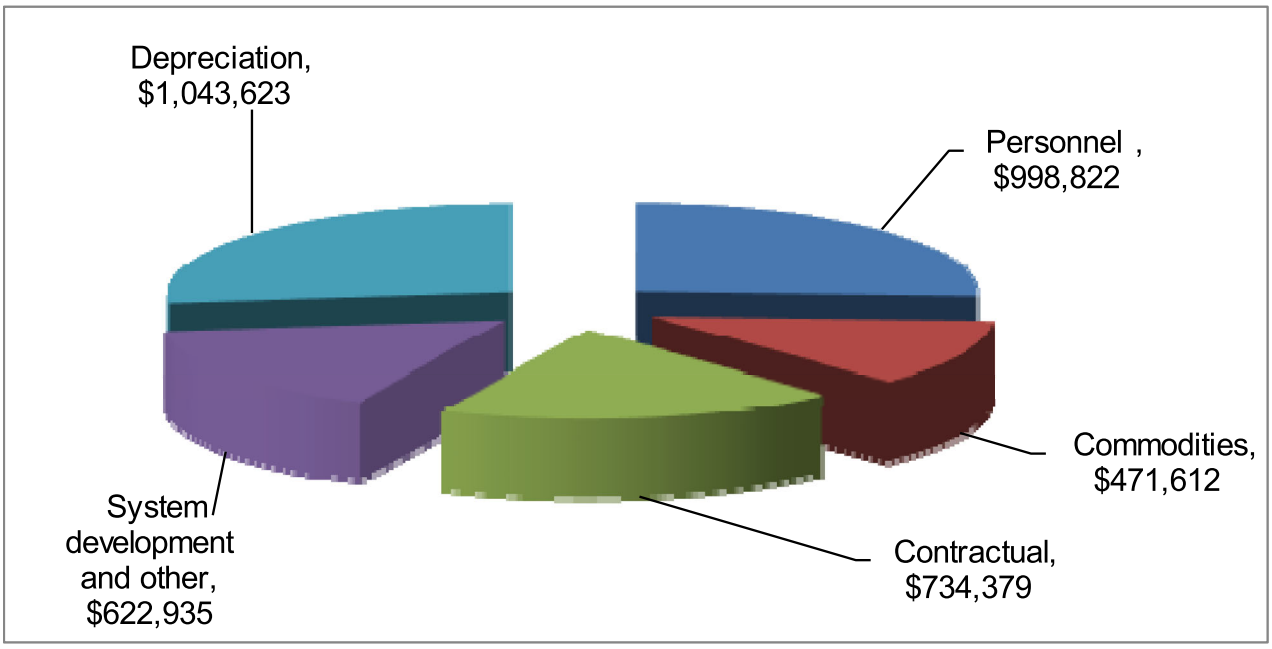
Business-type activities: Business-type activities (water and wastewater, collection and treatment) resulted in a decrease in the Town's net position of $796,187. Key elements of this change are as follows:

- Within the Water and Wastewater Funds and in the Town's portion of the JFF assets, depreciation expense on capitalized assets of $1,043,623 accounted for 27% of total operating expenses.
- Charges for our customer's water and wastewater services accounted for 93% of total operating revenues.

The following is a graph of the business-type revenues by source for 2025.



The following is a graph of the business-type expenses by function for 2025.

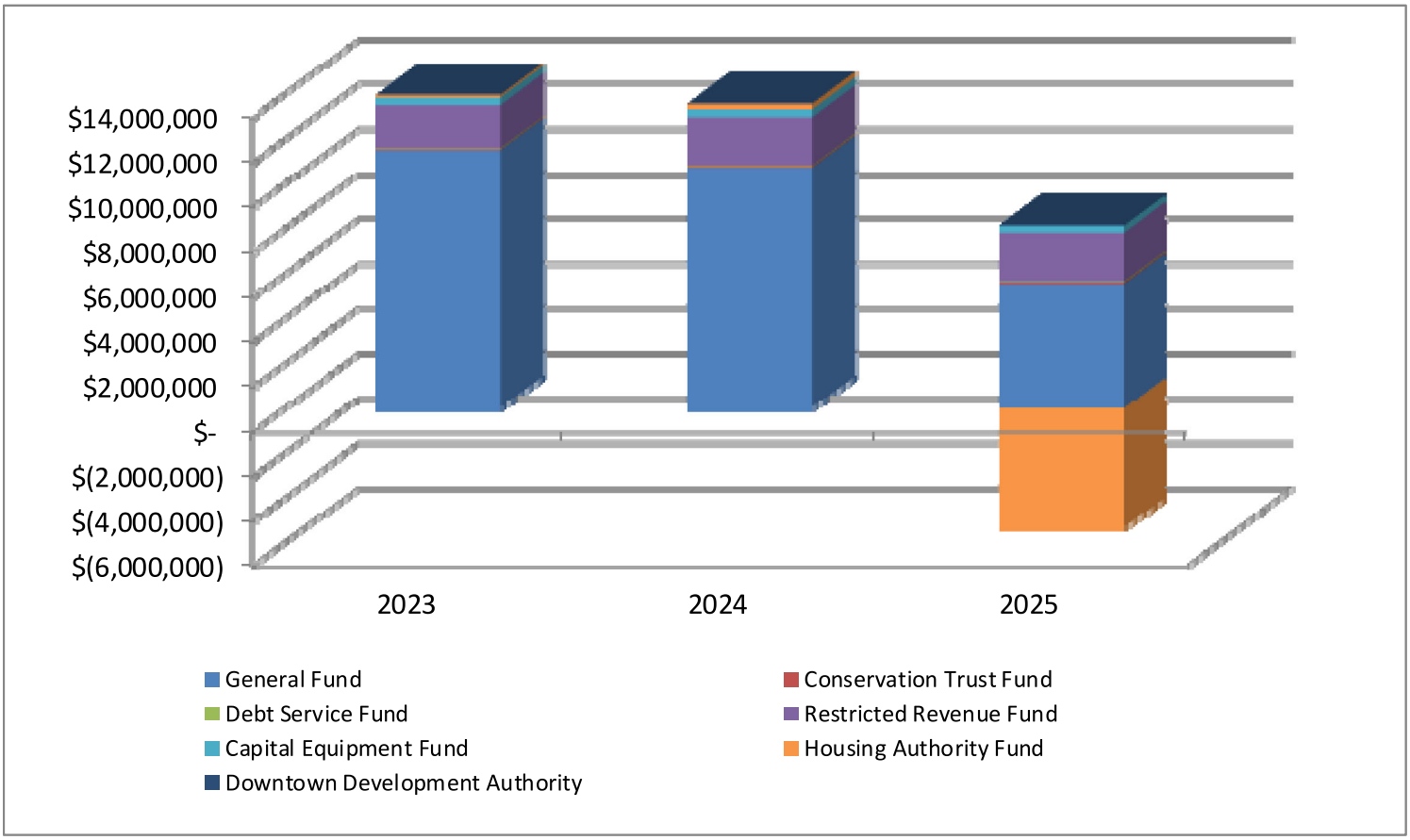


Financial Analysis of the Town's Funds

As mentioned on page B2 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $2,806,172; the funds decreased $10,766,414 from the prior year's ending balances. The Town's governmental fund balances for 2025 and the past two years are graphed as follows:



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

A portion of the proprietary funds' cash and other resources is restricted for wastewater operating and capital-replacement reserves. Remaining unrestricted resources are available for operations and other authorized purposes. At the end of 2025 the Town Board reserved multiple amounts and designated them as committed reserves for emergencies in both our operations and maintenance and also for capital emergencies. Reserves are recognized in-house and are outlined earlier in this discussion.

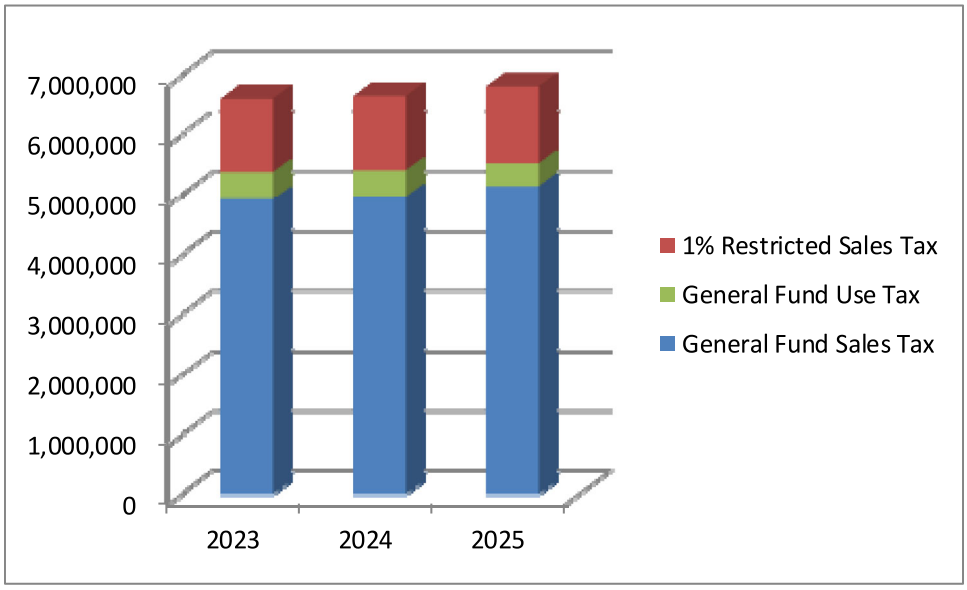
Budget Variances in the General Fund: The Town had the following significant budget variances which are detailed as follows:

Pos. (Neg.)	Account	Reason
	Revenues:	
$ 787,108	Sales & use taxes	Conservative budgeting due to various economic factors.
(2,981,336)	Grant revenue	Budgeted for total available grants, not fully drawn
	Expenditures:	
	General Government:	
(198,456)	Administrative salaries	Allocation of salaries changed from budget
145,440	Other purchased services	Conservative budgeting
(150,385)	Property management	Age of Town Hall resulted in additional costs in renovation
(4,294,009)	Capital outlay	Allocation difference between public works outlay
	Public Works	
371,987	Salaries and benefits	Allocation of salaries changed from budget
176,560	Other purchased services	Conservative budgeting
153,199	Property management	Conservative budgeting
4,181,016	Capital outlay	Allocation difference between general government outlay
	Culture and Recreation	
(471,221)	Capital outlay	Projects over budget

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, increased due largely due to increases in construction in progress for the St. Louis Landing affordable housing project. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements in section D of this report.

Long-term obligations: As of the end of 2025, the Town had $90,824 in long-term obligations for accrued compensated absences. Additional information regarding the Town's debt can be found in the Notes to the Financial Statements in section D of this report.

Sales and Use Taxes: The Town has sales and use taxes that are used to fund its governmental operations. The Town's sales and use taxes changed from a total of $6,663,516 in 2024 to $6,820,622 in 2025. The following chart indicates changes in the taxes collections:



The Town's sales and use tax collections increased over the past years. Sales tax receipts increased 4% from 2024 to 2025 and the new 1% restricted sales tax generated $1,288,513.

Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was $5,551,778. The Town's 2026 budget anticipates decreasing the General Fund balance by $1,716,400. It is anticipated that this budgeted reduction in fund balance will decrease by year end due to under spending budgeted amounts as well as surpassing revenue projections.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Fraser, Finance Manager, P.O. Box 120, Fraser, Colorado 80442-0120.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Fraser, Colorado
Statement of Net Position
As of December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	4,156,936	7,729,164	11,886,100
Accounts, taxes, and interest receivables	3,940,778	674,402	4,615,180
Due from fiduciary fund	206,088	649,956	856,044
Prepaid items	97,416	-	97,416
Capital assets, net	29,885,421	19,714,518	49,599,939
Total Assets	38,286,639	28,768,040	67,054,679
Liabilities:			
Accounts payable	4,796,006	75,886	4,871,892
Other liabilities	32,083	92,995	125,078
Accrued compensated absences - current	19,724	10,551	30,275
Accrued compensated absences - noncurrent	59,171	31,652	90,824
Total Liabilities	4,906,984	211,084	5,118,068
Deferred Inflows of Resources:			
Other revenue	-	830,900	830,900
Property taxes	766,957	-	766,957
Total Deferred Inflows of Resources	766,957	830,900	1,597,857
Net Position:			
Net investment in capital assets	26,301,128	19,714,518	46,015,646
Restricted	2,923,284	563,658	3,486,942
Unrestricted	3,388,286	7,447,880	10,836,166
Total Net Position	32,612,698	27,726,056	60,338,754

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

Town of Fraser, Colorado
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	4,547,927	718,520	131,033	3,476,600	(221,774)	-	(221,774)
Culture and recreation	84,562	-	-	110,399	25,837	-	25,837
Public safety	1,237,747	-	-	-	(1,237,747)	-	(1,237,747)
Public works	2,850,341	-	67,407	-	(2,782,934)	-	(2,782,934)
Total governmental activities	8,720,577	718,520	198,440	3,586,999	(4,216,618)	-	(4,216,618)
Business-type activities:							
Water	2,092,289	1,383,877	-	23,100	-	(685,312)	(685,312)
Wastewater	1,779,081	1,106,807	-	52,500	-	(619,774)	(619,774)
Total business-type activities	3,871,370	2,490,684	-	75,600	-	(1,305,086)	(1,305,086)
Total	12,591,947	3,209,204	198,440	3,662,599	(4,216,618)	(1,305,086)	(5,521,704)
General revenues:							
Taxes:							
Property tax					775,124	-	775,124
Specific ownership tax					35,881	-	35,881
General sales and use tax					6,820,622	-	6,820,622
Franchise tax					164,809	-	164,809
Other miscellaneous taxes					5,699	-	5,699
Investment earnings					495,546	336,951	832,497
Miscellaneous					177,826	171,948	349,774
Total general revenues					8,475,507	508,899	8,984,406
Change in Net Position					4,258,889	(796,187)	3,462,702
Net Position - Beginning of Year					28,353,809	28,522,243	56,876,052
Net Position - End of Year					32,612,698	27,726,056	60,338,754

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

FUND FINANCIAL STATEMENTS



Town of Fraser, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Restricted Revenue	Fraser Housing Authority	Non-major Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments - Unrestricted	2,695,848	803,214	207,440	450,434	4,156,936
Receivables, net of allowance	1,929,210	-	-	-	1,929,210
Prepaid items	97,416	-	-	-	97,416
Due from other governments	39,803	-	-	-	39,803
Interfund loan receivable	4,447,656	1,111,914	-	-	5,559,570
Due from fiduciary fund	206,088	-	-	-	206,088
Taxes receivable	1,730,803	240,962	-	-	1,971,765
Total Assets	11,146,824	2,156,090	207,440	450,434	13,960,788
Liabilities and Fund Balance:					
Liabilities:					
Accounts/vouchers payable	4,796,006	-	-	-	4,796,006
Interfund loan payable	-	-	5,559,570	-	5,559,570
Other liabilities	32,083	-	-	-	32,083
Total Liabilities	4,828,089	-	5,559,570	-	10,387,659
Deferred Inflows of Resources:					
Property taxes	766,957	-	-	-	766,957
Total Deferred Inflows of Resources	766,957	-	-	-	766,957
Fund Balances:					
Nonspendable	97,416	-	-	-	97,416
Spendable					
Restricted	703,000	2,156,090	-	64,194	2,923,284
Committed	1,500,000	-	-	386,240	1,886,240
Assigned	3,216,400	-	-	-	3,216,400
Unassigned	34,962	-	(5,352,130)	-	(5,317,168)
Total Fund Balances	5,551,778	2,156,090	(5,352,130)	450,434	2,806,172
Total Liabilities, Deferred Inflows of Resources and Fund Balances	11,146,824	2,156,090	207,440	450,434	13,960,788

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

Town of Fraser, Colorado
Reconciliation of Governmental Fund Balance to Governmental Activities Net Position
December 31, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Governmental Fund Balance	2,806,172
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	29,885,421
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(78,895)
Net Position of Governmental Activities	32,612,698

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

Town of Fraser, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Debt Service	Conservation Trust	Capital Equipment Fund	Restricted Revenue	Fraser Housing Authority	Downtown Development Authority	Non-major Governmental Funds	Total Governmental Funds
Revenues:									
Taxes	6,477,952	-	-	-	1,288,513	-	-	35,669	7,802,134
Licenses and permits	179,292	-	-	-	-	-	-	-	179,292
Charges for services	136,255	-	-	-	-	280,652	-	-	416,907
Intergovernmental revenue	3,709,320	-	-	-	-	-	-	76,813	3,786,133
Investment income	525,213	-	-	-	113,238	-	-	16,665	655,116
Miscellaneous	312,350	-	-	-	-	-	-	-	312,350
Total Revenues	11,340,382	-	-	-	1,401,751	280,652	-	129,147	13,151,932
Expenditures:									
General government	3,469,973	-	-	-	1,372,194	2,340	-	9,833	4,854,340
Public safety	1,210,080	-	-	-	-	-	-	-	1,210,080
Public works	1,958,303	-	-	-	-	-	-	-	1,958,303
Culture and recreation	1,036,577	-	-	-	-	-	-	-	1,036,577
Debt service	-	-	-	-	-	159,570	-	-	159,570
Capital outlay	8,855,093	-	-	-	-	5,722,408	-	121,975	14,699,476
Total Expenditures	16,530,026	-	-	-	1,372,194	5,884,318	-	131,808	23,918,346
Excess (Deficiency) of Revenues Over Expenditures	(5,189,644)	-	-	-	29,557	(5,603,666)	-	(2,661)	(10,766,414)
Net Change in Fund Balances	(5,189,644)	-	-	-	29,557	(5,603,666)	-	(2,661)	(10,766,414)
Fund Balances, Beginning as previously presented	10,741,422	39,990	52,626	354,086	2,126,533	251,536	6,393	-	13,572,586
Change within the financial reporting entity (Major to nonmajor fund)	-	(39,990)	(52,626)	(354,086)	-	-	(6,393)	453,095	-
Fund Balances, Beginning as adjusted	10,741,422	-	-	-	2,126,533	251,536	-	453,095	13,572,586
Fund Balances - End of Year	5,551,778	-	-	-	2,156,090	(5,352,130)	-	(2,661)	2,806,172

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

Town of Fraser, Colorado
Reconciliation of Net Change in Fund Balances to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2025

Net Change in Fund Balances of Governmental Funds	(10,766,414)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation, net of capital disposals during the year.	15,042,396
Accrued liabilities for accrued compensated absences are not an expenditure in the governmental funds, but are increases in long-term liabilities in the Statement of Net Position. This is the amount that accrued compensated absences changed.	(17,093)
Change in Net Position of Governmental Activities	4,258,889

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

Town of Fraser, Colorado
Statement of Net Position
Enterprise Funds
As of December 31, 2025

	Water Fund	Wastewater Fund	Total Enterprise Funds
Assets:			
Current assets:			
Cash and cash equivalents	2,572,845	5,156,319	7,729,164
Utility receivables	356,730	311,701	668,431
Plant investment fee receivables	5,133	-	5,133
Other receivables	-	838	838
Due (to) from fiduciary fund	-	649,956	649,956
Total Current Assets	2,934,708	6,118,814	9,053,522
Non-current assets:			
Land	100,000	144,320	244,320
Water rights	657,860	-	657,860
Equipment	424,788	158,572	583,360
Treatment plant and system	16,640,152	20,492,486	37,132,638
Less: Accumulated depreciation	(8,716,912)	(10,186,748)	(18,903,660)
Total Non-Current Assets	9,105,888	10,608,630	19,714,518
Total Assets	12,040,596	16,727,444	28,768,040
Liabilities and Fund Equity:			
Liabilities:			
Current liabilities:			
Vouchers/accounts payable	-	75,886	75,886
Deposits payable	92,995	-	92,995
Accrued compensated absences	4,928	5,623	10,551
Total Current Liabilities	97,923	81,509	179,432
Non-current liabilities:			
Accrued compensated absences	14,785	16,868	31,652
Total Liabilities	112,708	98,376	211,084
Deferred Inflows of Resources:			
Other revenue	830,900	-	830,900
Total Deferred Inflows of Resources	830,900	-	830,900
Net Position:			
Net investment in capital assets	9,105,888	10,608,630	19,714,518
Restricted	-	563,658	563,658
Unrestricted	1,991,100	5,456,780	7,447,880
Total Net Position	11,096,988	16,629,068	27,726,056

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

Town of Fraser, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
For the Year Ended December 31, 2025

	Water	Wastewater	Total Enterprise Funds
Operating Revenues:			
Charges for services	1,380,932	1,106,807	2,487,739
Meter sales	2,945	-	2,945
Miscellaneous revenue	171,948	-	171,948
Total Operating Revenues	1,555,825	1,106,807	2,662,632
Operating Expenses:			
Personnel	496,082	502,737	998,819
Commodities	237,835	38,349	276,184
Contractual	140,985	593,394	734,379
System development	818,365	-	818,365
Depreciation	399,022	644,601	1,043,623
Total Operating Expenses	2,092,289	1,779,081	3,871,370
Operating Income (Loss)	(536,464)	(672,274)	(1,208,738)
Non-Operating Revenues:			
Interest revenue	114,112	222,839	336,951
Net Non-Operating Revenues	114,112	222,839	336,951
Income (Loss) before Contributions and Transfers	(422,352)	(449,435)	(871,787)
Capital contributions	23,100	52,500	75,600
Contributions and Transfers	23,100	52,500	75,600
Change in Net Position	(399,252)	(396,935)	(796,187)
Net Position - Beginning of Year	11,496,240	17,026,003	28,522,243
Net Position - End of Year	11,096,988	16,629,068	27,726,056

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

Town of Fraser, Colorado
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2025

	Water	Wastewater	Total Enterprise Funds
Cash Flows From Operating Activities:			
Cash received from customers	1,585,267	1,110,361	2,695,628
Other cash received	-	31,273	31,273
Cash received (paid) for deposits	8,672	(80,800)	(72,128)
Cash payments for goods and services	(1,197,184)	(741,613)	(1,938,797)
Cash payments for salaries and benefits	(491,464)	(500,252)	(991,716)
Net Cash Provided (Used) by Operating Activities	(94,709)	(181,031)	(275,740)
Cash Flows From Non-Capital and Related Financing Activities:			
Cash received from grants and contributions	-	1,635	1,635
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	-	1,635	1,635
Cash Flows From Capital and Related Financing Activities:			
Plant investment fees (paid) received	23,100	52,500	75,600
Cash (paid) for assets	(215,826)	(340,856)	(556,682)
Net Cash Provided (Used) by Capital and Related Financing Activities	(192,726)	(288,356)	(481,082)
Cash Flows From Investing Activities:			
Interest	114,112	222,839	336,951
Net Cash Provided (Used) by Investing Activities	114,112	222,839	336,951
Net (Decrease) Increase in Cash and Cash Equivalents	(173,323)	(244,913)	(418,236)
Cash and Cash Equivalents - Beginning of Year	2,746,168	5,401,232	8,147,400
Cash and Cash Equivalents - End of Year	2,572,845	5,156,319	7,729,164
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	(536,464)	(672,274)	(1,208,738)
Adjustments:			
Depreciation	399,022	644,601	1,043,623
(Increase) decrease in accounts receivable	29,442	34,827	64,269
(Increase) decrease in deposits receivable	-	(80,800)	(80,800)
Increase (decrease) in accounts payable	-	(109,869)	(109,869)
Increase (decrease) in accrued compensated absences	4,619	2,484	7,103
Increase (decrease) in deposits payable	8,672	-	8,672
Total Adjustments	441,755	491,243	932,998
Net Cash Provided (Used) by Operating Activities	(94,709)	(181,031)	(275,740)

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

Town of Fraser, Colorado
Statement of Fiduciary Net Position
December 31, 2025

	Custodial Fund
Assets:	
Cash and cash equivalents	1,708,833
Accounts receivable, net:	428,695
Total Assets	2,137,528
Liabilities:	
Accounts payable	118,277
Payable to Fraser	292,329
Deposits	1,726,922
Total Liabilities	2,137,528

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

Town of Fraser, Colorado
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2025

	Custodial Fund
Additions:	
Charges for operations and maintenance costs	1,783,001
Total Additions	1,783,001
Deductions:	
Salaries and Wages	370,167
Employee Benefits	109,705
Purchased services	1,008,848
Supplies	34,467
Utilities	259,814
Total Deductions	1,783,001
Change in Net Position	-
Net Position - Beginning	-
Net Position - Ending	-

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

NOTES TO THE FINANCIAL STATEMENTS



I. Summary of Significant Accounting Policies

The Town of Fraser, Colorado (the "Town") is incorporated under Colorado statutes to provide public safety, streets and street maintenance, water and wastewater service, recreation including parks and trails, transportation, special events, planning and zoning, and general administrative services. The Town is located in Grand County and operates under a Council-Manager form of government.

An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include road maintenance, water and wastewater service, public safety and culture and recreation.

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

A. Reporting Entity

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

The accompanying financial statements present the primary government and its component units; entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. There are two blended component units reported in the Town's financial statements. The first is the Fraser Housing Authority. The Fraser Housing Authority was established by Town of Fraser Resolution 2020-03-01 on April 1, 2020. The second is the Downtown Development Authority. The Downtown Development Authority was established by a general election on May 15, 2024.

B. Government-wide and Fund Financial Statements

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

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – Net investment in capital assets; Restricted net position; and Unrestricted net position.

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

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

I. Summary of Significant Accounting Policies (continued)

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

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

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

3. Financial Statement Presentation

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

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

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

D. Fund Financial Statements

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

The Town reports the following major governmental funds:

General Fund

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.

I. Summary of Significant Accounting Policies (continued)

D. Fund Financial Statements (continued)

Special Revenue Funds
Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The *Restricted Revenue Fund* accounts for a dedicated sales tax to be used for transportation, trails, and capital project expenditures.

The *Housing Authority Fund* accounts for short term rental permit fees used to support affordable housing initiatives.

The Town previously reported the *Debt Service Fund, Conservation Trust Fund, Capital Equipment Fund, and Downtown Development Authority Fund* as major governmental funds. Beginning in 2025, these funds are now reported as non-major funds as they do not meet the criteria for major fund reporting under GASB Statement No. 34.

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

The *Water Fund* accounts for the purchase and delivery of water to the citizens of the Town. The Water Fund also maintains the infrastructure needed to provide water service.

The *Wastewater Fund* accounts for the treatment of wastewater from the citizens of the Town. The Wastewater Fund also maintains the infrastructure needed to provide wastewater service.

The Town reports the following fiduciary custodial fund:

The *Joint Facilities ("JFF") Operations and Maintenance Fund* accounts for the operations of the Upper Fraser Valley Wastewater Treatment Joint Facilities.

E. Financial Statement Accounts

1. Cash and Cash Equivalents

The Town pools deposits and investments of all funds except JF Operations and Maintenance Fund, which are held in separate accounts. Each fund's share of the pool is readily identified by the Town's internal records. Investments are stated at market value.

Cash and cash equivalents include demand deposits, certificates of deposit, local government investment pools (COLOTRUST), and U.S. government-backed securities.

The Town's investment policy permits investments in the following type of obligations which corresponds with state statutes:

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash and Cash Equivalents (continued)

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

4. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2002), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	15 - 30
Buildings and improvements	15 - 40
Distribution systems	40
Equipment and vehicles	7

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Compensated Absences

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

Sick leave is accrued annually at 80 hours a year, and accumulates to a maximum of 400 hours. Sick leave is not payable upon termination. The Town estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences.

6. Restricted Assets

Fees collected in lieu of park and open space and affordable housing impact fees are restricted as to their use by Town ordinances.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The Town does not have any deferred outflows of resources at December 31, 2025.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Accordingly, the deferred inflow, property taxes and other revenues related to plant investment fees, are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Categories and Classification of Fund Balance

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

The Town of Fraser classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable:

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

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Town Board.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town or its management designee.

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

The Town may use restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town might first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

9. Interfund Transactions

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

10. Deposits

Deposits on the JF Operations and Maintenance Fund represent contributions made to the JF Operations and Maintenance Fund by Winter Park Ranch Water and Sanitation District ("Winter Park Ranch") and Grand County Water and Sanitation District #1 ("Grand County #1") and the Town (previously the Fraser Sanitation District) for operating and replacement costs relating to the combined wastewater treatment plant. These deposits are held for working capital and replacement costs during the time all members remain joint operators of the plant.

F. Significant Accounting Policies

1. Use of Estimates

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

2. Credit Risk

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

3. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

1. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2025.

(1) For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.

(2) The Town Manager, or other qualified person appointed by the Board, submitted to the Board, on or before October 15, 2024, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.

(3) Prior to December 15, 2024, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

(4) After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

1. Budgetary Basis of Accounting (continued)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

The following funds had expenditures in excess of budget, which may be a violation of Colorado budget law.

Fund	Expenditures in excess of budget
Capital Equipment	16,975
Fraser Housing Authority	5,852,818

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved $703,000.

On April 4, 2000, the Town’s electorate approved the following: *Without any increase in the property tax mill levy or the 4% sales and use tax rate, shall the Town of Fraser, Colorado, be authorized, in the year 2000 and each subsequent year thereafter, to collect, retain, and expend the full proceeds of the Town’s fees, taxes, non-federal grants and other revenues and to spend such revenues for debt service, municipal operations, capital projects, and any other lawful municipal purpose, notwithstanding any state of Colorado restrictions on revenues or spending, including the restrictions of Article X, Section 20 of the Colorado Constitution, the revenue limit in Section 29-1-301 of the Colorado Revised Statutes, or any other law.*

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

On November 3, 2020, the Town's electorate approved the following: W*ithout increasing total tax revenues collected, shall the Town of Fraser be authorized to adjust its mill levy annually to offset revenue reductions caused by State imposed changes to the percentage used to determine assessed valuation, including any changes made pursuant to the 1982 Gallagher amendment to the Colorado Constitution, so that, to the extent possible, the revenues generated by such mill levy are the same as the tax revenues that would have been generated had such changes in the method of calculating assessed valuation not occurred?*

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Town's checking accounts are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the Town's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits were $684,598 at year end.

Fair Value of Investments

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

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

At December 31, 2025, the Town had the following recurring fair value measurements:

Investments Measured at Net Asset Value	
Colotrust	$ 12,910,335

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The Town had the following deposits and investments for all funds, with the following maturities December 31, 2025:

Type:	Rating	Carrying Amount	Maturities: Less Than One Year	Maturities: Less Than Five Years
Deposits:				
Checking Accounts	Not Rated	$ 454,315	454,315	-
Savings Accounts	Not Rated	230,283	230,283	-
Investments:				
Investment Pools	AAAm	12,910,335	12,910,335	-
		$ 13,594,933		

The investment pools represent investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") a 2a7-like pool. Pools are not covered by FDIC insurance or PDPA but are rated AAAm. The fair value of the pools is determined by the pools' share price. The Town has no regulatory oversight for the pools.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

Credit Risk. Colorado statutes specify instruments in which local governments may invest, including:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The Town's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds		
	General	Restricted Revenue	Total
Receivables:			
Taxes	$ 1,730,803	240,962	1,971,765
Accounts	1,981,548	-	1,981,548
Intergovernmental	39,803	-	39,803
Gross receivables	3,752,154	240,962	3,993,116
Less: allowance for uncollectibles	52,338	-	52,338
Net Receivables	$ 3,699,816	240,962	3,940,778

	Enterprise Funds		
	Water Operations	Wastewater Operations	Total
Receivables:			
Accounts	$ 361,863	$ 311,701	$ 673,564
Other	-	838	838
Gross receivables	361,863	312,539	674,402
Less: allowance for uncollectibles	-	-	-
Net Receivables	$ 361,863	$ 312,539	$ 674,402

Governmental funds report deferred inflow of resources from property taxes in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Taxes receivable are net of $766,957 of property taxes levied in 2025 but not available until 2026.

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	$ 4,532,851	-	-	4,532,851
Construction in progress	2,817,955	14,896,547	-	17,714,502
Total capital assets, not being depreciated	7,350,806	14,896,547	-	22,247,353
Capital assets, being depreciated:				
Infrastructure	19,525,085	496,055	-	20,021,140
Buildings	1,406,123	524,972	-	1,931,095
Furniture and equipment	2,851,672	138,325	(172,674)	2,817,323
Total capital assets, being depreciated	23,782,880	1,159,352	(172,674)	24,769,558
Less accumulated depreciation for:				
Infrastructure	(12,623,035)	(753,346)	-	(13,376,381)
Buildings	(1,170,146)	(53,179)	-	(1,223,325)
Furniture and equipment	(2,497,480)	(194,081)	159,777	(2,531,784)
Total accumulated depreciation	(16,290,661)	(1,000,606)	159,777	(17,131,490)
Total capital assets, being depreciated, net	7,492,219	158,746	(12,897)	7,638,068
Governmental activities capital assets, net	$ 14,843,025	15,055,293	(12,897)	29,885,421

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 244,320	-	-	244,320
Water rights	657,860	-	-	657,860
Total capital assets, not being depreciated	902,180	-	-	902,180
Capital assets, being depreciated:				
System and improvements	24,838,968	215,826	-	25,054,794
Buildings and improvements	11,736,988	340,856	-	12,077,844
Equipment	583,360	-	-	583,360
Total capital assets, being depreciated	37,159,316	556,682	-	37,715,998
Less accumulated depreciation for:				
System and improvements	(13,458,072)	(656,821)	-	(14,114,893)
Buildings and improvements	(3,991,445)	(368,043)	-	(4,359,488)
Equipment	(410,520)	(18,759)	-	(429,279)
Total accumulated depreciation	(17,860,037)	(1,043,623)	-	(18,903,660)
Total capital assets, being depreciated, net	19,299,279	(486,941)	-	18,812,338
Business-type activities capital assets, net	$ 20,201,459	(486,941)	-	19,714,518

The Town had the following capital outlay and depreciation expense for the following functions:

	Depreciation Expense	Capital Outlay
Governmental activities:		
General government	$ 60,124	14,454,340
Public works, including infrastructure	881,301	618,030
Public safety	27,667	-
Culture and recreation	31,514	983,529
Total governmental activities	$ 1,000,606	16,055,899
Business-type activities:		
Water	$ 399,022	215,826
Wastewater	644,601	340,856
Total business-type activities	$ 1,043,623	556,682

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, Transfers, and Loans

In 2025, the Town's *General Fund* and *Restricted Revenue Fund* advanced funds totaling $5,400,000 to the *Fraser Housing Authority* to provide interim financing for housing construction. The advance has been recorded as an interfund loan rather than a transfer as it is expected to be repaid with either amounts on deposit, proceeds of Housing Revenue bonds, proceeds received from the sale of Middle-Income Housing Tax Credits, or with other available revenues. The interfund loan bears interest calculated on the basis of a 360-day year of twelve 30-day months at a rate per annum equal to the average interest rate being earned on the Town's investment portfolio for the preceding twelve months, adjusted annually over the loan term. The Loan matures on December 31, 2027, at which time all outstanding principal and accrued interest is due. Prepayment, either in full or in part, is allowed at any time.

During 2025, the *Fraser Housing Authority* incurred interest of $159,570, of which $127,626 was accrued to the *General Fund* and $31,914 was accrued to the *Restricted Revenue Fund*.

At December 31, 2025, the Town's only interfund balances related to the loan described above and consisted of the following (amounts below include loan principal and accrued interest):

	Receivable	Payable
General	$ 4,447,656	$ -
Restricted Revenue	1,111,914	-
Fraser Housing Authority	-	5,559,570
Total:	$ 5,559,570	$ 5,559,570

E. Other Liabilities

1. Accrued Compensated Absences

Earned but unused vacation and sick benefits amounted to $121,098 at December 31, 2025.

2. Schedule of Changes in Long-term Debt

	Balance 1/1/25	Additions	Reductions	Balance 12/31/25	Due Within One Year
Governmental activities:					
Accrued compensated absences *	$ 61,802	17,093	-	$ 78,895	19,724
Total	$ 61,802	17,093	-	$ 78,895	19,724
Business-type activities:					
Accrued compensated absences *	$ 35,100	7,103	-	$ 42,203	10,551
Total	$ 35,100	7,103	-	$ 42,203	10,551

*The change in accrued compensated absences is presented as a net change.

IV. Detailed Notes on All Funds (continued)

F. Restricted Fund Balance

The Town had the following restrictions on the fund balances at December 31, 2025:

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25
General Fund:				
Fees in lieu of Park	$ 8,205	114,026	(122,231)	-
Affordable housing impact fee	647,736	-	(647,736)	-
Emergency reserves	314,000	389,000	-	703,000
Conservation Trust Fund	52,626	11,568	-	64,194
Restricted Revenue Fund	2,126,533	1,401,751	(1,372,194)	2,156,090
Wastewater Fund				
Operating reserve	55,564	57	-	55,621
Capital replacement reserve	513,592	96,340	(101,895)	508,037
	$ 3,718,256	2,012,742	(2,244,056)	3,486,942

G. Committed Fund Balance

The Town has the following commitments of the governmental fund balances at December 31, 2025:

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25
General Fund:				
Reserve savings	$ 1,500,000	-	-	1,500,000
Debt Service Fund:				
Capital projects	39,990	1,565	-	41,555
Capital Equipment Replacement:				
Capital projects	354,086	-	(42,107)	311,979
Fraser Housing Authority:				
Capital projects	251,536	-	(251,536)	-
Downtown Development Authority:				
Capital projects	6,393	26,313	-	32,706
	$ 2,152,005	27,878	(293,643)	1,886,240

H. Assigned Fund Balance

The Town had the following assignments of the governmental fund balances at December 31, 2025:

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25
General Fund:				
Future budget deficit	$ 3,297,529	-	(1,581,129)	1,716,400
Strategic reserves	1,500,000	-	-	1,500,000
	$ 4,797,529	-	(1,581,129)	3,216,400

V. Other Information

A. Joint Facilities ("JFF") Operations and Maintenance Fund

In 2002, the Fraser Sanitation District (the "District"), Winter Park Ranch, and Grand County #1 entered into an agreement to participate in the joint construction, maintenance, and operations of joint interceptor sewer lines and joint sewage treatment facilities. This new wastewater treatment plant has been constructed on the existing plant site of the District/Winter Park Ranch treatment facility and a new and/or expanded sewer trunk line from Grand County #1 will connect with the existing District/Winter Park Ranch interceptor line. Title of the new joint facilities will be allocated among these three members based on each member's proportionate share of equivalent residential units to be serviced by the new plant. The District was dissolved into the Town effective December 31, 2009.

Construction costs of these new facilities, excluding expenses relating to segment B of the joint trunk lines ("B-Line") described below, are based on each member's future share of equivalent residential units to be serviced by the new plant and are allocated as follows:

Town – 34.07%
Winter Park Ranch – 28.89%
Grand County #1 – 37.04%

Under the Upper Fraser Valley Wastewater Agreement, a Joint Facilities Oversight Committee ("JFOC") was established to represent the three members regarding the construction, expansion, operations, management, and maintenance of the new joint facilities. The JFOC is comprised of a total of nine members, with each member having three members. The Town was appointed as the manager of the joint facilities for 2025. The JFOC may designate a new manager on an annual basis. In 2025, as approved by the JFOC, the Town earned $31,273 in management fees.

Operations and maintenance costs will be allocated among the three members based on each member's proportionate share of equivalent residential units currently serviced by the new plant. In addition, upon certification of the new joint facilities, this agreement requires the establishment of an operations and maintenance reserve fund equal to three months operations and maintenance costs and a capital replacement reserve fund, the amount which is determined by the JFOC.

V. Other Information (continued)

A. Joint Facilities ("JFF") Operations and Maintenance Fund (continued)

1. Maryvale Village (Rendezvous)

The District entered an agreement on May 9, 2000, with Maryvale Village, L.L.C., and several individuals (collectively referred to as the "Rendezvous"), Maryvale Commercial Metropolitan District, and Maryvale Residential Metropolitan District (these districts are collectively referred to as the "Maryvale Districts") that permitted the inclusion of the Maryvale development within the District's boundaries in order to receive sanitation services, in exchange for inclusion fees.

Pursuant to this agreement, Rendezvous and the Maryvale Districts are responsible for the construction of sewer main extensions and related infrastructure from the existing District sewer main to the Maryvale development. These sewer main extensions and related infrastructure will ultimately be conveyed to the District at the time these projects are completed or begin to be used, whichever comes first, subject to the District's acceptance of these assets. As of December 31, 2025, Maryvale development sewer mains and infrastructure had been conveyed to the District, and is presented as an asset on the Town's financial statements.

Per this agreement, in exchange for the District agreeing to oversize the new wastewater treatment plant described earlier, the Developer and Maryvale Districts agreed to cover the amount of any shortfall in the District's CWRPDA loan payments by pre-purchasing tap fees. In addition, this agreement requires the Developer and Maryvale Districts to establish an escrow account in the amount of $160,000 to guarantee their compliance in the event of a default regarding their pre-purchase obligations. As of December 31, 2025, no prepaid tap fees have been required or made by the Developer and the Maryvale Districts. This guarantee was released in 2009.

2. Pre-Inclusion Agreement - Cornerstone

The District entered an agreement on April 5, 2005, with Cornerstone Winter Park Holdings, L.L.C. ("Cornerstone") that permits the inclusion of a portion of Cornerstone's development within the District's boundaries in order to receive sanitation services for inclusion fees.

Cornerstone shall be responsible for constructing, paying for and installing all sewer lines and any related facilities within the property including all lines, manholes and mains. This infrastructure will ultimately be conveyed to the District at the time these projects are completed or begin to be used, whichever comes first, subject to the District's acceptance of these assets.

V. Other Information (continued)

B. Retirement Plans – Defined Contribution Pension Plan – Section 401(a)

The Town is a member of Colorado Retirement Association ("CRA"). CRA was established to provide retirement benefits to employees of Colorado local governments. As a member, the Town participates in the CRA retirement plan created in accordance with Internal Revenue Code Section 401(a) (the "401(a) Plan"), which is a defined contribution pension plan. Employees of the Town are required to participate in the 401(a) Plan after 6 months of service. Each eligible employee is required to contribute 4% of gross wages to the 401(a) Plan. The Town matches employee contributions at the same rate and these matched dollars have a vesting period of 5 years. The Town is neither the trustee nor the administrator for the 401(a) Plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee. Upon termination of service with the Town, any unvested amounts will be forfeited and may be used to pay plan expenses or Employer's contributions to the 401(a) Plan.

During 2025, the Town recognized $98,586 of expense under this plan. The Town has $0 of forfeitures included in the 2025 401(a) Plan expense. The Town had a liability of $0 due to the 401(a) Plan at December 31, 2025.

C. Retirement Plans – Deferred Compensation Plan – Section 457(b)

The Town also participates in the CRA retirement plan created in accordance with Internal Revenue Code Section 457(b) (the "457(b) Plan"), which is a deferred compensation plan. The plan permits employees to defer a portion of their salary until future years. All contributions to the 457(b) Plan and all income attributable to those amounts are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The Town matches up to 2% of employee contributions and these matched dollars are vested immediately. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town is neither the trustee nor the administrator for the plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the 457(b) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

The Town recognized $76,783 of pension expense related to the 457(b) Plan during 2025 and had a liability of $0 due to the 457(b) Plan at December 31, 2025.

D. Other Employee Benefits - Post Employment Health Care Benefits

All Town employees covered by State continuation insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage do so through Colorado Employer Benefit Trust (CEBT) who is a multiple employer trust for public institutions providing employee benefits. CEBT partnered with 24HourFlex as the COBRA administer for all CEBT employers. No cost to the Town is recognized as employees pay through 24HourFlex.

V. Other Information (continued)

E. Intergovernmental Agreements

1. Public Safety Services

In lieu of directly providing public safety services, the Town has entered into an agreement with the Town of Winter Park, Colorado to form a joint public safety force effective May 1, 2005 and amended March 21, 2012. The agreement requires costs to be split 65% to Winter Park and 35% to Fraser, based upon average call volume, but reevaluated annually and may be amended as agreed upon by both parties.

2. Building Department

The Town has entered into an agreement January 20, 2010 to form a joint building services department with the Town of Winter Park, Colorado and the Town of Granby, Colorado. According to the agreement, quarterly expenses are to be split based upon the portion of revenue collected for each Town, but may be adjusted annually by mutual agreement based on permits issued, inspections performed, time expended by personnel, vehicle depreciation and mileage and other measures.

3. Transportation Agreement

The Town has entered into an agreement on June 19, 2018 with the Town of Winter Park to provide transit services. The terms of the agreement automatically renew for 10 one-year periods unless either party provides written notice of nonrenewal on or before June 30th of the prior year. Pursuant to the agreement, the Town pays a monthly management fee equal to 10% of Winter Park's management costs of the Transit System, as well as all operating costs incurred for the Town's portion of the route.

4. Water Storage Agreement

In 2018, the Town purchased 25 acre-feet of water rights at Grand County Water Storage Reservoir. Pursuant to the terms of the operating agreement, the Town of Fraser and the Town of Winter Park will split costs associated with Maintenance and Capital Reserves as needed by Grand County Water Storage Reservoir.

F. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage. The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The Town is a member of the insurance pool described below to cover these risks.

Pursuant to an inter-local agreement authorized by state statute, the Town joined the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") to provide insurance coverage. Members of the board of directors are nominated and elected by members to two-year, staggered terms and meet at least monthly to direct operations. CIRSA budgets are funded by contributions from member governments.

V. Other Information (continued)

F. Risk Management (continued)

The December 31, 2025 combined financial information is as follows:

Cash and investments	$ 121,759,798
Other assets	7,575,204
Total	129,335,002
Liabilities	72,659,266
Net position	56,675,736
Total	129,335,002
Total revenue	64,322,044
Total expense	(45,456,929)
(Deficiency) of Revenue Over Expense	18,865,115

Coverage provided by CIRSA is as follows: 1) $250,000 per claim/occurrence property; 2) $1,000,000 per claim/occurrence liability; and 3) $150,000 per claim/occurrence crime. CIRSA has also acquired additional excess coverage from outside sources. The Town may be liable for any losses in excess of the above coverage. At December 31, 2025, the Town does not expect to incur losses in excess of the above coverage.

Surpluses or deficits for any year are subject to change for reasons which include: interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

V. Other Information (continued)

G. Tax Abatements

1. Fraser Still Project

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Fraser Still Project has the following continuing development requirements or abatement agreements requiring disclosure:

Revenues impacted	Amount	Requirements
Permit and Review Fees	Rebate of $1.000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or June 6, 2020	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a distillery business on the property. During the year ended December 31, 2025, the Town reimbursed Sales Tax of $18,919 to the Youngs Real Estate CO LLC, owners of Fraser Valley Distilling. Service Fees are no longer waived per the agreement

V. Other Information (continued)

G. Tax Abatements (continued)

2. Watt Investments, LLP

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Vicious Cycle has the following continuing development requirements or abatement agreements requiring disclosure:

Revenues impacted	Amount	Requirements
Permit and Review Fees	Rebate of $1.000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or October 9, 2022	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a retail business on the property. During the year ended December 31, 2025, the Town rebated Sales Tax of $38,530 to Watt Investments LLP, owners of Vicious Cycle Brewing.

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V. Other Information (continued)

G. Tax Abatements (continued)

3. Grand Park

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Village at Grand Park has the following continuing development requirements or abatement agreements requiring disclosure:

Revenues impacted	Amount	Requirements
Permit and Review Fees	Rebate of $1.000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or June 7, 2020	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a retail business on the property. The Village at Grand Park buildings are still in the building phase so reimbursement of Sales Tax has not occurred. Service Fees are no longer waived per the agreement.

4. Prepaid Plant Investment Fees

The Town also entered into annexation agreements with two developers that provided for the use of Plant Investment Fees to fund water system capital improvements within the developments. The agreements essentially provide that the Town will not retain Plant Investment Fees paid by building permit applicants within these developments until such time as the total Plant Investment Fees paid exceeds the certified costs of regional water capital improvements within the developments. Currently the developers have certified water regional infrastructure improvements totaling $3,267,814 and a total of $2,779,542 of Plant Investment Fees have been rebated to the developer. The remaining balance is to be rebated to Byers View Metro District.

The above agreements were authorized by the Town Board after analyzing criteria that includes the ability to encourage development within the specific abatement area.

V. Other Information (continued)

H. Construction Commitments

The Town's governmental activities have entered into construction and professional services contracts having remaining commitments under contract at December 31, 2025,as shown below:

Governmental Activities:	
Fraser Housing Authority Fund	$ 23,606,239

The commitments for these funds are not reflected in the accompanying financial statements. Only the unpaid amounts incurred to date these contracts are included as liabilities in the financial statements.

I. Subsequent Events

1. St. Louis Landing Project Financing

On April 22, 2026, the General Fund loaned an additional $5,300,000 to the Fraser Housing Authority (the "Authority") for short-term financing until the Fraser Authority Housing received bond financing.

On June 4, 2026, the Town issued the Fraser Housing Authority Housing Facilities Revenue Bonds ("2026 Revenue Bonds") in the amount of $35,070,000 for the construction of the St. Louis Landing Project, an affordable housing project with an estimated 220 units across multiple phases. The bonds carry an interest rate of 6.125%. Interest payments are due December 1 and June 1 beginning December 1, 2026, with principal payments due beginning December 1, 2029.

On June 4, 2026, the Colorado Housing and Finance Authority ("CHFA") has agreed to facilitate construction and acquisition of the Development by loaning up to $12,900,000 to the Authority under Proposition 123 Equity Program.

The proceeds of the 2026 Revenue Bonds will cover the interfund loan obligations of the General and Restricted Revenue Fund totaling $10,700,000 and accrued interest, subordinate to its obligations to return investment earnings to CHFA under the Prop 123 Obligation and its obligation to repay the 2026 Revenue Bonds.

The Authority additionally has been awarded Middle Income Housing Tax Credits of $7,713,000, expected to be resold for approximately $5,335,000 to repay all or a portion of the interfund loan obligations, as well as costs of the projects. The Authority was also awarded a $4,750,000 grant from Fraser Valley Housing Partnership to be used to assist in the financing of the Development. Disbursement of the grant occurs over a 15-year term, beginning on the closing date of the Bonds and continuing until December 31, 2039. The Authority is seeking additional New Markets Tax Credits with the Developer.

2. Property Purchase

During 2025, the Town paid $46,250 in an earnest deposit toward a property purchase. On January 9, 2026, the Town purchased the property for $925,000.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Fraser, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes	5,645,884	6,477,952	832,068	6,360,683
Licenses and fees	210,000	179,292	(30,708)	198,259
Charges for services	205,050	136,255	(68,795)	243,671
Intergovernmental	6,690,656	3,709,320	(2,981,336)	771,458
Interest	308,500	525,213	216,713	614,223
Other revenue	227,000	312,350	85,350	191,309
Total Revenues	13,287,090	11,340,382	(1,946,708)	8,379,603
Expenditures:				
General government	5,836,945	10,263,982	(4,427,037)	5,014,069
Public safety	1,300,000	1,210,080	89,920	951,632
Public works	8,903,328	4,019,387	4,883,941	2,915,083
Culture and recreation	578,390	1,036,577	(458,187)	245,035
Total Expenditures	16,618,663	16,530,026	88,637	9,125,819
Excess (Deficiency) of Revenues Over Expenditures	(3,331,573)	(5,189,644)	(1,858,071)	(746,216)
Other Financing Sources (Uses):				
Transfer in	1,460,000	-	(1,460,000)	-
Transfer (out)	(93,600)	-	93,600	(30,000)
Total Other Financing (Uses)	1,366,400	-	(1,366,400)	(30,000)
Net Change in Fund Balance	(1,965,173)	(5,189,644)	(3,224,471)	(776,216)
Fund Balances - Beginning of Year	4,176,643	10,741,422	6,564,779	11,517,638
Fund Balances - End of Year	2,211,470	5,551,778	3,340,308	10,741,422

Town of Fraser, Colorado
General Fund
Schedule of Revenues
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Taxes:				
Property	746,384	739,455	(6,929)	730,892
Specific ownership	18,000	35,881	17,881	30,672
Sales & use	4,745,000	5,532,108	787,108	5,418,638
Franchise	130,000	164,809	34,809	173,806
Cigarette	6,500	5,699	(801)	6,675
Total	5,645,884	6,477,952	832,068	6,360,683
Licenses and Fees:				
Business license fees	20,000	6,998	(13,002)	17,028
Regulated Industry fees	190,000	172,294	(17,706)	181,231
Total	210,000	179,292	(30,708)	198,259
Charges for services:				
Planning and building fees	100,050	1,723	(98,327)	157,781
Disposable bag fees	40,000	29,800	(10,200)	41,454
Other charges	65,000	104,732	39,732	44,436
Total	205,050	136,255	(68,795)	243,671
Intergovernmental:				
Grant revenue	6,690,656	3,709,320	(2,981,336)	771,458
Total	6,690,656	3,709,320	(2,981,336)	771,458
Interest:				
Interest income, including interfund	308,500	525,213	216,713	614,223
Total	308,500	525,213	216,713	614,223
Other:				
Other income	217,000	248,013	31,013	163,046
Rents	10,000	64,337	54,337	28,263
Total	227,000	312,350	85,350	191,309
Other Financing Sources:				
Transfer in	1,460,000	-	(1,460,000)	-
Total	1,460,000	-	(1,460,000)	-
Total Revenues	14,747,090	11,340,382	(3,406,708)	8,379,603

Town of Fraser, Colorado
General Fund
Schedule of Expenditures and Transfers
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
General Government:				
Town board salaries	65,921	61,335	4,586	63,758
Town board community enhancement	658,400	586,008	72,392	577,356
Miscellaneous	20,000	20,162	(162)	18,248
Administrative salaries	771,727	970,183	(198,456)	807,343
Other purchased services	1,105,897	960,457	145,440	1,258,435
Utilities	16,500	22,943	(6,443)	21,820
Property management	698,500	848,885	(150,385)	94,752
Fiscal agent salaries	-	-	-	6
Capital outlay	2,500,000	6,794,009	(4,294,009)	2,172,351
Total General Government	5,836,945	10,263,982	(4,427,037)	5,014,069
Public Safety	1,300,000	1,210,080	89,920	951,632
Total Public Safety	1,300,000	1,210,080	89,920	951,632
Public Works				
Salaries and benefits	1,615,298	1,243,311	371,987	1,222,241
Other purchased services	830,600	654,040	176,560	530,028
Utilities	13,830	12,651	1,179	10,938
Property management	201,500	48,301	153,199	39,410
Capital outlay	6,242,100	2,061,084	4,181,016	1,112,466
Total Public Works	8,903,328	4,019,387	4,883,941	2,915,083
Culture and Recreation				
Other purchased services	15,918	9,604	6,314	15,949
Utilities	2,472	1,465	1,007	1,505
Property management	6,000	287	5,713	15
Capital outlay	554,000	1,025,221	(471,221)	227,566
Total Culture and Recreation	578,390	1,036,577	(458,187)	245,035
Other Financing Uses				
Transfer out	93,600	-	93,600	30,000
Total Financing Uses	93,600	-	93,600	30,000
Total Expenditures	16,712,263	16,530,026	182,237	9,155,819

Town of Fraser, Colorado
Special Revenue Fund
Restricted Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes	1,076,250	1,288,513	212,263	1,244,878
Intergovernmental	11,000	-	(11,000)	-
Interest income, including interfund	51,000	113,238	62,238	110,216
Total Revenues	1,138,250	1,401,751	263,501	1,355,094
Expenditures:				
General government				
Transportation	1,345,938	1,254,694	91,244	1,049,206
Trails	130,045	117,500	12,545	88,010
Total Expenditures	1,475,983	1,372,194	103,789	1,137,216
Net Change in Fund Balance	(337,733)	29,557	367,290	217,878
Fund Balances - Beginning of Year	500,000	2,126,533	1,626,533	1,908,655
Fund Balances - End of Year	162,267	2,156,090	1,993,823	2,126,533

Town of Fraser, Colorado
Special Revenue Fund
Fraser Housing Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	190,000	280,652	90,652	179,250
Total Revenues	190,000	280,652	90,652	179,250
Expenditures:				
General government	31,500	2,340	29,160	42,725
Capital outlay	-	5,722,408	(5,722,408)	-
Debt service:				
Interfund loan interest	-	159,570	(159,570)	-
Total Expenditures	31,500	5,884,318	(5,852,818)	42,725
Net Change in Fund Balance	158,500	(5,603,666)	(5,762,166)	136,525
Fund Balances - Beginning of Year	-	251,536	251,536	115,011
Fund Balances - End of Year	158,500	(5,352,130)	(5,510,630)	251,536

SUPPLEMENTARY INFORMATION



Town of Fraser, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2025

	Debt Service	Conservation Trust	Capital Equipment Replacement	Downtown Development Authority	Totals
Assets:					
Cash and investments - Unrestricted	41,555	64,194	311,979	32,706	450,434
Total Assets	41,555	64,194	311,979	32,706	450,434
Fund Balances:					
Spendable					
Restricted	-	64,194	-	-	64,194
Committed	41,555	-	311,979	32,706	386,240
Total Fund Balances	41,555	64,194	311,979	32,706	450,434
Total Liabilities, Deferred Inflows of Resources and Fund Balances	41,555	64,194	311,979	32,706	450,434

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

Town of Fraser, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2025

	Debt Service	Conservation Trust	Capital Equipment Replacement	Downtown Development Authority	Totals
Revenues:					
Taxes	-	-	-	35,669	35,669
Intergovernmental revenue	-	9,406	67,407	-	76,813
Investment income	1,565	2,162	12,461	477	16,665
Total Revenues	1,565	11,568	79,868	36,146	129,147
Expenditures:					
General government	-	-	-	9,833	9,833
Capital outlay	-	-	121,975	-	121,975
Total Expenditures	-	-	121,975	9,833	131,808
Excess (Deficiency) of Revenues Over Expenditures	1,565	11,568	(42,107)	26,313	(2,661)
Fund Balances, Beginning as previously presented	-	-	-	-	-
Change within the financial reporting entity (Major to nonmajor fund)	39,990	52,626	354,086	6,393	453,095
Fund Balances, Beginning as adjusted	39,990	52,626	354,086	6,393	453,095
Fund Balances - End of Year	41,555	64,194	311,979	32,706	450,434

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

Town of Fraser, Colorado
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Interest	900	1,565	665	1,950
Total Revenues	900	1,565	665	1,950
Net Change in Fund Balance	900	1,565	665	1,950
Fund Balances - Beginning of Year	1,932	39,990	38,058	38,040
Fund Balances - End of Year	2,832	41,555	38,723	39,990

Town of Fraser, Colorado
Special Revenue Fund
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Lottery proceeds	7,300	9,406	2,106	9,251
Interest	1,000	2,162	1,162	3,134
Total Revenues	8,300	11,568	3,268	12,385
Other Financing Sources (Uses):				
Transfer (Out)	(10,000)	-	10,000	-
Total Other Financing (Uses)	(10,000)	-	10,000	-
Net Change in Fund Balance	(1,700)	11,568	13,268	12,385
Fund Balances - Beginning of Year	28,000	52,626	24,626	40,241
Fund Balances - End of Year	26,300	64,194	37,894	52,626

Town of Fraser, Colorado
Capital Equipment Replacement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Highway users revenue	55,000	67,407	12,407	65,727
Earnings on investments	5,000	12,461	7,461	17,106
Total Revenues	60,000	79,868	19,868	82,833
Expenditures:				
Equipment	105,000	121,975	(16,975)	61,666
Total Expenditures	105,000	121,975	(16,975)	61,666
Excess (Deficiency) of Revenues Over Expenditures	(45,000)	(42,107)	2,893	21,167
Other Financing Sources:				
Transfer In	72,000	-	(72,000)	-
Total Other Financing Sources	72,000	-	(72,000)	-
Net Change in Fund Balance	27,000	(42,107)	(69,107)	21,167
Fund Balances - Beginning of Year	-	354,086	354,086	332,919
Fund Balances - End of Year	27,000	311,979	284,979	354,086

Town of Fraser, Colorado
Special Revenue Fund
Downtown Development Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes	36,900	35,669	(1,231)	-
Investment income	-	477	477	-
Total Revenues	36,900	36,146	(754)	-
Expenditures:				
General government	41,200	9,833	31,367	23,607
Total Expenditures	41,200	9,833	31,367	23,607
Excess (Deficiency) of Revenues Over Expenditures	(4,300)	26,313	30,613	(23,607)
Other Financing Sources (Uses):				
Transfer in	-	-	-	30,000
Total Other Financing (Uses)	-	-	-	30,000
Net Change in Fund Balance	(4,300)	26,313	30,613	6,393
Fund Balances - Beginning of Year	6,393	6,393	-	-
Fund Balances - End of Year	2,093	32,706	30,613	6,393

Town of Fraser, Colorado
Enterprise Fund
Water Fund
Schedule of Revenues, Expenditures and Change in Net Position
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Tap fees	154,000	23,100	(130,900)	114,190
User fees	1,105,000	1,380,932	275,932	1,287,678
Water meter fees	40,000	2,945	(37,055)	32,152
Interest income	80,000	114,112	34,112	144,473
Excavation permits	275	1,475	1,200	1,650
Other	2,500	170,473	167,973	2,863
Total Revenues	1,381,775	1,693,037	311,262	1,583,006
Expenditures:				
Personnel:				
Salaries	386,199	394,431	(8,232)	353,878
Retirement	28,647	23,889	4,758	19,064
Health insurance	74,900	74,142	758	72,872
Travel and training	9,000	3,620	5,380	4,287
Total	498,746	496,082	2,664	450,101
Commodities:				
Insurance	20,000	-	20,000	-
Supplies	92,000	24,582	67,418	47,284
System repair and maintenance	340,000	319,296	20,704	235,324
Testing	3,000	38,560	(35,560)	1,381
Telephone	12,000	15,561	(3,561)	13,088
Utilities	50,000	53,983	(3,983)	53,554
Miscellaneous	17,500	1,679	15,821	1,449
Total	534,500	453,661	80,839	352,080
Contractual:				
Legal	65,000	48,583	16,417	15,324
Engineering	30,000	58,772	(28,772)	54,217
Other professional services	10,500	19,796	(9,296)	17,612
Professional memberships	12,000	13,834	(1,834)	13,345
Total	117,500	140,985	(23,485)	100,498
Other:				
Capital projects and purchases	1,425,000	746,129	678,871	335,105
Water rights	35,000	72,236	(37,236)	22,997
Total	1,460,000	818,365	641,635	358,102
Total Expenditures	2,610,746	1,909,093	701,653	1,260,781
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	(1,228,971)	(216,056)	1,012,915	322,225
Reconciliation from Budget Basis to GAAP Basis:				
Capitalized assets		215,826		17,012
Depreciation		(399,022)		(398,447)
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)		(399,252)		(59,210)
Net Position - Beginning of Year		11,496,240		11,555,450
Net Position - End of Year		11,096,988		11,496,240

Town of Fraser, Colorado
Enterprise Fund
Wastewater Fund
Schedule of Revenues, Expenditures and Change in Net Position
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Tap fees	200,000	52,500	(147,500)	146,250
User fees	1,143,100	1,075,534	(67,566)	1,021,014
Management fees	37,800	31,273	(6,527)	42,472
Interest income	150,000	222,839	72,839	269,520
Grants	-	-	-	372,367
Total Revenues	1,530,900	1,382,146	(148,754)	1,851,623
Expenditures:				
Personnel:				
Salaries	386,199	398,221	(12,022)	386,566
Retirement	28,647	26,389	2,258	20,751
Health insurance	74,900	78,127	(3,227)	77,746
Travel and training	8,000	-	8,000	-
Total	497,746	502,737	(4,991)	485,063
Commodities:				
Insurance	12,000	-	12,000	-
Supplies	2,500	-	2,500	-
System repair and maintenance	685,500	375,041	310,459	295,935
Testing	1,000	-	1,000	-
Telephone	5,000	2,951	2,049	2,031
Miscellaneous	3,000	1,213	1,787	539
Total	709,000	379,205	329,795	298,505
Contractual:				
Legal	5,000	-	5,000	-
Engineering	20,000	3,929	16,071	560
Other professional services	525,500	586,945	(61,445)	419,803
Treasurer's and bank fees	100	-	100	-
Professional memberships	6,000	2,520	3,480	5,758
Total	556,600	593,394	(36,794)	426,121
Other:				
Transfer to Other Fund	50,000	-	50,000	-
Total	50,000	-	50,000	-
Total Expenditures	1,813,346	1,475,336	338,010	1,209,689
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	(282,446)	(93,190)	189,256	641,934
Reconciliation from Budget Basis to GAAP Basis:				
Capitalized assets		340,856		92,395
Depreciation		(644,601)		(612,671)
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)		(396,935)		121,658
Net Position - Beginning of Year		17,026,003		16,904,345
Net Position - End of Year		16,629,068		17,026,003

Town of Fraser, Colorado
Fiduciary Fund - Joint Facilities Operations and Maintenance
Schedule of Revenues & Expenses
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
JF operating charges	1,687,823	1,687,823	1,783,001	95,178	1,383,813
JF capital reserve contributions	-	700,000	197,541	(502,459)	332,260
Interest revenue	41,000	41,000	55,198	14,198	55,730
Total Revenues	1,728,823	2,428,823	2,035,740	(393,083)	1,771,803
Expenses:					
Training programs	5,000	5,000	1,618	3,382	1,039
Travel, meals and lodging	5,000	5,000	1,829	3,171	573
Meals and entertainment	600	600	445	155	165
Professional fees	1,107,500	1,107,500	99,452	1,008,048	342,475
Engineering fees	125,000	125,000	51,014	73,986	85,002
Financial services	-	-	8	(8)	86
Sludge removal	110,000	110,000	133,027	(23,027)	114,466
Other professional services	18,000	18,000	4,836	13,164	6,487
Insurance	49,655	49,655	62,511	(12,856)	62,511
Advertising	620	620	-	620	-
Plant maintenance & repair	80,000	80,000	152,463	(72,463)	46,308
Grounds maintenance	4,000	4,000	8,669	(4,669)	1,556
Equipment rental	2,000	2,000	15,602	(13,602)	12,712
Professional memberships	900	900	233	667	202
Operating supplies	273,000	273,000	110,098	162,902	235,200
Equipment purchase and repair	70,000	70,000	19,985	50,015	12,159
Testing	100,000	100,000	95,530	4,470	70,400
Permits	12,000	12,000	7,190	4,810	-
Utilities	232,920	232,920	259,814	(26,894)	219,366
Vehicles	8,500	8,500	6,546	1,954	4,007
Miscellaneous	2,500	2,500	1,423	1,077	5,734
Capital projects	875,000	875,000	531,420	343,580	131,444
Payroll expenses	495,628	495,628	478,563	17,065	412,891
Contingency	40,000	40,000	-	40,000	-
Total Expenses	3,617,823	3,617,823	2,042,276	1,575,547	1,764,783
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	(1,889,000)	(1,189,000)	(6,536)	1,182,464	7,020
Reconciliation from Budget Basis to GAAP Basis:					
Capital reserve reduced by capital expenses			259,275		380,972
Capital reserve increased by contributions			(197,541)		(332,260)
Capital reserve increased by interest income			(54,907)		(55,540)
Operating reserve increased by interest income			(291)		(192)
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)			-		-

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

THIS INFORMATION FROM THE RECORDS OF:	PREPARED BY:	REPORT YEAR ENDING DATE(mm/yyyy):
Town of Fraser	Lorraine Waters lwaters@town.fraser.co.us	12/2025

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. Total (1 - (2 through 4))				

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 Assesments	719,910	a. Interest on investments	12,461.00
b. Non-property Taxes and Assessments Imposts	263,737	b. Other Misc. Local Receipts	
c. Total (a + b)	983,647	**c. Total (a + b)**	$ 12,461.00

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	$ 67,406	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	$ 191,444		
c. Total (a + b)	$ 191,444		
4. Total (1 + 2 + 3c)	$ 258,850	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	$ 15,000
b. Engineering Costs	$ 40,898
c. Construction Costs	$ 750,000
d. Total Capital Outlay (a+ b + c)	$ 805,898

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	1,010,000
3. Other Local Imposts (from page 1, Item II.A3.c)	983,647
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	12,461
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	0
7. Total (1 through 6)	2,006,108
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	258,850
D. Receipts from Federal government (from page 1, Item II.D.3)	0
E. Total receipts (A.7 + B + C + D)	2,264,958

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 805,898
2. Maintenance:	
3. Road and Street Services:	
a. Snow and Ice Removal	$ 520,307
b. Other & Traffic Control Operations	$ 20,300
c. Total (a + b)	$ 540,607
4. General Administration & Miscellaneous	$ 90,642
5. Highway Law Enforcement and Safety	$ 999,235
6. Total (1 through 5)	$ 2,436,382
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 2,436,382

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -