



DEBT MANAGEMENT

Debt is defined as a liability that places a future contractual or other obligation against future revenues of the Town. This type of funding is restricted to capital improvements and is not to be used for current or annual operations. The following are summaries of the Town's debt as of the end of 2024.

The Town of Frisco issued Certificates of Participation (COPs) on May 25, 2002 in the principal amount of \$2,500,000 for the purpose of financing improvements to the Frisco Bay Lakefront Park and Marina, other parks and recreation projects and other capital improvements. The Town refunded the 2002 COPs at the par amount of \$1,950,000 (Series 2010A) and issued new Series 2010B COPs at the par amount of \$2,500,000, for a total of \$4,450,000, on June 11, 2010 for the purpose of financing the Frisco Adventure Park on Town-owned property known as the Peninsula Recreation Area (PRA). The tax-exempt refunded bonds have a true interest cost of 3.44% with final maturity of 12/1/2021. The newly issued 2010B bonds were taxable Build America Bonds with a true interest cost of 4.01% (after 35% subsidy) with final maturity of 12/1/2030.

In 2017, the Town refunded the Series 2010B Build America Bonds at the par amount of \$2,487,000 and entered into a lease purchase agreement with a true interest cost of 2.62% and a final maturity of 12/1/2030. Principal and interest payment dates for the lease purchase agreement are December 1 of each year. Payments made for these obligations are recorded in the Capital Improvement Fund, account numbers 20-2000-4333, 4334 and 4325.

The Town entered into a lease and purchase option agreement with First & Main Frisco, LLC, on April 1, 2015, in the principal amount of \$1,200,000 for the purpose of purchase of a building located at First and Main in Frisco. Interest rate is 4% with annual payments of \$100,000 and final maturity on 1/1/2031. Payments made for this obligation are recorded in the Capital Improvement Fund, account numbers 20-2000-4333 and 4334.

The Town issued Marina Enterprise Revenue Bonds on February 26, 2019, in the amount of \$5,450,000, for the purpose of expanding the Marina. Interest rate is 5% with final maturity December 1, 2048. Payments in 2019 and 2020 were interest only, with principal payments beginning 12/1/21. Payments for this obligation are recorded in the Marina Fund, account numbers 90-9000-4333 and 4334.

The Town issued Certificates of Participation on April 26, 2023, at the par amount of \$6,350,000, for the purpose of constructing Granite Park workforce housing. The true interest cost is 3.65% with final maturity December 1, 2042. Interest payment dates for the lease purchase agreement are June 1 and December 1 of each year; principal payments are due on December 1. Payments for this obligation are recorded in the Housing Fund, account numbers 55-5500-4333 and 4334.

Additionally, the Town leases its copiers and printers through Wells Fargo. These leases have staggered terms and are frequently replaced or renewed, dependent upon the Town's growing needs and changes in technology. The total amount owed annually on the existing leases is

approximately \$24,000; this amount is not included on the debt schedule on the following page. Payments are made monthly and are recorded in the Capital Improvement Fund, account number 20-2000-4195.

Bond Rating

In March 2023, the Town of Frisco received an issuer rating upgrade from Moody's Investors Services – from Aa2 to Aa1. Concurrently, Moody's also assigned Aa2 ratings to the town's \$7 million Taxable Certificates of Participation, Series 2023 to finance the construction of Granite Park, a workforce housing development project.

Legal Limits

Colorado State Statute limits the total amount of General Obligation debt to three percent (3%) of the jurisdiction's actual property value. The Town of Frisco does not currently have any debt that is applicable to this margin. The leases are subject to annual appropriation and therefore are not categorized as long-term debt. The table below illustrates the computation of the Town's legal debt margin:

Legal Debt Margin	
Estimated Actual Value (determined by County Assessor)	\$4,097,533,170
Debt Limit: 3% of Actual Value	122,925,995
Amount of Outstanding Debt Applicable to Debt Limit: (Total Bonded Debt)	<u>0</u>
Legal Debt Margin	\$122,925,995
Total Net Debt Applicable to Limit as a % of Debt Limit	0%

Lease Purchase Agreement - Frisco Adventure Park (Vectra Bank)**Lease Price: \$2,487,000 (Principal)****Life Expectancy: 12 years**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Total Due as of 12/31/24	\$ 1,256,200	\$ 132,097	\$ 1,388,297
Payments due in 2025	\$ 249,600	\$ 39,572	\$ 289,172
Payments due in 2026	\$ 251,900	\$ 33,033	\$ 284,933
Payments due in 2027	\$ 252,100	\$ 26,433	\$ 278,533
Payments due in 2028	\$ 251,800	\$ 19,828	\$ 271,628
Payments due in 2029	\$ 250,800	\$ 13,231	\$ 264,031
Payments due in 2030	\$ 254,200	\$ 6,660	\$ 260,860

Lease/Purchase - First & Main Building**Lease/Purchase Price: \$1,200,000****Life Expectancy: 16 years**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Total Due as of 12/31/24	\$ 420,609	\$ 79,391	\$ 500,000
Payments due in 2025	\$ 77,656	\$ 22,344	\$ 100,000
Payments due in 2026	\$ 80,762	\$ 19,238	\$ 100,000
Payments due in 2027	\$ 83,993	\$ 16,007	\$ 100,000
Payments due in 2028	\$ 87,352	\$ 12,648	\$ 100,000
Payments due in 2029	\$ 90,846	\$ 9,154	\$ 100,000
Payments due in 2030-2031	\$ 137,993	\$ 7,260	\$ 145,254

Lease/Purchase - Granite Park**Lease/Purchase Price: \$6,350,000 (Principal, par amount)****Life Expectancy: 20 years**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Total Due as of 12/31/24	\$ 6,230,000	\$ 3,250,500	\$ 9,275,500
Payments due in 2025	\$ 215,000	\$ 301,250	\$ 516,250
Payments due in 2026	\$ 225,000	\$ 290,500	\$ 515,500
Payments due in 2027	\$ 235,000	\$ 279,250	\$ 514,250
Payments due in 2028	\$ 250,000	\$ 267,500	\$ 517,500
Payments due in 2029	\$ 260,000	\$ 255,000	\$ 515,000
Payments due in 2030-2034	\$ 1,510,000	\$ 1,065,750	\$ 2,575,750
Payments due in 2035-2039	\$ 1,930,000	\$ 649,000	\$ 2,579,000
Payments due in 2040-2042	\$ 1,400,000	\$ 142,250	\$ 1,542,250

Marina Revenue Bonds - \$5,450,000**Life Expectancy: 29 years**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Total Due as of 12/31/24	\$ 5,120,000	\$ 3,888,750	\$ 9,008,750
Payments due in 2025	\$ 100,000	\$ 256,000	\$ 356,000
Payments due in 2026	\$ 105,000	\$ 251,000	\$ 356,000
Payments due in 2027	\$ 110,000	\$ 245,750	\$ 355,750
Payments due in 2028	\$ 120,000	\$ 240,250	\$ 360,250
Payments due in 2029	\$ 125,000	\$ 234,250	\$ 359,250
Payments due in 2030-2034	\$ 765,000	\$ 1,067,750	\$ 1,832,750
Payments due in 2035-2039	\$ 1,030,000	\$ 851,250	\$ 1,881,250
Payments due in 2040-2044	\$ 1,365,000	\$ 562,500	\$ 1,927,500
Payments due in 2045-2048	\$ 1,400,000	\$ 180,000	\$ 1,580,000

Total Lease Payments

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Total Due as of 12/31/24	\$ 13,026,809	\$ 7,350,738	\$ 20,172,547
Payments due in 2025	\$ 642,256	\$ 619,166	\$ 1,261,422
Payments due in 2026	\$ 662,662	\$ 593,771	\$ 1,256,433
Payments due in 2027	\$ 681,093	\$ 567,440	\$ 1,248,533
Payments due in 2028	\$ 709,152	\$ 540,226	\$ 1,249,378
Payments due in 2029	\$ 726,646	\$ 511,635	\$ 1,238,281
Payments due in 2030-2034	\$ 2,616,646	\$ 2,155,885	\$ 4,814,614
Payments due in 2035-2039	\$ 3,352,193	\$ 1,514,170	\$ 4,460,250
Payments due in 2040-2044	\$ 2,765,000	\$ 704,750	\$ 3,469,750
Payments due in 2045-2048	\$ 1,400,000	\$ 180,000	\$ 1,580,000