

Town of Frisco, Colorado
Annual Comprehensive Financial Report
For the Year Ended December 31, 2025



Prepared by the Town of Frisco
Finance Department
Leslie Edwards, Finance Director

**Town of Frisco, Colorado
Annual Comprehensive Financial Report
For the Year Ended December 31, 2025**

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INTRODUCTORY SECTION





TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

June 30, 2026

To the Honorable Mayor, Members of the Town Council, and the Town of Frisco Community:

It is our privilege to present the Annual Comprehensive Financial Report (ACFR) for the Town of Frisco, Colorado, for the fiscal year ended December 31, 2025. This report has been prepared in accordance with generally accepted accounting principles (GAAP) and represents the Town's ongoing commitment to responsible stewardship, transparent governance, and long-term sustainability.

The accuracy, completeness, and fairness of the data presented in this report are the responsibility of Town management. To the best of our knowledge, the information contained herein is accurate in all material respects and is presented in a manner designed to fairly portray the financial position and results of operations of the Town. All necessary disclosures have been included to enable readers to gain an understanding of the Town's financial activities and condition.

Independent Audit and Oversight

As required by Colorado law and the Town Charter, the Town's financial statements have been audited by the independent certified public accounting firm of McMahan and Associates, L.L.C. The auditors have issued an unmodified opinion, indicating that the financial statements are fairly presented, in all material respects, in accordance with GAAP.

GAAP also requires that management provide a narrative introduction, overview, and analysis of the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Internal Controls and Budgetary Practices

Town management is responsible for establishing and maintaining a comprehensive framework of internal controls designed to safeguard public assets, ensure the reliability of financial reporting, and promote compliance with applicable laws and regulations. While the cost of internal controls should not exceed anticipated benefits, the Town's controls are designed to provide reasonable assurance that these objectives are achieved.

Budgetary control is maintained through annual appropriations adopted by the Town Council. Expenditures are monitored throughout the year, appropriated at the fund level,

TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

and budget amendments are presented to Council as necessary. The Town's budgeting process integrates strategic priorities, long-range financial planning, and capital investment decisions. The Town has consistently maintained a balanced budget and has received the Government Finance Officers Association's Distinguished Budget Presentation Award annually since 2008.

Profile of the Government

The Town of Frisco, incorporated in 1879 and operating as a home-rule municipality since 1988, is located in the heart of Summit County approximately 70 miles west of Denver. Surrounded by public lands, mountain peaks, and world-class recreational opportunities, Frisco serves approximately 3,000 year-round residents while welcoming visitors from throughout Colorado and around the world.

The Town operates under a council-manager form of government, with legislative authority vested in a Mayor and six-member Town Council. The Town Manager is responsible for implementing Council policies and overseeing daily operations.

The Town provides a full range of municipal services, including police protection, public works, planning and development services, water utility operations, housing initiatives, sustainability programs, recreation programming, special events, and cultural services. Sewer services are provided by the independent Frisco Sanitation District.

Town-owned amenities include the Frisco Bay Marina, Peninsula Recreation Area, Adventure Park, Nordic Center, Historic Park and Museum, Information Center, community parks, athletic facilities, and an extensive trail network. These assets contribute significantly to Frisco's quality of life and economic vitality.

The Town's financial statements also include the Frisco Community Housing Development Authority as a blended component unit. Established in accordance with Colorado State Statutes, the Authority helps advance the Town's workforce housing goals. Because of the close relationship between the Authority and the Town, its financial activities are included within the Town's financial statements.

Local Economy and Future Outlook

Like many mountain communities, Frisco experienced a year of economic moderation during 2025. Visitor travel patterns continued to evolve, lodging activity softened compared to recent peak years, and economic uncertainty persisted at both the national and state levels. Despite these challenges, Frisco continued to perform favorably relative to many neighboring resort communities and maintained a strong financial position.

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Sales tax revenues remained resilient throughout the year, reflecting Frisco's role as both a tourism destination and a regional commercial center within Summit County. Several new businesses opened during 2025, including Dunkin Donuts, Prospector's Marketplace, and Silver Crown, further contributing to the community's economic vibrancy and reinforcing Frisco's position as a year-round destination.

Looking ahead, the Town remains cautiously optimistic. While economic forecasts suggest modest growth and continued uncertainty related to inflation, interest rates, housing affordability, tourism trends, and federal policy changes, Frisco enters 2026 from a position of strength. Conservative budgeting practices, healthy reserves, and prudent financial management provide the flexibility necessary to navigate changing economic conditions while continuing to invest in community priorities.

Strategic Direction and Long-Term Planning

The Town Council's 2024-2028 Strategic Plan serves as the foundation for organizational priorities and resource allocation. The Plan's vision is to be "a welcoming mountain town that connects people with nature and supports opportunities for community wellbeing."

To achieve this vision, Town Council has identified four strategic priorities:

- Quality Core Services
- Thriving Economy
- Community Inclusivity
- Vibrant Culture, Arts, and Recreation

These priorities are integrated throughout the Town's budgeting, capital planning, and operational decision-making processes and provide a framework for measuring progress toward community goals.

Long-term planning remains a cornerstone of the Town's financial strategy. The Town annually updates a five-year Capital Improvement Program, maintains reserve levels that exceed policy requirements, and evaluates future operating and capital needs through multi-year forecasting. This disciplined approach allows the Town to proactively address infrastructure replacement, economic fluctuations, and emerging community priorities while preserving long-term financial sustainability.

Major Initiatives

During 2025, the Town continued implementation of several significant initiatives that support community sustainability and quality of life.

TOWN of FRISCO

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Workforce housing remained a top priority. Construction advanced on housing developments at 602 Galena Street and 101 West Main Street through partnerships with The NHP Foundation and significant grant funding provided by the Colorado Department of Local Affairs. These projects are intended to support a stable year-round workforce and address one of the community's most pressing long-term challenges.

The Town also continued investment in critical infrastructure, including water system improvements, PFAS mitigation planning, transportation enhancements, broadband connectivity, and recreational amenities. These investments support the Town's commitment to maintaining high-quality services while preparing for future community needs.

Debt Administration and Credit Ratings

The Town continues to maintain a conservative approach to debt management. Long-term debt is utilized only for significant capital investments that provide long-term community benefits, including workforce housing, recreational facilities, marina improvements, and municipal infrastructure.

In March 2023, Moody's Investors Service upgraded the Town's issuer rating from Aa2 to Aa1, reflecting the Town's strong financial position, healthy reserve levels, and prudent management practices. This rating remains among the highest assigned to local governments and provides evidence of the Town's commitment to fiscal stewardship.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded the Town of Frisco the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

The Town has also received the GFOA Distinguished Budget Presentation Award annually since 2008 and the Award for Outstanding Achievement in Popular Annual Financial Reporting annually since 2009.

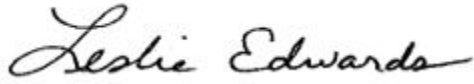
In our opinion, this Annual Comprehensive Financial Report continues to meet the high standards of the Certificate of Achievement Program, and we intend to submit it to the Government Finance Officers Association for consideration.

The preparation of this report would not have been possible without the professionalism and dedication of the Finance Department and the cooperation of employees throughout

TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 80443

the organization. We also extend our appreciation to McMahan and Associates, L.L.C. for their professional audit services, and to the Mayor and Town Council for their continued leadership and commitment to sound financial management.



Leslie Edwards, Finance Director



Dylan Olchin, Assistant Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Frisco
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

**TOWN OF FRISCO, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2025**

Elected Officials

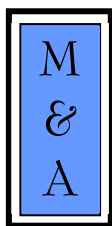
Mayor	Rick Ihnken
Mayor Pro-tem	Andy Held
Council Members	Elizabeth J. Skrzypczak-Adrian
	Dan Kibbie
	Martin Allen
	Robyn Goldstein
	Zach Ryan

Administrative Officials

Town Manager	Tom Fisher
Deputy Town Manager	Diane McBride
Town Attorney	Thad Renaud
Recreation Director	Linsey Joyce
Town Clerk	Stacey Campbell
Finance Director	Leslie Edwards
Police Chief	Tom Wickman
Public Works Director	Josh Southworth
Community Development Director	Katie Kent
Communications, Marketing, and Culture Director	Vanessa Agee
Human Resources Director	O'Lynda Fette

FINANCIAL SECTION





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: WWW.McMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Required Supplementary Information (continued)

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

Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in blue ink that reads "McMahon and Associates, L.L.C.".

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

MANAGEMENT'S DISCUSSION AND ANALYSIS





This section of the Town of Frisco's financial statements provides a narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the Town's financial statements which follow within this section, as well as the accompanying statistical information, and state compliance sections.

I. FINANCIAL HIGHLIGHTS

- The Town of Frisco remains in a strong financial position. An increase in overall net position, combined with continued investment in public infrastructure, reflects the Town's ongoing fiscal health and commitment to overall financial health.
- The General Fund reported an ending fund balance of approximately \$14.7 million, a decrease of approximately \$91,000 from the prior year. The decrease was primarily attributable to infrastructure investments through public works and a planned transfer to the capital fund.
- General Fund revenues exceeded expenditures by approximately \$1.8 million before transfers, demonstrating the continued strength of the Town's revenue base and effective expenditure management.
- Governmental activities added a new equipment financing agreement during 2025 in the amount of \$699,000 to support investment in energy improvements.
- Business-type activities reported a combined increase in net position of approximately \$588,000. The Water Fund generated positive operating and non-operating results, while the Marina Fund experienced an operating loss due primarily to ongoing operating and maintenance costs.
- The Insurance Reserve Fund reported an increase in net position of approximately \$268,000 despite elevated healthcare claim activity during 2025.
- Total cash and investments at year-end were approximately \$27.8 million, providing substantial liquidity to support operations, capital projects, debt service requirements, and emergency reserves.
- The Town continued to maintain significant capital assets on the government wide statement of net position, amounting to over \$102 million.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town of Frisco's basic financial statements. The Town of Frisco's basic financial statements comprise three components: 1) government-



wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1. Government-wide Financial Statements

The government-wide financial statements are intended to provide readers with a broad overview of the Town's financial condition. They are presented using accounting methods very similar to a private-sector business, or the economic resources measurement focus, and full accrual accounting.

- *The Statement of Net Position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as Net Position. Over time, increases or decreases in net position can serve as an indicator of the Town's financial condition.
- *The Statement of Activities* presents information showing how the Town's net position changed during the given fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Capital expenditures are not included in this statement; however capital grant revenues are reported.

2. Fund Financial Statements

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

Governmental Funds

The governmental funds presentation is different from the governmental activities section of the government-wide financial statements, even though these two statements account for essentially the same activities. Governmental funds presented have a budgetary or current financial resources measurement focus and use the modified accrual basis of accounting. That is, the governmental funds presentation focuses on the Town's near-term financial position and changes thereto.

Proprietary Funds

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

- *Enterprise funds* account for the operation of governmental programs that are intended to be supported primarily by external user fees. The Town uses enterprise funds to account for its water operations and the marina operations. These funds are presented as business-type activities on the government-wide financial statements but are presented in greater detail in the fund financial statements. In both cases, enterprise funds are presented using the economic resources measurement focus and full accrual accounting.



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

3. Notes to the Basic Financial Statements

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

III. GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the Town. As of December 31, 2025, the Town had total assets of \$144,887,128. As of December 31, 2025, the Town's net position was \$126,410,498.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	34,909,637	40,393,841	7,881,762	8,446,414	42,791,399	48,840,255
Capital assets	84,924,275	73,727,798	17,171,454	16,107,260	102,095,729	89,835,058
Total Assets	119,833,912	114,121,639	25,053,216	24,553,674	144,887,128	138,675,313
Deferred Outflows of Resources:	724,281	703,029	-	-	724,281	703,029
Liabilities:						
Other liabilities	4,732,425	6,996,520	180,163	170,133	4,912,588	7,166,653
Long-term liabilities	8,812,485	8,743,703	5,026,641	5,124,999	13,839,126	13,868,702
Total Liabilities	13,544,910	15,740,223	5,206,804	5,295,132	18,751,714	21,035,355
Deferred Inflows of Resources:	449,197	358,719	-	-	449,197	358,719
Net Position:						
Net investment in capital assets	75,914,614	64,401,749	12,101,350	10,934,978	88,015,964	75,336,727
Restricted	7,768,724	7,447,935	0	587,799	7,768,724	8,035,734
Unrestricted	22,880,748	26,876,042	7,745,062	7,735,765	30,625,810	34,611,807
Total Net Position	\$106,564,086	\$98,725,726	19,846,412	19,258,542	\$126,410,498	\$117,984,268



Capital Assets make up the largest portion of the Town's Net Position. Capital assets include items such as infrastructure, buildings, equipment, machinery, land, art, and other tangible items. Infrastructure includes streets, traffic signals, buildings, and sidewalks. The Town uses capital assets to provide services to the community and thus they are not available for immediate spending. Although the Town of Frisco's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. During 2025, the Town added to its capital assets.

- ▶ The Town of Frisco's investment in capital assets for its governmental and business type activities as of December 31, 2025 amounts to \$88,015,964 net of related debt, up from \$75,336,727 in the preceding year. This investment in capital assets includes land, buildings, vehicles, art, equipment, roads, bridges, and utility system infrastructure.
- ▶ The total increase in the Town of Frisco's investment in capital assets (net of related debt) for the fiscal year ending 2025 was \$12,679,237. This is primarily due to the construction of fiber infrastructure, infrastructure for 602 Galena housing development, and investment in vehicles/equipment.

Additional information on the Town's capital assets can be found in the Capital Assets note in the Notes to the Financial Statements section (D15 - D16).

At the end of the current fiscal year, the Town of Frisco had a total of \$14,852,104 in long-term liabilities and no bonded debt outstanding in the form of General Obligation Bonds. Additional information on the Town's long-term debt can be found in the Long-Term Liabilities notes in the Notes to the Financial Statements section (D18 – D20).

The \$144,887,128 in total assets includes \$27,809,694 in equity in pooled cash and investments. This reflects the strong cash balances that the Town of Frisco maintained during 2025.

At the end of 2025, the Town of Frisco is able to report positive balances in both categories of net position: both for the government as a whole, as well as for its separate Governmental, Business-type activities. The unrestricted net position equals 75% of total expenses in the statement of activities for governmental activities for 2025 and 87% of the total government-wide expenses, including Business-Type activities.

Statement of Activities

This statement presents information showing the activities that caused the Town's net position to change during the given fiscal year. Governmental activities experienced an increase in net position primarily due to increased operating grant revenues associated with housing initiatives. Housing expenditures also increased as the Town continued implementation of workforce housing developments, including the 602 Galena Street and 101 West Main Street projects. These expenditures were largely offset by grant funding.

Business-type activities increased net position by approximately \$588,000 during 2025. The slight increase was primarily due to the timing of major Water Fund capital projects, including PFAS mitigation and water tank rehabilitation, which are expected to continue into 2026 and potentially future years. Despite these ongoing investments, the Water Fund maintained positive operating performance, and Marina Fund operations remained generally stable.



The following reflects the Town's change in net position:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES:						
Program revenues:						
Charges for services	6,460,825	5,591,511	3,993,668	3,956,953	10,454,493	9,548,464
Operating grants and contributions	7,012,416	1,763,041	98,415	651,230	7,110,831	2,414,271
Capital grants and contributions	704,538	1,497,213	765,957	644,991	1,470,495	2,142,204
General revenues:						
Property taxes	298,437	308,640	-	-	298,437	308,640
Sales and use taxes	16,388,446	16,267,232	-	-	16,388,446	16,267,232
Real estate investment fee	2,269,130	2,185,418	-	-	2,269,130	2,185,418
Franchise taxes	403,214	388,381	-	-	403,214	388,381
Lodging taxes	919,958	965,443	-	-	919,958	965,443
Other taxes	2,288,043	2,334,881	-	-	2,288,043	2,334,881
Interest and other	1,442,491	1,445,709	647,499	641,507	2,089,990	2,087,216
Total Revenues	38,187,498	32,747,469	5,505,539	5,894,681	43,693,037	38,642,150
EXPENSES:						
Program Expenses						
General government	5,768,167	5,822,803	-	-	5,768,167	5,822,803
Public safety	3,554,628	2,791,741	-	-	3,554,628	2,791,741
Public works	6,231,219	5,418,095	-	-	6,231,219	5,418,095
Community development	2,282,063	2,737,971	-	-	2,282,063	2,737,971
Culture and recreation	6,397,371	5,696,075	-	-	6,397,371	5,696,075
Health and welfare	813,778	1,040,491	-	-	813,778	1,040,491
Housing	4,987,799	1,179,134	-	-	4,987,799	1,179,134
Interest	314,113	328,640	-	-	314,113	328,640
Marina	-	-	3,127,646	2,941,898	3,127,646	2,941,898
Water	-	-	1,790,023	1,798,033	1,790,023	1,798,033
Total Expenses	30,349,138	25,014,950	4,917,669	4,739,931	35,266,807	29,754,881
Change in Net Position	7,838,360	7,732,519	587,870	1,154,750	8,426,230	8,887,269
Net Position-Beginning	98,725,726	90,993,207	19,258,542	18,103,792	117,984,268	109,096,999
Net Position - Ending	\$106,564,086	\$98,725,726	\$19,846,412	\$19,258,542	\$126,410,498	\$117,984,268

IV. FUND FINANCIAL STATEMENT ANALYSIS

As noted earlier, the Town uses fund accounting to segregate resources for specific activities or objectives in accordance with legal or regulatory requirements. The focus of the Town of Frisco's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This



information is useful in assessing the Town's financial flexibility and liquidity. In particular, unassigned fund balance serves as a key indicator of resources available for discretionary spending at year-end.

Governmental Fund Balances

General Fund

The General Fund is the primary operating fund of the Town. As of December 31, 2025, the fund balance totaled \$14,593,259, a decrease of approximately \$91k, or 0.6%, from the 2024 ending balance of \$14,684,583.

This decrease was primarily driven by investments in infrastructure and a transfer to the Capital Fund, offset by revenue performance across several key categories:

- **Sales Tax Revenues:** These remained the largest single revenue source and increased approximately 0.8% over 2024 levels. Growth was largely supported by inflation-driven price increases. Sectors with the largest year-over-year gains included utilities (up 6%) and groceries (up 4%), reflecting both slight price increases and limited growth throughout the year.
- **Charges for Services:** Total service revenue increased over 2024 due to higher visitation and participation at recreational facilities. Most notably:
 - Frisco Adventure Park revenues increased by \$208,000, largely driven by the popularity of the tubing hill, ski hill, and notable the new terrain park.
 - Community Development permit revenues increased by \$460,000, reflecting continued high volume of permit activity, with a focus on smaller valuations related to remodels and similar level activity.
- **Investment Income:** Investment earnings fell behind 2024 levels by approximately \$43,000. Yet at an amount exceeding 4% of total cash and investments, investments continue to benefit from active management of the Town's cash and investment portfolio.
- **Lodging and Short-Term Rental Fees:** The Town experienced a decline in year-over-year lodging revenue. Vacation rental tax collections declined modestly by 3%, while by hotel and inn collections declined 8%, signifying a slow down in overnight stays in town.

Overall, total General Fund revenues outpaced operating expenditures by \$1.8M. Expenditures increased only modestly due to conservative staffing and minimal increases in transfers to other funds were held in line with prior year activity. The result was a slight net negative change in fund balance.

At year-end, the unassigned fund balance was \$13,112,314, representing approximately 63% of actual General Fund expenditures. This exceeded the Town Council's reserve policy target of a 7-month operating reserve. In accordance with the Town's financial policies, excess reserves are earmarked for future capital improvements and will be transferred to the Capital Improvement Fund in subsequent years.



Capital Projects Fund

The Capital Projects Fund ended 2025 with a fund balance of \$2,522,685, reflecting a decrease of almost \$2 million from the prior year. This reduction is primarily attributed to:

- The continuation of major capital investments, including \$1.2 million expended on fiber infrastructure.
- Additional investments include energy improvements at Town facilities (\$1.1 million) and expenditures for vehicles and equipment (\$1.5 million).

These projects and other minor projects were started in 2025, but will not be completed until 2026, which will impact fund balance in future periods. The funds related to these unfinished projects approximate \$2.8 million of future expenditure. The primary revenue sources for this fund remain General Fund transfers and Real Estate Investment Fees (REIF), which increased by 4% compared to 2024.

Special Revenue Funds

Combined fund balances for the Town's special revenue funds totaled \$7,007,477 at the end of 2025. The most notable change was a \$1,343,610 decrease (approximately 31%) in the Housing Fund. Expenditures in this fund were attributable to NHP Foundation housing development project in the downtown core:

- Contributions to the housing project at 602 Galena Street. Partially funded by State of Colorado Department of Local Affairs (DOLA) grant awards, upon completion in Fall 2026 the complex will provide 54 additional middle-income rental units in Town.
- Contributions to the housing infrastructure at 101 W Main Street. In 2025, costs included permit fees for this project, funded by State of Colorado Department of Local Affairs (DOLA) grant awards. Upon completion in 2027 the complex will provide 52 additional low-income rental units in Town.

The Housing Fund saw an increase in dedicated revenues, with the short-term rental excise tax generating \$1,267,000, down 2% from 2024. Summit Combined Housing Authority sales taxes dedicated to this fund remained relatively flat with a 0.3% increase, resulting in \$2,085,417 in 2025 revenue to the fund. These funds are restricted for affordable housing investments, including the ongoing NHP Foundation developments and acquisition of permanently deed-restricted workforce housing.



Proprietary Fund Balances

The Town of Frisco's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Business-type and internal-service activities increased the Town's net position by \$855,968 in 2025. Key elements of this increase are as follows:

- Water investment income exceeded original budgeted amounts by \$181,168
- Water fund repair and maintenance was under budget by \$334,786
- Marina user charges fell behind budget by \$238,762
- Marina salaries and benefits exceeded budget by \$193,258

Unrestricted net position for the Water Fund at the end of the current fiscal year was \$7,020,746 while the Marina Fund reported unrestricted net position of \$724,316. The Insurance Reserve Fund ended the year with an unrestricted net position of \$1,555,542.

Budgetary Highlights

Over the course of the year, the Town Council revised the budget, with revisions falling into two categories:

- ▶ Supplemental appropriations approved shortly after the beginning of the year for projects and purchases not completed in the previous year.
- ▶ Supplemental appropriations approved after the beginning of the year to reflect new projects or revenues not previously considered, grants not received, or projects that are estimated to cost more than previously expected at the time of the adoption of the budget.

Differences between the original budget and the final amended budget were related to both revenue and expenditures. General Fund revenues were over amended budget by \$1.2 million primarily due to Frisco Adventure Park fees, Community Development permit fees, and investment income exceeding budgeted amounts. The 2025 General Fund expenditure budget was increased by approximately \$1.7 million. All additional appropriations were related to the rollover of 2024 funds for incomplete projects included waste diversion, countywide Municipal Emergency Response Team (MERT), drainage master plan, road resurfacing, curb replacement, bridge improvements, and facilities repair and maintenance (historic park). Actual General Fund expenditures were under the amended budget by \$1.1 million.

Key elements are as follows:

- The following sources of revenue exceeded original budget projections as follows: Frisco Adventure Park fees \$341,729; Community Development permit fees \$555,921, investment income \$289,246, town sales tax (combined with audit revenue and late fees) exceeded budget \$107,680, Real Estate Investment Fees (REIF) \$269,130
- County sales tax collected by the State of Colorado lagged behind budget by \$143,023 and Marina user fees fell short of budget by \$238,762.
- Likewise, overall expenditures were significantly under budget by \$9,284,177, the majority as a result of capital projects budgeted but not fully completed in 2025 (including Granite Park workforce housing project, Slopeside Hall, Old Town Hall rehabilitation, and vehicle/equipment purchases).
- Some expenditures did exceed budget, as follows: Legal fees by \$113,113, IT related costs by \$130,784, Insurance (liability and worker's compensation) by \$116,374, and Marina salaries and benefits by \$193,258.



Economic Factors and Next Year's Budget

► **Revenues:** Tax revenues - including property, sales, and lodging taxes - remain the primary source of governmental revenues for the Town of Frisco, providing essential funding for general operations and maintenance. For 2026, the Town has budgeted General Fund revenues at \$22,159,794, reflecting an increase from the 2025 budget of \$21,448,322. Total revenues across all funds are projected at \$48,266,750, up from \$45,820,073 in 2025.

► **Expenditures:** Budgeted expenditures for 2026 in the General Fund are \$21,860,327 (excluding transfers), compared to \$19,996,530 in 2025. Total expenditures across all funds are budgeted at \$53,919,965, down from \$62,291,658 in 2025. The reduction in total expenditures is primarily due to the completion of several one-time capital projects in 2025.

► **Economic Outlook:** The economic environment for Colorado's mountain communities continues to evolve following several years of exceptional growth. While broader economic forecasts for 2026 suggest modest growth nationally and within Colorado, uncertainty remains regarding inflation, interest rates, consumer spending patterns, and federal policy changes. As a tourism-based community, Frisco remains sensitive to these factors; however, the Town continues to demonstrate resilience and financial stability.

Sales tax revenues, the Town's primary source of General Fund revenue, remained relatively stable during 2025 and represented approximately 63% of total General Fund revenues. While revenue growth has moderated compared to recent years, Frisco continued to perform favorably relative to many neighboring resort communities. The Town's role as both a visitor destination and regional commercial center within Summit County has helped support local businesses and maintain a strong revenue base.

Tourism remains a key driver of the local economy. Although visitation patterns have shifted and lodging activity has softened from peak post-pandemic levels, Frisco continues to benefit from its year-round recreational amenities and central location within Summit County. Looking ahead, community leaders are optimistic that major events, including the FIS Alpine Ski World Cup races at Copper Mountain, will provide additional economic activity during traditionally slower periods.

Housing affordability continues to be one of the most significant challenges facing the community and mountain towns throughout Colorado. In response, the Town has continued investing in workforce housing initiatives, including the 54-unit middle-income housing development at 602 Galena Street, which began construction in 2025 and is expected to be completed in 2026.

Despite ongoing economic uncertainty, the Town enters 2026 from a position of strength. Sales tax revenues have increased approximately 80% over the past ten years and continue to serve as the Town's largest source of governmental revenue. Conservative budgeting practices, healthy reserve levels, diversified revenue sources, and prudent financial management provide flexibility



to respond to changing economic conditions while continuing to invest in community priorities and maintain high-quality services.



Despite these challenges, the Town of Frisco is well-positioned to navigate potential economic downturns. The Town's conservative budgeting practices, healthy fund balances, and strategic investments in infrastructure and workforce housing contribute to its fiscal resilience. Continued monitoring of economic indicators and adaptive financial planning will be essential to maintain the Town's financial health in the coming year.

IV. REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Finance Department, Town of Frisco, 1 Main Street, PO Box 4100, Frisco, CO 80443, via telephone at (970) 668-9138, or via e-mail at LeslieE@TownofFrisco.com.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	17,941,322	6,324,927	24,266,249
Cash and investments - Restricted	3,059,682	483,763	3,543,445
Receivables, net:			
Property taxes assessed	308,144	-	308,144
Other taxes	4,368,814	-	4,368,814
Intergovernmental	1,294,675	-	1,294,675
Employees	28,355	-	28,355
Other	1,938,385	385,751	2,324,136
Non-current	38,501	-	38,501
Internal balances	(406,422)	406,422	-
Notes receivable	4,100,000	-	4,100,000
Interest receivable	1,016,642	-	1,016,642
Inventories	1,168,298	84,139	1,252,437
Prepaid items	53,241	196,760	250,001
Capital assets - Not being depreciated	33,370,653	312,319	33,682,972
Capital assets - net of accumulated depreciation	51,553,622	16,859,135	68,412,757
Total Assets	119,833,912	25,053,216	144,887,128
Deferred Outflows of Resources:			
Pension related deferred outflows	724,281	-	724,281
Total Deferred Outflows of Resources	724,281	-	724,281
Liabilities:			
Accounts payable	3,443,676	7,218	3,450,894
Interest payable	53,664	20,917	74,581
Unearned revenue	122,892	-	122,892
Deposits payable	247,187	4,056	251,243
Compensated absences:			
Due within one year	307,444	42,972	350,416
Due in more than one year	461,165	61,535	522,700
Debt payable:			
Due within one year	557,562	105,000	662,562
Due in more than one year	8,351,320	4,965,106	13,316,426
Total Liabilities	13,544,910	5,206,804	18,751,714
Deferred Inflows of Resources:			
Property taxes	300,277	-	300,277
Pension related deferred inflows	148,920	-	148,920
Total Deferred Inflows of Resources	449,197	-	449,197
Net Position:			
Net Investment in capital assets	75,914,614	12,101,350	88,015,964
Restricted:			
Tabor emergency reserve	1,309,000	-	1,309,000
Nicotine tax	516,538	-	516,538
Debt service	651,951	-	651,951
Affordable housing	4,642,457	-	4,642,457
Conservation Trust Fund	6,837	-	6,837
Economic development	629,033	-	629,033
Historic preservation	12,908	-	12,908
Unrestricted	22,880,748	7,745,062	30,625,810
Total Net Position	106,564,086	19,846,412	126,410,498

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

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Functions/Programs:						
Governmental activities:						
General government	5,768,167	485,691	301,622	-	(4,980,854)	(4,980,854)
Public safety	3,554,628	89,081	10,766	-	(3,454,781)	(3,454,781)
Community development	2,282,063	1,202,236	101,074	-	(978,753)	(978,753)
Public works	6,231,219	15,975	-	704,538	(5,510,706)	(5,510,706)
Culture and recreation	6,397,371	4,188,607	41,018	-	(2,167,746)	(2,167,746)
Health and welfare	813,778	-	-	-	(813,778)	(813,778)
Housing	4,987,799	479,235	6,557,936	-	2,049,372	2,049,372
Interest on long-term debt	314,113	-	-	-	(314,113)	(314,113)
Total - Governmental activities	30,349,138	6,460,825	7,012,416	704,538	(16,171,359)	(16,171,359)
Business-type activities:						
Water	1,790,023	1,592,855	50,000	765,957	618,789	618,789
Marina	3,127,646	2,400,813	48,415	-	(678,418)	(678,418)
Total - Business-type activities	4,917,669	3,993,668	98,415	765,957	(59,629)	(59,629)
Total	35,266,807	10,454,493	7,110,831	1,470,495	(16,171,359)	(16,230,988)
General revenues:						
Taxes:						
Sales and use taxes					16,388,446	16,388,446
Real estate investment fees					2,269,130	2,269,130
Franchise taxes					403,214	403,214
Lodging taxes					919,958	919,958
Property and specific ownership taxes					298,437	298,437
Miscellaneous taxes					2,288,043	2,288,043
Investment earnings					365,035	365,035
Gain on asset disposition					153,770	153,770
Miscellaneous					455,504	455,504
Transfers					(248,869)	248,869
Total - General revenues and transfers					24,009,719	647,499
Change in Net Position					7,838,360	587,870
Net Position - January 1					98,725,726	19,258,542
Net Position - December 31					106,564,086	19,846,412

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

FUND FINANCIAL STATEMENTS



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

	General Fund	Housing Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents - Unrestricted	14,575,666	-	1,294,102	902,323	16,772,091
Cash and cash equivalents - Restricted	500	2,407,231	651,951	-	3,059,682
Receivables, net of allowance for uncollectible accounts:					
Property Taxes	308,144	-	-	-	308,144
Other taxes	923,174	3,109,370	-	336,270	4,368,814
Intergovernmental	1,294,675	-	-	-	1,294,675
Employees	28,355	-	-	-	28,355
Other	418,319	49,916	1,083,839	-	1,552,074
Non-current	38,501	-	-	-	38,501
Assets held for resale	-	1,124,964			1,124,964
Internal Balances	374,142			-	374,142
Inventory	41,816	-	-	1,518	43,334
Prepaid items	53,241	-	-	-	53,241
Total Assets	18,056,533	6,691,481	3,029,892	1,240,111	29,018,017
Liabilities and Fund Balances:					
Liabilities:					
Accounts/vouchers payable	2,607,848	500,002	100,785	55	3,208,690
Accrued payroll and related liabilities	234,986	-	-	-	234,986
Internal balances		374,142	406,422	-	780,564
Unearned revenue	122,892	-	-	-	122,892
Deposits payable	197,271	49,916	-	-	247,187
Total Liabilities	3,162,997	924,060	507,207	55	4,594,319
Deferred inflows of Resources:					
Property taxes	300,277	-	-	-	300,277
Total Deferred Inflows of Resources	300,277	-	-	-	300,277
Fund Balances:					
Non spendable	133,558	1,124,964	-	1,518	1,260,040
Restricted	1,309,000	4,642,457	-	1,165,316	7,116,773
Committed	-	-	2,522,685	73,222	2,595,907
Assigned	38,387	-	-	-	38,387
Unassigned	13,112,314	-	-	-	13,112,314
Total Fund Balances	14,593,259	5,767,421	2,522,685	1,240,056	24,123,421
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	18,056,533	6,691,481	3,029,892	1,240,111	29,018,017

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

Town of Frisco, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2025

Total Governmental Fund Balances		24,123,421
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		1,555,542
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost of capital assets	115,357,200	
Less accumulated depreciation	<u>(30,432,925)</u>	84,924,275
Other long-term assets and deferred outflows of resources are not available for current period expenditures and, therefore, are not reported in the funds:		
Long-term promissory note	4,100,000	
Interest earned on long-term promissory note	1,016,642	
Pension related deferred outflows of resources	<u>724,281</u>	5,840,923
Long-term liabilities and deferred inflows of resources, including debt payable, interest payable, compensated absences and pension related deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:		
Certificates of participation	(5,810,000)	
Premium on issuance of certificates of participation	(688,735)	
Capital finance obligations payable	(2,410,147)	
Interest payable	(53,665)	
Accrued compensated absences	(768,608)	
Pension related deferred inflows of resources	<u>(148,920)</u>	(9,880,075)
Net Position of Governmental Activities		<u><u>106,564,086</u></u>

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

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

	General Fund	Housing Fund	Capital Improvement Fund	Non- major Funds	Total Governmental Funds
Revenues:					
Taxes	15,260,695	3,337,391	2,269,130	1,700,012	22,567,228
Licenses, permits, and fees	1,610,661	74,896	-	12,600	1,698,157
Intergovernmental revenue	398,462	6,557,936	704,538	71,018	7,731,954
Charges for services	4,436,669	-	-	-	4,436,669
Investment income	631,104	146,359	142,940	49,091	969,494
Rental income	-	404,339	-	-	404,339
Miscellaneous	394,060	-	-	34,456	428,516
Notes receivable principal payments	-	-	200,000	-	200,000
Total Revenues	22,731,651	10,520,921	3,316,608	1,867,177	38,436,357
Expenditures:					
Current:					
General government	5,295,556	477,413	-	13,222	5,786,191
Public safety	3,372,408	-	-	-	3,372,408
Community development	2,264,114	-	-	508,559	2,772,673
Public works	5,095,397	-	-	-	5,095,397
Culture and recreation	4,883,859	-	-	452,677	5,336,536
Health and welfare	-	-	-	813,778	813,778
Capital outlay	-	10,868,368	7,397,460	-	18,265,828
Cost of Issuance	-	2,500	20,000	-	22,500
Debt service:					
Principal	-	215,000	327,156	-	542,156
Interest	-	301,250	80,293	-	381,543
Total Expenditures	20,911,334	11,864,531	7,824,909	1,788,236	42,389,010
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,820,317	(1,343,610)	(4,508,301)	78,941	(3,952,653)
Other Financing Sources (Uses):					
Equipment financing issuance	-	-	669,000	-	669,000
Sale of assets	-	-	153,770	-	153,770
Interfund transfers (net)	(1,911,641)	-	1,702,772	(40,000)	(248,869)
Total Other Financing Sources (Uses)	(1,911,641)	-	2,525,542	(40,000)	573,901
Net Change in Fund Balances	(91,324)	(1,343,610)	(1,982,759)	38,941	(3,378,752)
Fund Balances - January 1	14,684,583	7,111,031	4,505,444	1,201,115	27,502,173
Fund Balances - December 31	14,593,259	5,767,421	2,522,685	1,240,056	24,123,421

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

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

Net Change in Fund Balance of Governmental Funds	(3,378,752)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital outlay and depreciation:

Depreciation expense	(2,561,464)	
Capital outlay	13,757,941	
		11,196,477

Internal service funds are used by management to charge the cost of health insurance to individual funds. This is the amount of internal service fund change in net position for the year.	268,098
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The issuance of long-term debt (i.e., certificates of participation and capital leases) provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount of principal repayments reported in the governmental funds.	542,156
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Some revenues reported in the Statement of Activities do not provide sources of current financial resources and therefore are not reported as revenue in the governmental funds.		
Notes receivable principal payments	(200,000)	
Certificates of participation issuance	(669,000)	
Accrued interest income	112,591	
		(756,409)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortization of debt-related deferrals	70,351	
Change in accrued compensated absences	(46,159)	
Change in interest payable	(2,921)	
Pension expense	(54,481)	
		(33,210)

Change in Net Position of Governmental Activities	7,838,360
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Town of Frisco, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total	
Assets:				
Current assets:				
Cash and investments - Unrestricted	6,221,772	103,155	6,324,927	1,169,231
Cash and investments - Restricted	-	483,763	483,763	-
Accounts receivable	383,356	2,395	385,751	386,311
Inventories	55,707	28,432	84,139	-
Prepaid items	-	196,760	196,760	-
Total - Current assets	6,660,835	814,505	7,475,340	1,555,542
Long-term assets:				
Internal balances	406,422	-	406,422	-
Land and other non depreciable assets	312,319	-	312,319	-
Property, plant and equipment, net of accumulated depreciation	7,443,891	9,415,244	16,859,135	-
Total - Long-term assets	8,162,632	9,415,244	17,577,876	-
Total Assets	14,823,467	10,229,749	25,053,216	1,555,542
Liabilities:				
Current liabilities:				
Accounts payable	419	6,799	7,218	-
Interest payable	-	20,917	20,917	-
Current portion of compensated absences	17,545	25,427	42,972	-
Current portion of debt	-	105,000	105,000	-
Reimbursable deposits	2,231	1,825	4,056	-
Total - Current liabilities	20,195	159,968	180,163	-
Noncurrent liabilities:				
Compensated absences, net of current portion	26,316	35,219	61,535	-
Debt, net of current portion	-	4,965,106	4,965,106	-
Total - Noncurrent liabilities	26,316	5,000,325	5,026,641	-
Total Liabilities	46,511	5,160,293	5,206,804	-
Net Position				
Net investment in capital assets	7,756,210	4,345,140	12,101,350	-
Unrestricted	7,020,746	724,316	7,745,062	1,555,542
Total Net Position	14,776,956	5,069,456	19,846,412	1,555,542

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

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

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total	
Operating Revenues:				
Charges for services - User charges	1,540,317	2,400,813	3,941,130	158,493
Employer paid premiums	-	-	-	1,828,052
Water meter sales	28,880	-	28,880	-
Intergovernmental - Operating grants	50,000	48,415	98,415	-
Other operating revenues	23,658	-	23,658	1,037,071
Total Operating Revenues	1,642,855	2,449,228	4,092,083	3,023,616
Operating Expenses:				
Salaries and benefits	541,311	1,462,900	2,004,211	-
Administrative fees	42,500	20,000	62,500	-
Professional fees	288,639	101,727	390,366	-
Supplies	37,201	79,722	116,923	-
Utilities	42,546	26,648	69,194	-
Repairs and maintenance	232,532	90,741	323,273	-
General expenses	152,402	416,757	569,159	2,807,255
Water meter replacements	56,061	-	56,061	-
Depreciation	396,831	675,345	1,072,176	-
Total Operating Expenses	1,790,023	2,873,840	4,663,863	2,807,255
Operating Income (Loss)	(147,168)	(424,612)	(571,780)	216,361
Non-Operating Revenue (Expenses):				
Investment income	328,168	36,867	365,035	51,737
Gain (loss) on asset disposal	31,000	2,595	33,595	-
Interest expense	-	(253,406)	(253,406)	-
Agent Fees	-	(400)	(400)	-
Total Non-Operating Revenues (Expenses)	359,168	(214,344)	144,824	51,737
Income Before Capital Contributions and Transfers	212,000	(638,956)	(426,956)	268,098
Capital Contributions and Transfers:				
Contributed to capital	202,205	-	202,205	-
Interfund transfers (net)	-	248,869	248,869	-
Plant investment fees	563,752	-	563,752	-
Total Capital Contributions and Transfers	765,957	248,869	1,014,826	-
Change in Net Position	977,957	(390,087)	587,870	268,098
Net Position - January 1	13,798,999	5,459,543	19,258,542	1,287,444
Net Position - December 31	14,776,956	5,069,456	19,846,412	1,555,542

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

Town of Frisco, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Fund - Water Fund	Enterprise Fund - Marina Fund	Total	
Cash Flows From Operating Activities:				
Cash received from customers and others	1,590,188	3,038,003	4,628,191	2,750,584
Cash paid to suppliers for goods and services	(801,776)	(903,837)	(1,705,613)	(2,807,255)
Cash paid to employees for services	(539,113)	(1,450,398)	(1,989,511)	-
Cash paid to other funds for services provided	(42,500)	(20,000)	(62,500)	-
Net Cash Provided (Used) by Operating Activities	206,799	663,768	870,567	(56,671)
Cash Flows From Capital and Related Financing Activities:				
Plant investment fees received	563,752	-	563,752	-
Interfund transfers (net)	-	(40,592)	(40,592)	-
Principal payment	-	(100,000)	(100,000)	-
Sale of capital assets	31,000	2,595	33,595	-
Interest expense	-	(256,000)	(256,000)	-
Agent fees	-	(400)	(400)	-
Acquisition of capital assets	(1,749,487)	(184,678)	(1,934,165)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,154,735)	(579,075)	(1,733,810)	-
Cash Flows From Investing Activities:				
Interest received	328,168	36,869	365,037	51,737
Principal received on loan receivable	76,318	-	76,318	-
Net Cash Provided (Used) by Investing Activities	404,486	36,869	441,355	51,737
Net Change in Cash and Investments	(543,450)	121,562	(421,888)	(4,934)
Cash and Investments - January 1	6,765,222	465,356	7,230,578	1,174,165
Cash and Investments - December 31	6,221,772	586,918	6,808,690	1,169,231
Cash and Investments				
Cash and investments - Unrestricted	6,221,772	103,155	6,324,927	1,169,231
Cash and investments - Restricted	-	483,763	483,763	-
Total Cash and Investments	6,221,772	586,918	6,808,690	1,169,231
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(147,168)	(424,612)	(571,780)	216,361
Adjustments:				
Depreciation expense	396,831	675,345	1,072,176	-
(Increase) decrease in accounts receivable	(50,667)	586,950	536,283	(273,032)
(Increase) decrease in prepaid account	-	(196,460)	(196,460)	-
Increase (decrease) in accounts payable	(990)	728	(262)	-
(Increase) decrease in inventory	8,595	7,490	16,085	-
Increase (decrease) in refundable deposits	(2,000)	1,825	(175)	-
Increase (decrease) in accrued benefits	2,198	12,502	14,700	-
Total Adjustments	353,967	1,088,380	1,442,347	(273,032)
Net Cash Provided (Used) by Operating Activities	206,799	663,768	870,567	(56,671)
Non-cash Investing, Non-Capital Financing, and Financial Activities:				
Contribution of capital assets from				
Capital Improvement Fund	202,205	-	202,205	-
Total Non-cash Activities	202,205	-	202,205	-

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

The Town of Frisco, Colorado (the "Town") was incorporated in 1988, under the provisions of Article XX of the Colorado Constitution and Municipal Home Rule Act of 1971. The Town operates under an elected Mayor and Town Council. The Town's major operations include public safety, public works, culture and recreation, community development, administration (general government), and operation of water utilities and the marina. The Town is located in Summit County, Colorado.

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

A. Reporting Entity

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

The accompanying financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. There are two blended component units reported in the Town's financial statements: Town of Frisco Finance Authority (the "Authority") and Frisco Community Housing Development Authority ("FCHDA"). The Authority has been blended into the Capital Improvement Fund, and FCHDA has been blended into the Housing Fund.

Town of Frisco Finance Authority

The Authority was formed in 2002 for the purpose of facilitating Town financings, including the acquisition of real estate, property, and improvements for lease to the Town. The Authority issued Certificates of Participation in 2002 to finance improvements to the Frisco Bay Lakefront Park and Marina, and in 2010 to refinance the 2002 series, as well as finance the construction of recreational amenities at the Frisco Adventure Park.

The formation of the Authority was approved by the Town, and its operations are governed by a Board of Directors appointed by the Town Council. Upon dissolution of the Authority and retirement of all liabilities, all property of the Authority is to be transferred to the Town. While the Town is not legally obligated to pay the indebtedness of the Authority, the Town has agreed to consider providing funds, if needed, to the Authority to make the scheduled debt service payments of the Authority.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Frisco Community Housing Development Authority

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

FCHDA did not have any financial activity in 2025.

B. Government-wide and Fund Financial Statements

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

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

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

C. Fund Financial Statements

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

The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

The *Housing Fund* accounts for collections of a tax and related development impact fees to be used specifically for affordable housing purposes.

The *Capital Improvement Fund* accounts for the Town's real estate investment fees which are restricted by ordinance for the acquisition of and improvements to the Town's governmental assets.

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

The *Water Fund* accounts for the provision of water services to the Town's residents.

The *Marina Fund* accounts for rental fees and services and concessions that take place on the Town's lakefront property.

The Town also reports an *Internal Service Fund* – the Health Insurance Reserve Fund – to account for the Town's self-insured health insurance plan activity.

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

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

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

3. Financial Statement Presentation

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

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

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

E. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

The Town pools deposits and investments of all funds. Each fund's share of the pool is readily identified by the Town's internal records.

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, have been classified as restricted assets on the balance sheet because their use is limited by the applicable covenants. Restricted assets also include certain deposits that have been limited as to usage pursuant to escrow and similar agreements.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

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

Investments are stated at fair value, net asset value, or amortized cost. The change in fair value and amortized cost of investments is recognized as an increase or decrease to investment assets and investment income.

Pursuant to its Charter, the Town has adopted, by ordinance, an investment policy governing the types of institutions and investments with which it may deposit funds and transact business. Under this policy, the Town may invest in the following type of obligation which corresponds with state statutes:

- U.S. Treasury obligations
- Federal instrumentality securities (AAA)
- Prime commercial paper (A1)
- Eligible banker's acceptances (A1)
- Repurchase agreements collateralized by certain authorized securities
- Local government investment pools (AAAm or AAA or AAA/V-1)
- Non-negotiable certificates of deposit subject to FDIC and/or PDPA
- Money market mutual funds (AAAm, AAA, AAA/V-1)
- Negotiable certificates of deposit subject to FDIC and/or PDPA

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Inventory and Prepaid Items

All inventories are valued at cost using the first-in, first-out method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

The Town uses the consumption method to account for prepaid items. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. Pensions

The Town's police department participates in the Statewide Retirement Plan (the "SRP") administered by the Fire and Police Pension Association of Colorado ("FPPA"). The SRP is a cost-sharing multiple-employer defined benefit plan. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SRP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, vehicles and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Capital assets (excluding land, certain intangibles, and projects in progress) are depreciated, using the straight-line method, over the following estimated useful lives:

Buildings	25 - 40 years
Building improvements	7 - 25 years
Infrastructure	5 - 30 years
Vehicles	5 - 15 years
Equipment	5 - 10 years

6. Long-term Debt

Long-term debt is reported as a liability on the government-wide and proprietary fund type financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The unamortized portion of the bond premiums and discounts is netted against bonds payable for presentation on the government-wide and proprietary fund Statement of Net Position.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures/expense when incurred.

7. Compensated Absences

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Deferred Outflows of Resources and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town has one item that qualifies for reporting under this category on the government-wide Statement of Net Position: pension-related deferred outflows. Pension-related deferred outflows comprise pension contributions made after the measurement date, and the difference between projected and actual earnings, which will be recognized as a reduction of the net pension liability in future periods. For further details on the pension-related deferred outflows, see Note IV.I.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in the category. Property taxes, reported in the governmental Balance Sheet and on the Statement of Net Position, are deferred and recognized as an inflow of resources in the period that the amounts become available. Collective deferred inflows related to the Town's net pension obligation are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive SRP members. For further details on the pension-related deferred inflows, see Note IV.I.

9. Fund Balance

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

The Town has adopted a minimum fund balance policy for the General Fund in an amount of seven months of prior year actual expenditures.

10. Interfund Transactions

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies

1. Use of Estimates

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

2. Credit Risk

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

3. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

These financial statements include a reconciliation between the total fund balances of all governmental funds as presented on the Governmental Funds Balance Sheet and the net position of governmental activities as reported in the government-wide Statement of Net Position. Additionally, these financial statements include a reconciliation between the total net change in fund balances of all governmental funds as presented on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

An annual budget and appropriation ordinance is adopted by Town Council in accordance with the Town's Home Rule Charter.

Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

The Town followed these procedures in preparing, approving, and enacting its budget for 2025.

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (2) Prior to the end of the 2024 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.
- (3) Prior to December 15, 2024, the Town computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget", the Town adopted the proposed budget and an appropriation ordinance which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget ordinance, the Town may make the following changes:
 - a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of those estimated in the budget;
 - c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

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

For the year ended December 31, 2025, the following funds had expenditures in excess of budgeted appropriations, which may be a violation of Colorado Budget Law:

<u>Fund</u>	<u>Excess</u>
Housing Fund	\$ 215,709
Marina Fund	208,587
Insurance Reserve Fund	1,304,115

B. TABOR Amendment

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

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases.

The reserve is calculated at 3% of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$1,309,000 of the December 31, 2025 year-end fund balance in the General Fund for this purpose, which is the approximate required reserve amount.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation. On November 7, 2000, voters of the Town approved a ballot question that permitted the Town to retain and spend all revenues collected in 2001 and subsequent years, without limitation.

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Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds

A. Deposits and Investments

1. Deposits

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). Amounts on deposit in excess of \$250,000, the FDIC-insured limit at each participating institution, must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public as a group. The fair value of the collateral must equal or exceed 102% of the uninsured deposits. At December 31, 2025, the carrying value of the Town's deposits was \$2,755,048. The bank balance of these accounts was \$272,638. At the end of 2025, the Town held deposits and investments with the following maturities:

			Maturities	
	Rating	Carrying Amounts	Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 5,044	5,044	-
Checking	Not Rated	1,380,459	1,380,459	-
Savings and money market	Not Rated	1,374,589	1,374,589	-
Certificates of deposit*	Not Rated	802,565	549,598	252,967
Investments:				
United States instrumentality	AA+ ¹ /AAA ³	6,804,942	-	6,804,942
Certificates of deposit**	Not Rated	2,776,703	819,431	1,957,272
Investment pools	AAAm ¹ /AAA ²	14,665,392	14,665,392	-
Total		\$ 27,809,694	18,794,513	9,015,181

* Non-negotiable

** Negotiable

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

1. Deposits (continued)

The Town's cash and investments are presented on the Statement of Net Position as follows:

Reconciliation to Statement of Net Position:

Cash and investments - Unrestricted	\$ 24,266,249
Cash and investments - Restricted	3,543,445
Total	<u>\$ 27,809,694</u>

At December 31, 2025, the Marina Fund reported \$483,763, the Capital Projects fund reported \$651,951 and the Housing Fund reported \$2,407,231 for restricted cash held by the trustee for debt service, and the General Fund reported \$500 in restricted cash held for others.

2. Investments

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

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

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

		Fair Value Measurements Using		
<u>Investments Measured at Fair Value:</u>	Total	Level 1	Level 2	Level 3
U.S. agencies	\$ 6,804,942	-	6,804,942	-
Negotiable certificates of deposit	2,776,703	-	2,776,703	-
Total	\$ 9,581,645	-	9,581,645	-
<u>Investments Measured at Amortized Cost:</u>				
CSIP (Local government investment pool)	\$ 5,431,334			
<u>Investments Measured at Net Asset Value:</u>				
COLOTRUST	\$ 8,204,589			
CSLIP	1,029,469			
Total	\$ 9,234,058			

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

2. Investments (continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Negotiable certificates of deposits classified in Level 2 are generally valued based upon a matrix or model pricing method. Debt securities classified in Level 2 are valued using prices quoted for identical securities in markets that are not active.

Interest Rate Risk: In accordance with the Town's investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twenty-four months. In the event the Town's portfolio consists of callable securities, the final maturity date of the security is used as the maturity of the security in order to disclose the maximum liability in the Town's financial reports.

Credit Risk: State law and Town policy limit investments to those authorized by State statutes, including U.S. agencies and 2a7-like pools. The Town's investment policy is to apply the prudent-investor rule: A prudent investor shall exercise the judgment and care, under circumstances prevailing, which men of prudence, discretion and intelligence exercise in the management of the property of one another, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of their capital.

Concentration of Credit Risk: The Town diversifies its investments by security type, individual financial institutions, and maturities. Investments may only be made in those financial institutions which are insured by the FDIC, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, congressionally authorized mortgage lenders and investments that are federally guaranteed. A minimum of 50% of the investable assets of the Town will be maintained in U.S. Treasury obligations, Federal instrumentality securities, repurchase agreements, and local government investment pools. Financial institutions holding Town funds must provide the Town with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Pools: The Town's holdings in investment pools are comprised of balances with COLOTRUST, CSIP and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Receivables

Receivables as of December 31, 2025 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Housing Fund	Capital Improvement Fund	Lodging Tax Fund	
Property taxes	\$ 308,144	-	-	-	
Other taxes	923,174	3,109,370	-	196,661	
Intergovernmental	1,294,675	-	-	-	
Employees	28,355	-	-	-	
Other	544,950	49,916	1,083,839	-	
Non-current	38,501	-	-	-	
Gross Receivables	3,137,799	3,159,286	1,083,839	196,661	
Less: Allowance for uncollectibles	(126,631)	-	-	-	
Net Receivables	\$ 3,011,168	3,159,286	1,083,839	196,661	

	Nicotine Tax Fund	Water Fund	Marina Fund	Insurance Reserve	Total
Property taxes	-	-	-	-	308,144
Other taxes	\$ 139,609	-	-	-	4,368,814
Intergovernmental	-	-	-	-	1,294,675
Employees	-	-	-	-	28,355
Other	-	383,356	2,395	386,311	2,450,767
Non-current	-	-	-	-	38,501
Gross Receivables	139,609	383,356	2,395	386,311	8,489,256
Less: Allowance for uncollectibles	-	-	-	-	(126,631)
Net Receivables	\$ 139,609	383,356	2,395	386,311	8,362,625

C. Governmental Note Receivable

On June 3, 2013, the Town accepted a \$4,500,000 Promissory Note from Brynn Grey X, LLC ("Brynn Grey") as proceeds for the sale of land. The Promissory Note, which is secured by a Deed of Trust on the land, matures in June 2033, and bears simple interest at 2.25% per annum. However, if Brynn Grey completes construction of certain buildings on the land securing the promissory note before June 3, 2018, the Promissory Note is to bear simple interest at 1.75% per annum. The agreement was amended July 28, 2017 to modify the construction completion requirement to include covenanted work force housing. Brynn Grey has since satisfied the construction requirements, so the Promissory Note bears simple interest at 1.75% per annum. As of December 31, 2025, the Town has accrued interest receivable of \$1,016,642 and a balance of \$4,100,000 principal receivable with respect to the Promissory Note.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

C. Governmental Note Receivable (continued)

No payment of interest or principal was due during the first 10 years of the Promissory Note's term, with the first such payment due June 3, 2024. Annual blended remaining payments as of December 31, 2025 are as follows:

2026	\$ 200,000
2027	200,000
2028	200,000
2029	200,000
2030	200,000
2031 - 2033	4,116,642
Total	<u><u>\$ 5,116,642</u></u>

D. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i><u>Governmental Activities:</u></i>				
Capital Assets Not Being Depreciated:				
Land	\$ 9,549,191	5,000,000	-	14,549,191
Intangibles	496,728	-	-	496,728
Construction in progress	28,560,167	2,050,658	(12,286,091)	18,324,734
Total Capital Assets Not Being Depreciated	<u>38,606,086</u>	<u>7,050,658</u>	<u>(12,286,091)</u>	<u>33,370,653</u>
Capital Assets Being Depreciated:				
Buildings and improvements	20,062,656	11,871,552	-	31,934,208
Infrastructure and improvements	33,880,350	5,378,488	-	39,258,838
Equipment and vehicles	9,419,841	1,743,334	(369,674)	10,793,501
Total Capital Assets Being Depreciated	<u>63,362,847</u>	<u>18,993,374</u>	<u>(369,674)</u>	<u>81,986,547</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(6,083,441)	(667,490)	-	(6,750,931)
Infrastructure and improvements	(16,178,339)	(1,030,718)	-	(17,209,057)
Equipment and vehicles	(5,979,355)	(863,256)	369,674	(6,472,937)
Total Accumulated Depreciation	<u>(28,241,135)</u>	<u>(2,561,464)</u>	<u>369,674</u>	<u>(30,432,925)</u>
Total Capital Assets Being Depreciated, Net	<u>35,121,712</u>	<u>16,431,910</u>	<u>-</u>	<u>51,553,622</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 73,727,798</u></u>	<u><u>23,482,568</u></u>	<u><u>(12,286,091)</u></u>	<u><u>84,924,275</u></u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Business-type capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Business-type Activities:</u></i>				
Capital Assets Not Being Depreciated:				
Land, easements and water rights	\$ 102,562	-	-	102,562
Projects in progress	37,266	209,757	(37,266)	209,757
Total Capital Assets Not Being Depreciated	139,828	209,757	(37,266)	312,319
Capital Assets Being Depreciated:				
Buildings and improvements	10,141,602	1,576,996	-	11,718,598
Infrastructure and improvements	16,864,553	242,190	(25,365)	17,081,378
Equipment and vehicles	2,837,097	144,693	-	2,981,790
Total Capital Assets Being Depreciated	29,843,252	1,963,879	(25,365)	31,781,766
Less Accumulated Depreciation For:				
Buildings and improvements	(5,546,500)	(382,873)	-	(5,929,373)
Infrastructure and improvements	(6,260,488)	(460,956)	25,365	(6,696,079)
Equipment and vehicles	(2,068,832)	(228,347)	-	(2,297,179)
Total Accumulated Depreciation	(13,875,820)	(1,072,176)	25,365	(14,922,631)
Total Capital Assets Being Depreciated, Net	15,967,432	891,703	-	16,859,135
Business-type Activities Capital Assets, Net	\$ 16,107,260	1,101,460	(37,266)	17,171,454

Depreciation expense for 2025 was charged to Town functions as follows:

Governmental Activities:

General government	\$ 501,507
Public safety	165,867
Public works	1,207,493
Community development	11,470
Culture and recreation	675,127
Total Depreciation Expense - Governmental Activities	\$ 2,561,464

Business-type Activities:

Water Fund	\$ 396,831
Marina Fund	675,345
Total Depreciation Expense - Business-type Activities	\$ 1,072,176

At December 31, 2025, the Town had \$21,628,691 of fully-depreciated assets.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Interfund Receivables, Payables, and Transfers

1. Loan Agreement – Water Fund and Capital Improvement Fund

Balances due between funds at December 31, 2025 were as follows:

<u>Receivable By</u>	<u>Payable By</u>	<u>Balance</u> <u>Dec. 31/25</u>
Water Fund	Capital Improvement Fund	\$ 406,422
General Fund	Housing Fund	374,142

Effective December 31, 2014, the Town's Capital Improvement Fund was authorized to borrow \$1,000,000 from the Town's Water Fund in order to pay for Main Street improvements completed in 2014. Interest will be calculated annually on December 1, beginning in 2015 and continuing through 2029, at a rate equal to the average annual interest rate earned on the Town's idle funds during the preceding eleven months as multiplied by amounts outstanding each year at December 1. Beginning in 2015, blended interest and principal payments of \$30,000 will be paid annually through December 1, 2019. Beginning in 2020, payments will include interest plus a portion of the outstanding balance necessary by estimate to result in full payment of the remaining outstanding amount no later than December 1, 2029.

At December 31, 2025, the principal amount outstanding on this loan was \$406,422. Interest and principal payments made by the Capital Improvement Fund to the Water Fund during 2025 totaled \$18,682 and \$76,318, respectively, representing an interest rate of 3.87% per annum for the year.

2. Transfers

The following interfund transfers occurred during the year ended December 31, 2025:

<u>Transferred To</u>	<u>Amount</u> <u>Transferred</u>	<u>Transferred From</u>
Capital Improvement Fund	\$ 1,702,772	General Fund
Marina Fund	248,869	General Fund
Capital Improvement Fund	40,000	General Fund
Arts and Culture Fund	100,000	Lodging Tax Fund

The 2025 transfer to the Capital Improvement Fund from the General Fund moves funds exceeding the Town's minimum General Fund balance limits and accumulates funds for future capital projects. See Note IV.J. for additional information.

The transfer to the Marina Fund from the General Fund during 2025 provided additional funding for capital improvements made to marina facilities during the year.

The 2025 transfer to the Capital Improvement Fund from the Conservation Trust Fund and Lodging Tax Fund represented additional funding for improvements to the peninsula recreation area.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities

Governmental Activities:

1. Equipment Notes

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

On April 1, 2015, the Town executed an equipment financing agreement with First & Main Frisco, L.L.C. for the purchase of certain real property in the amount of \$1,200,000 and bearing interest at 4% per annum. Blended principal and interest payments are due beginning April 1, 2015 in the amount of \$36,000 and continuing January 1, 2016 through January 1, 2031 in the amount of \$100,000.

B. ZB, N.A., dba Vectra Bank Colorado

On August 24, 2017, the Town executed a non-taxable equipment purchase financing agreement with ZB, N.A., dba Vectra Bank Colorado to advance refund Series 2010B Certificates of Participation maturing 2021 through 2030 with total rent payments due of \$2,487,000 and bearing interest at 2.6% per annum, to be paid annually December 1, 2017 through 2030.

The net proceeds of \$2,412,441 were deposited with UMB Corporate Trust Services, as trustee, to provide for all future debt service payments on the advance refunded Series 2010B Certificates of Participation.

C. Farmers Bank & Trust

On November 13, 2025, the Town executed an equipment financing agreement with Farmers Bank & Trust for the purchase of certain real property in the amount of \$669,000 and bearing interest at 4.92% per annum. Variable interest payments begin October 1, 2026 and are due semi annually October 1 and April 1 through 2046. Variable principle payments are due annually beginning October 1, 2027.

2. Certificates of Participation, Series 2023

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

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities (continued)

3. Annual Debt Service Requirements – Governmental Activities

Aggregate annual debt service requirements to maturity for governmental activities at December 31, 2025 are as follows:

	Principal	Interest	Total
2026	\$ 557,562	372,622	930,184
2027	828,712	354,659	1,183,371
2028	592,250	320,242	912,492
2029	606,305	297,495	903,800
2030	632,445	274,058	906,503
2031 - 2035	1,678,117	1,074,951	2,753,068
2036 - 2040	2,152,444	632,038	2,784,482
2041 - 2045	1,128,310	110,156	1,238,466
2045 - 2046	44,002	2,169	46,171
Total	\$ 8,220,147	\$ 3,438,390	\$ 11,658,537

Business-type Activities:

4. Marina Revenue Bonds

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

Annual debt service requirements to maturity for business-type activities at December 31, 2025 are as follows:

	Principal	Interest	Total
2026	\$ 105,000	251,000	356,000
2027	110,000	245,750	355,750
2028	120,000	240,250	360,250
2029	125,000	234,250	359,250
2030	135,000	228,000	363,000
2031 - 2035	630,000	934,625	1,564,625
2036 - 2040	1,275,000	894,625	2,169,625
2041 - 2045	1,440,000	494,250	1,934,250
2046 - 2048	1,080,000	110,000	1,190,000
Total	\$ 5,020,000	3,632,750	8,652,750

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

G. Long-term Liabilities – Compensated Absences

The Town has a policy allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the Town's approximate liability for vacation and sick pay earned by employees at December 31, 2025 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. The General Fund is used to liquidate the liability for compensated absences related to governmental activities. The proprietary funds are used to liquidate the liability for compensated absences related to business-type activities.

H. Long-term Liabilities – Debt Service Schedule

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
<i><u>Certificates of Participation:</u></i>					
Series 2023	\$ 6,025,000	-	(215,000)	5,810,000	225,000
Issuance premium	759,086	-	(70,351)	688,735	-
Certificates of Participation, net	<u>6,784,086</u>	<u>-</u>	<u>(285,351)</u>	<u>6,498,735</u>	<u>225,000</u>
<i><u>Equipment notes:</u></i>					
First & Main, L.L.C.	558,603	-	(77,656)	480,947	80,762
Vectra Bank Colorado	1,509,700	-	(249,500)	1,260,200	251,800
Farmers Bank & Trust	-	669,000	-	669,000	-
Equipment notes, net	<u>2,068,303</u>	<u>669,000</u>	<u>(327,156)</u>	<u>2,410,147</u>	<u>332,562</u>
Net pension liability (asset)	-	-	-	-	-
Compensated absences	<u>722,450</u>	<u>46,159</u>	<u>-</u>	<u>768,609</u>	<u>307,444</u>
Total Governmental Activities Long-term Liabilities	\$ 9,574,839	715,159	(612,507)	9,677,491	865,006
Business-type Activities:					
Revenue bonds	\$ 5,120,000	-	(100,000)	5,020,000	105,000
Issuance premium	52,284	-	(2,178)	50,106	-
Revenue bonds, net	<u>5,172,284</u>	<u>-</u>	<u>(102,178)</u>	<u>5,070,106</u>	<u>105,000</u>
Compensated absences	<u>89,807</u>	<u>14,700</u>	<u>-</u>	<u>104,507</u>	<u>42,972</u>
Total Business-type Activities Long-term Liabilities	\$ 5,262,091	14,700	(102,178)	5,174,613	147,972

The pension liability is paid by the General Fund. The change in compensated absences is presented as a net change.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Plan Description: The Statewide Retirement Plan (the "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 229 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 percent.

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

The Plan is administered by the Fire & Police Pension Association of Colorado ("FPPA"). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

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.

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Description of Benefits (continued).

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.

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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Contributions (continued). 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 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, 2023, 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 percent.

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 July 1, 2023 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 from 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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Net Pension Asset / Liability: At December 31, 2025, the Town reported \$0 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The Town's proportion of the net pension liability was based on Town contributions to the Plan for calendar year 2024, relative to the total contributions of participating employers to the Plan.

At the December 31, 2024 measurement, the Town's proportionate share was 0.131085%, as compared to 0.107949% at the December 31, 2023 measurement.

For the year ended December 31, 2025, the Town recognized pension expense of \$54,481.

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 314,996	9,853
Change of assumptions or other inputs	112,734	-
Net difference between projected and actual earnings on pension plan investments	44,749	-
Changes in proportionate share of contributions	68,165	136,391
Difference between actual and reported contributions recognized	63	2,676
Contributions subsequent to measurement date	183,574	-
	<u>\$ 724,281</u>	<u>148,920</u>

Contributions subsequent to the measurement date of December 31, 2024 – which are reported as deferred outflows of resources related to pensions – will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be annually recognized in pension expense as follows:

Year Ending December 31,	Amortization
2026	\$ 123,231
2027	185,997
2028	5,445
2029	6,455
2030	28,170
Thereafter	42,489
	<u>\$ 391,787</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions: The collective total pension liability and actuarially-determined contributions in the December 31, 2024 actuarial valuation were determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date - January 1	2025	2024
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant 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 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.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. 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 2023 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 & Company, 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.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

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

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

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

The COLA assumption reflects the true nature of the Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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).

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.08% (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: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of net pension liability (asset)	\$ 639,684	\$ -	\$ -

J. Fund Balance Disclosures

The Town classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, and long-term portions of loans receivable.

Spendable Fund Balance:

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

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority, which is the Town Council. The Town Council must take formal action through either an ordinance or a resolution – both of which are equally binding – to establish, modify or rescind committed fund balance amounts.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Town Council or its management designees. The Town Manager has the authority to establish, modify or rescind assigned fund balance to a specific department or project within a fund, as stated in the Town’s adopted financial policies.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Detailed Notes on all Funds (continued)

J. Fund Balance Disclosures (continued)

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

The Town's restricted amounts are to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

The Town's General Fund has a seven-month required minimum reserve based on prior year expenditures.

As of December 31, 2025, fund balances are composed of the following:

<u>Classification</u>	<u>General Fund</u>	<u>Housing Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Non-spendable:					
Inventories	\$ 41,816	1,124,964	-	1,518	1,168,298
Prepays	53,241	-	-	-	53,241
Long-term receivables	38,501	-	-	-	38,501
Restricted:					
State constitution:					
TABOR reserve	1,309,000	-	-	-	1,309,000
Conservation Trust	-	-	-	6,837	6,837
Historic preservation	-	-	-	12,908	12,908
Voter-approved measures for:					
Affordable housing	-	4,642,457	-	-	4,642,457
Economic development	-	-	-	629,033	629,033
Nicotine tax - Public health	-	-	-	516,538	516,538
Committed:					
Council resolutions:					
Open space	-	-	-	14,398	14,398
Arts and culture	-	-	-	58,824	58,824
Capital projects	-	-	1,870,734	-	1,870,734
Assigned:					
Due from other governments	11,509	-	-	-	11,509
Cash held for others	26,878	-	-	-	26,878
Unassigned	13,112,314	-	-	-	13,112,314
Total	<u>\$ 14,593,259</u>	<u>5,767,421</u>	<u>2,522,685</u>	<u>1,240,056</u>	<u>24,123,421</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

V. Other Information

A. Marina Lease Agreement

In 1994, the Town entered into a lease agreement (the "Lease") with the City and County of Denver ("Denver"), through Denver's Board of Water Commissioners (the "Water Board"), whereby the Town was granted the exclusive right to occupy and use certain real property and water surface covering real property at the Dillon Reservoir (collectively, the "Marina Property"). Under the Lease, the Town is authorized to use the Marina Property for marina operations and other recreational activities, as approved by the Water Board. No water rights were granted to the Town through the Lease.

The Lease calls for the Town to pay annual rent equal to 4% of gross revenue generated from the Marina Property from all sources, including mooring fees collected by the Town. The Town incurred rent expense of \$95,502 in connection with the Lease during 2025. As payments depend on the future performance of the lessee, no lease liability is estimated.

B. Deferred Compensation Plan

The Town offers its full time, year-round employees a deferred compensation plan created in accordance with section 457 of the Internal Revenue Code (the "457 Plan"). The 457 Plan permits eligible employees to defer a portion of their salary until future years.

All compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the 457 Plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Town does not contribute to the 457 Plan; however, the Town does match participating employees' contributions through a contribution to the Town's 401(a) plan as discussed below. Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service.

Investment decisions within the 457 Plan are determined by the individual participants and, therefore, the 457 Plan's investment concentration varies between participants.

The Town is the Trustee of the 457 Plan and, accordingly, has no liability for losses under the plan. However, the Town does have the duty of due care that would be required of an ordinary prudent investor. Consequently, the 457 Plan is not part of the Town's financial statements.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

V. Other Information (continued)

C. Pension Plan – Section 401(a) Plan

In 2008, the Town established a qualified money purchase pension plan under section 401(a) of the Internal Revenue Code (the "Pension Plan"). The Pension Plan is administered by ICMA Retirement Corporation ("ICMA").

The Pension Plan is a defined contribution plan, in which benefits depend solely on amounts contributed and investment earnings. Employees do not make contributions to the Pension Plan. Rather, the Town makes contributions to the Pension Plan to match a portion of employee contributions to the 457 Plan. Under the terms of the Pension Plan, the Town contributes 3% of each participating employee's salary during the first two years of eligibility and one additional percentage for each succeeding year, to a maximum of 7%.

Town employees are eligible to participate in the Pension Plan upon employment, provided they make elective contributions to the 457 Plan. For employees hired after January 1, 2005, vesting of the Town's contribution is 33% after the first year of employment, with an additional vesting of 33% per year through the third year, when vesting is 100%. Employees hired before January 1, 2005 were 100% vested upon employment.

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

The Town's annual pension cost of \$386,474 for the Pension Plan was equal to the Town's required and actual contribution.

The Town may use the Pension Plan's forfeitures to pay the costs of the Pension Plan or to fund employer contributions. During 2025, the Town used \$0 of forfeitures to fund contributions. There are no forfeitures available for spending at December 31, 2025.

While the Town is trustee of the Pension Plan, it has no liability for losses under the Pension Plan. Accordingly, the Pension Plan is not part of the Town's financial statements.

D. FPPA Death and Disability Plan

Plan Description: Police officers of the Town contribute to the Statewide Death and Disability Plan (the "SWDD Plan"). The SWDD Plan is a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. Contributions to the SWDD Plan are used solely for the payment of death and disability benefits. The SWDD Plan was established in 1980 pursuant to Colorado Revised Statutes.

SWDD Plan benefits provide 24-hour coverage for both on- and off-duty members not eligible for normal retirement under a defined benefit plan, and members who have not met 25 years of accumulated service and age 55 under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire but were still working.

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

V. Other Information (continued)

D. FPPA Death and Disability Plan

Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy: Prior to 1997, the SWDD Plan was primarily funded by the State of Colorado (the "State"), whose contributions were established by Colorado statute. In 1997, the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The SWDD Plan is funded by member or on-behalf of member contributions. Members hired on or after January 1, 1997, began contributing 2.4% of base salary to the SWDD Plan. Contributions may be increased 0.1% biennially by the FPPA Board. The contribution rate increased to 2.8% of base salary as of January 1, 2019. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. Contributions may be paid entirely by the Town or member, or it may be split between the Town and the member as determined at the local level. The Town paid \$59,013 on behalf of members to the SWDD Plan during 2025.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the SWDD Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

E. Retirement Health Savings Account

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

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

The RHSA plan is administered by Mission Square under an agreement that automatically renews for each succeeding year unless terminated in writing by either party 60 days prior to the end of year.

Employees are 100% vested at all times. RHSA investment purchases are determined by the individual participants and, therefore, the RHSA's investment concentration varies between participants.

The Town's contributed \$50,083 to RHSA for 2025. While the Town is trustee of the RHSA, it has no liability for losses under the RHSA plan. Accordingly, the RHSA is not part of the Town's financial statements.

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Notes to the Financial Statements
December 31, 2025
(Continued)

V. Other Information (continued)

F. Cafeteria Plan

The Town offers a cafeteria compensation plan organized under Section 125 of the Internal Revenue Code, which includes dependent care and health expense reimbursement. No cost to the Town is recognized as the plan is a salary reduction plan.

G. Risk Management

1. Colorado Intergovernmental Risk Sharing Agency

The Town is exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the Town is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property, \$600,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2025. The deductible amount paid by the Town for each incident in 2025 was \$1,000; there is no change in coverage from past years. All settlements for the year ended December 31, 2025 were under the maximum coverage allowed.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The Town's share of CIRSA's assets, liabilities and fund equity as of December 31, 2025 (the latest year for which audited data is available) is as follows:

Property and Casualty Pool	Equity Ratio	Share of Surplus (Deficit) Dec 31/2025
Operating Fund	0.495%	\$ 14,513
Loss Fund	0.573%	38,737
Reserve Fund	0.648%	127,239

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

V. Other Information (continued)

G. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (continued)

CIRSA's combined financial information for the year ended December 31, 2025 (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	\$ 121,759,798
Other assets	7,575,204
Total assets	<u>\$ 129,335,002</u>
 Total liabilities	 <u>\$ 72,659,266</u>
 Net position	 <u>\$ 56,675,736</u>
 Total contributions and other revenues	 \$ 64,322,044
Total expenses and distributions	(45,456,929)
Change in net position	<u>\$ 18,865,115</u>

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

2. Workers Compensation and Health Insurance

The Town is exposed to various risks of loss related to workers' compensation, unemployment, and general liability. The Town has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage. There is no change in coverage from past years, and settlements have not exceeded coverage for each of the past three fiscal years.

The Town offers health insurance to certain employees through the Town's self-funded health plan, with excess coverage underwritten by a commercial carrier. The Town's stop loss insurance provides coverage up to \$60,000 per employee and \$1,000,000 in the aggregate. Liabilities for retained risk claims are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNR").

The following is a summary of the changes in the balances of claims liabilities during 2025 and 2024:

	2025	2024
Unpaid (prepaid) claims, beginning of year	\$ 220,600	113,500
New claims incurred	(2,403,860)	(1,456,900)
Claim payments	2,523,940	1,564,000
 Unpaid (prepaid) claims, end of year	 <u>\$ 340,680</u>	 <u>220,600</u>

Town of Frisco, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

V. Other Information (continued)

H. Claims, Commitments, and Contingencies

1. Legal Claims

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town's management, such claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2025.

2. Federal Funds

Funds received from Federal grants and programs are subject to audit and disallowance on ineligible costs. Management of the Town feels any potential questioned or disallowed costs would not materially affect the fairness of the presentation of the financial statements at December 31, 2025.

3. Construction Commitments

The Town's Capital Projects Fund has entered into construction and professional services contracts having remaining commitments under contract as of December 31, 2025, totaling \$2,109,644. The commitments for these funds are not reflected in the accompanying financial statements. Only the unpaid amounts incurred to date for these contracts are included as liabilities in the financial statements.

4. Settlement Claim

As of December 31, 2025 the Town has estimated a settlement payable of \$500,000 in order to settle all remaining payables remaining on an affordable housing project. The Town has a \$1,893,284 grant receivable pending settlement on the project that the Town believes is collectible upon settlement of the claims.

REQUIRED SUPPLEMENTARY INFORMATION



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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property	299,092	299,092	286,432	(12,660)	297,121
Specific ownership	10,000	10,000	12,005	2,005	11,519
City sales tax	7,020,000	7,020,000	6,946,052	(73,948)	6,879,883
County sales tax	7,500,000	7,500,000	7,356,977	(143,023)	7,308,719
Franchise fees	410,000	410,000	403,214	(6,786)	388,381
Other taxes	324,500	324,500	256,015	(68,485)	274,603
Total - Taxes	15,563,592	15,563,592	15,260,695	(302,897)	15,160,226
License and Permits:					
Business and liquor licenses	212,500	212,500	392,210	179,710	258,826
Development	85,000	85,000	314,287	229,287	102,598
Building	320,000	320,000	646,634	326,634	398,800
Short term rental licenses	235,500	235,500	232,650	(2,850)	232,725
Other	15,400	15,400	24,880	9,480	15,725
Total - License and Permits	868,400	868,400	1,610,661	742,261	1,008,674
Intergovernmental:					
Highway users	108,000	108,000	132,369	24,369	133,180
County road and bridge	110,000	110,000	106,670	(3,330)	105,825
Grants	55,080	105,570	96,840	(8,730)	119,853
Motor vehicle registration	50,000	50,000	58,101	8,101	58,899
Other	10,000	10,000	4,482	(5,518)	5,395
Total - Intergovernmental	333,080	383,570	398,462	14,892	423,152
Charges for Services:					
Nordic Center	726,950	726,950	751,689	24,739	792,807
Historic Park	17,500	17,500	15,895	(1,605)	17,342
Special events	45,150	45,150	38,185	(6,965)	38,184
Recreation fees	548,000	548,000	493,210	(54,790)	467,688
Frisco Adventure Park fees	2,614,250	2,614,250	2,955,979	341,729	2,748,110
Building rents	15,300	15,300	15,130	(170)	18,800
Police services and Fines	45,500	45,500	104,081	58,581	85,383
Administration fees	62,500	62,500	62,500	-	62,500
Total - Charges for Services	4,075,150	4,075,150	4,436,669	361,519	4,230,814
Investment Income	419,000	419,000	631,104	212,104	674,189
Other Revenues:					
Disposable bag fee	75,000	65,000	87,887	22,887	87,305
Other	114,100	114,100	306,173	192,073	139,928
Total - Other Revenues	189,100	179,100	394,060	214,960	227,233
Total Revenues	21,448,322	21,488,812	22,731,651	1,242,839	21,724,288

(Continued)

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Interdepartmental services	1,732,363	1,732,363	2,017,898	(285,535)	1,766,485
Legislative	99,710	99,710	99,812	(102)	89,302
Finance	898,223	898,223	1,046,702	(148,479)	890,404
Municipal court	6,852	6,852	6,309	543	5,604
Administrative	879,238	879,238	904,578	(25,340)	835,288
Discretionary funds	252,188	252,188	254,017	(1,829)	217,447
Human resources	738,244	738,244	604,225	134,019	640,531
Sustainability	597,694	699,247	362,015	337,232	484,830
Total - General Government	<u>5,204,512</u>	<u>5,306,065</u>	<u>5,295,556</u>	<u>10,509</u>	<u>4,929,891</u>
Public Safety:					
Police and animal control	3,042,518	3,056,317	3,372,408	(316,091)	2,736,186
Community Development:					
Planning and building department	1,256,971	1,279,264	1,231,816	47,448	1,484,180
Marketing and communications	855,209	855,209	895,088	(39,879)	791,452
Community relations	144,741	144,741	137,210	7,531	120,080
Total - Community Development	<u>2,256,921</u>	<u>2,279,214</u>	<u>2,264,114</u>	<u>15,100</u>	<u>2,395,712</u>
Public Works:					
Streets/properties - Maintenance/improvements	6,197,864	6,711,380	5,095,397	1,615,983	4,368,930
Culture and Recreation:					
Historic Park	516,775	516,775	471,566	45,209	430,507
Special events	391,338	391,338	370,975	20,363	324,660
Recreation	807,251	807,251	907,573	(100,322)	761,387
Frisco Adventure Park	2,030,171	2,030,171	2,202,851	(172,680)	1,925,914
Nordic Center	917,590	917,590	930,894	(13,304)	827,220
Total - Culture and Recreation	<u>4,663,125</u>	<u>4,663,125</u>	<u>4,883,859</u>	<u>(220,734)</u>	<u>4,269,688</u>
Total Expenditures	<u>21,364,940</u>	<u>22,016,101</u>	<u>20,911,334</u>	<u>1,104,767</u>	<u>18,700,407</u>
Excess (Deficiency) of Revenues over Expenditures	83,382	(527,289)	1,820,317	2,347,606	3,023,881
Other Financing Sources (Uses):					
Transfers (out)	(1,931,230)	(1,931,230)	(1,911,641)	19,589	(1,914,190)
Total Other Financing Sources (Uses)	<u>(1,931,230)</u>	<u>(1,931,230)</u>	<u>(1,911,641)</u>	<u>19,589</u>	<u>(1,914,190)</u>
Net Change in Fund Balance	(1,847,848)	(2,458,519)	(91,324)	2,367,195	1,109,691
Fund Balance - January 1	<u>12,269,928</u>	<u>12,269,928</u>	<u>14,684,583</u>	<u>2,414,655</u>	<u>13,574,892</u>
Fund Balance - December 31	<u>10,422,080</u>	<u>9,811,409</u>	<u>14,593,259</u>	<u>4,781,850</u>	<u>14,684,583</u>

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
SCHA sales tax	2,105,000	2,105,000	2,085,417	(19,583)	2,078,630
Short term rental tax	1,267,000	1,267,000	1,251,974	(15,026)	1,283,563
Licenses, permits, and fees:					
Developer impact fees	60,000	60,000	74,896	14,896	79,092
	<u>1,327,000</u>	<u>1,327,000</u>	<u>1,326,870</u>	<u>(130)</u>	<u>1,362,655</u>
Investment income	238,500	238,500	146,359	(92,141)	1,289,237
State/federal grants	4,375,898	4,375,898	6,557,936	2,182,038	265,408
Rental income	470,000	470,000	404,339	(65,661)	345,664
	<u>8,516,398</u>	<u>8,516,398</u>	<u>10,520,921</u>	<u>2,004,523</u>	<u>5,341,594</u>
Total Revenues					
Expenditures:					
General government	385,413	385,413	477,413	(92,000)	599,936
Capital outlay	7,882,513	10,747,159	10,868,368	(121,209)	8,433,934
Cost of Issuance	-	-	2,500	(2,500)	2,500
Debt service:					
Principal	215,000	215,000	215,000	-	205,000
Interest	301,250	301,250	301,250	-	311,500
	<u>8,784,176</u>	<u>11,648,822</u>	<u>11,864,531</u>	<u>(215,709)</u>	<u>9,552,870</u>
Total Expenditures					
Excess (Deficiency)					
of Revenues over Expenditures	(267,778)	(3,132,424)	(1,343,610)	1,788,814	(4,211,276)
Other Financing Sources (Uses):					
Sale of capital assets	1,200,000	1,200,000	-	(1,200,000)	-
Total Other Financing Sources (Uses)	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>(1,200,000)</u>	<u>-</u>
Net Change in Fund Balance	932,222	(1,932,424)	(1,343,610)	588,814	(4,211,276)
Fund Balance - January 1	<u>8,023,847</u>	<u>8,023,847</u>	<u>7,111,031</u>	<u>(912,816)</u>	<u>11,322,307</u>
Fund Balance - December 31	<u><u>8,956,069</u></u>	<u><u>6,091,423</u></u>	<u><u>5,767,421</u></u>	<u><u>(324,002)</u></u>	<u><u>7,111,031</u></u>

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

	Measurement period ending December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's portion of the net pension (asset) liability	0.131085%	0.107949%	0.118476%	0.109134%	0.094862%	0.104242%	0.102109%	0.129007%	0.147306%	0.134622%
Town's proportionate share of the net pension (asset) liability	-	-	105,159	(591,436)	(206,217)	(58,957)	129,084	(185,598)	53,226	(2,375)
Town's covered payroll	1,432,243	1,117,358	1,033,156	837,612	767,075	743,400	681,688	756,313	756,488	659,263
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	0.0%	0.0%	-10.2%	70.6%	26.9%	7.9%	-18.9%	24.5%	-7.0%	0.4%
Plan fiduciary net position as a percentage of the total pension (asset) liability	100.00%	100.00%	106.70%	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%

Town of Frisco, Colorado
Schedule of Town Contributions
Statewide Defined Benefit Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years
(Unaudited)

	Fiscal years ending December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	183,574	142,932	106,149	92,984	71,197	61,366	59,472	54,535	60,505	60,519
Actual contributions	(183,574)	(142,932)	(106,149)	(92,984)	(71,197)	(61,366)	(59,472)	(54,535)	(60,505)	(60,519)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered payroll	1,751,441	1,432,243	1,117,358	1,033,156	837,612	767,075	743,400	681,688	756,313	756,488
Contributions as a percentage of covered payroll	10.5%	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%

Town of Frisco, Colorado
Notes to the Required Supplementary Information
December 31, 2025

I. Budgetary Information

Budgets for governmental funds are prepared in accordance with accounting principles generally accepted in the United States of America by the Town's Finance Department and adopted by Town Council following a public hearing.

Any change in the total to a fund's budget requires approval of Town Council. All unexpended annual appropriations lapse at year-end. Budgets for these projects are appropriated in the following year.

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

A. Changes to Assumptions or Other Inputs

1. Changes since the January 1, 2024 Actuarial Valuation (effective January 1, 2025):

No changes during the years presented.

2. Changes since the January 1, 2023 Actuarial Valuation (effective January 1, 2024):

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant 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 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.

3. Changes since the January 1, 2022 Actuarial Valuation (effective January 1, 2023):

No changes during the years presented.

4. Changes since the January 1, 2021 Actuarial Valuation (effective January 1, 2022):

No changes during the years presented.

5. Changes since the January 1, 2020 Actuarial Valuation (effective January 1, 2021):

No changes during the years presented.

6. Changes since the January 1, 2019 Actuarial Valuation (effective January 1, 2020):

No changes during the years presented.

Town of Frisco, Colorado
Notes to the Required Supplementary Information
December 31, 2025
(Continued)

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

A. Changes to Assumptions or Other Inputs (continued)

7. Changes since the January 1, 2018 Actuarial Valuation (effective January 1, 2019):

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

8. Changes since the January 1, 2017 Actuarial Valuation (effective January 1, 2018):

No changes during the years presented.

9. Changes since the January 1, 2016 Actuarial Valuation (effective January 1, 2017):

No changes during the years presented.

10. Changes since the January 1, 2015 Actuarial Valuation (effective January 1, 2016):

No changes during the years presented.

SUPPLEMENTARY INFORMATION



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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes - Real estate investment fees	2,000,000	2,000,000	2,269,130	269,130	2,185,418
Intergovernmental - grants	150,000	150,000	704,538	554,538	1,463,372
Investment income	205,000	205,000	142,940	(62,060)	295,074
Total Revenues	<u>2,355,000</u>	<u>2,355,000</u>	<u>3,116,608</u>	<u>761,608</u>	<u>3,943,864</u>
Expenditures:					
Capital outlay	4,330,900	10,147,768	7,397,460	2,750,308	10,277,100
Cost of issuance	-	-	20,000	(20,000)	-
Debt service:					
Principal	422,256	422,256	403,474	18,782	393,135
Interest	61,916	61,916	80,293	(18,377)	94,264
Total Expenditures	<u>4,815,072</u>	<u>10,631,940</u>	<u>7,901,227</u>	<u>2,730,713</u>	<u>10,764,499</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,460,072)</u>	<u>(8,276,940)</u>	<u>(4,784,619)</u>	<u>3,492,321</u>	<u>(6,820,635)</u>
Other Financing Sources (Uses):					
Equipment financing issuance	-	-	669,000	669,000	-
Notes receivable principal payments	200,000	200,000	200,000	-	200,000
Sale of assets	168,609	168,609	153,770	(14,839)	108,779
Transfers in	1,702,772	1,702,772	1,702,772	-	2,722,772
Total Other Financing Sources (Uses)	<u>2,071,381</u>	<u>2,071,381</u>	<u>2,725,542</u>	<u>654,161</u>	<u>3,031,551</u>
Change in Fund Balance - Budget Basis	<u>(388,691)</u>	<u>(6,205,559)</u>	<u>(2,059,077)</u>	<u>4,146,482</u>	<u>(3,789,084)</u>
Reconciliation to GAAP Basis:					
Interfund loan principal repayment			76,318		71,766
Change in Fund Balance - GAAP Basis			<u>(1,982,759)</u>		<u>(3,717,318)</u>
Net Change in Fund Balance	<u>(388,691)</u>	<u>(6,205,559)</u>	<u>(1,982,759)</u>	<u>3,497,482</u>	<u>(3,717,318)</u>
Fund Balance - January 1	<u>660,622</u>	<u>660,622</u>	<u>4,505,444</u>	<u>3,844,822</u>	<u>8,222,762</u>
Fund Balance - December 31	<u>271,931</u>	<u>(5,544,937)</u>	<u>2,522,685</u>	<u>7,342,304</u>	<u>4,505,444</u>

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

	2025				2024
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for service - User charges	1,580,000	1,580,000	1,540,317	(39,683)	1,478,356
Water meter sales	37,000	37,000	28,880	(8,120)	40,559
Other operating revenue	8,625	8,625	23,658	15,033	36,624
Total Operating Revenues	<u>1,625,625</u>	<u>1,625,625</u>	<u>1,592,855</u>	<u>(32,770)</u>	<u>1,555,539</u>
Operating Expenses:					
Salaries and benefits	579,464	579,464	541,311	38,153	556,505
Administrative fees	43,000	43,000	42,500	500	42,500
Professional fees	349,500	349,500	288,639	60,861	139,510
Supplies and chemicals	95,000	95,000	37,201	57,799	54,726
Utilities	50,000	50,000	42,546	7,454	38,557
Repair and maintenance	449,600	567,318	232,532	334,786	85,124
General expenses	140,545	140,545	152,402	(11,857)	321,087
Capital outlay	9,350,000	10,008,368	1,749,487	8,258,881	29,286
Water meter replacements	70,000	70,000	56,061	13,939	82,940
Total Expenses	<u>11,127,109</u>	<u>11,903,195</u>	<u>3,142,679</u>	<u>8,760,516</u>	<u>1,350,235</u>
Operating Income (Loss)	<u>(9,501,484)</u>	<u>(10,277,570)</u>	<u>(1,549,824)</u>	<u>8,727,746</u>	<u>205,304</u>
Non-operating Revenues (Expenses):					
Contributed to capital	-	-	202,205	202,205	-
Intergovernmental - Non-operating grants	3,000,000	3,000,000	50,000	(2,950,000)	18,431
Investment income	147,000	147,000	328,168	181,168	314,078
Gain (loss) on asset disposal	14,000	14,000	31,000	17,000	39,480
Interfund loan principal repayment	95,000	95,000	76,318	(18,682)	71,766
Plant investment fees	664,992	664,992	563,752	(101,240)	644,991
Total Non-operating Revenues (Expenses)	<u>3,920,992</u>	<u>3,920,992</u>	<u>1,251,443</u>	<u>(2,871,754)</u>	<u>1,088,746</u>
Change in Net Position - Budget Basis	<u>(5,580,492)</u>	<u>(6,356,578)</u>	<u>(298,381)</u>	<u>6,058,197</u>	<u>1,294,050</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			(76,318)		(71,766)
Capitalized assets			1,749,487		29,286
Depreciation			(396,831)		(477,084)
Change in Net Position - GAAP Basis			<u>977,957</u>		<u>774,486</u>

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

	2025				2024
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for service - User charges	2,639,575	2,639,575	2,400,813	(238,762)	2,401,414
Intergovernmental - Operating grants	45,000	45,000	48,415	3,415	45,000
Total Operating Revenues	2,684,575	2,684,575	2,449,228	(235,347)	2,446,414
Operating Expenses:					
Salaries and benefits	1,269,642	1,269,642	1,462,900	(193,258)	1,354,508
Administrative fees	20,000	20,000	20,000	-	20,000
Professional fees	102,000	102,000	101,727	273	109,045
Supplies	73,850	73,850	79,722	(5,872)	72,068
Utilities	32,000	32,000	26,648	5,352	26,082
Repairs and maintenance	85,000	85,000	90,741	(5,741)	86,276
General expenses	332,500	332,500	416,757	(84,257)	365,559
Capital outlay	257,000	257,000	184,678	72,322	320,732
Total Expenses	2,171,992	2,171,992	2,383,173	(211,181)	2,354,270
Operating Income (Loss)	512,583	512,583	66,055	(446,528)	92,144
Non-operating Revenues (Expenses):					
Interfund transfers (in)	268,458	268,458	248,869	(19,589)	251,418
Intergovernmental	-	-	-	-	587,799
Investment income	-	-	36,867	36,867	24,110
Gain (loss) on asset disposal	3,000	3,000	2,595	(405)	12,421
Agent fees	(400)	(400)	(400)	-	(400)
Interfund transfers (out)	-	-	-	-	-
Principal repayment	(100,000)	(100,000)	(100,000)	-	(90,000)
Interest expense	(256,000)	(256,000)	(253,406)	2,594	(257,947)
Total Non-operating Revenues (Expenses)	(84,942)	(84,942)	(65,475)	19,467	527,401
Change in Net Position - Budget Basis	427,641	427,641	580	(427,061)	619,545
Reconciliation to GAAP Basis:					
Adjustments:					
Principal repayment			100,000		90,000
Capitalized assets			184,678		320,732
Depreciation			(675,345)		(650,013)
Change in Net Position - GAAP Basis			(390,087)		380,264

Town of Frisco, Colorado
Internal Service Fund - Insurance Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Insurance premiums - employee contributions	152,000	152,000	158,493	6,493	153,700
Insurance premiums - employer contributions	1,660,584	1,660,584	1,828,052	167,468	1,724,986
Stop loss	-	-	1,037,071	1,037,071	294,339
Total Operating Revenues	1,812,584	1,812,584	3,023,616	1,211,032	2,173,025
Operating Expenses:					
Fixed Costs	409,000	409,000	425,940	(16,940)	403,645
Claims	1,094,140	1,094,140	2,381,315	(1,287,175)	1,559,068
Total Operating Expenses	1,503,140	1,503,140	2,807,255	(1,304,115)	1,962,713
Operating Income (Loss)	309,444	309,444	216,361	(93,083)	210,312
Non-operating Revenues (Expenses):					
Investment income	26,000	26,000	51,737	25,737	48,068
Change in Net Position	335,444	335,444	268,098	(67,346)	258,380
Fund Balance - January 1	1,395,286	1,395,286	1,287,444	(107,842)	1,029,064
Fund Balance - December 31	1,730,730	1,730,730	1,555,542	(175,188)	1,287,444

NON-MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

Arts & Culture Fund – This fund accounts for the expenditures related to programming and capital related to Arts & Culture. The funding is derived from a transfer from the Town's Lodging Tax Fund.



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

	Special Revenue Funds						Total
	Conservation Trust Fund	Historic Preservation Fund	Lodging Tax Fund	Open Space Fund	Nicotine Tax Fund	Art & Culture Fund	Non-major Governmental Funds
Assets:							
Cash and cash equivalents - Unrestricted	6,837	12,908	432,427	14,398	376,929	58,824	902,323
Receivables, net of allowance for uncollectible accounts:							
Other taxes	-	-	196,661	-	139,609	-	336,270
Inventory	-	-	1,518	-	-	-	1,518
Total Assets	<u>6,837</u>	<u>12,908</u>	<u>630,606</u>	<u>14,398</u>	<u>516,538</u>	<u>58,824</u>	<u>1,240,111</u>
Liabilities and Fund Equity:							
Liabilities:							
Accounts/vouchers payable	-	-	55	-	-	-	55
Total Liabilities	<u>-</u>	<u>-</u>	<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55</u>
Fund Balances:							
Non spendable	-	-	1,518	-	-	-	1,518
Restricted	6,837	12,908	629,033	-	516,538	-	1,165,316
Committed	-	-	-	14,398	-	58,824	73,222
Total Fund Balances	<u>6,837</u>	<u>12,908</u>	<u>630,551</u>	<u>14,398</u>	<u>516,538</u>	<u>58,824</u>	<u>1,240,056</u>
Total Liabilities and Fund Balances	<u>6,837</u>	<u>12,908</u>	<u>630,606</u>	<u>14,398</u>	<u>516,538</u>	<u>58,824</u>	<u>1,240,111</u>

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

	Special Revenue Funds						Total
	Conservation Trust Fund	Historic Preservation Fund	Lodging Tax Fund	Open Space Fund	Nicotine Tax Fund	Art & Culture Fund	Non-major Governmental Funds
Revenues:							
Taxes	-	-	919,958	-	780,054	-	1,700,012
Licenses, permits, and fees	-	-	-	-	12,600	-	12,600
Intergovernmental revenue	32,956	-	38,062	-	-	-	71,018
Investment income	1,048	358	26,607	612	18,621	1,845	49,091
Miscellaneous	-	11,424	23,032	-	-	-	34,456
Total Revenues	34,004	11,782	1,007,659	612	811,275	1,845	1,867,177
Expenditures:							
General government	-	-	-	-	13,222	-	13,222
Community development	-	-	508,559	-	-	-	508,559
Culture and recreation	-	-	409,656	-	-	43,021	452,677
Health and welfare	-	-	-	-	813,778	-	813,778
Total Expenditures	-	-	918,215	-	827,000	43,021	1,788,236
Excess (Deficiency) of Revenues Over Expenditures	34,004	11,782	89,444	612	(15,725)	(41,176)	78,941
Other Financing Sources (Uses)							
Transfers (out)	(40,000)	-	(100,000)	-	-	-	(140,000)
Transfers (in)	-	-	-	-	-	100,000	100,000
Total Other Financing Sources (Uses)	(40,000)	-	(100,000)	-	-	100,000	(40,000)
Net Change in Fund Balances	(5,996)	11,782	(10,556)	612	(15,725)	58,824	38,941
Fund Balances - January 1	12,833	1,126	641,107	13,786	532,263	-	1,201,115
Fund Balances - December 31	6,837	12,908	630,551	14,398	516,538	58,824	1,240,056

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

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental - Lottery proceeds	40,000	40,000	32,956	(7,044)	34,352
Investment income	1,000	1,000	1,048	48	2,236
Total Revenues	41,000	41,000	34,004	(6,996)	36,588
Expenditures:					
Culture and recreation	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	41,000	41,000	34,004	(6,996)	36,588
Other Financing Sources (Uses):					
Transfers (out)	(40,000)	(40,000)	(40,000)	-	(60,000)
Total Other Financing Sources (Uses)	(40,000)	(40,000)	(40,000)	-	(60,000)
Net Change in Fund Balances	1,000	1,000	(5,996)	(6,996)	(23,412)
Fund Balance - January 1	18,245	18,245	12,833	(5,412)	36,245
Fund Balance - December 31	19,245	19,245	6,837	(12,408)	12,833

Town of Frisco, Colorado
Special Revenue Funds - Historic Preservation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Miscellaneous	-	-	11,424	11,424
Investment income	20	20	358	338
Total Revenues	20	20	11,782	11,762
Expenditures:				
Capital Projects	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	20	20	11,782	11,762
Fund Balance - January 1	-	-	1,126	1,126
Fund Balance - December 31	20	20	12,908	12,888

Town of Frisco, Colorado
Special Revenue Funds - Lodging Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Lodging tax	941,000	941,000	919,958	(21,042)	965,443
Local grants	30,000	30,000	38,062	8,062	33,841
Investment income	43,000	43,000	26,607	(16,393)	71,726
Miscellaneous	6,350	6,350	23,032	16,682	16,074
Total Revenues	<u>1,020,350</u>	<u>1,020,350</u>	<u>1,007,659</u>	<u>(12,691)</u>	<u>1,087,084</u>
Expenditures:					
Community development	522,612	522,612	508,559	14,053	464,367
Culture and recreation	547,380	547,380	409,656	137,724	608,460
Total Expenditures	<u>1,069,992</u>	<u>1,069,992</u>	<u>918,215</u>	<u>151,777</u>	<u>1,072,827</u>
Excess (Deficiency) of Revenues Over Expenditures	(49,642)	(49,642)	89,444	139,086	14,257
Other Financing (Uses):					
Transfers (out)	-	-	(100,000)	(100,000)	(1,000,000)
Net Change in Fund Balance	(49,642)	(49,642)	(10,556)	39,086	(985,743)
Fund Balance - January 1	<u>522,470</u>	<u>522,470</u>	<u>641,107</u>	<u>118,637</u>	<u>1,626,850</u>
Fund Balance - December 31	<u><u>472,828</u></u>	<u><u>472,828</u></u>	<u><u>630,551</u></u>	<u><u>157,723</u></u>	<u><u>641,107</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Open Space Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Investment income	500	500	612	112	605
Total Revenues	500	500	612	112	605
Expenditures:					
Culture and recreation	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Net Change in Fund Balance	500	500	612	112	605
Fund Balance - January 1	13,731	13,731	13,786	55	13,181
Fund Balance - December 31	14,231	14,231	14,398	167	13,786

Town of Frisco, Colorado
Special Revenue Funds - Nicotine Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Nicotine tax	732,408	732,408	780,054	47,646	776,715
Nicotine licenses	7,200	7,200	12,600	5,400	7,200
Investment income	17,000	17,000	18,621	1,621	24,475
Total Revenues	<u>756,608</u>	<u>756,608</u>	<u>811,275</u>	<u>54,667</u>	<u>808,390</u>
Expenditures:					
General government	15,000	15,000	13,222	1,778	13,309
Health and welfare	975,075	975,075	813,778	161,297	1,040,491
Total Expenditures	<u>990,075</u>	<u>990,075</u>	<u>827,000</u>	<u>163,075</u>	<u>1,053,800</u>
Net Change in Fund Balance	(233,467)	(233,467)	(15,725)	217,742	(245,410)
Fund Balance - January 1	<u>568,365</u>	<u>568,365</u>	<u>532,263</u>	<u>(36,102)</u>	<u>777,673</u>
Fund Balance - December 31	<u><u>334,898</u></u>	<u><u>334,898</u></u>	<u><u>516,538</u></u>	<u><u>181,640</u></u>	<u><u>532,263</u></u>

Town of Frisco, Colorado
Special Revenue Funds - Arts & Culture Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025

	2025			Final Budget Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment income	-	-	1,845	1,845
Total Revenues	-	-	1,845	1,845
Expenditures:				
Art & culture programming	-	50,000	43,021	6,979
Art & culture capital	-	50,000	-	50,000
Total Expenditures	-	100,000	43,021	56,979
Excess (Deficiency) of Revenues Over Expenditures	-	-	(41,176)	(41,176)
Other Financing Sources (Uses)				
Transfers (in)	-	100,000	100,000	-
Total Other Financing Sources (Uses)	-	100,000	100,000	-
Net Change in Fund Balance	-	-	58,824	58,824
Fund Balance - January 1			-	-
Fund Balance - December 31	-	-	58,824	58,824

Town of Frisco, Colorado
Capital Improvement Fund
Schedule of Capital Outlay Expenditures
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Capital Outlay:					
Complete streets	-	533,558	534,397	(839)	66,442
Computers and technology	100,000	100,000	10,929	89,071	-
Environmental sustainability	250,000	638,345	1,063,343	(424,998)	11,666
Equipment and vehicle leases	30,900	30,900	15,951	14,949	26,080
Facility capital repair	-	11,491	2,164	9,327	13,509
Fiber infrastructure	2,000,000	2,066,096	1,236,916	829,180	96,271
Old Town Hall remodel	-	955,263	859,520	95,743	868,339
Pedestrian and recreation pathways	50,000	50,000	-	50,000	50,000
Playground/site improvement at town parks	150,000	614,968	521,121	93,847	76,599
Police vehicle upgrades	200,000	200,000	210,207	(10,207)	-
PRA Plan Implementation	-	1,407,749	720,716	687,033	5,191,933
Storm system study	75,000	75,000	75,000	-	-
Street lights	-	86,626	45,659	40,967	473,374
Summit Blvd. masonry work	100,000	162,375	84,480	77,895	437,625
Summit Blvd. sidewalk (Walmart)	-	162,331	182,906	(20,575)	1,397,502
Town Hall master plan	-	10,000	-	10,000	5,695
Town Hall dumpster enclosure	-	-	-	-	27,197
Trails enhancement	150,000	294,229	313,133	(18,904)	365,423
Vehicles and equipment	1,200,000	2,723,837	1,520,018	1,203,819	1,169,445
Wayfinding	25,000	25,000	1,000	24,000	-
Total Expenditures - Capital Outlay	4,330,900	10,147,768	7,397,460	2,750,308	10,277,100

LOCAL HIGHWAY FINANCE REPORT



LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
THIS INFORMATION FROM THE RECORDS OF: Town of Frisco		PREPARED BY: Dylan Olchin Dylano@townoffrisco.com	
		REPORT YEAR ENDING DATE(mm/yyyy): 12/2025	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Total (1 - (2 through 4))			
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		A.4. Miscellaneous Local Receipts:	
a. Property Taxes and Assesments	-	a. Interest on investments	-
b. Non-property Taxes and Assessments Imposts	685,084	b. Other Misc. Local Receipts	-
c. Total (a + b)	685,084	c. Total (a + b)	-
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user Taxes (from Item I.C.5.)	132,369	1. FHWA (from Item I.D.5.)	-
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	13,285		
c. Total (a + b)	13,285		
4. Total (1 + 2 + 3c)	145,654	3. Total (1 + 2)	-
III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT		
A.1. Capital outlay:			
a. Right-Of-Way Costs	-		
b. Engineering Costs	534,397		
c. Construction Costs	529,858		
d. Total Capital Outlay (a+ b + c)	1,064,255		
Form FHWA-536 (Rev. 02-2025) Page2			

LOCAL HIGHWAY FINANCE REPORT STATE: COLORADO REPORT YEAR ENDING DATE(mm/yyyy): 12/2025				
		I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE		
		ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes
1. Amount used for highway purposes				
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from Local Sources:		A. Local highway expenditures:		
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)	\$	1,064,255
a. Motor Fuel (from Item I.A.1)		2. Maintenance:	\$	1,103,335
b. Motor Vehicle (from Item I.B.1)		3. Road and Street Services:		
c. Total (a + b)		a. Snow and Ice Removal	\$	695,171
2. General Fund Appropriations	2,465,829	b. Other & Traffic Control Operations		
3. Other Local Imposts (from page 1, Item II.A3.c)	685,084	c. Total (a + b)	\$	695,171
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	-	4. General Administration & Miscellaneous		
5. Transfers from Toll Facilities		5. Highway Law Enforcement and Safety	\$	433,806
6. Proceeds of Sale of Bonds and Notes:		6. Total (1 through 5)	\$	3,296,567
a. Bonds - Original Issues	-	B. Debt Service on Local Obligations:		
b. Bonds - Refunding Issues	-	1. Bonds:		
c. Notes	-	a. Interest	\$	-
d. Total (a + b + c)	-	b. Redemption	\$	-
7. Total (1 through 6)	3,150,913	c. Total (a + b)	\$	-
B. Private Contributions	-	2. Notes:		
C. Receipts from State government (from page 1, Item II.C.4)	145,654	a. Interest	\$	-
D. Receipts from Federal government (from page 1, Item II.D.3)	-	b. Redemption	\$	-
E. Total receipts (A.7 + B + C + D)	3,296,567	c. Total (a + b)	\$	-
		3. Total (1c + 2c)	\$	-
		C. Payments to State for Highways	\$	-
		D. Payments to Toll Facilities		
		E. Total Expenditures (A6 + B3 + C + D)	\$	3,296,567
IV. LOCAL HIGHWAY DEBT STATUS				
(Show all entries at par)				
ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	-	-	-	-
1. Bonds (Refunding Portion)		-		
B. Notes (Total)	-	-	-	-

STATISTICAL SECTION

This part of the Town of Frisco's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the government's most significant local revenue source: Town and county sales tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help readers understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



Town of Frisco, Colorado
Government-wide Net Position by Category
Last Ten Fiscal Years
 (accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022
Governmental Activities							
Net Investment in Capital Assets	\$ 36,042,985	\$ 35,805,489	\$ 39,594,729	\$ 40,482,656	\$ 40,474,329	\$ 39,596,343	\$ 43,598,899
Restricted	2,179,572	1,152,548	1,409,259	6,586,228	8,191,201	10,073,417	8,515,384
Unrestricted	14,249,460	19,684,169	21,090,452	20,643,007	25,257,650	31,064,954	32,227,174
Subtotal Governmental Activities Net Position	52,472,017	56,642,206	62,094,440	67,711,891	73,923,180	80,734,714	84,341,457
Business-type Activities							
Net Investment in Capital Assets	7,521,763	8,281,537	9,155,965	8,734,281	8,886,055	10,675,590	11,845,401
Restricted for CRCA projects	-	198,940	664,551	-	-	-	-
Unrestricted	6,095,350	5,928,610	5,707,470	7,101,617	7,969,356	6,588,460	5,570,152
Subtotal Business-type Activities Net Position	13,617,113	14,409,087	15,527,986	15,835,898	16,855,411	17,264,050	17,415,553
Total Primary Government Net Position	\$ 66,089,130	\$ 71,051,293	\$ 77,622,426	\$ 83,547,789	\$ 90,778,591	\$ 97,998,764	\$ 101,757,010

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

	2016	2017	2018	2019	2020	2021	2022
Expenses							
Governmental Activities:							
General Government	\$ 3,372,782	\$ 3,632,450	\$ 5,805,422	\$ 4,781,244	\$ 5,264,246	\$ 5,845,646	\$ 6,022,485
Public Safety	1,464,245	1,517,580	1,326,397	1,510,270	1,435,801	1,525,268	1,735,781
Public Works	2,390,051	2,897,095	2,777,951	2,981,562	2,930,379	1,768,852	2,140,602
Community Development	1,512,826	1,635,078	1,838,271	1,890,312	1,623,333	3,137,557	8,229,009
Culture and Recreation	3,098,379	3,538,985	3,634,564	3,688,171	3,062,208	3,289,976	4,736,900
Health and welfare	-	-	-	-	80,005	467,600	474,006
Housing	42,728	181,102	45,547	51,025	427,401	703,750	380,955
Interest on long-term debt	262,753	295,106	155,488	147,620	121,885	95,624	88,638
Total Governmental Activities Expenses	12,143,764	13,457,396	15,583,640	15,051,204	14,945,258	16,834,273	23,818,376
Business-type Activities:							
Interest on long-term debt	2,702	5,287	-	228,690	270,322	270,011	266,239
Water Fund	1,097,277	1,137,475	1,006,302	1,092,653	997,354	1,117,017	1,424,265
Marina Fund	951,376	998,766	1,231,122	1,435,127	1,562,129	1,758,042	2,025,783
Total Business-type Activities Expenses	2,051,355	2,141,528	2,237,424	2,756,470	2,829,809	3,145,070	3,716,287
Total Primary Government Expenses	14,195,119	15,598,924	17,821,064	17,807,674	17,775,063	19,979,343	27,534,663
Program Revenues							
Governmental Activities:							
Charges for Services:							
General Government	350,659	288,696	263,086	373,077	380,220	374,150	459,243
Public Safety	41,461	35,748	47,275	40,329	31,779	44,414	27,666
Public Works	8,422	4,480	5,270	12,590	11,600	398,888	473,668
Community Development	194,122	290,400	468,573	417,968	220,822	4,300	9,350
Culture and Recreation	2,998,380	3,263,299	3,368,099	3,422,827	2,290,539	2,234,719	3,167,356
Housing	116,626	36,745	125,254	213,175	223,656	160,936	105,653
Operating Grants and Contributions	363,938	364,857	308,543	309,791	1,028,828	808,636	2,230,945
Capital Grants and Contributions	78,614	65,668	30,000	421,975	139,792	124,584	109,153
Total Governmental Activities Program Revenues	4,152,222	4,369,893	4,616,100	5,211,732	4,327,236	4,150,627	6,583,034
Business-type Activities:							
Charges for Services:							
Water	900,407	906,696	989,542	1,001,193	1,253,959	1,350,847	1,366,111
Marina	1,439,922	1,535,817	1,565,693	1,579,425	2,400,646	2,090,803	1,864,327
Operating Grants and Contributions	27,645	32,622	27,570	34,830	36,255	39,888	40,000
Capital Grants and Contributions	153,241	331,623	647,832	225,910	43,170	62,449	90,672
Total Business-type Activities Program Revenues	2,521,215	2,806,758	3,230,637	2,841,358	3,734,030	3,543,987	3,361,110
Total Program Revenues	6,673,437	7,176,651	7,846,737	8,053,090	8,061,266	7,694,614	9,944,144
Net (Expense)/Revenue							
Governmental Activities	(7,728,789)	(8,832,397)	(10,812,052)	(9,691,852)	(10,496,137)	(12,588,022)	(17,146,704)
Business-type Activities	472,562	670,517	993,213	313,578	1,174,547	668,928	(88,938)
Interest on Long Term Debt	(265,455)	(260,393)	(155,488)	(376,310)	(392,207)	(365,635)	(354,877)
Total Primary Government	(7,521,682)	(8,422,273)	(10,974,327)	(9,754,584)	(9,713,797)	(12,284,729)	(17,590,519)
Net (Expense) Revenue							
General Revenues and Transfers							
Governmental Activities:							
Taxes:							
Property Taxes	151,002	154,136	168,344	168,930	201,949	203,382	222,012
Sales and use Taxes	8,722,133	10,268,559	11,001,605	11,835,668	12,019,014	13,805,484	15,321,546
Real Estate Transfer Tax	1,389,027	1,293,352	1,415,715	1,542,417	2,070,516	2,773,501	1,957,428
Franchise Taxes	320,432	323,924	318,602	326,461	320,081	348,211	429,380
Lodging Taxes	471,041	490,541	534,342	555,084	498,972	701,513	809,962
Other Taxes	358,527	393,420	404,064	440,671	1,085,556	1,141,169	1,593,828
Transfers	-	-	-	-	-	-	(466,257)
Interest and Other	314,599	313,756	2,577,111	587,692	633,214	521,928	569,311
Total General Activities	11,724,761	13,257,688	16,419,783	15,456,923	16,829,302	19,495,188	20,437,210
Business-type Activities							
Transfers	-	-	-	-	-	-	466,257
Interest and Other	55,977	126,744	125,686	223,025	115,286	9,720	40,423
Total Business-type Activities	55,977	126,744	125,686	223,025	115,286	9,720	506,680
Total General Revenues and Transfers	11,780,738	13,384,432	16,545,469	15,679,948	16,944,588	19,504,908	20,943,890
Changes in Net Position							
Governmental Activities	3,733,219	4,170,185	5,452,243	5,617,451	6,211,280	6,811,542	3,201,868
Business-type Activities	525,637	791,974	1,118,899	307,913	1,019,511	408,637	151,503
Total Government Changes in Net Position	\$ 4,258,056	\$ 4,962,159	\$ 6,571,142	\$ 5,925,364	\$ 7,230,791	\$ 7,220,179	\$ 3,353,371

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

	2016	2017	2018	2019	2020	2021	2022
General Fund							
Non-Spendable	\$ 46,433	\$ 63,425	\$ 66,363	\$ 102,026	\$ 88,591	\$ 64,214	\$ 111,665
Restricted	468,000	596,000	626,000	621,000	632,000	709,000	739,000
Committed	-	-	-	-	-	-	-
Assigned	16,396	14,637	14,662	18,230	15,749	16,266	20,754
Unassigned	4,736,905	4,988,690	6,585,687	7,399,718	16,315,848	7,609,393	11,991,001
Total General Fund	<u>5,267,734</u>	<u>5,662,752</u>	<u>7,292,712</u>	<u>8,140,974</u>	<u>17,052,188</u>	<u>8,398,873</u>	<u>12,862,420</u>
All Other Governmental Funds							
Non-Spendable	13,194	12,597	12,140	23,097	13,085	10,181	5,360
Restricted	2,028,323	3,144,301	4,152,007	6,110,334	8,130,379	9,947,067	8,015,657
Committed	4,295,350	7,204,859	5,934,846	8,207,877	3,488,851	17,762,567	14,684,641
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>6,336,867</u>	<u>10,361,757</u>	<u>10,098,993</u>	<u>14,341,308</u>	<u>11,632,315</u>	<u>27,719,815</u>	<u>22,705,658</u>
Total Governmental Funds							
Non-Spendable	59,627	76,022	78,503	125,123	101,676	74,395	117,025
Restricted	2,496,323	3,740,301	4,778,007	6,731,334	8,762,379	10,656,067	8,754,657
Committed	4,295,350	7,204,859	5,934,846	8,207,877	3,488,851	17,762,567	14,684,641
Assigned	16,396	14,637	14,662	18,230	15,749	16,266	20,754
Unassigned	4,736,905	4,988,690	6,585,687	7,399,718	16,315,848	7,609,393	11,991,001
Total Governmental Funds Balance	<u>\$ 11,604,601</u>	<u>\$ 16,024,509</u>	<u>\$ 17,391,705</u>	<u>\$ 22,482,282</u>	<u>\$ 28,684,503</u>	<u>\$ 36,118,688</u>	<u>\$ 35,568,078</u>

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

	2016	2017	2018	2019	2020	2021	2022	2023
Revenues								
Taxes	\$ 11,410,162	\$ 12,943,932	\$ 13,842,672	\$ 14,869,229	\$ 16,196,089	\$ 18,973,260	\$ 20,817,288	\$ 21,839,688
Licenses, Permits, and Fees	459,556	482,663	746,210	778,469	647,627	758,969	965,221	2,682,828
Intergovernmental Revenue	264,873	325,407	333,474	734,232	1,193,620	933,220	840,098	4,962,390
Charges for Services	3,379,179	3,526,155	3,521,279	3,645,371	2,513,018	2,495,833	3,483,769	3,699,117
Investment Income	68,115	115,715	289,622	471,187	234,043	17,658	223,727	1,612,756
Capital Interest Subsidy	48,614	35,668	-	-	-	-	-	-
Rental Income	-	-	6,938	88,776	76,820	70,730	51,960	117,655
Notes receivable principal payments	-	-	-	-	-	-	-	-
Miscellaneous	119,634	50,820	66,758	102,833	295,521	411,330	262,907	396,481
Total Revenues	15,750,133	17,480,360	18,806,953	20,690,097	21,156,738	23,661,000	26,644,970	35,310,915
Expenditures								
General Government	3,101,416	3,172,809	3,762,670	4,134,228	4,961,015	5,312,789	5,487,068	4,805,808
Public Safety	1,464,557	1,473,245	1,404,537	1,457,574	1,381,818	1,447,067	1,784,538	2,403,040
Community Development	1,492,743	1,614,258	1,821,221	1,831,494	1,573,072	1,774,928	2,027,186	2,329,465
Public Works	1,680,766	1,832,232	1,891,301	1,989,535	1,957,973	1,990,149	2,312,938	3,315,003
Culture and Recreation	2,454,242	2,907,825	3,024,286	3,084,935	2,406,787	2,413,048	3,655,443	4,644,415
Health and welfare	-	-	-	-	80,005	467,600	474,006	782,354
Capital Outlay	3,147,180	1,368,598	7,243,333	2,747,289	2,184,952	2,432,839	11,603,966	21,503,217
Cost of issuance	-	74,559	-	-	-	-	-	192,492
Debt Service:								
Principal	578,488	524,621	274,712	282,573	295,627	303,781	313,136	435,197
Interest	246,992	212,837	145,370	141,420	119,768	98,795	91,836	294,371
Total Expenditures	14,166,384	13,180,984	19,567,430	15,669,048	14,961,017	16,240,996	27,750,117	40,705,362
Excess of Revenues Over/(Under) Expenditures	1,583,749	4,299,376	(760,477)	5,021,049	6,195,721	7,420,004	(1,105,147)	(5,394,447)
Other Financing Sources/(Uses)								
Debt issuances	-	2,487,000	-	-	-	-	-	6,350,000
Premium on COPs issued	-	-	-	-	-	-	-	831,830
Payment to refund bond escrow agent	-	(2,412,441)	-	-	-	-	-	-
Sales of Assets	25,600	45,973	2,127,677	69,527	6,500	14,190	3,925	84,083
Partnership contributions	-	-	-	-	-	-	1,500,000	-
Transfers In	-	3,350,000	2,191,510	3,304,674	4,700,000	13,767,605	461,936	3,502,584
Transfers Out	-	(3,350,000)	(2,191,510)	(3,304,674)	(4,700,000)	(13,767,605)	(928,193)	(3,747,288)
Total Other Financing Sources (Uses)	25,600	120,532	2,127,677	69,527	6,500	14,190	1,037,668	7,021,209
Net Change in Fund Balances	\$ 1,609,349	\$ 4,419,908	\$ 1,367,200	\$ 5,090,576	\$ 6,202,221	\$ 7,434,194	\$ (67,479)	\$ 1,626,762
Debt Service as a Percentage of Noncapital Expenditures	7.5%	6.9%	3.0%	3.2%	3.2%	2.6%	2.3%	4.3%

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

Revenue Source	2016	2017	2018	2019	2020	2021	2022
Town Sales Tax	\$ 4,189,692	\$ 4,372,568	\$ 4,679,210	\$ 4,973,995	\$ 5,002,167	\$ 5,808,528	\$ 6,280,486
County Sales Tax	4,328,048	4,630,816	4,928,635	5,243,063	5,483,050	6,209,560	7,019,467
Housing Authority Tax	204,393	1,285,174	1,393,760	1,618,610	1,533,798	1,787,396	2,021,593
Short term Rental Tax	-	-	-	-	-	-	483,131
Property Tax	143,493	145,468	158,901	159,915	192,149	192,957	211,924
Lodging Tax	471,041	490,541	534,342	555,083	498,972	701,513	809,962
Real Estate Investment Fee Tax	1,389,027	1,293,353	1,415,715	1,542,417	2,070,516	2,773,501	1,957,428
Franchise Fees	320,432	323,924	318,602	326,461	320,081	348,211	429,380
Specific Ownership Tax	7,509	8,668	9,443	9,015	9,800	10,425	10,088
Miscellaneous Tax	356,527	393,420	404,064	440,671	1,085,556	1,141,169	1,110,698
Total Revenues	\$ 11,410,162	\$ 12,943,932	\$ 13,842,672	\$ 14,869,230	\$ 16,196,089	\$ 18,973,260	\$ 20,334,157

% change from prior year

7.6%

13.4%

6.9%

7.4%

8.9%

17.1%

7.2%

Percentage of Total

Town Sales Tax	36.7%	33.8%	33.8%	33.5%	30.9%	30.6%	30.9%
County Sales Tax	37.9%	35.8%	35.6%	35.3%	33.9%	32.7%	34.5%
Housing Authority Tax	1.8%	9.9%	10.1%	10.9%	9.5%	9.4%	9.9%
Short Term Rental Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%
Property Tax	1.3%	1.1%	1.1%	1.1%	1.2%	1.0%	1.0%
Lodging Tax	4.1%	3.8%	3.9%	3.7%	3.1%	3.7%	4.0%
Real Estate Investment Fee Tax	12.2%	10.0%	10.2%	10.4%	12.8%	14.6%	9.6%
Franchise Fees	2.8%	2.5%	2.3%	2.2%	2.0%	1.8%	2.1%
Specific Ownership Tax	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Miscellaneous Tax	3.1%	3.0%	2.9%	3.0%	6.7%	6.0%	5.5%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Town of Frisco Financial Statements

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

Taxable Sales	2016	2018	2019	2020	2021	2022
Retail - General	\$41,582,225	20%	\$46,533,150	19%	\$56,365,700	22%
Grocery	43,208,775	20%	48,818,750	20%	50,172,400	22%
Restaurants	36,662,925	17%	40,972,200	17%	42,527,275	17%
Hotels & Inns	13,103,850	6%	13,576,850	6%	12,608,700	5%
Utility	10,022,475	5%	10,023,600	4%	9,672,550	4%
Construction Supplies	10,704,500	5%	16,000,550	7%	17,224,000	7%
Automotive	9,318,900	4%	8,566,450	4%	9,678,825	4%
Recreation	9,413,650	4%	9,865,900	4%	9,678,675	4%
Liquor & Marijuana	8,658,600	4%	9,614,100	4%	9,278,775	4%
Home Furnishings	8,037,600	4%	7,954,225	3%	6,964,650	3%
Vacation Rentals	7,315,175	3%	11,560,775	5%	14,113,375	6%
Clothing	3,822,725	2%	4,620,075	2%	4,552,625	2%
Gifts	3,129,850	1%	3,170,775	1%	2,883,775	1%
Marijuana	5,327,100	2%	5,943,125	2%	6,468,725	3%
Health & Beauty	1,442,575	1%	1,635,450	1%	1,966,425	1%
Office	947,325	0%	1,207,800	1%	1,368,275	1%
Arts & Crafts	487,275	0%	406,575	0%	386,200	0%
Total	\$ 213,185,525	100%	\$ 240,470,350	100%	\$ 255,911,225	100%

Sales Tax Collected	2016 (*)	2018 (*)	2019 (*)	2020 (*)	2021 (*)	2022
Retail - General	\$1,663,289	20%	\$1,861,326	19%	\$2,254,628	22%
Grocery	1,728,351	20%	1,952,750	20%	2,006,896	22%
Restaurants	1,466,517	17%	1,638,888	17%	1,701,091	14%
Hotels & Inns	524,154	6%	543,074	6%	504,348	5%
Utility	400,899	5%	400,944	4%	386,902	4%
Construction Supplies	428,180	5%	640,022	7%	688,960	7%
Automotive	372,756	4%	342,658	4%	387,153	4%
Recreation	376,546	4%	394,636	4%	387,147	4%
Liquor & Marijuana	346,344	4%	384,564	4%	371,151	4%
Home Furnishings	321,504	4%	318,169	3%	278,586	3%
Vacation Rentals	292,607	3%	462,431	5%	564,535	6%
Clothing	152,909	2%	184,803	2%	182,116	2%
Gifts	125,194	1%	126,831	1%	115,351	1%
Marijuana	213,084	2%	237,725	2%	258,749	3%
Health & Beauty	57,703	1%	65,418	1%	78,657	1%
Office	37,893	0%	48,312	1%	54,731	1%
Arts & Crafts	19,491	0%	16,263	0%	15,448	0%
Total	\$ 8,527,421	100%	\$ 9,618,814	100%	\$ 10,236,449	100%

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

Source: Town of Frisco Sales Tax Reports

In 2022 sales tax categories were adjusted combining Liquor & Marijuana, along with all other zero categories combining with Retail - General. In 2022 the Town stopped reporting on penalties and interest for sales tax collection amounts.

(*) Sales tax collected includes penalties and interest for late filings.

Town of Frisco, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	Town of Frisco	Summit County	State of Colorado	Special District SCHA	Total
2016	2.00%	2.75%	2.90%	0.125%	7.775%
2017	2.00%	2.75%	2.90%	0.725%	8.375%
2018	2.00%	2.75%	2.90%	0.725%	8.375%
2019	2.00%	2.75%	2.90%	0.725%	8.375%
2020	2.00%	2.75%	2.90%	0.725%	8.375%
2021	2.00%	2.75%	2.90%	0.725%	8.375%
2022	2.00%	2.75%	2.90%	0.725%	8.375%
2023	2.00%	2.75%	2.90%	0.725%	8.375%
2024	2.00%	2.75%	2.90%	0.725%	8.375%
2025	2.00%	2.75%	2.90%	0.725%	8.375%

SCHA = Summit Combined Housing Authority

Source: Town of Frisco

Town of Frisco, Colorado
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property	Commercial & Industrial Property	Vacant & Agricultural Property	State Assessed	Tax-Exempt Property (1)	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2016	113,382,220	59,152,950	6,161,630	3,475,090	(7,569,380)	182,171,890	0.798	1,661,604,940	10.96%
2017	122,504,530	66,069,220	7,028,550	3,605,210	(7,331,050)	199,207,520	0.798	1,965,945,320	10.13%
2018	123,094,770	66,599,240	7,027,120	3,433,300	(7,448,810)	200,154,430	0.798	1,941,086,430	10.31%
2019	151,629,541	79,732,410	7,043,715	3,462,646	(7,573,443)	241,868,312	0.798	2,431,861,935	9.95%
2020	153,020,610	80,277,550	5,909,440	3,537,740	(7,593,630)	242,745,340	0.798	2,449,544,830	9.91%
2021	172,533,406	79,677,073	8,212,742	3,728,337	(7,856,102)	264,151,558	0.798	2,728,978,849	9.68%
2022	168,795,915	78,531,203	7,151,009	3,086,523	(7,788,746)	257,564,650	0.798	2,735,257,113	9.42%
2023	247,675,666	93,844,123	10,593,548	3,044,763	(8,554,308)	355,158,100	0.798	4,081,889,882	8.70%
2024	250,024,877	94,194,579	10,454,494	3,135,350	(8,302,590)	357,809,300	0.798	4,118,034,383	8.69%
2025	253,037,121	108,670,344	9,866,799	3,199,291	(8,150,223)	374,773,555	0.798	4,499,461,042	8.33%

(1) Tax-Exempt Property is not included in any other columns and therefore is not taken out of Total Taxable Assessed Value

Source: Summit County Assessor's Office

Town of Frisco, Colorado
Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Levy
2015	2016	143,584	143,261	99.78%	(2)	143,259	99.77%
2016	2017	145,373	145,199	99.88%	97	145,296	99.95%
2017	2018	158,968	158,625	99.78%	70	158,695	99.83%
2018	2019	159,723	159,595	99.92%	(1)	159,594	99.92%
2019	2020	193,011	192,340	99.65%	(525)	191,815	99.38%
2020	2021	193,711	192,781	99.52%	(179)	192,602	99.43%
2021	2022	210,973	210,378	99.72%	186	210,564	99.81%
2022	2023	205,537	205,250	99.86%	4	205,254	99.86%
2023	2024	283,416	283,277	99.95%	(1)	283,276	99.95%
2024	2025	285,532	284,656	99.69%	88	284,744	99.72%

Property taxes are levied in year X1 and are paid in the following year X2

Source: Summit County Treasurer's Office

Town of Frisco, Colorado
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Town of Frisco		Overlapping				Total Direct and Overlapping
	Operating Mill Levy	Total Direct Rate	Summit County	Summit School District	Summit Fire & EMS District	Frisco Sanitation District	
2016	0.798	0.798	15.086	21.151	9.023	0.000	46.058
2017	0.798	0.798	14.986	20.525	9.003	0.000	45.312
2018	0.798	0.798	19.643	20.417	9.007	0.000	49.865
2019	0.798	0.798	19.280	19.092	9.055	0.000	48.225
2020	0.798	0.798	19.603	19.183	9.094	0.000	48.678
2021	0.798	0.798	19.530	18.835	13.099	0.000	52.262
2022	0.798	0.798	19.809	18.871	13.826	0.000	53.304
2023	0.798	0.798	19.259	16.904	14.350	0.000	51.311
2024	0.798	0.798	19.267	15.781	12.910	0.000	48.756
2025	0.798	0.798	19.274	15.781	14.590	0.000	50.443

Sources: Summit County Assessor's Office, Summit County School District, Lake Dillon Fire District, Town of Frisco Financial Statements

Town of Frisco, Colorado
Legal Debt Margin
Fiscal Year 2025

	Assessed Value
Maximum Debt Allowed:	
Actual Value	4,499,461,042
Debt Limit (3% of valuation)	0.03
Legal Debt Limit	\$ 134,983,831
Debt Applicable to Limit:	
Total Bonds Outstanding	\$ -
Less: Sales and Use Tax Revenue Bonds	-
Debt Subject to Limitation	\$ -
Debt Limit	
less: Total Net Debt Applicable to Limit	\$ 134,983,831
Legal Debt Margin	\$ -
	\$ 134,983,831
Total Net Debt Applicable to Limit as a percentage of debt limit	0.0%

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

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

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

Fiscal Year Ended December 31	Operating Revenues	Operating Expenses Excluding Depreciation	Net Non-Operating Revenues (Expenses) (2)	Net Revenue Available for Debt Service	Current Debt Service Requirements (1)		Times Coverage
					Principal	Interest	
2019 (*)	\$ 1,614,255	\$ 1,017,583	\$ (228,247)	\$ 368,425	\$ -	\$ 228,690	1.61
2020	2,436,901	1,184,258	(207,211)	1,045,432	-	272,500	3.84
2021	2,130,691	1,339,054	(264,206)	527,431	75,000	272,500	1.52
2022	1,904,327	1,542,718	209,838	571,447	80,000	268,750	1.64
2023	2,450,690	2,103,671	5,628	352,647	85,000	264,750	1.01
2024	2,446,414	2,033,538	617,401	1,030,277	90,000	260,500	2.94
2025	2,449,228	2,198,495	34,525	285,258	100,000	256,000	0.80

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

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

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

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

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

Fiscal Year	Governmental Activities		Notes Payable	Business-Type Activities		Total Primary Government	Median Family Income (1)	Outstanding Debt per Median Income	Population	Outstanding Debt Per Capita
	Equipment Notes	Certificates of Participation								
2016	1,269,759	3,359,381	-		4,629,140	81,500	1.76%	2,934	1,578	
2017	3,504,698	672,780	-		4,177,478	88,600	2.12%	2,967	1,408	
2018	3,424,986	476,526	-		3,901,512	90,600	2.32%	2,922	1,335	
2019	3,342,413	275,637	5,513,173		9,131,223	89,100	0.98%	2,912	3,136	
2020	3,256,786	65,122	5,510,995		8,832,903	95,900	1.09%	2,902	3,044	
2021	3,018,005	-	5,433,813		8,451,818	96,100	1.14%	2,859	2,956	
2022	2,704,869	-	5,351,640		8,056,509	99,800	1.24%	2,796	2,881	
2023	2,389,672	7,061,830	5,264,462		14,715,964	110,800	0.75%	2,734	5,383	
2024	2,068,303	6,784,086	5,172,284		14,024,673	121,800	0.87%	2,791	5,025	
2025	2,410,147	6,498,735	5,070,106		13,978,988	133,000	0.95%	*	*	

* Statistics not yet released for 2025

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
Population and Personal Income information is found in the Demographic and Economic Statistics schedule.

Sources: State of Colorado, Department of Local Affairs (DOLA), Demography Office, Town of Frisco Financial Statements

(1) Information from the Summit Combined Housing Authority's Annual Area Median Income (AMI) for a four-person household, Summit County only.

Town of Frisco, Colorado
Computation of Direct and Overlapping Debt
Fiscal Year 2025

Jurisdiction	2025 Assessed Value	Debt Outstanding	Percentage Applicable to Town	Amount Applicable to Town
Direct Debt:				
Town of Frisco	374,773,555	\$ 8,908,882	100.00%	\$ 8,908,882
<i>Total Direct Debt</i>				
Summit County	3,470,857,807	-	10.80%	-
Summit School District	3,457,385,818	45,150,000	10.84%	4,894,168
Summit Fire and EMS	1,911,469,190	-	19.61%	-
Frisco Sanitation District	407,377,780	-	92.00%	-
<i>Total Direct and Overlapping Debt</i>		<u>45,150,000</u>		
Total Direct and Overlapping Debt				<u><u>\$ 13,803,050</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Summit County Assessor's Office. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of outstanding debt of those overlapping governments that are borne by the residents and businesses of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Town of Frisco, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Frisco Population (1)	Summit County Population (1)	Median Family Income (2)	Per Capita Income (3)	School Enrollment (4)	Unemployment Rate (5)
2016	2,934	30,818	81,500	58,386	963	1.40%
2017	2,967	31,133	88,600	64,446	965	1.60%
2018	2,922	31,095	90,600	69,447	1,014	1.80%
2019	2,912	31,190	89,100	76,517	1,023	1.50%
2020	2,902	31,238	95,900	81,157	1,047	6.10%
2021	2,859	31,235	96,100	84,785	1,135	3.00%
2022	2,796	30,907	99,800	97,495	1,132	1.80%
2023	2,734	30,812	110,800	105,034	1,191	2.40%
2024	2,791	30,889	121,800	112,809	1,119	3.00%
2025	*	*	133,000	*	1,105	2.40%

Sources:

- (1) Information from the State of Colorado, Department of Local Affairs (DOLA), Demography Office.
- (2) Information from the Summit Combined Housing Authority's Annual Area Median Income (AMI) for a four person household, Summit County only.
- (3) Bureau of Economic Analysis, U.S. Department of Commerce, Summit County only
- (4) Summit County School District
- (5) Colorado Department of Labor and Employment - LMI Gateway, Summit County

**Town of Frisco, Colorado
Principal Employers
Fiscal Year 2025**

Employer	Employee # Range 2024¹	Percentage of Total County Employment
Copper Mountain Resort *	1,000 - 4,999	0.047 - 0.234%
Town of Frisco	100 - 249	0.005 - 0.012%
CommonSpirit St. Anthony Summit Medical Center *	100 - 249	0.005 - 0.012%
Summit School District *	100 - 249	0.005 - 0.012%
Summit County Government *	100 - 249	0.005 - 0.012%
Wal-Mart	100 - 249	0.005 - 0.012%
Whole Foods	50 - 99	0.002 - 0.005%
Safeway	50 - 99	0.002 - 0.005%
Outer Range Brewery	50 - 99	0.002 - 0.005%
Vail Valley In-Home Healthcare *	50 - 99	0.002 - 0.005%
Total Employees within Summit County ¹ :	21,052	

* Business not fully within municipal limits of the Town of Frisco

(1) Source = Colorado LMI Gateway
Number of employees is only given in ranges; Unable to determine total employees within Town of Frisco

Town of Frisco, Colorado
Full-Time Equivalent Town Government Employees by Function / Program
Last Ten Fiscal Years

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

Note: Full-time equivalents are for budgeted positions as of December 31st.

Source: Town of Frisco Human Resources

* Does not include Town Council (7)

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

Function/Program	2016	2017	2018	2019	2020	2021	2022
<u>General Government</u>							
Council meetings	25	25	24	23	30	26	23
Business licenses	1,498	1,539	1,539	1,579	1575	1706	1602
Sales tax licenses	1,096	1,117	1,257	1,795	1983	2207	2421
Elections	1	0	1	0	1	0	1
<u>Public Safety</u>							
Police stations	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8
Physical arrests	135	116	133	95	75	169	262
Traffic violations	653	367	501	245	141	129	137
Parking violations	23	49	80	81	51	50	11
<u>Public Works</u>							
Miles of streets	18	19	19	19	19	19	19
Total Town area (square miles)	2	2	2	2	2	2	2
<u>Community Development</u>							
Building permits issued	190	196	239	357	214	266	208
COs issued	59	52	72	87	55	42	50
Planning Commission meetings	14	24	20	20	12	15	12
<u>Culture and Recreation</u>							
Parks	10	10	10	10	10	10	10
Historic Park and Museum	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1
Volleyball courts	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	1	1	1
Miles of trails	12	12	12	12	12	12	12
Nordic ski trails	43 km	43 km	43 km	43km	43km	43km	43km
Outdoor ice rinks	1	1	1	1	1	1	1
Baseball, soccer, and multi-use fields	2	2	2	2	2	2	2
Bike Park	1	1	1	1	1	1	1
<u>Housing</u>							
Impact Fees (\$2 or less/sq ft, new construction)	70,176 sq ft	24,035 sq ft	69,580 sq ft	67,846 sq ft	80,767 sq ft	54,929 sq ft	34,173 sq ft
<u>Municipal Water</u>							
Number of water service connections	1,960	1,998	2,036	2,008	2,018	2,031	2,038
Daily average water consumption in million gallons	0.657 mgd	0.736 mgd	0.699 mgd	0.685 mgd	0.650 mgd	0.711 mgd	0.719 mgd
Miles of water mains	33	33	33	33	33	33	33
<u>Marina</u>							
Service and storage buildings	4	4	4	4	4	6	6
Offices	1	1	1	1	1	1	2
Lighthouses	1	1	1	1	1	1	1
Restaurants	1	1	1	1	1	1	1
Docks	12	12	12	15	16	16	16
Paddle boats	56	31	53	80	45	93	109
Power boats	14	13	12	17	19	29	29

Source: Town of Frisco Human Resources