TOWN OF FREDERICK, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2025

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JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frederick (the "Town") as of and for the year ended December 31, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frederick as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison schedules for the general and major special revenue funds, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 42-48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund schedules and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The combining and individual fund schedules and State Compliance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the statistical section and do not express an opinion on it.

John Cutler & Associates, LLC

October 2, 2026

Management's Discussion and Analysis

This section of the annual financial report offers readers of the Town of Frederick a discussion and analysis of the Town's financial performance during the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Financial Highlights

- Assets and deferred outflows of resources for the Town exceeded liabilities and deferred inflows of resources by $200,369,601, a decrease of $11,239,188, or approximately 5.3 percent, compared to December 31, 2024. This decrease includes an $8,809,688 reduction from current-year activities and a net $2,429,500 reduction from corrections to beginning balances. Total assets increased by $35,186,068, primarily related to restricted financing proceeds and investments in construction projects, water shares, and equipment. Additionally, liabilities increased by $47,553,867, primarily due to the issuance of Certificates of Participation for the new Public Works facility.

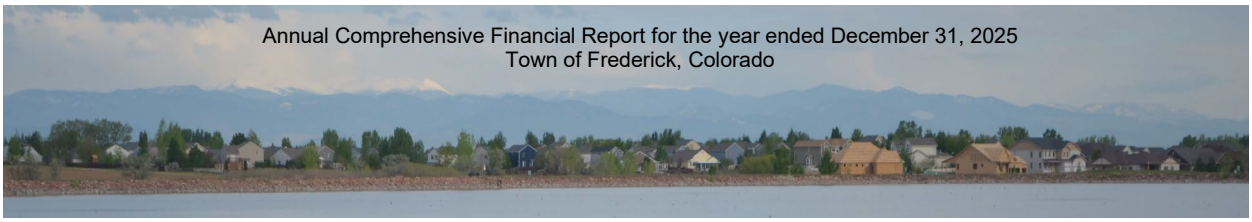
- As of December 31, 2025, the net position for governmental activities was $67,446,750, reflecting a decrease of $4,245,924, or approximately 5.9 percent, compared to December 31, 2024. Business-type activities reported a net position of $132,922,851, representing a decrease of $6,993,264, or approximately 5.0 percent, over the same period. These year-over-year changes include corrections to beginning balances. After those corrections, governmental and business-type net position decreased by $5,077,880 and $3,731,808, respectively, during 2025. Governmental assets increased by $42,925,313, primarily related to restricted financing proceeds, construction projects, and equipment purchases. This was partially offset by a $7,739,245 decline in business-type assets, largely reflecting decreases in cash and investments and net capital assets.

- General revenues accounted for $30,272,799, or approximately 68.1 percent, of the Town's total revenues of $44,476,781. The remaining $14,203,982 came from program-specific revenues, including charges for services, operating grants and contributions, and capital grants and contributions.

- General revenues accounted for $30,272,799, or approximately 68.1 percent, of the Town's total revenues of $44,476,781. The remaining $14,203,982 came from program-specific revenues, including charges for services, operating grants and contributions, and capital grants and contributions.

- The Town's business-type activities generated $5,877,357 in charges for services related to water and storm water operations. These activities also received $2,183,282 in capital contributions and $973,919 in interest income. The total cost of providing services for these functions was $12,766,129, which includes $10,314,245 for water and $2,451,884 for storm water. Golf course operations were moved into the General Fund during 2025 and are now reported within governmental activities.

- Capital asset investments during 2025 were primarily focused on construction of the new Public Works facility, water shares, infrastructure, vehicles, and equipment, contributing to the Town's total net capital asset increase of $7,489,223. For additional details, refer to the Capital Assets section of the financial statements.



- The Town's governmental activities had outstanding long-term obligations consisting of vehicle leases, FURA tax increment refunding and revenue bonds, the 2015 sales and use tax bonds, the 2025 Certificates of Participation, related bond premiums, and accrued compensated absences totaling $54,241,593 on December 31, 2025.

- The Town's business-type funds had no outstanding bond or lease debt on December 31, 2025. Accrued compensated absences totaled $732,969.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

There are two government-wide financial statements:

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

Statement of activities – This statement presents information showing how the Town of Frederick's net position changed during 2025. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

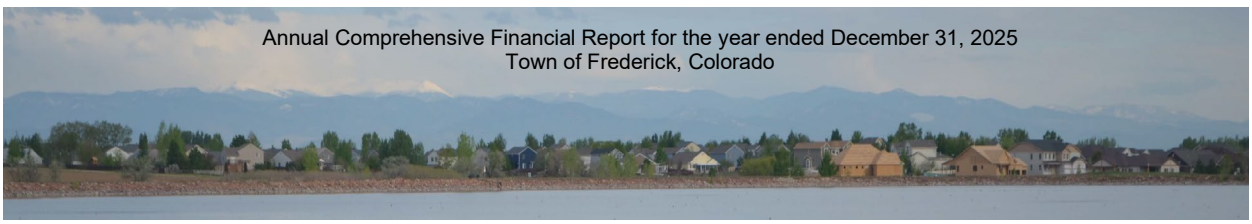
The government-wide financial statements reflect three distinct activities:

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

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

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

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



Fund Financial Statements

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

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

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

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

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

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

Proprietary fund statements begin on page A-6 of this report.

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

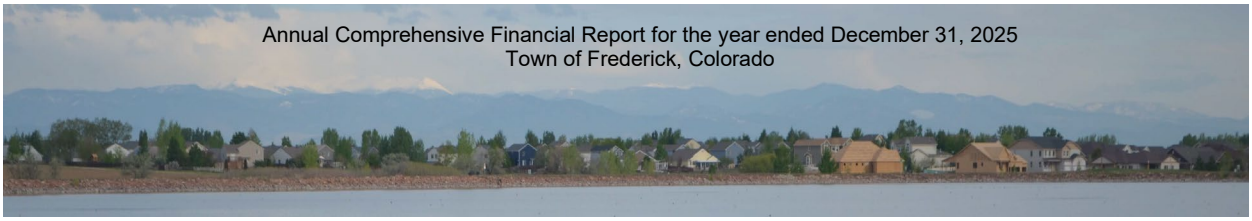
Fiduciary fund statements begin on page A-9 of this report.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. The budgetary comparisons are included on pages B-1 to B-5 and D-1 to D-6 of this report.



Financial Analysis of the Town as a Whole

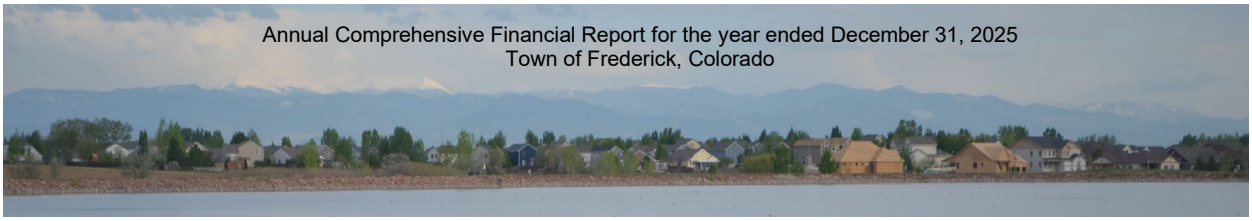
As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ending December 31, 2025, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $200,369,601.

TOWN OF FREDERICK, COLORADO
CONDENSED STATEMENT OF NET POSITION
2024/2025

	Governmental Activities		Business-Type Activities		Total	
Assets	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Current Assets	47,371,675	81,871,881	35,550,200	27,201,402	82,921,875	109,073,283
Capital Assets - Net	39,926,395	46,498,368	106,148,612	106,758,165	146,075,007	153,256,533
Total Assets	87,298,070	128,370,249	141,698,812	133,959,567	228,996,882	262,329,816
Deferred Outflow of Resources						
Related to Pensions	1,921,600	1,783,921	-	-	1,921,600	1,783,921
Liabilities						
Current Liabilities	7,599,801	5,082,146	1,017,111	377,044	8,616,912	5,459,190
Long-Term Liabilities	4,304,086	53,268,455	457,889	659,672	4,761,975	53,928,127
Total Liabilities	11,903,887	58,350,601	1,475,000	1,036,716	13,378,887	59,387,317
Deferred Inflows of Resources						
Related to Pensions	720,518	758,798	-	-	720,518	758,798
Deferred Property Tax Revenue	4,902,591	3,598,021	-	-	4,902,591	3,598,021
Net Position						
Net Investment in Capital Assets	35,922,867	(4,702,047)	106,148,612	105,274,546	142,071,479	100,572,499
Restricted	934,000	793,000	-	-	934,000	793,000
Unrestricted	34,835,807	71,355,797	33,767,503	27,648,305	68,603,310	99,004,102
Total Net Position at December 31	71,692,674	67,446,750	139,916,115	132,922,851	211,608,789	200,369,601

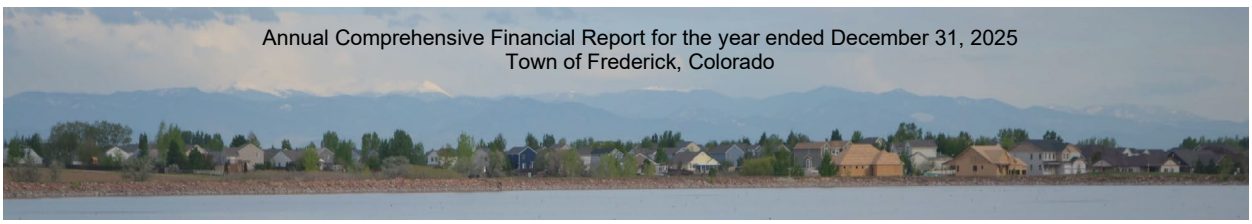
The largest portion of the Town of Frederick's net position (50.19 percent) reflects its investment in capital assets (e.g. land, buildings, etc.), less any related debt still outstanding (current and long-term) that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors, subject to applicable fund and financing requirements.

The restricted portion of net position (0.40 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position ($99,004,102, or 49.41 percent) is reported as unrestricted. The Town reports positive total net position in both Governmental and Business-type Activities.



TOWN OF FREDERICK, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2023/2024

Revenues	Governmental Activities		Business-Type Activities		Total	
Program Revenues	2024	2025	2024	2025	2024	2025
Charges for Services	3,255,192	3,083,854	6,493,542	5,877,357	9,748,734	8,961,211
Operating Grants and Contributions	507,752	737,072	-	-	507,752	737,072
Capital Grants and Contributions	3,931,735	2,322,417	2,768,083	2,183,282	6,699,818	4,505,699
General Revenues						
Property Taxes	8,887,061	9,358,742	-	-	8,887,061	9,358,742
Sales and Use Taxes	16,128,328	13,989,775	-	-	16,128,328	13,989,775
Franchise Taxes	577,815	866,877	-	-	577,815	866,877
Other Taxes	634,766	529,982	-	-	634,766	529,982
Interest	1,591,689	2,168,929	1,533,003	973,682	3,124,692	3,142,611
Other Revenues	2,890,637	2,384,712	-	-	2,890,637	2,384,712
Loss on Disposal of Assets	(107,554)	-	-	-	(107,554)	-
Total Revenues	38,297,421	35,442,360	10,794,628	9,034,321	49,092,049	44,476,681
Expenses						
General Government	14,876,677	14,231,265	-	-	14,876,677	14,231,265
Public Safety	8,250,925	9,007,793	-	-	8,250,925	9,007,793
Public Works	8,337,518	10,355,019	-	-	8,337,518	10,355,019
Parks and Recreation	17,499	1,855,781	-	-	17,499	1,855,781
Economic Development	2,087,158	3,730,803	-	-	2,087,158	3,730,803
Interest on Long-Term Debt	124,992	1,339,679	-	-	124,992	1,339,679
Water	-	-	9,784,811	10,314,245	9,784,811	10,314,245
Storm Water	-	-	1,849,545	2,451,884	1,849,545	2,451,884
Golf Course	-	-	1,294,426	-	1,294,426	-
Total Expenses	33,694,769	40,520,340	12,928,782	12,766,129	46,623,551	53,286,469
Excess (deficiency) before transfers	4,602,652	(5,077,980)	(2,134,154)	(3,731,808)	2,468,498	(8,809,788)
Transfers	(537,651)	-	537,651	-	-	-
Prior Period Adjustment	-	-	-	-	-	-
Change in Net Position	4,065,001	(5,077,980)	(1,596,503)	(3,731,808)	2,468,498	(8,809,788)
NET POSITION, Beginning	67,627,673	72,524,630	141,512,618	136,654,659	209,140,291	209,179,289
NET POSITION, Ending	71,692,674	67,446,650	139,916,115	132,922,851	211,608,789	200,369,501



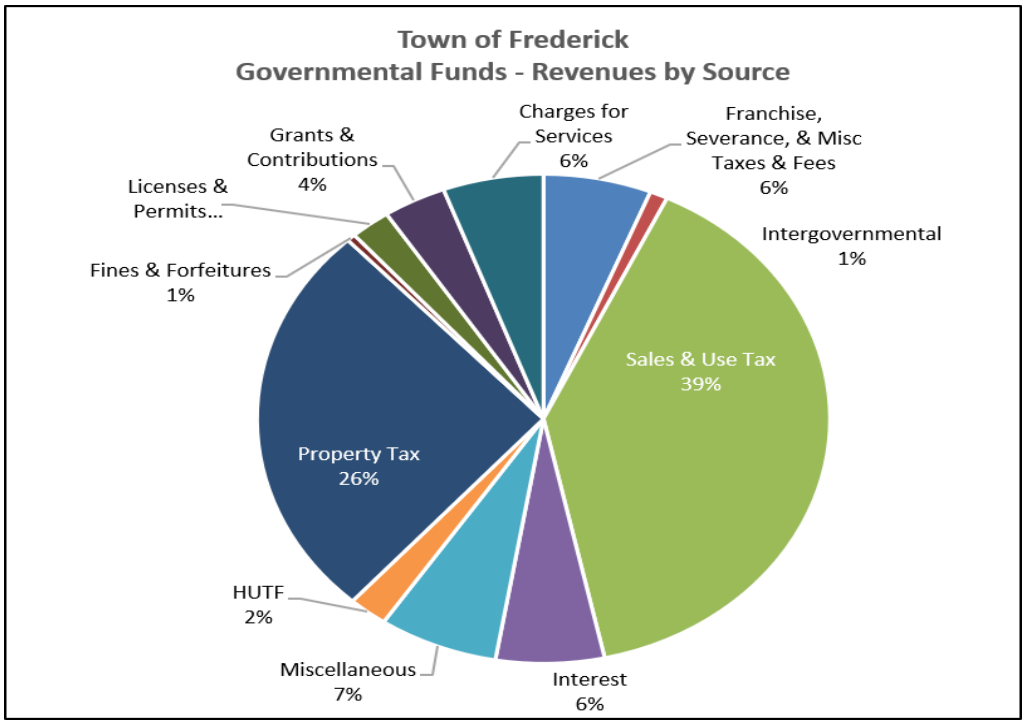
Financial Analysis of the Town's Funds

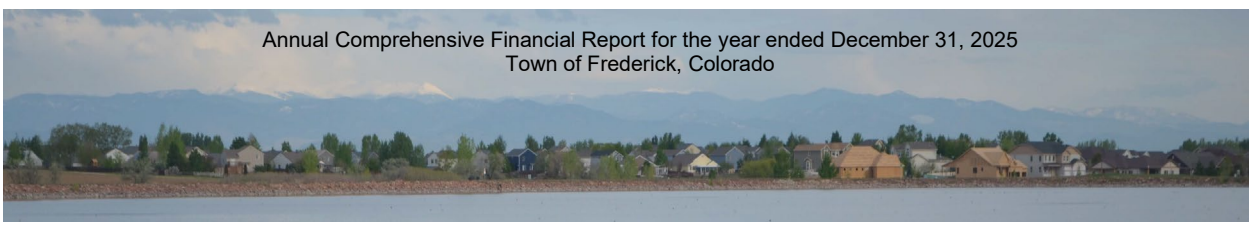
Governmental Activities. The focus of the Town of Frederick's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

As of the end of the 2025 fiscal year, the Town's governmental funds reported a combined ending fund balance of $72,872,450, reflecting a current-year increase of $35,800,373, or approximately 96.6 percent, from the restated beginning balance of $37,072,077. The increase primarily resulted from $50,932,949 in debt proceeds, including premiums, for the new Public Works facility and FURA financing, reported as other financing sources. Governmental fund revenues decreased by $2,962,752, or approximately 7.7 percent, to $35,442,223. The primary drivers were decreases of $1,691,084 in Taxes and Fees, $1,248,901 in Licenses and Permits, and $1,275,161 in Grants and Contributions, partially offset by increases in Charges for Services and Interest Income.

General Fund revenue decreased by $3,560,341, or approximately 15.1 percent, to $19,941,435, primarily due to decreases of $2,961,377 in Taxes and Fees and $1,248,901 in Licenses and Permits. Miscellaneous Revenue and Interest Income also declined, partially offset by a $279,138 increase in Grants and Contributions and $1,041,336 in Charges for Services following the merger of golf operations into the General Fund. Ending fund balance totaled $13,775,549, reflecting a current-year decrease of $3,308,931. Unassigned fund balance decreased by $2,996,648 to $12,914,395.

Street & Alley Fund revenue decreased by $2,028,625 to $5,164,485, primarily due to a $1,554,299 decline in Grants and Contributions. Capital Facilities Fund revenue increased by $1,172,454 to $1,645,273, largely attributable to a $908,004 increase in Interest Income and higher Capital Improvement Fees and Intergovernmental Revenue. The Park Improvement Fund merged with the Open Space Fund to create the Parks and Open Space Fund, which reported revenue of $2,411,023, a decrease of $525,889 compared to the combined 2024 revenues of the two former funds. FURA revenue increased by $2,019,898 to $6,116,586, primarily driven by a $1,757,022 increase in Taxes and Fees.

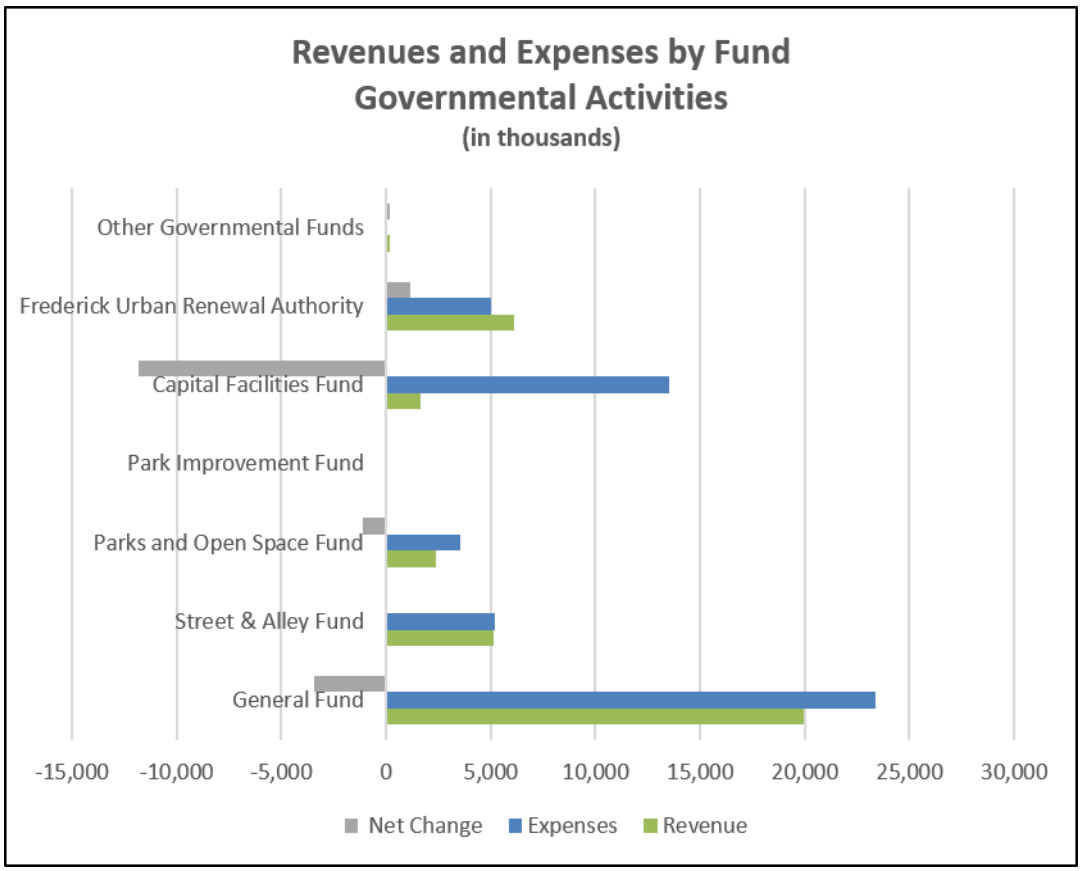


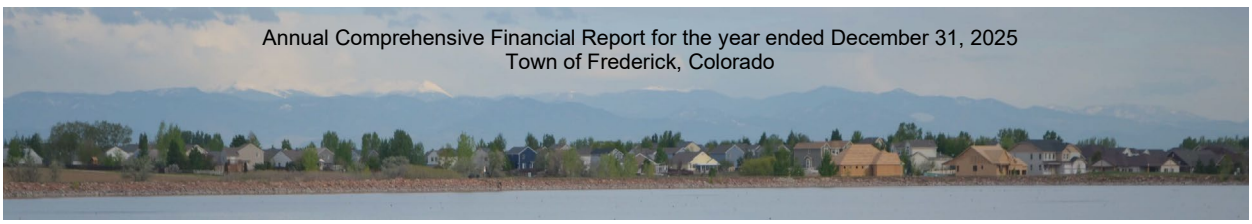


Governmental activity expenses increased by $6,825,571, or approximately 20.3 percent, to $40,520,340. Public Works expenses increased by $2,017,501, Economic Development expenses increased by $1,643,645, Public Safety expenses increased by $756,868, and Interest on Long-Term Debt increased by $1,214,687. General Government expenses decreased by $645,412. Golf operations moved into governmental activities during 2025 and accounted for $1,855,781 in expenses, while separately reported Parks and Recreation expenses decreased by $17,499.

Governmental activity expenses exceeded revenues by $5,077,980 during 2025. Ending net position totaled $67,446,650, a decrease of $4,246,024, or approximately 5.9 percent, compared to December 31, 2024. The current-year decrease was partially offset by an $831,956 upward adjustment to beginning net position, resulting in a restated beginning balance of $72,524,630.

The graph below presents program revenues and expenses for each governmental activity, along with the resulting net program revenue or expense.

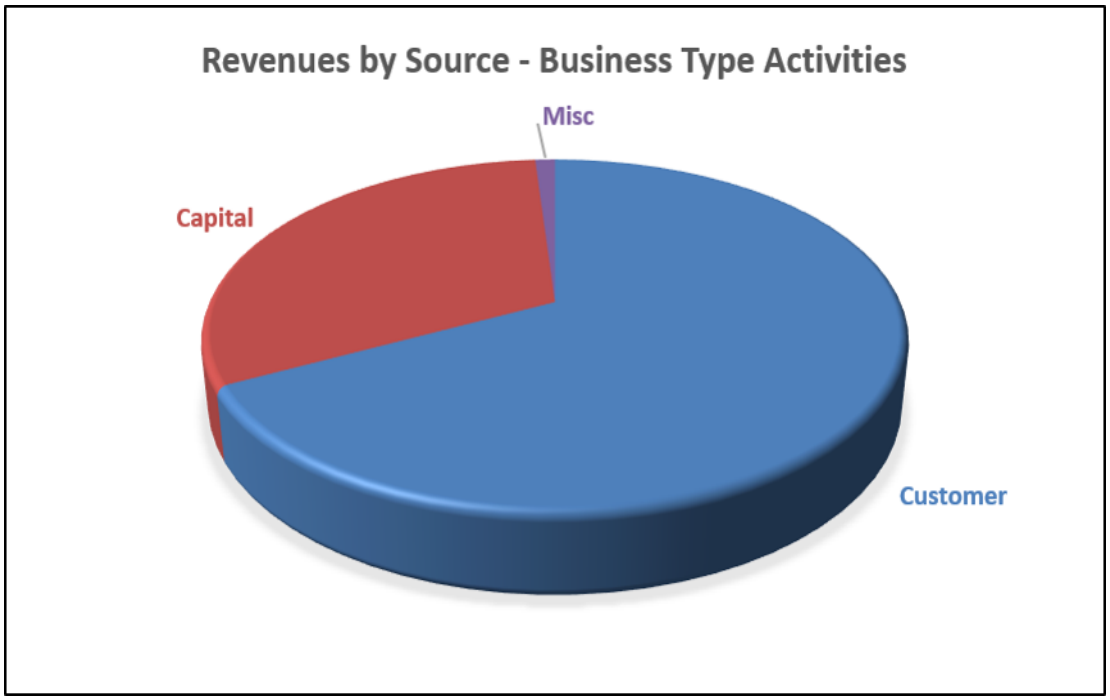


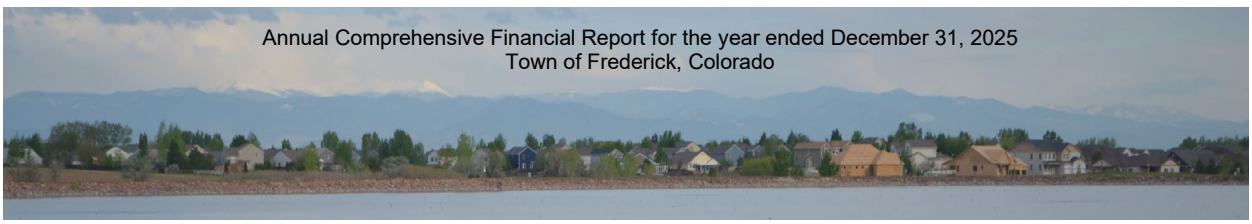


Business-type Activities. Net position of business-type activities decreased by $3,731,808 during 2025, primarily because operating expenses exceeded operating revenues. The Water Fund's net position decreased by $2,461,165, while the Storm Water Fund's net position decreased by $1,270,406. Golf operations were moved into the General Fund during 2025 and are now reported within governmental activities. Combined ending net position totaled $132,922,851, a decrease of $6,993,264, or approximately 5.0 percent, compared to December 31, 2024. This year-over-year decrease includes $3,261,456 in downward corrections to beginning balances. The remaining net position supports the continuing operations of the water and storm water systems.

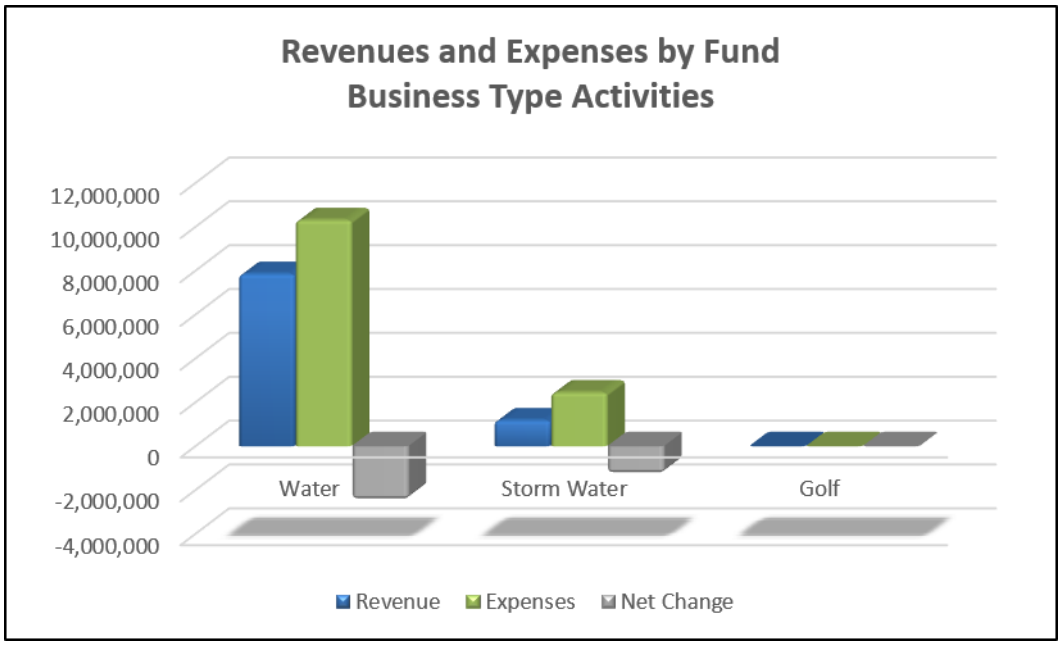
Revenues and capital contributions for the Town's business-type activities, after net transfers, totaled $9,034,321, a decrease of $2,297,958, or approximately 20.3 percent. Operating revenues decreased by $616,185 to $5,877,357, while operating expenses decreased by $162,653 to $12,766,129. These changes resulted in an operating loss of $6,888,772, an increase of $453,532 compared to 2024. Capital Contributions decreased by $584,801 to $2,183,282, while Interest Income decreased by $559,084 to $973,919. The comparison also reflects the move of golf operations into governmental activities and the decline in net transfers from $537,651 in 2024 to net transfers out of $237 in 2025.

The following graph shows that the two largest sources of revenue for business-type activities are Customer Charges for Services and Capital Contributions.





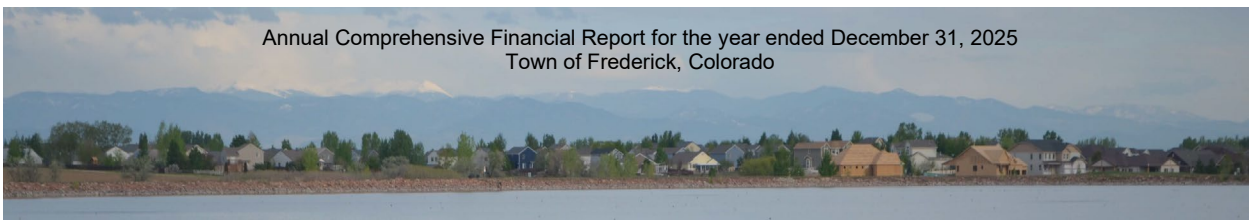
The following graph provides program revenue and expenses for each of the business-type activities operated by the Town.



General Fund Budgetary Highlights

The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. During 2025, total fund balance decreased by $3,308,931, or approximately 19.4 percent, from the restated beginning balance of $17,084,480. At year-end, unassigned fund balance totaled $12,914,395, while total fund balance was $13,775,549. As a measure of the General Fund's liquidity, it may be useful to compare these balances to General Fund expenditures and transfers out. For 2025, unassigned fund balance represented approximately 54.7 percent of expenditures and transfers out, while total fund balance represented approximately 58.3 percent.

The Town budgeted $24,979,345 for General Fund expenditures for the year ended December 31, 2025. Actual expenditures totaled $23,376,603, resulting in spending below budget by $1,602,742, or approximately 6.4 percent. General Government spending was $3,306,285, or 21.2 percent, below budget, while Capital Outlay was $576,635, or 59.4 percent, below budget. These savings were partially offset by Public Safety spending that exceeded budget by $582,958, or approximately 7.0 percent, and Public Works spending that exceeded budget by $84,111, or approximately 119.7 percent. The General Fund also reported $1,613,109 in Golf expenditures following the merger of golf operations into the Fund. On the revenue side, excluding transfers, the Town budgeted $23,052,680 but realized $19,941,435, a shortfall of $3,111,245, or approximately 13.5 percent. The shortfall was primarily attributable to Taxes and Fees coming in $2,669,857 below budget, Miscellaneous Revenue falling $530,407 below budget, and Interest Income falling $294,490 below budget. These shortfalls were partially offset by Charges for Services exceeding budget by $403,086 and Fines and Forfeitures exceeding budget by $57,364.



Capital Assets and Debt Administration

Capital Assets

By the end of 2025, the Town had invested $153,256,533 in capital assets, net of accumulated depreciation, including land, buildings, improvements, infrastructure, water rights, vehicles, and equipment. This amount represents an increase of $7,489,223, or approximately 5.1 percent, from the prior year. Capital investments primarily included construction of the new Public Works facility, water rights acquisitions, infrastructure improvements, and equipment purchases. Accumulated depreciation totaled $47,434,896 for governmental activities and $9,674,232 for business-type activities. Depreciation expense for 2025 totaled $2,653,490 and $728,563, respectively. Additional information on the Town's capital assets can be found in Note 4 of the financial statements.

Long-Term Debt

At year-end, the Town's governmental activities had outstanding long-term obligations totaling $54,241,593. These obligations consisted of vehicle leases, accrued compensated absences, the remaining 2015 sales and use tax bonds, the 2025 Certificates of Participation, the 2025 FURA Tax Increment Refunding and Revenue Bonds, and related bond premiums. During 2025, the Town issued $45,075,000 in Certificates of Participation to finance the new Public Works facility. FURA issued $4,501,000 in refunding and revenue bonds, and the remaining 2018 FURA bonds were retired.

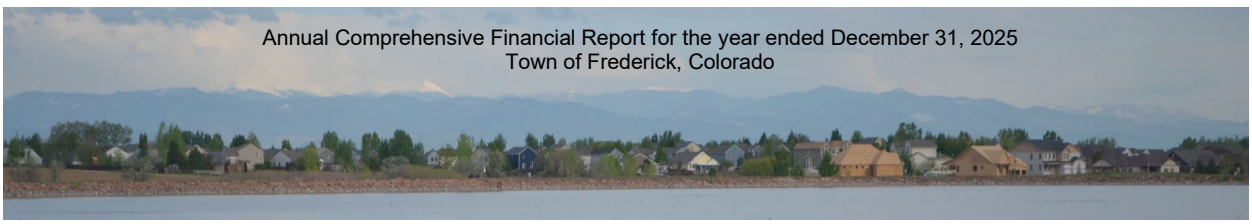
The Town's business-type funds had no outstanding bond or lease debt at December 31, 2025. Accrued compensated absences totaled $732,969.

Additional information on the Town's long-term debt can be found in Note 5 on pages 25 through 30 of this report.

Fiduciary Fund Activities

Oil Royalty Trust Fund

During 2025, the Oil Royalty Trust Fund received $950,936 in revenues, consisting of $908,720 in oil royalties and $42,216 in interest income. The fund distributed $55,000 to support educational and community programs, including $38,000 in scholarships and $17,000 in donations to community organizations. Revenues exceeded distributions by $895,936, increasing net position from $1,812,163 to $2,708,099 at December 31, 2025. At year-end, the fund held $1,770,887 in cash and investments and a $937,500 outstanding advance to the Street & Alley Fund, with accounts payable of $288.



Economic Factors and Next Year's Budgets and Rates

The annual budget guides the efficient and effective use of Town funds and establishes priority objectives. Direction for the upcoming year is established by the Board when the budget is adopted, funds are appropriated, and resources are allocated.

The following factors were taken into account when adopting the budget for 2026:

- The Town anticipated improved retail activity and higher permit and fee revenues while maintaining conservative spending plans. General Fund revenues, excluding transfers, were budgeted at $20,605,250.

- The property tax mill levy remained unchanged at 6.555 mills, with revenues based on assessed valuations provided by Weld County.

- Budgeted expenditures exceeded revenues by $47,997,585 before transfers, primarily reflecting $38,298,200 in Capital Outlay. Planned investments included completion of the new Public Works facility, street maintenance, equipment, and parks and trail improvements. These expenditures were supported by accumulated balances, including financing proceeds received in 2025.

- No additional full-time positions were approved. Authorized staffing remained at 141 full-time equivalent positions, with costs allocated among funds based on staff activity. Vacant positions and staffing additions were paused through the first quarter.

- Water Fund revenues were budgeted at $8,107,500, reflecting the water rate structure implemented in 2025. Storm Water Fund revenues were budgeted at $1,466,000. The adopted residential storm water utility fee was $7.25 per month.

Contacting the Town's Financial Management

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

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

BASIC FINANCIAL STATEMENTS

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
As of December 31, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS 2025	TOTALS 2024
ASSETS				
Cash and Investments	$ 38,101,382	$ 26,951,784	$ 65,053,166	$ 73,958,591
Restricted Cash and Investments	38,008,121	-	38,008,121	804,231
Receivables				
Property Taxes	3,317,714	-	3,317,714	3,354,309
Sales and Other	2,376,510	-	2,376,510	2,680,502
Accounts	-	249,618	249,618	564,790
Inventory	68,154	-	68,154	14,015
Interfund Activity	(1,483,619)	1,483,619	-	-
Capital Assets, Not Depreciated	17,133,519	93,070,999	110,204,518	99,464,891
Capital Assets, Depreciated				
Net of Accumulated Depreciation	30,848,468	12,203,547	43,052,015	46,302,419
TOTAL ASSETS	128,370,249	133,959,567	262,329,816	227,143,748
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	1,783,921	-	1,783,921	1,921,600
LIABILITIES				
Accounts Payable	2,640,508	222,463	2,862,971	3,444,817
Accrued Salaries and Benefits	-	-	-	30,313
Accrued Interest	191,217	-	191,217	7,198
Developer Escrow	339,783	-	339,783	1,327,790
Deposits	-	81,284	81,284	154,537
Advances from Oil Royalty Fund	937,500	-	937,500	1,000,000
Due within One Year				
Compensated Absences	155,756	73,297	229,053	217,297
Bonds, Loans and Leases	817,382	-	817,382	889,523
Due in More Than One Year				
Compensated Absences	1,401,803	659,672	2,061,475	1,955,667
Net Pension Liability	-	-	-	-
Bonds, Loans and Leases	51,866,652	-	51,866,652	2,806,308
TOTAL LIABILITIES	58,350,601	1,036,716	59,387,317	11,833,450
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	758,798	-	758,798	720,518
Deferred Property Tax Revenue	3,598,021	-	3,598,021	4,902,591
TOTAL DEFERRED INFLOWS OF RESOURCES	4,356,819	-	4,356,819	5,623,109
Net Investment in Capital Assets	(4,702,047)	105,274,546	100,572,499	142,071,479
Restricted for Emergencies	793,000	-	793,000	934,000
Unrestricted	71,355,797	27,648,305	99,004,102	68,603,310
TOTAL NET POSITION	$ 67,446,750	$ 132,922,851	$ 200,369,601	$ 211,608,789

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF ACTIVITIES
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
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 14,231,265	$ 798,962	$ 737,072	$ 304,559
Public Safety	9,007,793	174,364	-	55,364
Public Works	10,355,019	1,069,192	-	1,840,739
Parks and Recreation	-	-	-	121,755
Golf	1,855,781	1,041,336	-	-
Economic Development	3,730,803	-	-	-
Interest and Other Fiscal Charges	1,339,679	-	-	-
Total Governmental Activities	40,520,340	3,083,854	737,072	2,322,417
Business-Type Activities				
Water	10,314,245	4,760,324	-	2,183,282
Electric	-	-	-	-
Storm Water	2,451,884	1,117,033	-	-
Golf Course	-	-	-	-
Total Business-Type Activities	12,766,129	5,877,357	-	2,183,282
Total Primary Government	$ 53,286,469	$ 8,961,211	$ 737,072	$ 4,505,699
GENERAL REVENUES				
Sales Taxes				
Property Taxes				
Franchise Taxes				
Other Taxes				
Interest				
Other				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION, Beginning, Restated				
NET POSITION, Ending				

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

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS 2025	TOTALS 2024
$ (12,390,672)	$ -	$ (12,390,672)	$ (12,318,864)
(8,778,065)	-	(8,778,065)	(8,004,456)
(7,445,088)	-	(7,445,088)	(3,733,275)
121,755	-	121,755	161,101
(814,445)	-	(814,445)	-
(3,730,803)	-	(3,730,803)	(2,087,158)
(1,339,679)	-	(1,339,679)	(124,992)
(34,376,997)	-	(34,376,997)	(26,107,644)
-	(3,370,639)	(3,370,639)	(2,587,465)
-	-	-	-
-	(1,334,851)	(1,334,851)	(517,901)
-	-	-	(561,791)
-	(4,705,490)	(4,705,490)	(3,667,157)
(34,376,997)	(4,705,490)	(39,082,487)	(29,774,801)
13,989,775	-	13,989,775	16,128,328
9,358,742	-	9,358,742	8,887,061
866,877	-	866,877	577,815
529,982	-	529,982	634,766
2,168,929	973,682	3,142,611	3,124,692
2,384,812	-	2,384,812	2,890,637
29,299,117	973,682	30,272,799	32,243,299
(5,077,880)	(3,731,808)	(8,809,688)	2,468,498
72,524,630	136,654,659	209,179,289	209,140,291
$ 67,446,750	$ 132,922,851	$ 200,369,601	$ 211,608,789

TOWN OF FREDERICK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2025

	GENERAL FUND	STREET AND ALLEY FUND	PARKS AND OPEN SPACE FUND	CAPITAL FACILITIES FUND	FREDERICK URBAN RENEWAL AUTHORTY
ASSETS					
Cash and Investments	$ 13,022,219	$ 5,653,009	$ 5,348,086	$ 4,717,480	$ 8,822,349
Restricted Cash and Investments	-	-	-	35,242,319	2,765,802
Taxes Receivable	3,317,714	-	-	-	-
Accounts Receivable	2,182,761	93,749	-	-	100,000
Inventory	68,154	-	-	-	-
Advances to Other Funds	-	-	-	-	-
TOTAL ASSETS	$ 18,590,848	$ 5,746,758	$ 5,348,086	$ 39,959,799	$ 11,688,151
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	$ 879,414	$ 54,038	$ 55,259	$ 1,651,377	$ 420
Developer Escrows and Deposits	337,864	-	1,919	-	-
Advances from Other Funds	-	2,421,119	-	-	-
TOTAL LIABILITIES	1,217,278	2,475,157	57,178	1,651,377	420
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	3,317,714	-	-	-	-
Deferred Revenue	280,307				
TOTAL DEFERRED INFLOWS OF RESOURCES	3,598,021	-	-	-	-
FUND BALANCE					
Fund Balance					
Restricted for Emergencies	793,000	-	-	-	-
Restricted for Developer Escrow	-	-			
Restricted for Open Space	-	-	5,290,908	-	-
Restricted for Street Improvements	-	3,271,601	-	-	-
Restricted for Parks and Recreation	-	-	-	-	-
Restricted for Public Safety	-	-	-	-	-
Committed for Parks, Open Space, and Capital Outlay	-	-	-	38,308,422	11,687,731
Unassigned	12,914,395	-	-	-	-
TOTAL FUND BALANCE	13,775,549	3,271,601	5,290,908	38,308,422	11,687,731
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	$ 18,590,848	$ 5,746,758	$ 5,348,086	$ 39,959,799	$ 11,688,151

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

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

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the fund. These include Bonds Payable of ($50,221,000), Premium on Bonds ($1,391,714), Lease Assets ($1,071,320), Compensated Absences ($1,557,559), Accrued Interest Payable ($191,217), Net Pension Liability $0, Deferred Outflows Related to Pensions $1,783,921, and Deferred Inflows Related to Pensions of ($758,798).

Net position of governmental activities

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS 2025	2024
$ 538,239	$ 38,101,382	$ 40,532,633
-	38,008,121	804,231
-	3,317,714	3,354,309
-	2,376,510	2,680,502
-	68,154	-
-	-	457,697
$ 538,239	$ 81,871,881	$ 47,829,372
$ -	$ 2,640,508	$ 2,663,433
-	339,783	1,327,790
-	2,421,119	2,695,437
-	5,401,410	6,686,660
-	3,317,714	3,354,309
	280,307	1,548,282
-	3,598,021	4,902,591
-	793,000	934,000
	-	800,000
-	5,290,908	6,393,594
-	3,271,601	1,740,502
522,969	522,969	419,156
15,270	15,270	255,662
-	49,996,153	9,786,164
-	12,914,395	15,911,043
538,239	72,872,450	36,240,121
$ 538,239		
	47,981,987	39,618,698
	(53,407,687)	(4,166,145)
	$ 67,446,750	$ 71,692,674

TOWN OF FREDERICK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL FUND	STREET AND ALLEY FUND	PARKS AND OPEN SPACE FUND	PARK IMPROVEMENT FUND	CAPITAL FACILITIES FUND
REVENUES					
Taxes and Fees	$ 14,327,113	$ 3,438,489	$ 2,322,425	$ -	$ 304,559
Licenses and Permits	798,962	-	-	-	-
Intergovernmental	-	-	-	-	252,956
Charges for Services	1,041,336	969,252	-	-	-
Fines and Forfeitures	174,364	-	-	-	-
Grants and Contributions	737,072	521,946	-	-	-
Interest	577,310	198,871	88,598	-	1,087,758
Miscellaneous	2,285,278	35,927	-	-	-
TOTAL REVENUES	19,941,435	5,164,485	2,411,023	-	1,645,273
EXPENDITURES					
General Government	12,259,800	-	-	-	1,616,840
Public Safety	8,954,668	-	-	-	-
Public Works	154,361	3,929,767	3,348,830	-	-
Parks and Recreation	-	-	-	-	-
Golf	1,613,109				
Economic Development	-	-	-	-	-
Capital Outlay	394,665	858,938	165,349	-	10,809,627
Debt Service					
Principal	-	370,000	-	-	-
Interest and Other Fiscal Charges	-	41,200	-	-	1,071,131
TOTAL EXPENDITURES	23,376,603	5,199,905	3,514,179	-	13,497,598
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,435,168)	(35,420)	(1,103,156)	-	(11,852,325)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	46,431,949
Transfers In	367,637	174,000	470	-	-
Transfers Out	(241,400)	-	-	(470)	-
TOTAL OTHER FINANCING SOURCES (USES)	126,237	174,000	470	(470)	46,431,949
NET CHANGE IN FUND BALANCES	(3,308,931)	138,580	(1,102,686)	(470)	34,579,624
FUND BALANCES, Beginning	16,845,043	2,540,502	6,393,594	470	3,728,798
PRIOR PERIOD ADJUSTMENT	239,437	592,519	-	-	-
FUND BALANCES, Beginning, as restated	17,084,480	3,133,021	6,393,594	470	3,728,798
FUND BALANCES, Ending	$ 13,775,549	$ 3,271,601	$ 5,290,908	$ -	$ 38,308,422

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

FREDERICK URBAN RENEWAL AUTHORTY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
		2025	2024
$ 5,841,068	$ 55,364	$ 26,289,018	$ 27,980,102
-	-	798,962	2,047,863
-	103,813	356,769	260,582
-	-	2,010,588	941,026
-	-	174,364	158,897
-	-	1,259,018	2,534,179
212,148	4,244	2,168,929	1,591,689
63,370	-	2,384,575	2,890,637
6,116,586	163,421	35,442,223	38,404,975
-	-	13,876,640	13,572,403
-	-	8,954,668	8,212,141
-	-	7,432,958	7,308,542
-	-	-	17,499
		1,613,109	-
3,730,803	-	3,730,803	2,087,158
-	-	12,228,579	3,922,031
1,189,876	-	1,559,876	734,153
66,072	-	1,178,403	148,553
4,986,751	-	50,575,036	36,002,480
1,129,835	163,421	(15,132,813)	2,402,495
4,501,000	-	50,932,949	240,493
-	-	542,107	1,375,591
-	(300,000)	(541,870)	(1,913,242)
4,501,000	(300,000)	50,933,186	(297,158)
5,630,835	(136,579)	35,800,373	2,105,337
6,056,896	674,818	36,240,121	30,072,951
-	-	831,956	-
6,056,896	674,818	37,072,077	34,134,784
$ 11,687,731	$ 538,239	$ 72,872,450	$ 36,240,121

TOWN OF FREDERICK, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Changes in Fund Balances - Total Governmental Funds	$	35,800,373
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay, $12,895,120, exceeded depreciation expense, ($2,510,379), lease asset amortization ($143,111) and loss on disposal ($1,878,341) in the current period.		8,363,289
Inssuance of debt is reported as financing sources in the governmental funds and increases fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities.		(50,932,949)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include lease payments of $456,065, increase in lease assets, ($93,938), bond payments of $1,559,876, amortization of bond premium $22,743, change in accrued compensated absences of $106,639, and change in accrued interest payable of ($184,019).		1,867,366
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.		(175,959)
Change in Net Position of Governmental Activities	$	(5,077,880)

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2025

ASSETS	WATER FUND	STORM WATER FUND	TOTALS 2025	TOTALS 2024
Current Assets				
Cash and Investments	$ 25,510,225	$ 1,441,559	$ 26,951,784	$ 33,425,958
Accounts Receivable	219,725	29,893	249,618	564,790
Inventory	-	-	-	14,015
Advances to Other Funds	1,483,619	-	1,483,619	1,545,437
Total Current Assets	27,213,569	1,471,452	28,685,021	35,550,200
Noncurrent Assets				
Capital Assets, net of Accumulated Depreciation	100,297,706	4,976,840	105,274,546	106,148,612
TOTAL ASSETS	127,511,275	6,448,292	133,959,567	141,698,812
LIABILITIES				
Current Liabilities				
Accounts Payable	186,761	35,702	222,463	781,384
Accrued Expenses	-	-	-	30,313
Advances from Other Funds	-	-	-	307,697
Compensated Absences	41,230	32,067	73,297	50,877
Total Current Liabilities	227,991	67,769	295,760	1,170,271
Noncurrent Liabilities				
Deposits	38,300	42,984	81,284	154,537
Compensated Absences	371,066	288,607	659,672	457,889
Total Noncurrent Liabilities	409,366	331,591	740,956	612,426
TOTAL LIABILITIES	637,356	399,360	1,036,716	1,782,697
NET POSITION				
Net Investment in Capital Assets	100,297,706	4,976,840	105,274,546	106,148,612
Unrestricted	26,576,213	1,072,092	27,648,305	33,767,503
TOTAL NET POSITION	$ 126,873,919	$ 6,048,932	$ 132,922,851	$ 139,916,115

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2025

	WATER FUND	STORM WATER FUND	GOLF COURSE FUND	TOTALS 2025	TOTALS 2024
OPERATING REVENUES					
Charges for Services	$ 4,684,708	$ 1,108,946	$ -	$ 5,793,654	$ 6,370,305
Miscellaneous	75,616	8,087	-	83,703	123,237
TOTAL OPERATING REVENUES	4,760,324	1,117,033	-	5,877,357	6,493,542
OPERATING EXPENSES					
Operations	9,838,500	2,199,066	-	12,037,566	12,237,384
Depreciation	475,745	252,818	-	728,563	691,398
TOTAL OPERATING EXPENSES	10,314,245	2,451,884	-	12,766,129	12,928,782
OPERATING INCOME	(5,553,921)	(1,334,851)	-	(6,888,772)	(6,435,240)
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	909,474	64,445	-	973,919	1,533,003
TOTAL NON-OPERATING REVENUES (EXPENSES)	909,474	64,445	-	973,919	1,533,003
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(4,644,447)	(1,270,406)	-	(5,914,853)	(4,902,237)
Capital Contributions	2,183,282	-	-	2,183,282	2,768,083
Transfers In	-	-	421,387	421,387	562,000
Transfers Out	-	-	(421,624)	(421,624)	(24,349)
CHANGES IN NET POSITION	(2,461,165)	(1,270,406)	(237)	(3,731,808)	(1,596,503)
NET POSITION, Beginning	132,464,810	7,451,068	237	139,916,115	141,512,618
PRIOR PERIOD ADJUSTMENT	(3,129,726)	(131,730)	-	(3,261,456)	-
NET POSITION, Beginning, as restated	129,335,084	7,319,338	237	136,654,659	141,512,618
NET POSITION, Ending	$ 126,873,919	$ 6,048,932	$ -	$ 132,922,851	$ 139,916,115

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
Year Ended December 31, 2025
Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	STORM WATER FUND	GOLF COURSE FUND	TOTALS 2025	TOTALS 2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	$ 4,816,767	$ 1,094,086	$ -	$ 5,910,853	$ 5,656,638
Cash payments to Employees	(1,653,184)	(982,086)	(613,767)	(3,249,037)	(2,714,129)
Cash Paid to Suppliers	(8,617,248)	(1,210,015)	501,527	(9,325,736)	(7,637,139)
Net Cash Provided (Used) by Operating Activities	(5,453,665)	(1,098,015)	(112,240)	(6,663,920)	(4,694,630)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments (to) from Other Funds	61,818	-	(159,129)	(97,311)	(1,729,124)
Net Cash Provided (Used) by Noncapital Financing Activities	61,818	-	(159,129)	(97,311)	(1,729,124)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(2,945,371)	(135,285)	286,001	(2,794,655)	(5,474,586)
Capital Contributions	2,183,282	-	-	2,183,282	2,768,083
Deposits from Customers	(60,407)	-	(15,082)	(75,489)	25,517
Net Cash Provided (Used) by Capital and Related Financing Activities	(822,496)	(135,285)	270,919	(686,862)	(2,680,986)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	909,474	64,445	-	973,919	1,533,003
Net Cash Provided by Investing Activities	909,474	64,445	-	973,919	1,533,003
Net Increase (Decrease) in Cash and Cash Equivalents	(5,304,869)	(1,168,855)	(450)	(6,474,174)	(7,571,737)
CASH AND INVESTMENTS, Beginning	30,815,094	2,610,414	450	33,425,958	40,997,036
CASH AND INVESTMENTS, Ending	$ 25,510,225	$ 1,441,559	$ -	$ 26,951,784	$ 33,425,299
	-	-	-		
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ (5,553,921)	$ (1,334,851)	$ -	$ (6,888,772)	$ (5,873,449)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation and Amortization	475,745	252,818	-	728,563	635,273
Changes in Assets and Liabilities					
Accounts Receivable	(104,337)	(22,947)	-	(127,284)	(104,269)
Prepaid Items	-	-	-	-	221,743
Accounts Payable	(431,932)	(108,093)	(15,554)	(555,579)	402,765
Accrued Expenses	-	-	(19,457)	(19,457)	(19,457)
Compensated Absences	160,780	115,058	(91,244)	184,594	28,749
Total Adjustments	100,256	236,836	(112,240)	224,852	1,178,819
Net Cash Provided by Operating Activities	$ (5,453,665)	$ (1,098,015)	$ (112,240)	$ (6,663,920)	$ (4,694,630)
	-	-	-	-	-

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF NET POSITION
OIL ROYALTY TRUST FUND
December 31, 2025

	PRIVATE PURPOSE TRUST
ASSETS	
Cash and Investments	$ 1,770,887
Advances to Other Funds	937,500
TOTAL ASSETS	2,708,387
LIABILITIES	
Accounts Payable	288
NET POSITION	$ 2,708,099
TOTAL LIABILITIES AND NET POSITION	$ 2,708,387

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

TOWN OF FREDERICK, COLORADO

STATEMENT OF CHANGES IN NET POSITION
OIL ROYALTY TRUST FUND
Year Ended December 31, 2025

	PRIVATE PURPOSE TRUST
ADDITIONS	
Oil Royalties	$ 908,720
Interest	42,216
TOTAL ADDITIONS	950,936
DEDUCTIONS	
Scholarships	38,000
Donations	17,000
TOTAL DEDUCTIONS	55,000
CHANGE IN NET POSITION	895,936
NET POSITION, Beginning	1,812,163
NET POSITION, Ending	$ 2,708,099

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The Town of Frederick, Colorado was incorporated in 1907. The Town is governed by a Mayor and six-member council elected by the residents. The accounting policies of the Town of Frederick, Colorado (the "Town") conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of Frederick has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Frederick Urban Renewal Authority

The Frederick Urban Renewal Authority (the "Authority") is considered to be financially accountable to the Town. The purpose of the Authority is to improve condition of blighted areas of the Town. The Authority is considered to be part of the Town for financial reporting purposes because its resources are entirely for the direct benefit of the Town and is blended into the Town's financial statements as a special revenue fund. Separate financial statements are not available. The basis for blending of the component unit is that its governing body is the same as the governing body of the Town, plus three additional representatives. Management of the Town also has operational responsibility for the Authority.

Government-Wide and Fund Financial Statements

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

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

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

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

Fiduciary Funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

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

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

The *Street and Alley Fund* accounts for revenues from specific sources and to account for the construction and maintenance of the Town's streets and alleys. The Street and Alley Fund accounts for revenues from the collection of taxes and fees by Weld County and the State of Colorado, including the Highway Users Tax Funds (HUTF). Also included in the fund are revenues associated with residential trash collection services and road impact fees. These account for the construction and maintenance of the Town's streets and alleys.

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

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

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

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

The *Frederick Urban Renewal Authority Fund* Accounts for the activities of the Urban Renewal Authority. The Frederick Urban Renewal Authority accounts for the collection of Tax Increment Financing (TIF) revenues from a variety of URAs used to incentivize redevelopment in designated and blighted areas.

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund type:

The *Fiduciary Fund* accounts for the activities of the Town's oil royalties, which are used for capital improvements, economic development purposes, and other community-beneficial programs.

Cash and Investments

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

Investments are recorded at fair value.

Capital Assets

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

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

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

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

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time up to 500 hours. Earned but unused vacation time will be paid out upon separation of employment with the Town based on years of service completed at the employee's current pay rate. Sick leave is accumulated from year to year with a limit of 500 hours. Employees are not compensated for any of their accrued sick time.

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

Long-Term Obligations

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

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Deferred Outflows/Inflows of Resources

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

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

Net Position

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

Fund Balance Classification

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The Town did not report any nonspendable fund balance as of December 31, 2025.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the Open Space Fund as restricted because its use is restricted by taxpayer initiative, the Street and Alley Fund as restricted as the revenues are restricted through taxpayer initiatives and State Statute, the Conservation Trust Fund and the Public Safety Funds are classified as restricted because their revenues are restricted by State Statute.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Fund Balance Classification (Continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town reports the fund balances of the Park Improvement Fund and the Capital Facilities Fund as committed as the Town has passed ordinances to create impact fees that are committed for the costs of infrastructure necessary to support new development.

- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

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

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

Property Taxes

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

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Adoption of New Accounting Standard

In fiscal year 2025, the Town adopted GASB Statement No. 102, Certain Risk Disclosures. This Statement requires governments to evaluate and disclose specific vulnerabilities stemming from concentrations or constraints that limit their ability to acquire resources or control spending, provided certain criteria are met. Based on management's evaluation, no existing concentrations or constraints met all the mandated criteria for required disclosure. Accordingly, the adoption of this standard had no material impact on the Town's financial statements.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

Budgets and Budgetary Accounting

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

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer comments.

- Prior to December 31, the budget is legally enacted through passage of a resolution.

- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

- Budgets for the General, Special Revenue, and Private Purpose Trust Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*** (Continued)

Legal Compliance

At December 31, 2025, actual expenditures exceeded budgeted amounts by the following amounts, for the following funds:

Capital Facilities Fund	$ 1,191,647

This may be a violation of State statute.

NOTE 3: ***DEPOSITS AND INVESTMENTS***

A summary of deposits and investments as of December 31, 2025 follows:

Petty Cash	$ 1,400
Cash Deposits	63,671,698
Investments	41,159,076
Total	**$ 104,832,174**

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

Cash and Investments	$ 65,053,166
Restricted Cash and Investments	38,008,121
Fiduciary Funds	1,770,887
Total	**$ 104,832,174**

Cash in the amount of $38,008,121 is restricted for debt service and capital improvements.

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

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the

financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits.

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

At December 31, 2025, the Town had deposits with financial institutions with a carrying amount of $63,671,698. The bank balances with the financial institutions were $65,396,332. Of these balances, $750,000 was covered by federal depository insurance and $64,646,332 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2025, the Town had the following investments and maturities:

		Maturities (in Years)	
Type of Investment	Fair Value	0 – 1 Years	1 – 5 Years
Local Government Investment Pools	**$ 41,159,076**	**$ 41,159,076**	**$ -**

Interest Rate Risk

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

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

Credit Risk

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

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

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

Local Government Investment Pools

The Town had invested $24,826,902 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statues, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to $1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

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

Investments (Continued)

Local Government Investment Pools (Continued)

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

The Town had invested $16,332,174 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

Fair Value

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

The Town had no investments requiring categorization as of December 31, 2025.

NOTE 4: *CAPITAL ASSETS*

Capital assets activity for the year ended December 31, 2025 is summarized below:

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities				
Capital Assets, not depreciated				
Construction in Progress	-	10,518,627	-	10,518,627
Land	6,614,892	-	-	6,614,892
	$ 6,614,892	$ 10,518,627	$ -	$ 17,133,519
Capital Assets, depreciated				
Lease Assets – right-to-use vehicles	1,904,431	83,575	-	1,988,006
Buildings	6,872,325	257,421	2,511,431	4,618,315
Improvements other than buildings	17,211,259	319,271	-	17,530,530
Infrastructure	47,887,228	849,280	-	48,736,508
Equipment - Golf	-	370,628	-	370,628
Infrastructure - Golf	-	212,339	-	212,339
Equipment	4,543,059	283,979	-	4,827,038
Total Capital Assets, Depreciated	78,418,302	2,376,493	2,511,431	78,283,364
Less Accumulated Depreciation				
Lease Assets – right-to-use vehicles	188,158	143,111	-	331,269
Buildings	2,339,963	144,252	633,090	1,851,125
Improvements	6,525,504	476,314	-	7,001,818
Infrastructure	33,498,367	1,299,722	-	34,798,089
Equipment	2,862,504	590,091	-	3,452,595
Total Accumulated Depreciation	45,414,496	2,653,490	633,090	47,434,896
Total Capital Assets, depreciated, Net	33,003,806	(276,997)	1,878,341	30,848,468
Governmental Activities, Capital Assets, Net	**$ 39,618,698**	**$ 10,241,630**	**$ (**1,878,341)	**$ 47,981,987**

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

Governmental Activities

General Government	$ 285,305
Golf	242,672
Public Safety	53,125
Public Works	2,072,388
Total	**$ 2,653,490**

NOTE 4: ***CAPITAL ASSETS*** (Continued)

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Business-Type Activities				
Capital Assets, not depreciated				
Land	$ 1,229,794	$ -	$ -	$ 1,229,794
Water Rights	87,968,376	2,440,000	1,200,000	89,208,376
System Enhancement	1,019,000	-	1,019,000	-
Construction in Progress	2,632,829	-	-	2,632,829
Total Capital Assets, not depreciated	92,849,999	2,440,000	2,219,000	93,070,999
Capital Assets, depreciated				
Buildings	490,826	-	-	490,826
Utility Systems	19,140,204	45,430	600,000	18,585,634
Infrastructure	212,339	311,816	212,339	311,816
Equipment	2,576,720	283,411	370,628	2,489,503
Total Capital Assets, depreciated	22,420,089	640,657	1,182,967	21,877,779
Less: Accumulated Depreciation				
Buildings	254,060	8,895	-	262,955
Utility Systems	7,587,762	505,068	-	8,092,830
Infrastructure	16,927	-	16,927	-
Equipment	1,262,727	214,600	158,880	1,318,447
Total Accumulated Depreciation	9,121,476	728,563	175,807	9,674,232
Total Capital Assets, depreciated, Net	13,298,613	87,906	1,007,160	12,203,547
Business-Type Activities, Capital Assets, Net	**$ 106,148,612**	**$ 2,352,094**	**$ 3,226,160**	**$ 105,274,546**

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

Business-type Activities

Water Fund	$ 475,745
Storm Water Fund	252,818
Total	**$ 728,563**

NOTE 5: *LONG-TERM DEBT*

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2025.

	Balance 12/31/2024	Additions	Payments	Balance 12/31/2025	Due In One Year
General Obligation Bonds					
2015 Revenue and Refunding Bonds	$ 1,015,000	$ -	$ 370,000	$ 645,000	$ 380,000
2015 Bond Premium	57,508	-	22,743	34,765	-
COPS Series 2025	-	45,075,000	-	45,075,000	-
2025 Bond Premium	-	1,356,949	-	1,356,949	-
Debt from Direct Borrowings Direct Placements					
2018 FURA Tax Increment Revenue Bonds	1,189,876	-	1,189,876	-	-
Vehicle Leases	1,433,447	93,938	456,065	1,071,320	437,382
2025 FURA Tax Increment Refunding & Revenue Bonds	-	4,501,000	-	4,501,000	-
Compensated Absences	1,664,198	-	106,639	1,557,559	155,756
Total	**$ 5,360,029**	**$ 51,026,887**	**$ 2,145,323**	**$ 54,241,593**	**$ 973,138**

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

2015 Revenue Refunding Bonds

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

NOTE 5: ***LONG-TERM DEBT*** (Continued)

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

2025 Certificates of Participation

In June 2025, the Town issued Certificates of Participation (COPs), Series 2025 in the amount of $45,075,000 to finance the acquisition, construction, installation, and equipping of various public improvements to be used as the Town's new Public Works Facility. COPs are a form of bond lease-purchase financing and one of the most common financing methods used by Colorado local governments to construct capital improvements. Lease payments will be made by the Town as lessee to UMB Bank, as lessor and trustee, for use and possession of the newly constructed facility. Such payments are used to pay debt service on the COPs and the lease is deemed to be renewed annually by the Town when appropriating payment as part of the annual budget process. Principal and interest are due annually on December 1, through December 2054. S&P Global Ratings assigned its 'AA' long-term rating to the bonds, resulting in a fixed interest rate of 5.00%. Funds are provided by the trustee at the Town's request, following certification of eligible costs subject to reimbursement. The estimated construction completion date is end of second quarter 2026.

2018 FURA Tax Increment Revenue Bonds

In June 2018, the Frederick Urban Renewal Authority (FURA) was authorized for up to $3,550,000 in Tax Increment Revenue Bonds Series 2018 to finance capital improvements within the Meadowlark Business Park Plan Area and to finance bond issuance costs. These bonds are issued as a draw down bond and funds will be available to the FURA as requested. As of December 31, 2023, the FURA has drawn $1,878,057 on these bonds. Principal and Interest on the amounts drawn are due annually on December 1, 2018, through December 1, 2040. Interest is currently accruing at rates ranging from 2.848% to 4.832%. This is a variable rate equal to 80% of the Taxable Rate, which is 3.0% plus the five-year Federal Home Loan Bank Des Moines Fixed Advance regular rate as of the date of the date of the draw request. This rate shall not exceed 8.00% per annum.

NOTE 5: ***LONG-TERM DEBT*** (Continued)

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

2025 FURA Tax Increment Revenue Refunding Bonds

In October 2025, the Frederick Urban Renewal Authority (FURA) was authorized for up to $4,900,000 in Tax Increment Refunding Revenue Bond Series 2025 to pay off FURA's Tax Increment Revenue Bonds Series 2018, finance the reimbursement of capital improvements within the Meadowlark Business Park Plan Area, and to finance bond issuance costs. The bond is issued as loan and new money proceeds are funded in whole and held with the lender. Funds are provided at FURA's request following certification of eligible costs subject to reimbursement. Interest is due semi-annually, on June 1 and December 1, and principal due annually, on December 1, through December 1, 2041. Interest accrues at a 6.17% fixed interest rate.

Principal maturing on and after June 1, 2028, is subject to redemption prior to maturity at the redemption price equal to the principal amount of the Series 2025 Bond to be redeemed, plus accrued interest to the date of redemption.

Vehicle Leases

The Town entered into non-cancelable 48- and 60-month leases for vehicles. The vehicle lease agreements are right-to-use lease assets or rentals and do not result in town-owned assets upon payoff. Additional vehicles with 60-month leases were added to the master lease agreement during 2025. The leases require individual monthly payments ranging from $485 to $1,790. The 48-month leases will have a final payment on December 31, 2028, and the 60-month lease payments will end December 31, 2029. The vehicles are capitalized under lease assets. The lease liability and right to use asset balances were re-measured at 12/31/25 with the addition of the new vehicles using the Town's revised implicit borrowing rate of 12.4%.

NOTE 5: ***LONG-TERM DEBT*** (Continued)

Future Debt Service Requirements

Annual debt service requirements for the Series 2015 general obligation bonds as of December 31, 2025, are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 380,000	$ 25,800	$ 405,800
2027	85,000	10,600	95,600
2028	90,000	7,200	97,200
2029	90,000	3,600	93,600
Total Debt Service Requirements	**$ 645,000**	**$ 47,200**	**$ 692,200**

Annual debt service requirements for the Series 2025 general obligation bonds as of December 31, 2025, are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ -	$ 2,281,700	$ 2,281,700
2027	-	2,281,700	2,281,700
2028	-	2,281,700	2,281,700
2029	880,000	2,281,700	3,161,700
2030	920,000	2,237,700	3,157,700
2031-2035	5,350,000	10,449,250	15,799,250
2036-2040	6,830,000	8,971,000	15,801,000
2041-2045	8,710,000	7,085,000	15,795,000
2046-2050	11,180,000	4,621,687	15,801,687
2051-2054	11,205,000	1,434,750	12,639,750
Total Debt Service Requirements	**$ 45,075,000**	**$43,926,187**	**$ 89,001,187**

NOTE 5: ***LONG-TERM DEBT*** (Continued)

Annual debt service requirements for the outstanding 2025 FURA Tax Increment Revenue Bonds as of December 31, 2025, are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ -	$ 307,797	$ 307,797
2027	191,000	277,711	468,712
2028	203,000	265,927	468,927
2029	215,000	253,402	468,402
2030	228,000	240,136	468,136
2031-2035	1,373,000	971,158	2,344,158
2036-2040	1,850,000	492,243	2,342,243
2041	441,000	27,210	468,210
Total Debt Service Requirements	**$ 4,501,000**	**$ 2,835,584**	**$ 7,336,584**

Annual debt service requirements for the outstanding lease vehicles as of December 31, 2025, are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 437,382	$ 132,844	$ 570,226
2027	336,176	78,608	414,784
2028	206,680	36,923	243,603
2029	78,691	11,294	89,985
2030	12,391	1,537	13,928
Total Debt Service Requirements	**$ 1,071,320**	**$ 261,206**	**$ 1,332,526**

NOTE 5: ***LONG-TERM DEBT*** (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2025.

	Balance 12/31/2024	Additions	Payments	Balance 12/31/2025	Due In One Year
Accrued Compensated Absences	$ 508,766	$ 224,203	$ -	$ 732,969	$ 73,297
Total	**$ 508,766**	**$ 224,203**	**$ -**	**$ 732,969**	**$ 73,297**

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

NOTE 6: ***INTERFUND AMOUNTS***

The Oil Royalty Trust Fund loaned the Street Fund $937,500 for street improvements due in December 2040. Payments of $62,500 at 0% interest will be made over 15 years.

The Water Fund loaned the Street Fund $1,483,619, due December 2049, for highway infrastructure improvements related to the construction of a new grocery store complex. Payments of $61,818 at 0% interest will be made over 25 years.

NOTE 7: ***TAX ABATEMENTS***

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

During the year ended December 31, 2016, the Town entered into an incentive agreement with a new local business to promote economic development within the Town and to generate employment opportunities for residents of the Town. Under this agreement, the Town abated sales taxes and interest totaling $0, $0 and $0 for the years ended December 31, 2023, 2024, and 2025, respectively. In addition, this agreement provided for permit and plan review fee waivers totaling $0, $0, and $0 for the years ended December 31, 2023, 2024, and 2025, respectively.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Statewide Retirement Plan

Plan Description

The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 230 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager

Description of Benefits

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

Description of Benefits (Continued)

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

Contributions

Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.0 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2024, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2024 through June 30, 2024 was 14.24 percent.

Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions form the employer are made on a pre-tax basis.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

At December 31, 2025 the Town reported a net pension asset in the amount of $0 for its proportionate share of the SRP Plan net pension asset. The SRP Plan net pension asset was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2024. Standard update procedures were used to roll forward the total pension liability to December 31, 2025. The Town's proportion of the SRP Plan net pension asset was based on the Town's contributions to the SRP Plan for the calendar year 2024 relative to the total contributions of participating employers to the SRP Plan.

At December 31, 2025, the Town's proportion was 0.36152%, which was an increase of 0.0101% from its proportion measured as of December 31, 2024.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

For the year ended December 31, 2025, the Town recognized SRP pension expense of $656,837. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to SRP pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$868,725	$27,173
Net difference between projected and actual earnings on pension plan investments	$123,410	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	$731,625
Change in assumptions and other inputs	$310,908	N/A
Contributions subsequent to the measurement date	$480,878	N/A
Total	$1,783,921	$758,798

$480,878 reported as deferred outflows of resources related to SRP pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2025.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SRP pensions will be recognized in pension expense as follows:

Year ended December 31	
2025	$264,115
2026	$433,802
2027	($54,057)
2028	($36,118)
2029	$29,844
Thereafter	($93,342)

Actuarial assumptions. The actuarial valuations for the SWBP Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024.

The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2025
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.75 percent
Cost of Living Adjustments (COLA)	0.00 percent

*Includes Inflation at 2.5%

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2024
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.75 percent
Cost of Living Adjustments (COLA)	0.00 percent

*Includes Inflation at 2.5%

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Mortality Tables for males and females, amount weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses the Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on SRP pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the SRP Plan's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	33.00%	7.00%
Equity Long/Short	6.00%	6.20%
Private Markets	34.00%	8.80%
Fixed Income – Rates	7.00%	5.00%
Fixed Income – Credit	7.00%	6.50%
Absolute Return	9.00%	5.70%
Cash	4.00%	4.20%
Total	100.00%	

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

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

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

For the purpose of this valuation, the expected rate of return on SRP pension plan investments is 7.00%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	$1,764,178	-	-

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

NOTE 9: *OTHER RETIREMENT COMMITMENTS*

Deferred Compensation Plan

All full-time employees are eligible to participate in an involuntary 401a Deferred Comp Plan and a voluntary 457b Deferred Comp Plan. The Plan is administered by the Colorado Retirement Association. The Town matches up to 10% of employee contributions. The Town contributed $492,887, $597,785 and $662,151 to the plan for the years ended December 31, 2023 and 2024, 2025 respectively, equal to the required contribution.

NOTE 10: *RISK MANAGEMENT*

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

NOTE 11: *COMMITMENTS AND CONTINGENCIES*

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $793,000 was recorded in the General Fund.

Land Swap Agreement

The Public Works building lease was paid in full in 2023 using funds from the Capital Facilities Fund. The Town entered into a land swap agreement with Agilent Technologies to obtain a new lot across the street, 7400 Eagle Blvd, where a new public works building will be constructed. Under the terms of the land swap agreement, the Town will continue using the current Public Works Building / lot until the new building is constructed in 2026.

NOTE 12: *SUBSEQUENT EVENTS*

Potential subsequent events were considered through October 2, 2026. There were no events identified for disclosure.

NOTE 13: *CHANGE IN FUNDS*

During 2025, the Golf Fund was closed and merged with the General Fund. Additionally, the Parks Improvement Fund was closed and merged with the Open Space Fund to create the Parks and Open Space Fund.

NOTE 14: *ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES*

The financial statements of the year ended December 31, 2024 have been restated for the correction of various errors in accounting. The effect on the beginning Net Position and Fund Balances are as follows:

Governmental Activities

	General Fund	Street and Alley Fund	Net Position Government Wide
December 31, 2024 as previously reported	$ 16,845,043	$ 2,540,502	$ 71,692,674
Improper application of payments to Accounts Receivable	-	(147,620)	(147,620)
Improper application of payments to Developer Escrow Accounts	239,437	740,139	979,576
December 31, 2024, as restated	$ 17,084,480	$ 3,133,021	$ 72,524,630

NOTE 14: *ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES*
(Continued)

Business-Type Activities:

	Water Fund	Storm Water Fund	Net Position Government Wide
December 31, 2024 as previously reported	$ 132,464,810	$ 7,451,068	$ 139,915,878
Improper application of payments to Accounts Receivable	(310,726)	(131,730)	(442,456)
Improper application of payments to Developer Escrow Accounts	(2,819,000)	-	(2,819,000)
December 31, 2024, as restated	$ 129,335,084	$ 7,319,338	$ 136,654,422

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FREDERICK, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Taxes and Fees	$ 16,996,970	$ 14,327,113	$ (2,669,857)	$ 17,288,490
Licenses and Permits	864,000	798,962	(65,038)	2,047,863
Charges for Services	638,250	1,041,336	403,086	-
Fines and Forfeitures	117,000	174,364	57,364	158,897
Grants and Contributions	748,975	737,072	(11,903)	457,934
Interest	871,800	577,310	(294,490)	850,947
Miscellaneous	2,815,685	2,285,278	(530,407)	2,697,645
TOTAL REVENUES	23,052,680	19,941,435	(3,111,245)	23,501,776
EXPENDITURES				
General Government	15,566,085	12,259,800	3,306,285	11,985,808
Public Safety	8,371,710	8,954,668	(582,958)	8,212,141
Public Works	70,250	154,361	(84,111)	344,176
Golf	-	1,613,109		
Capital Outlay	971,300	394,665	576,635	126,252
TOTAL EXPENDITURES	24,979,345	23,376,603	3,215,851	20,668,377
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,926,665)	(3,435,168)	(1,508,503)	2,833,399
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	-	240,493
Transfers In	522,600	367,637	(154,963)	564,591
Transfers Out	(2,331,600)	(241,400)	2,090,200	(802,242)
TOTAL OTHER FINANCING SOURCES (USES)	(1,809,000)	126,237	1,935,237	2,842
NET CHANGE IN FUND BALANCE	(3,735,665)	(3,308,931)	426,734	2,836,241
FUND BALANCE, Beginning	17,177,983	16,845,043	(332,940)	14,008,802
PRIOR PERIOD ADJUSTMENT	-	239,437	239,437	-
FUND BALANCES, Beginning, as restated	17,900,299	17,084,480	(815,819)	14,008,802
FUND BALANCE, Ending	$ 13,442,318	$ 13,775,549	$ 333,231	$ 16,845,043

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

STREET AND ALLEY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Taxes and Fees	$ 3,954,300	$ 3,438,489	$ (515,811)	$ 3,737,754
Charges for Services	960,500	969,252	8,752	935,226
Grants and Contributions	1,318,000	521,946	(796,054)	2,076,245
Interest	250,000	198,871	(51,129)	262,707
Miscellaneous	10,000	35,927	25,927	181,178
TOTAL REVENUES	6,492,800	5,164,485	(1,328,315)	7,193,110
EXPENDITURES				
Public Works	2,774,355	3,929,767	(1,155,412)	4,207,026
Capital Outlay	3,588,000	858,938	2,729,062	3,467,613
Debt Service				
Principal	533,620	370,000	163,620	355,000
Interest	-	41,200	(41,200)	55,400
TOTAL EXPENDITURES	6,895,975	5,199,905	1,696,070	8,085,039
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(403,175)	(35,420)	367,755	(891,929)
OTHER FINANCING SOURCES (USES)				
Transfers In	174,000	174,000		
TOTAL OTHER FINANCING SOURCES (USES)	174,000	174,000	-	-
NET CHANGE IN FUND BALANCE	(229,175)	138,580	367,755	(891,929)
FUND BALANCE, Beginning	6,609,348	2,540,502	(4,068,846)	3,432,431
PRIOR PERIOD ADJUSTMENT	-	592,519	592,519	-
FUND BALANCES, Beginning, as restated	6,609,348	3,133,021	(3,476,327)	3,432,431
FUND BALANCE, Ending	$ 6,380,173	$ 3,271,601	$ (3,701,091)	$ 2,540,502

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

PARKS AND OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Taxes	$ 2,899,500	$ 2,148,708	$ (750,792)	$ 2,449,870
Open Space Fees	-	173,717	173,717	36,000
Grants and Contributions	140,000		(140,000)	-
Interest Income	254,000	88,598	(165,402)	270,888
TOTAL REVENUES	3,293,500	2,411,023	(882,477)	2,756,758
EXPENDITURES				
Public Works	3,471,725	3,348,830	122,895	1,765,680
Capital Outlay	690,000	165,349	524,651	328,166
TOTAL EXPENDITURES	4,161,725	3,514,179	647,546	2,093,846
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(868,225)	(1,103,156)	(234,931)	662,912
OTHER FINANCING USES				
Transfers In	-	470	470	(811,000)
TOTAL OTHER FINANCING USES	-	470	470	(811,000)
NET CHANGE IN FUND BALANCES	(868,225)	(1,102,686)	(234,461)	(148,088)
FUND BALANCES, Beginning	6,157,179	6,393,594	236,415	6,541,682
FUND BALANCES, Ending	$ 5,288,954	$ 5,290,908	$ 1,954	$ 6,393,594

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

PARK IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Park Impact Fees			$ -	$ -	$ 172,800
Charges for Services	-	-	-	-	5,800
Interest Income	-	-	-	-	215
Miscellaneous			-	-	1,339
TOTAL REVENUES	-	-	-	-	180,154
EXPENDITURES					
Public Works			-	-	991,660
TOTAL EXPENDITURES	-	-	-	-	991,660
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	(811,506)
OTHER FINANCING SOURCES (USES)					
Transfers In			-	-	811,000
Transfers Out	-	-	(470)	(470)	-
TOTAL OTHER FINANCING SOURCES	-	-	(470)	(470)	811,000
NET CHANGE IN FUND BALANCES	-	-	(470)	(470)	(506)
FUND BALANCES, Beginning			470	470	976
FUND BALANCES, Ending	$ -	$ -	$ -	$ -	$ 470

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

FREDERICK URBAN RENEWAL AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Taxes	$ 5,582,575	$ 5,582,575	$ 5,841,068	$ 258,493	$ 4,084,046
Interest Income	3,275	3,275	212,148	208,873	12,642
Miscellaneous	3,000	3,000	63,370	60,370	-
TOTAL REVENUES	5,588,850	5,588,850	6,116,586	527,736	4,096,688
EXPENDITURES					
Economic Development	$ 3,962,605	$ 4,333,487	$ 3,730,803	$ 602,684	$ 2,087,158
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	181,805	1,448,062	1,189,876	258,186	379,153
Interest and Other Fiscal Charges	-	167,640	66,072	101,568	93,153
TOTAL EXPENDITURES	4,144,410	5,949,189	4,986,751	962,438	2,559,464
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,444,440	(360,339)	1,129,835	1,490,174	1,537,224
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	4,501,000	4,501,000	-	-
NET CHANGE IN FUND BALANCES	1,444,440	4,140,661	5,630,835	1,490,174	1,537,224
FUND BALANCES, Beginning	6,157,247	6,157,247	6,056,896	(100,351)	4,519,672
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-
FUND BALANCES, Beginning, as restated	6,157,247	6,157,247	6,056,896	(100,351)	4,519,672
FUND BALANCES, Ending	$ 7,601,687	$ 10,297,908	$ 11,687,731	$ 1,389,823	$ 6,056,896

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
STATEWIDE RETIREMENT PLAN

Years Ended December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Town's proportionate share of the Net Pension Liability (Asset)	0.127%	0.116%	0.103%	0.096%	0.102%	0.118%	0.298%	0.332%	0.351%	0.362%
Town's proportionate share of the Net Pension Liability (Asset)	$ (2,238)	$ 42,056	$ 148,621	$ 121,550	$ (57,570)	$ (256,284)	$ (1,631,251)	$ 294,511	$ -	$ -
Town's covered payroll	$ 1,230,975	$ 1,191,312	$ 1,208,518	$ 1,288,016	$ 1,500,466	$ 1,500,466	$ 1,896,336	$ 7,309,050	$ 3,473,005	$ 3,836,671
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-0.2%	3.5%	12.3%	9.4%	-3.8%	-17.1%	-86.0%	4.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	100.1%	98.2%	98.2%	95.2%	101.9%	106.7%	116.2%	97.6%	100.0%	100.0%

Notes:

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

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE RETIREMENT PLAN

Years Ended December 31,

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Statutorily required contributions	$ 47,653	$ 48,341	$ 51,521	$ 60,019	$ 75,854	$ 204,749	$ 292,362	$ 329,935	$ 383,668	$ 480,878
Contributions in relation to the Statutorily required contributions	47,653	48,341	51,521	60,019	75,854	204,749	292,362	329,935	383,668	480,878
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 1,191,312	$ 1,208,518	$ 1,288,016	$ 1,500,466	$ 1,896,336	$ 5,118,725	$ 7,309,050	$ 3,473,005	$ 3,836,671	$ 4,579,792
Contributions as a percentage of covered payroll	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	9.50%	10.00%	10.50%

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF FREDERICK, COLORADO

CAPITAL FACILITIES FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Capital Improvement Fees	$ -	$ -	$ 304,559	$ 304,559	$ 123,570
Intergovernmental	234,000	234,000	252,956	18,956	159,020
Interest Income	234,000	234,000	1,087,758	853,758	179,754
Miscellaneous	-	-	-	-	10,475
TOTAL REVENUES	468,000	468,000	1,645,273	1,177,273	472,819
EXPENDITURES					
General	838,000	984,493	1,616,840	(632,347)	1,586,595
Capital Outlay	2,230,000	11,321,458	10,809,627	511,831	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	1,071,131	(1,071,131)	-
TOTAL EXPENDITURES	3,068,000	12,305,951	13,497,598	(1,191,647)	1,586,595
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,600,000)	(11,837,951)	(11,852,325)	(14,374)	(1,113,776)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	46,431,949	46,431,949	-	-
Transfers In	2,000,000	2,000,000	-	(2,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	2,000,000	48,431,949	46,431,949	(2,000,000)	-
NET CHANGE IN FUND BALANCES	(600,000)	36,593,998	34,579,624	(2,014,374)	(1,113,776)
FUND BALANCES, Beginning	2,494,127	2,494,127	3,728,798	1,234,671	4,842,574
FUND BALANCES, Ending	$ 1,894,127	$ 39,088,125	$ 38,308,422	$ (779,703)	$ 3,728,798

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2025

	SPECIAL REVENUE		TOTALS	
	CONSERVATION TRUST FUND	PUBLIC SAFETY FUND	2025	2024
ASSETS				
Cash and Investments	$ 522,969	$ 15,270	$ 538,239	$ 674,818
TOTAL ASSETS	$ 522,969	$ 15,270	$ 538,239	$ 674,818
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Fund Balance				
Restricted for Parks & Recreation	522,969	-	522,969	419,156
Restricted for Public Safety	-	15,270	15,270	255,662
TOTAL FUND BALANCE	522,969	15,270	538,239	674,818
TOTAL LIABILITIES AND FUND BALANCES	$ 522,969	$ 15,270	$ 538,239	$ 674,818

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2025

	SPECIAL REVENUE		TOTALS	
	CONSERVATION TRUST FUND	PUBLIC SAFETY FUND	2025	2024
REVENUES				
Public Safety Impact Fee	$ -	$ 55,364	$ 55,364	$ 87,572
Intergovernmental	103,813	-	103,813	101,562
Interest Income	-	4,244	4,244	14,536
TOTAL REVENUES	103,813	59,608	163,421	203,670
EXPENDITURES				
Parks and Recreation	-	-	-	17,499
TOTAL EXPENDITURES	-	-	-	17,499
(UNDER) EXPENDITURES	103,813	59,608	163,421	186,171
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(300,000)	(300,000)	(300,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	(300,000)	(300,000)	(300,000)
NET CHANGE IN FUND BALANCES	103,813	(240,392)	(136,579)	(113,829)
FUND BALANCES, Beginning	419,156	255,662	674,818	788,647
FUND BALANCES, Ending	$ 522,969	$ 15,270	$ 538,239	$ 674,818

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Intergovernmental	$ 110,000	$ 103,813	$ (6,187)	$ 101,562
TOTAL REVENUES	110,000	103,813	(6,187)	101,562
EXPENDITURES				
Parks and Recreation	-	-	-	17,499
NET CHANGE IN FUND BALANCE	110,000	103,813	6,187	84,063
FUND BALANCE, Beginning	406,088	419,156	13,068	335,093
FUND BALANCE, Ending	$ 516,088	$ 522,969	$ 6,881	$ 419,156

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

PUBLIC SAFETY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Public Safety Impact Fee	$ 100,000	$ 55,364	$ (44,636)	$ 87,572
Interest Income	20,000	4,244	(15,756)	14,536
TOTAL REVENUES	120,000	59,608	(60,392)	102,108
EXPENDITURES				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	120,000	59,608	60,392	102,108
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(350,000)	(300,000)	50,000	(300,000)
NET CHANGE IN FUND BALANCE	(230,000)	(240,392)	110,392	(197,892)
FUND BALANCE, Beginning	272,041	255,662	(16,379)	453,554
FUND BALANCE, Ending	$ 42,041	$ 15,270	$ (26,771)	$ 255,662

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Charges for Services	$ 4,501,700	$ 4,684,708	$ 183,008	$ 4,381,638
Contributions	5,631,180	2,183,282	(3,447,898)	2,768,083
Reimbursed Expenses	-	7,148	7,148	-
Interest Income	-	909,474	909,474	1,374,769
Miscellaneous	95,000	68,468	(26,532)	47,625
TOTAL REVENUES	10,227,880	7,853,080	(2,374,800)	8,572,115
EXPENDITURES				
Operations	11,435,610	9,838,500	1,597,110	9,373,996
Capital Outlay	4,716,000	2,945,371	1,770,629	3,230,718
Depreciation Expense	415,000	475,745	(60,745)	410,815
TOTAL EXPENDITURES	16,566,610	13,259,616	3,306,994	13,015,529
CHANGE IN NET POSITION, Budget Basis	$ (6,338,730)	(5,406,536)	$ 932,194	(4,443,414)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		2,945,371		3,230,718
CHANGE IN NET POSITION, GAAP Basis		(2,461,165)		(1,212,696)
NET POSITION, Beginning		132,464,810		128,911,323
PRIOR PERIOD ADJUSTMENT		(3,129,726)		-
FUND BALANCES, Beginning, Restated		129,335,084		133,677,506
NET POSITION, Ending		$ 126,873,919		$ 132,464,810

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

STORM WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Drainage Fees	$ 820,000	$ 1,108,946	$ 288,946	$ 1,322,659
Interest Income	225,000	64,445	(160,555)	158,234
Miscellaneous	540,000	8,087	(531,913)	8,985
TOTAL REVENUES	1,585,000	1,181,478	(403,522)	1,489,878
EXPENDITURES				
Operations	2,101,360	2,199,066	(97,706)	1,625,087
Capital Outlay	446,000	135,285	310,715	2,564,742
Depreciation Expense	165,000	252,818	(87,818)	224,458
Transfers Out	-	-	-	24,349
TOTAL EXPENDITURES	2,712,360	2,587,169	125,191	4,438,636
CHANGE IN NET POSITION, Budget Basis	$ (1,127,360)	(1,405,691)	$ (278,331)	(2,948,758)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		135,285		2,564,742
CHANGE IN NET POSITION, GAAP Basis		(1,270,406)		(384,016)
NET POSITION, Beginning		7,451,068		7,835,084
PRIOR PERIOD ADJUSTMENT		(131,730)		-
FUND BALANCES, Beginning, Restated		7,319,338		7,835,084
NET POSITION, Ending		$ 6,048,932		$ 7,451,068

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

GOLF COURSE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Golf Fees and Passes	$ -	$ -	$ -	$ 468,950
Merchandise Sales	-	-	-	65,472
Rental Income	-	-	-	131,586
Miscellaneous	-	-	-	66,627
Transfers In	-	421,387	421,387	562,000
TOTAL REVENUES	-	421,387	421,387	1,294,635
EXPENDITURES				
Operations	-	-	-	1,238,301
Capital Outlay	-	-	-	177,284
Depreciation Expense	-	-	-	56,125
Transfers Out	-	421,624	(421,624)	-
TOTAL EXPENDITURES	-	421,624	(421,624)	1,471,710
CHANGE IN NET POSITION, Budget Basis	$ -	(237)	$ (237)	(177,075)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		-		177,284
CHANGE IN NET POSITION, GAAP Basis		(237)		209
NET POSITION, Beginning		237		28
NET POSITION, Ending		$ -		$ 237

See the accompanying independent auditors' report.

TOWN OF FREDERICK, COLORADO

OIL ROYALTY TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Oil Royalties	$ 60,000	$ 908,720	$ 848,720	$ 76,711
Investment Income	32,000	42,216	10,216	32,397
TOTAL REVENUES	92,000	950,936	858,936	109,108
EXPENDITURES				
Scholarships	73,000	38,000	35,000	42,000
Donations	-	17,000	(17,000)	12,500
Miscellaneous	-	-	-	-
TOTAL EXPENDITURES	73,000	55,000	18,000	54,500
CHANGE IN NET POSITION	19,000	895,936	876,936	54,608
NET POSITION, Beginning	1,773,578	1,812,163	38,585	1,757,555
NET POSITION, Ending	$ 1,792,578	$ 2,708,099	$ 915,521	$ 1,812,163

See the accompanying independent auditors' report.

STATE COMPLIANCE

Form Approved
The public report burden for this information collection is estimated to average 380 hours annually. OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Frederick	State: Colorado
	YEAR ENDING : December 2025	
This Information From The Records Of: Town of Frederick	Prepared By: Phone:	Anthony Bixby 720-382-5523

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	0
3. Other local imposts (from page 2)	2,336,658
4. Miscellaneous local receipts (from page 2)	474,007
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)	2,810,665
B. Private Contributions	
C. Receipts from State government (from page 2)	844,347
D. Receipts from Federal Government (from page 2)	521,946
E. Total receipts (A.7 + B + C + D)	4,176,959

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	2,249,261
2. Maintenance:	75,885
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	103,835
c. Other	21,693
d. Total (a. through c.)	125,528
4. General administration & miscellaneous	2,338,030
5. Highway law enforcement and safety	
6. Total (1 through 5)	4,788,705
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	41,200
b. Redemption	370,000
c. Total (a. + b.)	411,200
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	
3. Total (1.c + 2.c)	411,200
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	5,199,905

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
(2,732,879)	4,176,959	5,199,905	(3,755,825)	

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2025

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	198,871
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	1,868,859	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	316,902	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	150,898	g. Other Misc. Receipts	275,136
6. Total (1. through 5.)	2,336,658	h. Other	
c. Total (a. + b.)	2,336,658	i. Total (a. through h.)	474,007
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	780,279	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	64,068	d. Federal Transit Admin	
d. Other (Specify) - CDOT Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	521,946
f. Total (a. through e.)	64,068	g. Total (a. through f.)	521,946
4. Total (1. + 2. + 3.f)	844,347	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			
(4). System Enhancement & Operation		2,249,261	2,249,261
(5). Total Construction (1) + (2) + (3) + (4)		2,249,261	2,249,261
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		2,249,261	2,249,261
			(Carry forward to page 1)

Notes and Comments: