



2023 Annual Comprehensive Financial Report

Prepared by the
City of Lone Tree Finance Department

**CITY OF LONE TREE, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Year Ended
December 31, 2023**

**Prepared by:
Department of Finance**

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cityoflonetree.com | 303.708.1818

9220 Kimmer Drive Suite 100, Lone Tree, CO 80124

June 07, 2024

Citizens of the City of Lone Tree,
Honorable Mayor, and
Honorable Members of Council

State law requires the City of Lone Tree (City) to publish within seven months of the close of the fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill these requirements for the fiscal year ended December 31, 2023.

This report consists of management's representation concerning the finances of the City. Responsibility for the accuracy of the data as well as the fairness and completeness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making those representations, the City's management has established a comprehensive framework of internal controls designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements.

Haynie & Company, a firm of licensed certified public accountants, has audited the City's financial statements for the year ended December 31, 2023. The goal of the independent audit was to provide reasonable assurance that the City's financial statements are free of material misstatements. The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the year ended December 31, 2023. The independent auditor's report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth in state statutes, the audit included a federally mandated Single Audit designed to meet the needs of federal grantor agencies (2 CFR 200 Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements involved in the

administration of federal awards. The reports issued by the independent auditors are presented in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to be read in conjunction with the MD&A. The City's MD&A immediately follows the independent auditor's report.

Profile of the City

The City is currently comprised of approximately 6,162 acres or 9.6 square miles and located in the southern Denver metropolitan area at the junction of C-470/E-470 and I-25. With over 15,000 residents, the City is also home to a large and growing business community in the Denver South region with a daytime population estimated at 30,000 people. The City's commitment to quality development within its boundaries, beautiful surroundings, excellent recreational and cultural opportunities, and flourishing economic community are the first things many people notice about the City.

The City staff focuses on the Community Vision Statement which states: *Lone Tree is a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses.* Additionally, the organizational mission states: *We will achieve Lone Tree's community vision by doing things the best way, not just the expected way.* Along with the vision and mission statements, the City Manager is committed to six big ideas. These six big ideas serve as the cornerstone of the Strategic Plan. In order to achieve the vision and mission, the City will be a national model for:

1. Our deep, active commitment to **public safety**.
2. Our visionary **transportation** network.
3. Our welcoming, connected, and resilient **community**.
4. Our signature **cultural and recreational opportunities**, exceptional places, and beautiful natural environment.
5. Our diverse and sustainable economy powered by **top-tier businesses**.
6. Our commitment to building the best team to support our innovative, customer-focused, and efficient **city government**.

The City also identified a number of objectives that further define how we will achieve the big ideas. Collectively, the vision, mission, big ideas and objectives form our Strategic Plan. The Strategic Plan serves as our guide as we set priorities, assign responsibilities, set schedules and budget for operating and capital expenditures.

The City is governed by a Council-Manager form of government where Council sets the City policy, and the City Manager is responsible for City operations. The City consists of five Council members, including the Mayor, elected in non-partisan elections. Each member serves a staggered, four-year term and represents one of the two districts within the City except for the Mayor, who serves as an at-large member. Policy-making and legislative authority are vested in the Council.

The City provides a full range of services including general government, police protection, public works, capital project management and street and highway maintenance, planning and building permit and inspections, zoning services, arts and cultural activities, and municipal court services.

The City maintains budgetary controls that have the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget adopted by Council. The Council is required to adopt a final budget no later than December 31 of each year. All activities of the City, except for activities related to the Lone Tree Arts Center operations, as well as other City sponsored events and cultural services, capital expenditures, and funds held for repayment of debt related to arts and cultural facilities and park and recreation improvements are accounted for in the General Fund. The Lone Tree Arts Center operational activities and City sponsored events and cultural services are accounted for in the Special Revenue Fund – Cultural and Community Services. Financial sources and uses related to capital outlay activity are accounted for in the Capital Projects Fund – Capital Improvements. Revenue and expenditure activities related to the Cultural Facilities Bonds and the Park and Recreation Bonds are accounted for separately in two separate Debt Service Funds. The appropriation is at the total fund expenditures level. Additionally, the General Fund budget presents expenditures by function (e.g., general government).

Local Economy

The City of Lone Tree continues to develop at a steady rate in both the residential and commercial sectors. Major industries located within the City's boundaries, or in close proximity, include retail trade, public administration, financial services, professional services, healthcare, insurance and real estate. The City is located on the Southeast I-25 Corridor and within the boundaries of the Denver South Economic Development Partnership, which includes 42 million square feet of office space and employment of more than 300,000 people. Additionally, the City is home to the Park Meadows Retail Resort, Colorado's only retail resort with over 200 unique and national retailers and restaurants including Apple Store, Dillard's, LL Bean, Nordstrom, Macy's, Tesla, Cheesecake Factory, PF Chang's, Season's 52, Perry's Steakhouse, and Fogo de Chao. RidgeGate is a 3,500-acre master-planned community located within the City and is home to the Lone Tree Recreation Center, the Lone Tree Arts Center as well as diverse retail, dining, office space, and residential uses. In 2023, Shea Homes commenced phase one of constructing single family homes in the Lyric development. The City provides an important economic presence to the region and State.

The City is also served by five Light Rail stations. They are a significant economic development catalyst for the City and the region, generating additional commercial real estate, residences, and new jobs in the southeast corridor. As expected, the investment in transit has prompted development around these stations. One of the light rail stations, Sky Ridge Station, is adjacent to the corporate campus of Kiewit Infrastructure as well as a new apartment development, Novus at Sky Ridge, that includes 240 units. Furthermore, a multi-family development, Lincoln Station Apartments, that includes 3,000 square feet of on-site retail space near the Lincoln light rail station commenced construction in 2022. Additionally, the attainable housing development, Talus at RidgeGate was completed in 2022 along with several projects that are under construction near the end of line station at RidgeGate Parkway, including a senior living facility

called The Reserve at Lone Tree, a facility for housing and work opportunities for adults with intellectual and developmental disabilities called Tall Tales Ranch, as well as a 540 unit apartment/mixed-use development, along with more projects under review for Council consideration in 2024.

The City's continued investment to improve the transportation network throughout the City has been highlighted in previous years with the construction of multiple large projects. Projects started or completed in 2023 included the Acres Green pedestrian and bike bridge, City-wide pedestrian and bicycle safety improvements, the C-470 trail connection to the County Line RTD Station, the Park Meadows Drive and Acres Green Intersection rebuild, and the I-25 / Lincoln interchange study (Advancing Lincoln Avenue). Projects such as these continue to show the City's commitment to improving the transportation network and always striving to move people through the City more effectively.

2023 was the ninth year of the Link On Demand shuttle service, which was the first of its kind in the country. This service runs Monday - Saturday providing free door-to-door on-demand rides within the Lone Tree City limits. The Link On Demand shuttle is accessible through its own Link On Demand app as well as a new call center. Link On Demand is an example of the City's proactive approach to prepare for and encourage future economic growth and to mitigate related traffic impacts. The City and its partners for the Link On Demand are investing in Lone Tree to ensure it remains a premier community for both businesses and residents.

The City's largest revenue source are sales taxes which primarily fund the City's operations. With the successful passing of ballot question 2E in November 2021, which temporarily increases the City's sales and use tax by one percent for ten years to support public safety, capital investments, parks and recreation, and other vital City services, we are excited for the opportunities a stable revenue stream will provide. This tax increase will allow the City to remain as a premier community today and in the future.

Through conservative revenue budgeting, as well as expenditure monitoring during 2023, the City was able to end the year with a working reserve and capital replacement reserve pursuant to City policies.

Relevant Financial Policies

In order to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures as well as to ensure stable tax rates, the City has established certain reserve policies. Specifically, the City requires in its working reserve policy that a minimum unrestricted fund balance of 16.7% of operating expenditures be maintained. For the year ended December 31, 2023, the City's unrestricted working reserve totaled approximately 27%. The City also adopted a capital reserve policy to ensure that the City maintains adequate cash fund balances to help offset the cost of future capital replacement and project needs. The intent of the capital reserve policy is to assist the City to take greater advantage of the "pay as you go" philosophy versus relying entirely or mostly on debt financing. Additionally, City Council approved an operational reserve in 2022, effective in 2023, for oversight purposes regarding the accumulation and usage of funds related to the one percent temporary tax increment approved by voters via ballot question 2E.

Additionally, City Council has established financial policies including a debt management policy and an investments policy. These two policies were adopted by Council to continue to strengthen the financial framework of the City by following best practices. The debt management policy was adopted as a result of the City understanding the importance of long-range financial planning in order to meet its capital asset needs. The debt management policy establishes parameters on the issuance of debt to help ensure that the City maintains a sound debt position and that its credit rating is protected. The policy provides a framework relating to current circumstances as they exist today as well as to address the City's future position relating to debt management. The investment policy was adopted to establish parameters and guidelines for the efficient management of the City's funds and for the purchase and sale of investments. Primary objectives of the investment policy, in priority order, include safety of principal, liquidity and return on investments.

Major Initiatives

Several major initiatives will have a significant impact on the financial future of the City of Lone Tree. RidgeGate, a 3,500-acre mixed-use planned development, will continue to develop in the coming years to include a range of new commercial uses, employment centers, residences, public facilities, and recreational amenities. Currently, RidgeGate includes three light rail stations, a retail center, the Lone Tree Arts Center, Sky Ridge Medical Center, Charles Schwab corporate campus, Kiewit Corporation campus, approximately 2,500 homes, and numerous public amenities including a public library, recreation center and system of parks, trails and open space.

The first phase of RidgeGate, west of Interstate-25, is nearly built out. Development of the second phase, east of Interstate-25, is well underway. This area will be an urban, mixed-use development with a capacity for approximately 10,000 new homes and 12 million square feet of commercial space including a 400-acre downtown "City Center". Existing development includes the two light rail stations, affordable and market-rate rental housing, and a senior living center currently under construction. The "Lyric" community by Shea Homes is currently under construction, approved for 1,800 homes. Additionally, a new commercial center known as "the Couplet District" will include senior affordable apartments, market rate apartments, and a new retail center anchored by a grocer and shops and restaurants. Near-term public facilities will include a new 80-acre regional park, Justice Center and Public Works facility and elementary school, while longer term facilities will include a recreation center, library, and fire station.

Elsewhere, the City continues to explore initiatives that will support development of infill areas and redevelopment of older commercial areas such as the City's Entertainment District. The City is employing innovative strategies to incentivize re-investment through an Urban Renewal Authority, as well as sales tax shareback programs.

Lone Tree's proactive approach to transportation and public investment, in partnership with others, are evident in the City's investments in the RTD light rail extension, RidgeGate Parkway interchange, RidgeGate Parkway widening project, the current Advancing Lincoln Avenue project and more recently the Mobility Hub for regional bus service.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the year ended December 31, 2022. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy both GAAP and applicable legal requirements. This was the City's sixteenth year to submit for and to receive the award. A Certificate of Achievement is valid for one year only. We believe this 2023 Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement program requirements and will submit it to the GFOA to determine its eligibility for another certificate.

The City of Lone Tree was the recipient of the Distinguished Budget Presentation Award for excellence in municipal budget reporting by the GFOA for 2015 - 2023 with 2015 being the first year the City applied for the award. This award represents a significant achievement by the City and staff to meet the highest principles of governmental budgeting.

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the efficient and dedicated service of the highly qualified personnel of the finance division. Other departments of the City also played an instrumental role in the preparation of this report. We wish to express our appreciation to everyone who assisted and contributed in preparing the report. Additionally, we would like to acknowledge the thorough and professional manner in which our independent auditors, Haynie and Company, conducted their audit, as well as the citizen involvement and time commitment of the City's Audit Committee. Finally, credit must be given to the City Council for their consistent support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Seth Hoffman
City Manager



Ulli Nierling
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lone Tree
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

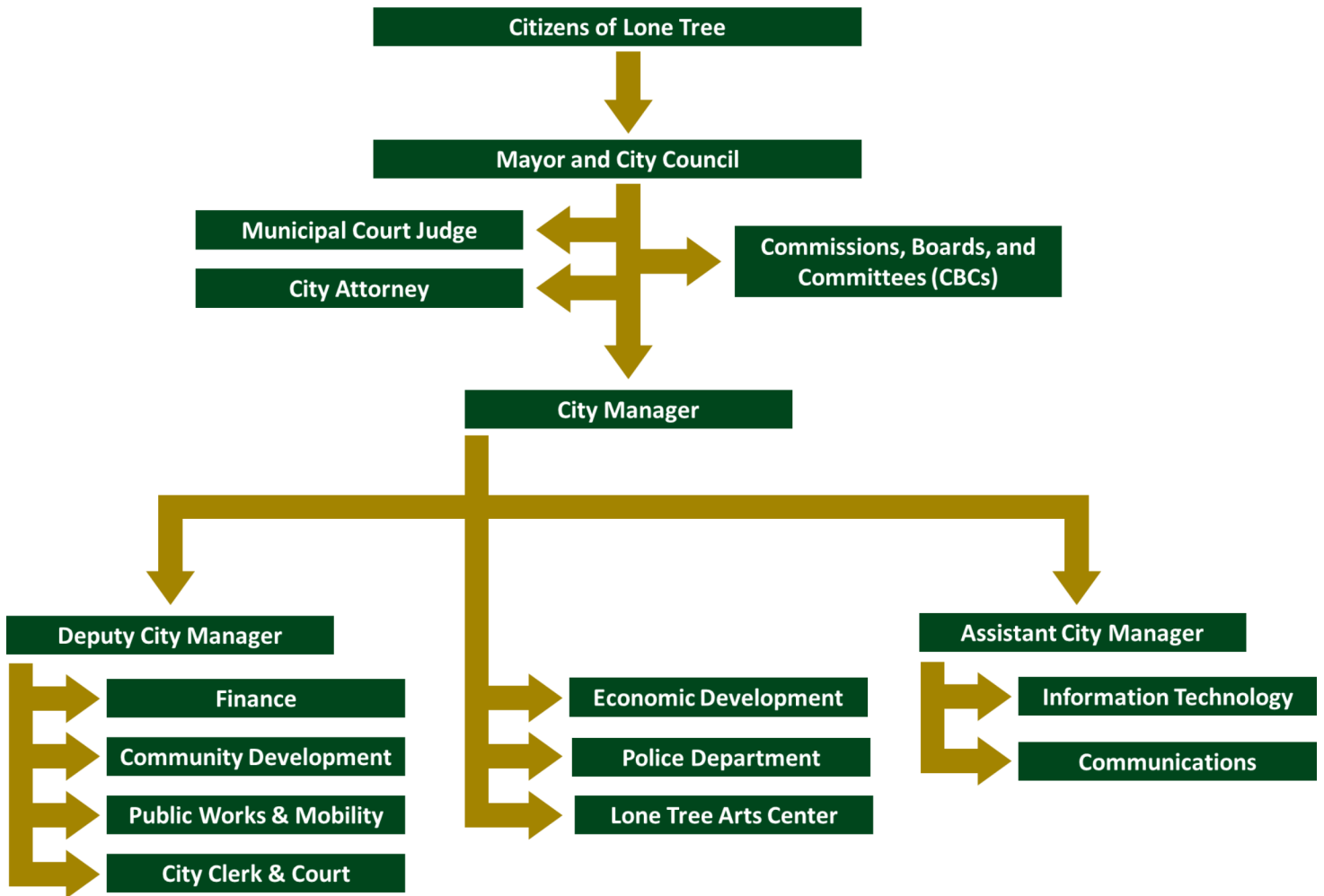
December 31, 2022

Christopher P. Morill

Executive Director/CEO

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City of Lone Tree Departmental Structure



CITY OF LONE TREE
PRINCIPAL OFFICIALS OF THE CITY OF LONE TREE, COLORADO
December 31, 2023

CITY COUNCIL

Mayor..... Jacqueline A. Millet, At-Large
Mayor Pro-Tem..... Wynne Shaw, District 1
Council Members..... Marissa Harmon, District 1
Mike Anderson, District 2
Cathie Frazzini, District 2

MUNICIPAL JUDGE Louis Gresh

CITY OFFICIALS

City Manager Seth Hoffman
Deputy City Manager..... Kristin Baumgartner
Finance Director..... Ulli Nierling
City Attorney Linda Michow
Public Works & Mobility Director Justin Schmitz
Community Development Director..... Kelly First
Chief of Police Kirk Wilson
Lone Tree Arts Center Executive Director Leigh Chandler
Director of Economic Development & Public Affairs Jeff Holwell
Assistant City Manager..... Austin Good
City Clerk..... Patricia Leyva
Communications Director Nate Jones

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Lone Tree, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lone Tree, Colorado (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lone Tree, Colorado, as of December 31, 2023, 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.

We did not audit the financial statements of the Park Meadows Business Improvement District and the Lone Tree Business Improvement District. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Park Meadows Business Improvement District and the Lone Tree Business Improvement District, is based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 City'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 City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and, budgetary comparison information and pension schedules, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary schedules, schedule of debt service requirements to maturity, the Local Highway Finance Report and other schedules, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required

by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and as also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary schedules, debt service requirements to maturity, Local Highway Finance Report and other schedules, listed in the table of contents as supplementary information 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. The 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the combining and individual nonmajor fund financial statements and schedules, and component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

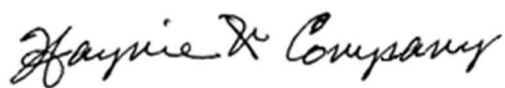
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 7, 2024, on our consideration of City of Lone Tree's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Lone Tree's internal control over financial reporting and compliance



Littleton, Colorado
June 7, 2024

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CITY OF LONE TREE

Management's Discussion and Analysis

As management of the City of Lone Tree, City Council offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2023.

Financial Highlights

With regard to the primary government:

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$215,904,479 at the close of the fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$58,228,564.
- Total net position of governmental activities increased by \$20,963,565 from 2022.
- Total cash and investments increased by \$7,019,714 as compared to the prior year.
- Sales and use tax retail revenue increased by \$947,000 as compared to the prior year.
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund totaled \$47,028,764.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplementary information and schedules in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements identify functions of the City that are principally to be supported by sales taxes (*governmental activities*). The *governmental activities* of the City include general government, municipal court, community development, public works, arts and cultural services, police, interest and related costs on long-term debt, and interest and related costs on leases.

The government-wide financial statements can be found on pages 30-31 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City include governmental funds.

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Revenue Fund – Cultural and Community Services, the Capital Projects Fund – Capital Improvements, and Other Governmental Funds. Other Governmental Funds include the Debt Service Fund - Arts and Cultural Facilities, the Debt Service Fund - Park and Recreation Improvements and the Special Revenue Fund – Lone Tree Art Center Fund 501(c)(3) (blended component unit). The initial three funds are considered major funds, while the two Debt Service Funds, as well as the Lone Tree Art Center Fund 501(c)(3) are considered nonmajor funds. The Lone Tree Urban Renewal Authority (LTURA), a new component unit of the City, was incorporated in 2023 under Part 1 of Article 25 of Title 31, Colorado Revised Statutes to facilitate redevelopment and new development by private enterprise and to address and remedy conditions that impair responsible growth. The LTURA did not receive revenues or incurred expenditures in 2023, thus no activity is presented in this report. Data for the Park Meadows Business Improvement District and the Lone Tree Business Improvement District (discretely presented component units) are provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

The City adopts an annual appropriated budget for its General Fund, Special Revenue Fund – Cultural and Community Services, Capital Projects Fund – Capital Improvements, Debt Service

Fund - Arts and Cultural Facilities and Debt Service Fund - Park and Recreation Improvements. A budgetary comparison schedule has been provided for each of these funds as supplemental information to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on pages 32-36 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 37-107 of this report.

Required supplementary information. A budgetary comparison schedule has been provided in this section for the General Fund, the Special Revenue Fund – Cultural and Community Services, and the Capital Projects Fund – Capital Improvements to demonstrate compliance with the budgets. Also included in this section are additional schedules related to the City’s pension plans and other post-employment benefits (OPEB) as well as the notes to required supplementary information. The budget schedules and notes are found after the *Notes to Financial Statements* on pages 108-123 of this report.

Other supplementary information. Combined financial statements and budgetary comparison schedules for the Debt Service Fund - Arts and Cultural Facilities, the Debt Service Fund - Park and Recreation Improvements and the Special Revenue Fund – Lone Tree Art Center Fund 501(c)(3) are presented immediately following the required supplemental information. Additionally, combined financial statements and schedules of the Park Meadows Business Improvement District and the Lone Tree Business Improvement District are included in this section. Furthermore, other supplementary information also includes schedules of debt service requirements to maturity and a local highway finance report.

New GASB Pronouncements

The City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), in 2023. GASB Statement No. 96 establishes uniform accounting and financial reporting requirements for SBITAs; improves the comparability of government’s financial statements; and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. Specifically, the statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

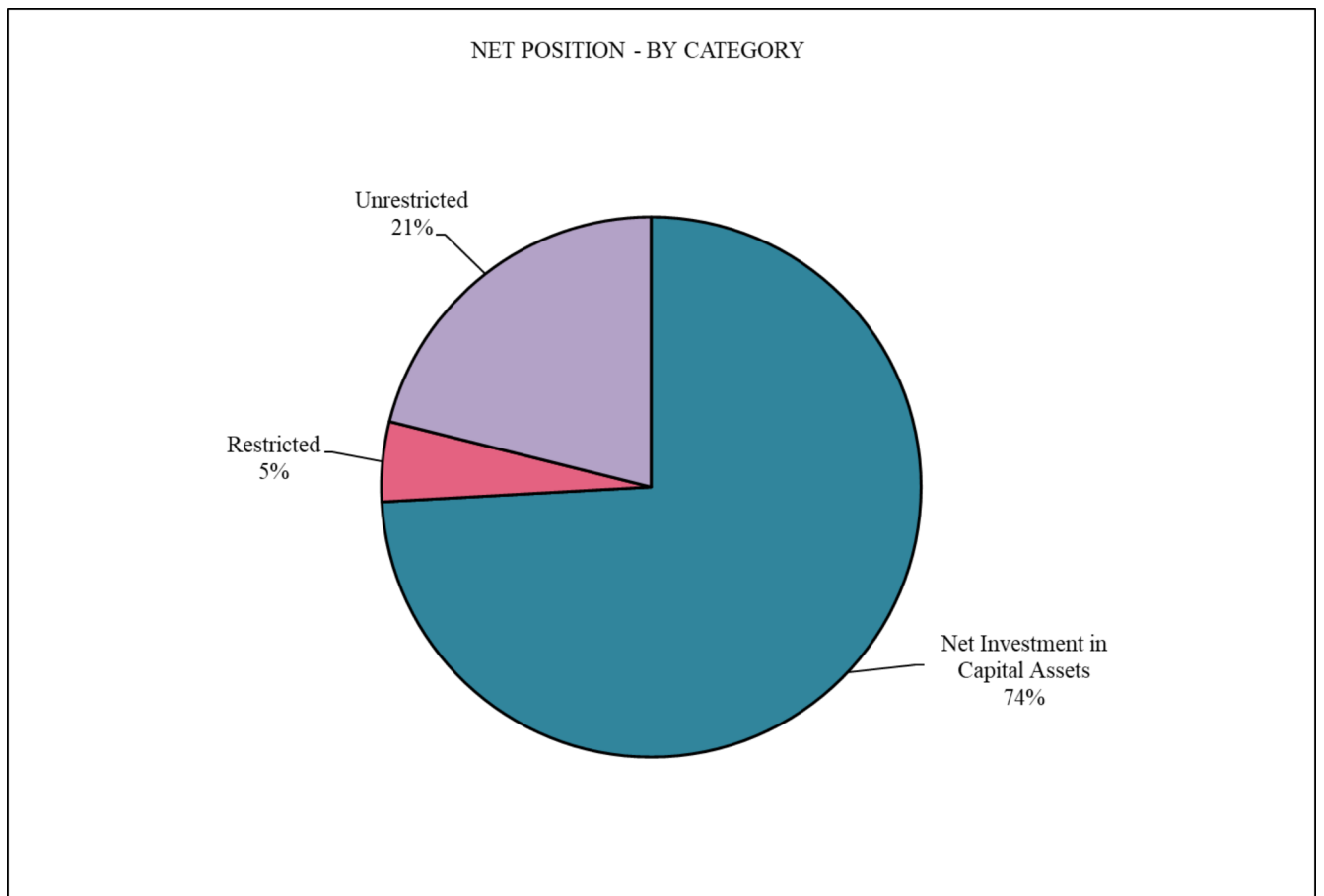
Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The City’s assets and deferred outflows of resources related to governmental activities exceeded liabilities and deferred inflows of resources by \$215,904,479 at the close of the most recent fiscal year.

Net Position

Net Position

	2023	2022
Current Assets	\$ 67,210,191	\$ 59,953,988
Capital Assets	160,044,784	147,009,780
Long-term Assets	1,085,826	4,625,341
Total Assets	<u>228,340,801</u>	<u>211,589,109</u>
 Pension Related Amounts	 8,698,817	 4,093,333
OPEB Related Amounts	198,375	147,092
Refunded Bonds Related Amounts	-	123,269
Total Deferred Outflows of Resources	<u>8,897,192</u>	<u>4,363,694</u>
 Other Liabilities	 9,370,955	 9,895,001
Long-term Liabilities	9,992,244	1,810,123
Total Liabilities	<u>19,363,199</u>	<u>11,705,124</u>
 Pension Related Amounts	 1,107,124	 8,407,365
OPEB Related Amounts	175,305	172,589
RidgeGate Affordable Housing Project - Loan	618,844	617,306
Leases	69,042	109,505
Total Deferred Inflows of Resources	<u>1,970,315</u>	<u>9,306,765</u>
 Net Investment in Capital Assets	 160,044,784	 144,254,915
Restricted Net Position	10,299,175	11,083,260
Unrestricted Net Position	45,560,520	39,602,739
Total Net Position	<u>\$ 215,904,479</u>	<u>\$ 194,940,914</u>



The largest portion of the City's net position (74%) reflects its net investment in capital assets. The City utilizes these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending.

An additional portion of the City's net position (5%) represents resources that are subject to restrictions on how they can be used and are not currently available for the City's ongoing obligations (e.g., emergency TABOR reserve, Conservation Trust Fund, funds received from litigation settlements, funds reserved for specific capital projects where funds were received in 2023 and will be spent in future years, and funds reserved for future debt service payments). The remaining balance of *unrestricted net position* totaling \$45,560,520 may be used to meet the City's future expenditures.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position.

Change in Net Position

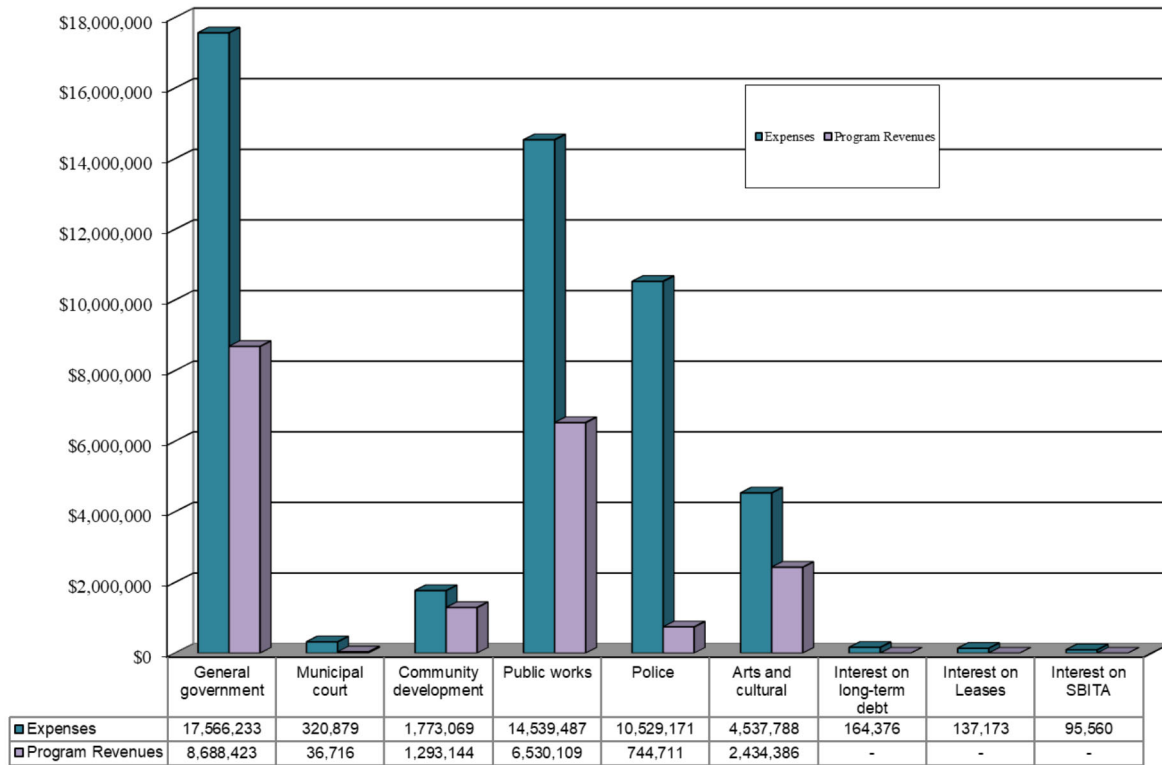
Revenue	2023	2022
Program Revenues		
Charges for Services	\$ 4,334,156	\$ 3,947,891
Operating Grants and Contributions	7,435,821	11,165,358
Capital Grants and Contributions	7,957,511	100,177
General Revenues		
Sales and Use (Retail) Taxes	43,128,930	42,181,930
Other Taxes	3,590,777	3,733,826
Franchise Fees	1,254,826	1,302,889
Investment Earnings	2,627,841	671,563
Lease Revenue	40,462	45,190
Other	258,691	242,037
Total Revenues	<u>70,629,015</u>	<u>63,390,861</u>
Expenses		
General Government	17,566,722	14,938,838
Municipal Court	320,935	226,058
Community Development	1,773,332	1,136,047
Public Works	14,539,712	14,435,353
Police	10,529,439	8,538,025
Arts and Cultural	4,538,201	2,843,509
Interest and Related Costs on Long-term Debt	164,376	213,533
Interest and Related Costs on Leases	137,173	137,447
Interest and Related Costs on SBITA	95,560	-
Total Expenses	<u>49,665,450</u>	<u>42,468,810</u>
Change in Net Position	20,963,565	20,922,051
Net Position - Beginning	<u>194,940,914</u>	<u>174,018,863</u>
Net Position - Ending	<u><u>\$ 215,904,479</u></u>	<u><u>\$ 194,940,914</u></u>

The City's net position related to governmental activities increased by \$20,963,565 during the current fiscal year. Several key highlights of the statement of activities during 2023 include the following items:

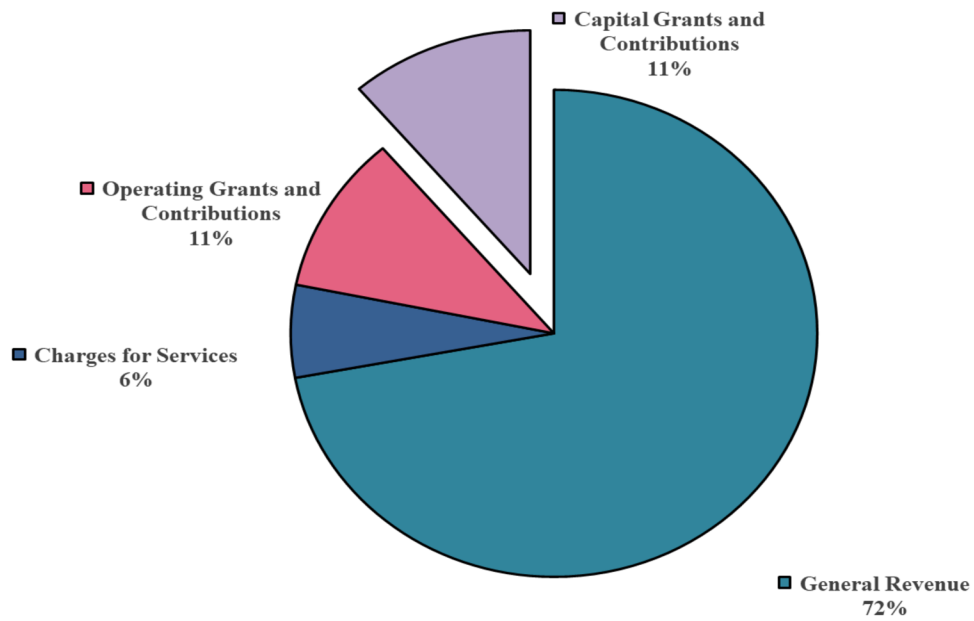
- 2023 charges for services increased by \$386,265 compared to the previous year primarily due to increases in engineering fees, as well as increases in ticket sales at the Lone Tree Arts Center. The increase at the Lone Tree Arts Center is primarily due to the addition of a theatrical performance in 2023.

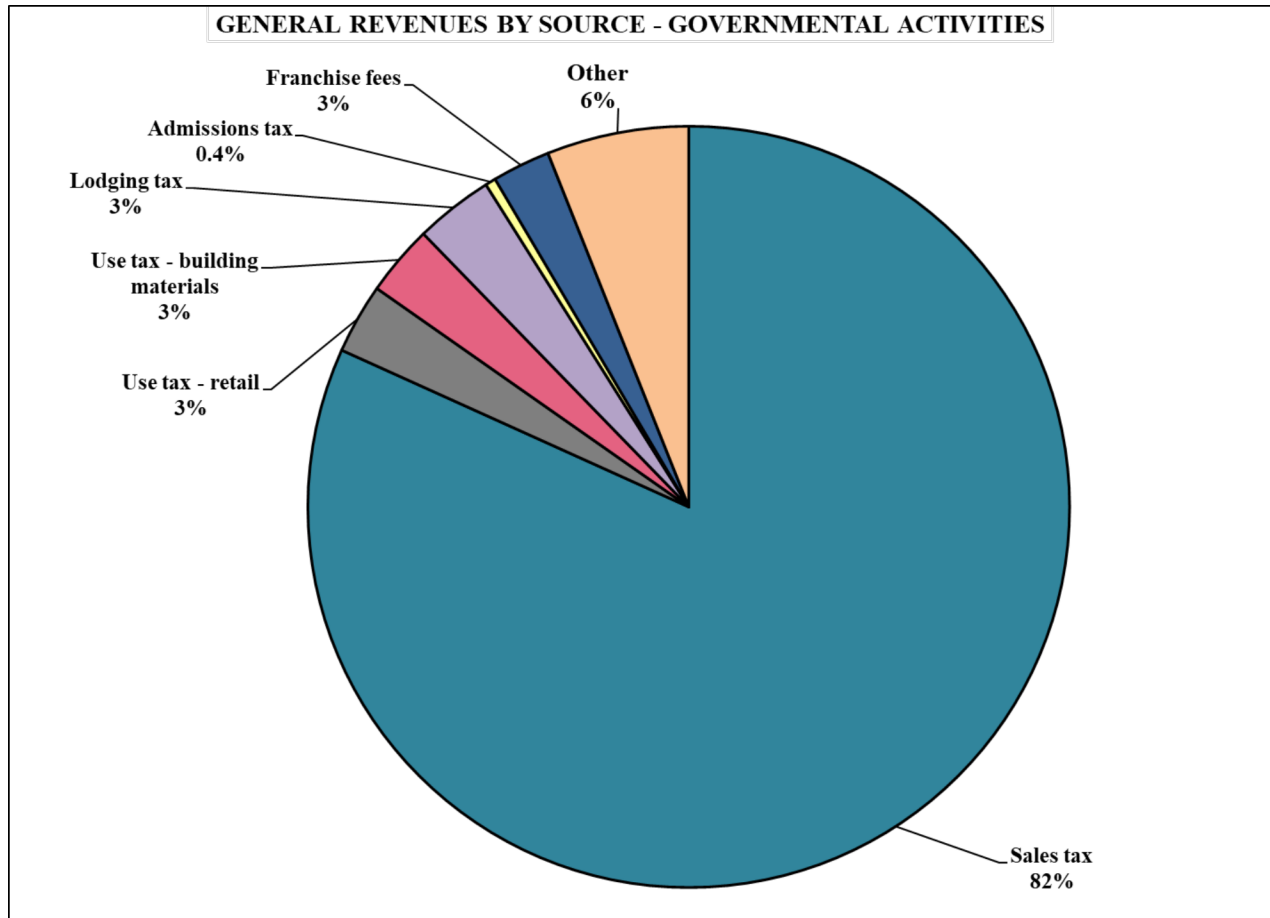
- Operating grants and contributions decreased by \$3,729,537 from 2022 to 2023 primarily due to funding received in 2022 for the Metropolitan Football Stadium Shareback due to the sale of the Broncos franchise, as well as funding from the American Rescue Plan Act to offset impacts from the COVID-19 pandemic.
- Capital grants and contributions increased by \$7,857,334 from 2022 to 2023 largely due to land conveyances to the City in 2023, as well as the timing of Intergovernmental Agreements with City partners for the pedestrian and bike bridge over Acres Green, the C-470 trail connection to the County Line RTD station, and the Acres Green and Parkway traffic signal projects.
- Sales and use (retail) taxes increased by \$947,000 from 2022 to 2023 mainly due to an increase in taxable sales from current businesses.
- Other taxes decreased by \$143,049 from 2022 to 2023 primarily due to impacts of the closure of the movie theatre in early 2023 on admissions tax, as well as a decrease in use tax on building materials due to timing of construction activity.
- Investment earnings increased by \$1,956,278 from 2022 to 2023 as a result of increased interest rates and a higher investment balance.
- General government expenses increased by \$2,627,884 from 2022 to 2023. This increase is mainly attributable to the City's contribution to South Suburban Park and Recreation District for the design and construction of a joint pickleball court, salary and benefit costs associated with new positions that were approved in the 2023 budget, as well as an increase in information technology costs.
- Community development expenses increased by \$637,285 from 2022 to 2023 primarily due to salaries and benefit costs associated with new positions that were approved in the 2023 budget.
- Public works expenses increased by \$104,359 from 2022 to 2023 primarily due to costs associated with the enhanced service of the Lone Tree Link shuttle service. A portion of the increased costs was offset by partnership funding.
- Interest and related costs on Subscription-Based Information Technology Arrangements increased by \$95,560 from 2022 to 2023 due to the implementation of GASB pronouncement 96, Subscription-Based Information Technology Arrangements, which was implemented in 2023.

EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES





Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$58,228,564. Of this amount, \$47,028,764 constitutes *assigned and unassigned fund balance* which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund was \$47,028,764 out of a total fund balance of \$57,372,357.

The fund balance of the City's General Fund increased by \$10,436,849 during the current fiscal year is largely due to a final fund balance transfer from the Debt Service Fund – Arts and

Cultural Facilities and the Debt Service Fund – Park and Recreation Improvements to the General Fund as a result of the final bond payments on December 1, 2023. Additionally, the transfer from the General Fund to the Capital Projects Fund – Capital Improvements was under budget due to timing of capital projects, specifically the Advancing Lincoln Avenue and C-470 Trail Connection to the County Line RTD Station projects.

At the end of the current fiscal year, the Special Revenue Fund – Cultural and Community Services reported a fund balance of \$856,131. The fund balance decreased by \$57,087 largely due to producing a theatrical performance. The utilization of fund balance to support the operating activity of the Arts Center was intentional and accounted for in the 2023 budget.

At the end of the current fiscal year, the Debt Service Fund - Arts and Cultural Facilities reported a restricted fund balance of \$0. The fund balance decreased by \$2,652,214 in 2023 due to the payoff of the bonds on December 1, 2023, which resulted in a final fund balance transfer to the Capital Projects Fund for capital improvements at the Lone Tree Arts Center and the General Fund to establish a reserve for future arts and cultural capital improvements.

At the end of the current fiscal year, the Debt Service Fund - Park and Recreation Improvements reported a restricted fund balance of \$0. The fund balance decreased by \$2,693,626 in 2023 due to the payoff of the bonds on December 1, 2023, which resulted in a final fund balance transfer to the Capital Projects Fund for a joint pickleball court project and the General Fund to establish a reserve for future park and recreation capital improvements.

At the end of the current fiscal year, the Special Revenue Fund – Lone Tree Art Center Fund 501(c)(3) (LTACF) reported a fund balance of \$76. The fund balance decreased by \$4,012 in 2023 to cover general operating expenses associated with the LTACF. This is the sixth year of operations for the Lone Tree Art Center fund 501(c)(3). Revenues generated by the fund are to be used solely to fund the Lone Tree Arts Center.

General Fund Budgetary Highlights

The City's total revenue in the General Fund for 2023 came in slightly over budget. The difference between the final budgeted revenue of \$55,573,814 and the actual revenue of \$55,824,465 was \$250,651. The primary reason for this variance is due to increased investment income.

The City's General Fund total expenditures for 2023 did not exceed the budgeted appropriations. The difference between the budgeted expenditures (exclusive of transfers out) of \$39,632,781 and the actual expenditures of \$35,727,545 was \$3,905,236. The primary factors contributing to this variance were attributable to shareback amounts coming in below budget, which are based on sales and use tax revenues, as well as salary and benefit savings across departments. Additionally, the variance is due to timing of certain projects continuing into 2024, such as the Comprehensive Plan and Code Update, as well as multiple public works projects.

Capital Assets

The City invested \$20,930,980 in net capital assets for its governmental-type activities for the year ended December 31, 2023. Investment in capital assets consisted of projects including street overlay, concrete panel replacements, traffic signalization, and facility improvements, as well as land conveyances to the City.

More information on the City's capital assets can be found in Note 8 on pages 61-62 of this report.

Long-Term Debt

At the end of the fiscal year, the City had no outstanding debt, due to the final bond payments on December 1, 2023.

At the end of the fiscal year, the Park Meadows Business Improvement District (PMBID) had total outstanding debt of \$7,733,464. This amount represents debt secured for capital expenditures related to street, park and recreation, utility lines, transportation, and television relay improvements.

Additional information on the City's long-term debt can be found in Note 9 on pages 63-66 of this report.

Next Year's Budget

The City's 2024 adopted budget continues to underscore City Council's commitment to maintaining the exceptional level of service that our residents, visitors, and business community have come to appreciate and depend on. To accomplish this, we continue to focus on our deep active commitment to public safety, commit time and investment in planning for the future, maintain and upgrade the City's existing core infrastructure, capture maximum value out of previous investments, and manage the City's operating and capital reserves responsibly.

The balanced budget reflects Council's desire for a fiscally sound budget that is built on conservative revenue projections, as well as discretionary and necessary expenditure levels, and required and reasonable reserves and designations. The adopted budget is in line with the City's long-term projections as prepared during the 2E tax initiative to ensure fiscal stability in the years to come and fulfill the promises made to our community with the passage of this initiative.

2024 is an exciting year for the community with new investments to support growth in the City, as well as reinvestment and redevelopment opportunities that will help Lone Tree maintain its status as a vibrant City in the Denver metro area. In 2023, the City began setting the foundation for multi-year initiatives, such as the Lone Tree Elevated Comprehensive Plan Update and the creation of the Urban Renewal Authority in the Entertainment District. The City also purchased a long-vacant property, located at 9070 Maximus Drive, with which the City will engage with a private developer to transform into a tax-generating asset. These initiatives will continue to be a focus for the City in 2024. Investments in core areas such as street overlay and improvements in traffic signalization, roads, facilities, and storm drainage will continue to elevate Lone Tree as a

premier community. Additional investments in parks and recreation through projects like our future signature High Note Regional Park will bolster an already impressive array of recreational opportunities in Lone Tree. The City is also continuing our commitment to public safety through investments in several key areas, including partnering with the Douglas County School District to staff a full-time School Resource Officer at the Legacy Campus in Lone Tree. Along with these newer initiatives, the City will continue to see immense benefits from a wide range of contracted and partner-provided services, including trash and recycling collection, snow plowing, and police dispatch. Contracts for these services are still financially practical compared to what they would cost in staffing, capital facilities, and equipment. The City's ability to continue meeting the high service standards of our community is all thanks to our voters for supporting 2E in 2021.

Requests for Information

This financial report is designed to provide a general overview of the City of Lone Tree's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Lone Tree, 9220 Kimmer Drive, Suite 100, Lone Tree, Colorado 80124.

BASIC FINANCIAL STATEMENTS

CITY OF LONE TREE
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government	Component Unit	Component Unit
	Governmental	Park Meadows Business	Lone Tree Business
	Activities	Improvement District	Improvement District
ASSETS			
Cash and Investments	\$ 45,359,326	\$ 8,603,372	\$ 454,216
Cash and Investments - Restricted	15,344,311	1,288,363	-
Receivables:			
Intergovernmental	757,946	1,799,365	1,543
Sales, Use, Admissions and Lodging Taxes	5,324,393	-	-
Other	221,446	-	-
Prepaid Items	202,769	58,002	2,641
Property Taxes Receivable	-	-	296,922
Loans Receivable	618,844	-	-
Lease Receivable	68,811	-	-
Capital Assets:			
Non-Depreciable	50,147,780	-	-
Depreciable, Net	109,897,004	24,580,475	-
Right to Use Leased Asset	257,470	-	-
Right to Use SBITA Asset	140,701	-	-
Total Assets	<u>228,340,801</u>	<u>36,329,577</u>	<u>755,322</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	8,698,817	-	-
OPEB Related Amounts	198,375	-	-
Refunded Bonds Related Amounts	-	68,327	-
Total Deferred Outflows of Resources	<u>8,897,192</u>	<u>68,327</u>	<u>-</u>
LIABILITIES			
Accounts Payable	7,665,056	296,703	18,648
Unearned Revenue	439,110	-	-
Retainage Payable	450,869	-	-
Surety Deposits Payable	415,401	-	-
Other Deposits Payable	11,191	-	-
Accrued Interest Payable	-	19,463	-
Noncurrent Liabilities			
Due within One Year	209,238	1,498,972	-
Due within One Year - Leases	64,726		
Due within One Year - SBITA	115,141		
Due in More than One Year:			
Other Noncurrent Liabilities	1,235,840	18,207,322	-
Lease Liability	205,373	-	-
Net Liability - OPEB	497,197	-	-
Net Pension Liability - PERA	7,577,319	-	-
Net Pension Liability - FPPA	476,737	-	-
Total Liabilities	<u>19,363,199</u>	<u>20,022,460</u>	<u>18,648</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	1,107,124	-	-
OPEB Related Amounts	175,305	-	-
RidgeGate Affordable Housing Project - Loan	618,844	-	-
Leases	69,042	-	-
Property Taxes	-	-	296,922
Total Deferred Inflows of Resources	<u>1,970,315</u>	<u>-</u>	<u>296,922</u>
NET POSITION			
Net Investment in Capital Assets	160,044,784	4,874,181	-
Restricted:			
Emergency Reserve (TABOR)	1,662,948	257,600	6,380
Conservation Trust	679,697	-	-
Brick Fence Replacement	986,200	-	-
Advancing Lincoln Avenue	1,193,679	-	-
Metropolitan Football Stadium	1,010,137	-	-
C-470 Trail Connection to RTD Station	185,807	-	-
Capital Reserve - Arts and Cultural Facilities	2,549,763	-	-
Capital Reserve - Parks and Recreation Improvements	2,030,944	-	-
Debt Service	-	1,030,763	-
Restricted Total	10,299,175	1,288,363	6,380
Unrestricted	45,560,520	10,212,900	433,372
Total Net Position	<u>\$ 215,904,479</u>	<u>\$ 16,375,444</u>	<u>\$ 439,752</u>

These financial statements should be read only in connection with
the accompanying Notes to Financial Statements.

CITY OF LONE TREE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Government		Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Park Meadows Business Improvement District	Lone Tree Business Improvement District
Primary Government:							
Governmental Activities:							
General Government	\$ 17,566,722	\$ 234,271	\$ 496,641	\$ 7,957,511	\$ (8,878,299)	\$ -	\$ -
Municipal Court	320,935	36,716	-	-	(284,219)	-	-
Community Development	1,773,332	1,293,144	-	-	(480,188)	-	-
Public Works	14,539,712	699,969	5,830,140	-	(8,009,603)	-	-
Police	10,529,439	483,272	261,439	-	(9,784,728)	-	-
Arts and Cultural Services	4,538,201	1,586,785	847,601	-	(2,103,815)	-	-
Interest and Related Costs on Long-Term Debt	164,376	-	-	-	(164,376)	-	-
Interest and Related Costs on Leases	137,173	-	-	-	(137,173)	-	-
Interest and Related Costs on SBITA	95,560	-	-	-	(95,560)	-	-
Total Primary Government	<u>\$ 49,665,450</u>	<u>\$ 4,334,156</u>	<u>\$ 7,435,821</u>	<u>\$ 7,957,511</u>	<u>(29,937,961)</u>	<u>-</u>	<u>-</u>
Component Unit:							
Park Meadows Business Improvement District:							
General Government	\$ 5,892,678	\$ -	\$ -	\$ -	(5,892,678)	-	-
Interest on Long-Term Debt	261,044	-	-	-	(261,044)	-	-
Total Component Unit	<u>\$ 6,153,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(6,153,722)</u>	<u>-</u>	<u>-</u>
Lone Tree Business Improvement District:							
General Government	\$ 212,715	\$ -	\$ -	\$ -	-	-	(212,715)
Total Component Unit	<u>\$ 212,715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(212,715)</u>
General Revenues:							
Sales Tax					41,614,191	8,013,248	-
Use Tax - Retail					1,514,739	-	-
Use Tax - Building Materials					1,528,324	46,858	-
Lodging Tax					1,694,999	-	-
Admissions Tax					227,820	-	-
Franchise Fees					1,254,826	-	-
Cigarette Tax					139,633	-	-
Sales Tax and Liquor Licenses					56,427	-	-
Property Tax					-	-	279,386
Investment Earnings					2,627,841	206,845	4,767
Lease Revenue					40,462	-	-
Other					202,264	336,093	23,859
Total General Revenues					<u>50,901,526</u>	<u>8,603,044</u>	<u>308,012</u>
Change in Net Position					<u>20,963,565</u>	<u>2,449,322</u>	<u>95,297</u>
Cumulative Effect of a Change in Accounting Principle					-	-	-
Net Position - Beginning					<u>194,940,914</u>	<u>13,926,122</u>	<u>344,455</u>
Net Position - Ending					<u>\$ 215,904,479</u>	<u>\$ 16,375,444</u>	<u>\$ 439,752</u>

These financial statements should be read only in connection with the accompanying Notes to Financial Statements.

SUMMARY OF FUNDS

Major governmental funds include the General Fund and any governmental fund that comprises 10% or more of a total governmental fund classification (assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures) and at least 5% of the combined governmental and enterprise funds total for the same classification.

MAJOR FUNDS

General Fund

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

Special Revenue Fund – Cultural and Community Services

The Special Revenue Fund – Cultural and Community Services is used to account for revenues and expenditures related to the operations of the Lone Tree Arts Center, as well as other City sponsored events and cultural services. Revenue reported in this fund include all sales at the Lone Tree Arts Center, which include ticket sales and related fees, rental fees, concessions, donations, and grants.

Capital Projects Fund – Capital Improvements

The Capital Projects Fund – Capital Improvements is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay.

NON-MAJOR FUNDS

Other Governmental Funds

The Other Governmental Funds column is an aggregate of the following non-major governmental funds:

- **Debt Service Funds**
 - The Debt Service Fund - Arts and Cultural Facilities
 - The Debt Service Fund - Park and Recreation Improvements
- **Special Revenue Funds**
 - Special Revenue Fund – Lone Tree Arts Center Fund 501(c)(3)
 - Special Revenue Fund – Lone Tree Urban Renewal Authority (No activity in 2023)

Detailed schedules can be found in the “Combining and Individual Fund Financial Statements and Schedules” section of this report.

**CITY OF LONE TREE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023**

	General	Special Revenue - Cultural and Community Services	Capital Projects Fund - Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 43,913,753	\$ 1,445,574	\$ -	\$ -	\$ 45,359,327
Cash and Investments - Restricted	15,267,176	-	-	77,135	15,344,311
Receivables:					
Intergovernmental	689,134	-	68,812	-	757,946
Sales, Use, Admissions and Lodging Taxes	5,324,393	-	-	-	5,324,393
Other	97,250	103,890	20,306	-	221,446
Prepaid items	44,418	158,351	-	-	202,769
Due from Other Funds	357,979	-	3,060,497	-	3,418,476
TOTAL ASSETS	<u>\$ 65,694,103</u>	<u>\$ 1,707,815</u>	<u>\$ 3,149,615</u>	<u>\$ 77,135</u>	<u>\$ 70,628,668</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 4,390,988	\$ 47,395	\$ 3,149,615	\$ 77,060	\$ 7,665,057
Unearned Revenue	-	439,110	-	-	439,110
Retainage Payable	450,869	-	-	-	450,869
Surety Deposits Payable	415,401	-	-	-	415,401
Other Deposit Payable	3,991	7,200	-	-	11,191
Due to Other Funds	3,060,497	357,979	-	-	3,418,476
Total Liabilities	<u>8,321,746</u>	<u>851,684</u>	<u>3,149,615</u>	<u>77,060</u>	<u>12,400,104</u>
FUND BALANCES					
Non-Spendable	44,418	158,351	-	-	202,769
Restricted	10,299,175	-	-	-	10,299,175
Committed	-	697,780	-	76	697,856
Assigned	18,806,075	-	-	-	18,806,075
Unassigned	28,222,689	-	-	-	28,222,689
Total Fund Balances	<u>57,372,357</u>	<u>856,131</u>	<u>-</u>	<u>76</u>	<u>58,228,564</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 65,694,103</u>	<u>\$ 1,707,815</u>	<u>\$ 3,149,615</u>	<u>\$ 77,135</u>	<u>\$ 70,628,668</u>

These financial statements should be read only in connection with
the accompanying Notes to Financial Statements.

CITY OF LONE TREE
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2023

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

Total Fund Balance - Governmental Funds	\$ 58,228,564
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	160,044,784
Other long-term assets are not current financial resources available to pay current period expenditures and, therefore, are not reported in the funds.	
Net Right to Use Leased Asset	257,470
Net SBITA Asset	140,701
Lease Receivable	68,811
Loans Receivable - RidgeGate Affordable Housing Project	618,844
Deferred outflows and inflows of resources that represent acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the funds.	
Deferred Outflows - Pension Plan	8,698,817
Deferred Outflows - OPEB	198,375
Deferred Inflows - Pension Plan	(1,107,124)
Deferred Inflows - OPEB	(175,305)
Deferred Inflows - RidgeGate Affordable Housing Project - Loan	(618,844)
Deferred Inflows - Leases	(69,042)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Net OPEB Liability - PERA	(497,197)
Net Pension Liability - PERA	(7,577,319)
Net Pension Liability - FPPA	(476,737)
Lease Liability	(270,099)
SBITA Liability	(115,141)
Compensated Absences	(1,445,079)
Net Position of Governmental Activities	<u><u>\$ 215,904,479</u></u>

These financial statements should be read only in connection with
the accompanying Notes to Financial Statements.

CITY OF LONE TREE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	General	Special Revenue - Cultural and Community Services	Capital Projects Fund - Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 43,225,295	\$ -	\$ -	\$ 3,354,778	46,580,073
Franchise fees	1,254,826	-	-	-	1,254,826
Intergovernmental	5,917,751	-	-	-	5,917,751
Licenses, Fees and Charges	2,163,812	-	-	-	2,163,812
Fines and Forfeitures	490,057	-	-	-	490,057
Net Investment Income	2,327,834	-	-	295,555	2,623,389
Tenant Rental Income	110,002	-	-	-	110,002
Arts and Cultural	-	2,434,365	-	76,577	2,510,942
Capital	-	-	2,221,388	-	2,221,388
Other	334,888	-	-	-	334,888
Total Revenues	55,824,465	2,434,365	2,221,388	3,726,910	\$ 64,207,128
EXPENDITURES					
Current					
General Government	6,164,911	-	-	-	6,164,911
Municipal Court	331,450	-	-	-	331,450
Community Development	1,682,956	-	-	-	1,682,956
Police	10,369,949	-	-	-	10,369,949
Public Works	7,050,761	-	-	-	7,050,761
Arts and Cultural Services	-	3,960,994	-	80,610	4,041,604
Park and Recreation	104,398	-	-	-	104,398
Sharebacks	10,023,120	-	-	-	10,023,120
Debt Service					
Bond Interest	-	-	-	118,300	118,300
Bond Principal	-	-	-	2,810,000	2,810,000
Paying Agent Fees	-	-	-	800	800
Capital Outlay	-	-	16,478,968	-	16,478,968
Total Expenditures	35,727,545	3,960,994	16,478,968	3,009,710	59,177,217
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,096,920	(1,526,629)	(14,257,580)	717,200	5,029,911
OTHER FINANCING SOURCES (USES)					
Transfers In	4,580,707	1,469,542	14,257,580	-	20,307,829
Transfers Out	(14,240,778)	-	-	(6,067,051)	(20,307,829)
Total Other Financing Sources (Uses)	(9,660,071)	1,469,542	14,257,580	(6,067,051)	-
NET CHANGE IN FUND BALANCES	10,436,849	(57,087)	-	(5,349,852)	5,029,911
FUND BALANCES - BEGINNING OF YEAR	46,935,508	913,218	-	5,349,928	53,198,654
FUND BALANCES - END OF YEAR	\$ 57,372,357	\$ 856,131	\$ -	\$ 76	\$ 58,228,564

These financial statements should be read only in connection with
the accompanying Notes to Financial Statements.

CITY OF LONE TREE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

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

Net Change in Fund Balances - Total Governmental Funds	\$ 5,029,911
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Asset Additions	20,980,627
Depreciation Expense	(7,945,623)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond refundings, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Principal	2,810,000
Bond Premiums - Amortization	68,133
Refunded Bonds - Amortization	(123,269)

Some revenue and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenue or expenditures in the governmental funds.

Compensated Absences - Change in Liability	(209,554)
Pension Revenue	287,621
OPEB Revenue	39,936
Lease Net Revenue (Expense)	(9,636)
SBITA Net Revenue (Expense)	25,560
Accrued Interest on Bonds - Change in Liability	9,859

Changes in Net Position of Governmental Activities	\$ 20,963,565
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These financial statements should be read only in connection with
the accompanying Notes to Financial Statements.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - DEFINITION OF REPORTING ENTITY

The City of Lone Tree, Colorado (City) was incorporated by general election on November 7, 1995. The citizenry voted to become a home rule city on May 5, 1998, under the provisions of Article XX of the Constitution of the State of Colorado. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: building, permitting, planning and zoning, public works (including trash removal service), public safety (police protection and animal control) and general government activities including administration, finance, communications, cultural, recreation and municipal court.

The City follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

As required by generally accepted accounting principles (GAAP), these financial statements present the City (the primary government) and its component units.

The City organized the Park Meadows Business Improvement District (PMBID) in October 2006 for the purpose of providing public improvements within the boundaries of the operations area of the PMBID as defined by Ordinance approved by City Council. The PMBID will receive a portion of the sales taxes generated by the Park Meadows Mall (see Note 11 & 13) for the purpose of funding such improvements. The PMBID is comprised of five board members appointed by City Council. The PMBID is required to submit an annual operating plan and budget for City Council approval. Due to the fact that the PMBID's governing body is appointed by City Council along with its fiscal dependence of receiving funds from the City, the PMBID is considered to be a component unit of the City but does not meet the definition of an integral part of the primary government. Therefore, the PMBID is included and presented as a discretely presented component unit of the City.

The formation of the Lone Tree Business Improvement District (LTBID) was initiated by commercial business owners and approved by the City on September 1, 2015. The LTBID was created to assist with the financing, construction, operation, marketing and maintenance of public improvements and public services intended to maintain and improve the economic performance of business entities located within the LTBID. The LTBID is governed by a Board of Directors who are appointed by, and may be removed by, City Council. The LTBID must submit an annual operating plan and budget for City Council approval by September 30th of each year per State statute. Since the LTBID's governing body is appointed by City Council and the City has the ability to impose its will, the LTBID is considered to be a component unit of the City but does

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)

not meet the definition of an integral part of the primary government. Therefore, the LTBD is included and presented as a discretely presented component unit of the City.

The City organized the Lone Tree Arts Center Fund 501(c)(3) (LTACF) on October 3, 2017 for the purpose of fundraising to benefit the Lone Tree Arts Center. The LTACF will be operated by the City and the City may provide operational support to the LTACF. The funds raised by the LTACF will be granted to the Lone Tree Arts Center on an annual basis. The Mayor, City Manager, and Executive Director of the Lone Tree Arts Center will serve as ex officio directors as long as they serve in that office or capacity. The board of directors will be appointed by the City Council. The initial board terms were staggered in one, two, and three-year terms. Any appointments made after the inaugural board are three-year terms. Since the LTACF's governing body is appointed by City Council and the City has the ability to impose its will, the LTACF is considered to be a component unit of the City. As the LTACF was established to exclusively benefit the primary government, the LTACF is considered a blended component unit and is reported herein in a special revenue fund.

The Lone Tree Urban Renewal Authority (LTURA) was constituted under Part 1 of Article 25 of Title 31, Colorado Revised Statutes as of October 25, 2023. The City found that one or more slum or blighted areas existed in the City, and that the acquisition, clearance, rehabilitation, conservation, development, or redevelopment, or a combination thereof of such area was necessary in the interest of the public health, safety, morals, or welfare of the residents of the City. As a result, the City Council declared it to be in the public interest that an urban renewal authority for the City was created. The LTURA commissioners consist of, the City Council, a commissioner appointed by the Board of County Commissioners of Douglas County, a commissioner appointed by the Douglas County School District RE-1, a commissioner appointed by the special districts imposing a mill levy within the LTURA boundaries, and a commissioner appointed by the Mayor of the City of Lone Tree and approved by the City Council. Since the LTURA governing body is appointed by City Council and the City has the ability to impose its will, the LTURA is considered to be a component unit of the City. The City and the LTURA have substantially the same governing body and operational activity, therefore the LTURA is considered a blended component unit and will be reported herein in a special revenue fund. Since the LTURA did not receive revenues or incurred expenditures in 2023, no activity is presented in this report.

For additional information on the individual component units or to obtain a copy of their individual reports, please contact the City's Finance Department at 303-708-1818 or 9220 Kimmer Dr., Suite 100, Lone Tree, CO 80124.

The following services are provided to residents of the City, by the following entities, which are not component units of the City:

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

- Water and sewer services are provided by Southgate Water and Sanitation District, Northern Douglas County Water Sanitation District, and Parker Water & Sanitation District.
- Fire protection services are provided by South Metro Fire Rescue Authority.
- Parks and recreation services are provided by South Suburban Parks and Recreation District.
- Street construction and landscaping maintenance of right of way are partially provided by Park Meadows Metropolitan District (PMMD).
- Rampart Range Metropolitan Districts 1-9 (RRMD) provide financing for water, sewer, streets, parks and storm drainage in the areas within RRMD, in the City (see Note 13).
- Heritage Hills Metropolitan District (HHMD) provided financing for public infrastructure within HHMD, in the City, and currently provides certain landscaping maintenance.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the City are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements report all of the activities of the primary government and its component units except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by sales taxes and intergovernmental revenues. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net position reports all financial and capital resources of the primary government and its component units. The difference between the assets and deferred outflows and liabilities and deferred inflows of the City is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, and redemption of bonds are recorded as a reduction in liabilities.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are sales, use, lodging and admissions taxes. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The City reports the following major governmental funds:

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

The Special Revenue Fund – Cultural and Community Services is used to account for revenues and expenditures related to the operations of the Lone Tree Arts Center, as well as other City sponsored events and cultural services. Revenue reported in this fund include all sales at the Lone Tree Arts Center, which include ticket sales and related fees, rental fees, concessions, donations, and grants.

The Capital Projects Fund – Capital Improvements is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay.

The City reports the following non-major governmental funds:

The Debt Service Fund - Arts and Cultural Facilities is used to account for the resources accumulated and payments made for principal and interest on long-term debt related to arts and cultural facilities improvements.

The Debt Service Fund - Park and Recreation Improvements is used to account for the resources accumulated and payments made for the principal and interest on long-term debt related to park and recreational improvements.

The Special Revenue Fund – Lone Tree Arts Center Fund 501(c)(3) is used to account for revenues and expenditures related to the operation of the 501(c)(3). Revenue reported in this fund represents contributions received during the year that support the Lone Tree Arts Center.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Special Revenue Fund – Lone Tree Urban Renewal Authority is used to account for revenues and expenditures related to the operation of the Authority. The LTURA did not receive revenues or incurred expenditures in 2023, thus no activity is presented in this report.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

Budgets

In accordance with the State Budget Law, the City Council holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The City Council can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated. Budgets for all governmental funds are adopted on a basis consistent with GAAP. Unused appropriations lapse at the end of each fiscal year.

During the year ended December 31, 2023, supplementary budget amendment appropriations approved by City Council increased from \$54,481,691 to \$55,450,303 in the General Fund, \$21,347,248 to \$22,276,860 in the Capital Improvement Fund, \$4,636,301 to \$5,175,655 in the Debt Service Fund – Arts and Cultural Facilities, and \$4,015,210 to \$4,449,534 in the Debt Service Fund – Park and Recreation Improvements. There were no supplementary budget amendment appropriations in the Special Revenue Fund – Cultural and Community Services.

During the year ended December 31, 2023, there were no supplementary budget amendment appropriations for the PMBID.

During the year ended December 31, 2023, there were no supplementary budget amendment appropriations for the LTBID.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

The City follows the practice of pooling cash and investments of all funds to maximize interest earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

Interfund Balances

The City reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings and building improvements	3 - 50 years
Equipment	3 - 15 years
Vehicles	5 - 10 years
Infrastructure	10 - 50 years
Intangibles	40 years

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Compensated Absences

The City has a policy that allows employees to accumulate unused paid time off (PTO) benefits up to certain maximum hours based on years of service. Compensated absences are accrued when incurred in the government-wide financial statements. The City's General Fund is used to liquidate compensated absences of the governmental activities.

Accounts Receivable

No allowance of doubtful accounts have been provided. Bad debts are expensed when deemed uncollectible. Management has evaluated the accounts and believes they are all collectible.

Unearned Revenue

Unearned revenue in the government-wide and the fund financial statements consists of unearned rental fees, ticket sales and unredeemed gift cards for the Lone Tree Arts Center.

Property Taxes

Property taxes are levied by the LTBD's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the LTBD.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. These are shown as pension and OPEB- related amounts that include items related to the City's portion of the Colorado Fire and Police Pension Association (FPPA), Colorado Public Employees Retirement Association (PERA) and Colorado PERA Health Care Trust Fund (HCTF) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, the change in employer allocation percentage, the difference between the actual contributions and proportionate share of total contributions, as well as the amortization related to the difference, and the related contributions subsequent to the measurement date (see Notes 14 - 16). In addition, the Park Meadows Business Improvement District has one item that qualifies for reporting in this category. The item, Cost of Refunding (resulting from the refinancing of debt), is being amortized using the interest method over the life of the 2017 Loans. Cost of Refunding is deferred and recognized as an outflow of resources in the period that the amount is incurred, as a component of interest expense.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The first two are shown as pension- and OPEB-related amounts that include items related to the City's portion of the Colorado Fire and Police Pension Association (FPPA), Colorado Public Employees Retirement Association (PERA), and Colorado PERA Health Care Trust Fund (HCTF) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, the change in employer allocation percentage, the difference between the actual contributions and proportionate share of total contributions, as well as the amortization related to the difference, and the related contributions subsequent to the measurement date (see Notes 14 - 16). The third is shown as RidgeGate Affordable Housing Project, which is related to a loan receivable. This amount will not be recognized as an inflow of resources (revenue) until the amount becomes available (see Note 7). The fourth is shown as Leases, which is related to a lease receivable. This amount is recognized as an inflow of resources in the period that the revenue is earned (see Note 6). Lastly, the Lone Tree Business Improvement District has one item shown in this category as deferred property tax revenue. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints, from most restrictive to least:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders, grantors, contributors or laws or regulations of other governments), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, City Council. The constraint may be removed or changed only through formal action of City Council. City Council will either pass an ordinance or resolution as the highest level of decision-making dependent on the subject matter. An ordinance requires the matter to be added to the City’s municipal code, whereas a resolution does not require this action, but depending on the subject matter, both are equally binding. Additionally, City Council has adopted a Council Adopted Policy to commit fund balance. Resolution #11-25, which establishes that any remaining fund balance related to the Lone Tree Art Center will be committed to be used solely to fund the Lone Tree Art Center.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. City Council has approved an Intergovernmental Agreement with Douglas County for an emergency disaster management reserve, as well as setting requirements as part of the site improvement application process for park fees in lieu of land dedication. Additionally, City Council has adopted a Council Adopted Policy to assign fund balance. CAP #12-02, the Capital Reserve Policy, establishes reserves for future capital replacement and project needs.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above. Additionally, the unassigned fund balance is generally a negative amount, except for in the general fund, which reports a positive unassigned fund balance amount. The negative amount is appropriate in other governmental funds (excluding the general fund) if the expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the City’s policy to use the most restrictive classification first.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

	<u>Primary Government</u>	<u>Park Meadows BID Component Unit</u>	<u>Lone Tree BID Component Unit</u>
Statement of Net Position:			
Cash and Investments	\$ 45,359,326	\$ 8,603,372	\$ 454,216
Cash and Investments – Restricted	15,344,311	1,288,363	-
Total Cash and Investments	<u>\$ 60,703,637</u>	<u>\$ 9,891,735</u>	<u>\$ 454,216</u>

Cash and investments as of December 31, 2023 consist of the following:

	<u>Primary Government</u>	<u>Park Meadows BID Component Unit</u>	<u>Lone Tree BID Component Unit</u>
Deposits with Financial Institutions	\$ 7,802,924	\$ 8,801,333	\$ 454,216
Certificates of Deposit	-	534,347	-
Investments	52,900,713	556,055	-
Total Cash and Investments	<u>\$ 60,703,637</u>	<u>\$ 9,891,735</u>	<u>\$ 454,216</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2023, the City's cash deposits had a bank balance of \$6,040,517 and a carrying balance of \$7,802,924. None of the City's deposits are subject to custodial risk since they are deposited in certified eligible public depositories under the PDPA.

As of December 31, 2023, the PMBID's cash deposits, including certificates of deposit, had a bank balance of \$9,350,360 and a carrying balance of \$9,335,680. None of PMBID's deposits are subject to custodial risk since they are deposited in certified eligible public depositories under the PDPA.

As of December 31, 2023, the LTBID's cash deposits had a bank balance of \$454,216 and a carrying balance of \$454,216. The LTBID's deposits up to \$250,000 are covered by federal depository insurance (FDIC), with the additional deposits covered by the PDPA.

Investments

The City has adopted a formal investment policy to establish parameters and guidelines for the efficient management of the City's funds and for the purchase and sale of investments. The City will consolidate the balances from all funds, except those held in trusts or special funds that have a designated purpose, to maximize investment earnings. The City's primary objectives, in priority order, are: a) Safety of Principal, b) Liquidity, and c) Return on Investments. Pursuant to the City's investment policy, investments will have a duration of no longer than five years. Additionally, the City follows state statutes regarding investments.

The City generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the City is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the City Council. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Corporate and bank securities are limited to maturities of three years or less.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

The City implemented GASB Statement No. 72, *Fair Value Measurement and Application*, in 2016 to categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select Series) and money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee).

The City has the following recurring fair value measurements through Colotrust that are valued using the market approach with maturities based on a weighted average under 60 days approach. City investments, as well as PMBID and LTBID, as of December 31, 2023 are as follows:

- City - Local Government Investment Pool of \$52,900,713 are valued using the fair value of the pool's share price multiplied by the number of shares held. (Level 2).
- PMBID – Local Government Investment Pool of \$556,055 are valued using the net asset value method (NAV) per share. The District's investment is not required to be categorized within the fair value hierarchy.
- LTBID – Local Government Investment Pool does not have assets, as they matured on September 10, 2023.

The City does not have recurring fair value measurements as of December 31, 2023, that are valued using quoted prices in active markets for identical assets (Level 1) or significant unobservable inputs (Level 3).

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The Lone Tree Arts Center Fund (LTACF), a Colorado nonprofit corporation, has developed a policy for accepting gifts of securities and stock-related gifts as contributions. It is the organization's policy to liquidate all securities within three business days of receipt. As of December 31, 2023, the LTACF did not hold any securities.

COLOTRUST

The City invested in the Colorado Local Government Liquid Asset Trust (the Trust) an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST EDGE and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

The custodian's internal records segregate investments owned by the Trust. Colotrust is rated AAAM by Standard & Poor's.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 - FUND BALANCE

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below:

	General Fund	Special Revenue Fund - Cultural & Community Services	Capital Projects Fund - Capital Improvements	Other Governmental Funds	Total
Fund Balances					
Nonspendable					
Prepaid Items	\$ 44,418	\$ 158,351	\$ -	\$ -	\$ 202,769
	<u>44,418</u>	<u>158,351</u>	<u>-</u>	<u>-</u>	<u>202,769</u>
Restricted for:					
Emergency Reserve (TABOR)	1,662,948	-	-	-	1,662,948
Conservation Trust	679,697	-	-	-	679,697
Brick Fence Replacement Reserve	986,200	-	-	-	986,200
Advancing Lincoln Avenue	1,193,679	-	-	-	1,193,679
C-470 Trail Connection to RTD Station	185,807	-	-	-	185,807
Metropolitan Football Stadium Shareback	1,010,137	-	-	-	1,010,137
Capital Reserve - Arts and Cultural Facilities	2,549,763	-	-	-	2,549,763
Capital Reserve - Parks and Recreation Improvements	2,030,944	-	-	-	2,030,944
	<u>10,299,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,299,175</u>
Committed to:					
Lone Tree Arts Center	-	697,780	-	76	697,856
	<u>-</u>	<u>697,780</u>	<u>-</u>	<u>76</u>	<u>697,856</u>
Assigned to:					
Emergency Disaster Management - County	178,149	-	-	-	178,149
Capital Replacement	18,342,286	-	-	-	18,342,286
Park Fee in Lieu of Land	285,640	-	-	-	285,640
	<u>18,806,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,806,075</u>
Unassigned	28,222,689	-	-	-	28,222,689
	<u>28,222,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,222,689</u>
Total Fund Balance	<u><u>\$ 57,372,357</u></u>	<u><u>\$ 856,131</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 76</u></u>	<u><u>\$ 58,228,564</u></u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4- FUND BALANCE (CONTINUED)

Nonspendable

The nonspendable fund balance for prepaid items represents payments to vendors that are applicable to a future accounting period and are, therefore, nonspendable resources and unavailable for appropriation.

Restricted

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 22).

Conservation Trust reserve represents funds received from the State of Colorado from lottery proceeds that are restricted by the State Constitution to be spent for parks, recreation and open space purposes.

The brick fence replacement reserve represents funds received by the City as part of a litigation settlement. These funds are to be used exclusively for capital repairs related to the brick fences throughout the City as a requirement of the settlement.

The Advancing Lincoln Avenue reserve represents funds received by the City from funding partners on this project less incurred costs. These funds are to be used exclusively for the Advancing Lincoln Avenue project.

The C-470 Trail Connection to RTD Station reserve represents funds received by the City from funding partners on this project less incurred costs. These funds are to be used exclusively for this project.

The Metropolitan Football Stadium Shareback reserve represents funds received by the City from the Metropolitan Football Stadium District as the result of the sale of the Bronco franchise. These funds are to be used exclusively for youth activity programs.

The capital reserve restricted balances represent remaining debt service funds that were transferred to the General Fund upon the payoff of the bonds on December 1, 2023. These funds are to be used for future capital improvements related to Park and Recreation Improvements and Arts and Cultural Facilities Improvements.

Committed

Funds committed for the Lone Tree Art Center represent funds that have been committed by the Lone Tree City Council to be used solely to fund the Lone Tree Art Center. This policy was established by City Council in Resolution No. 11-25.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4- FUND BALANCE (CONTINUED)

Assigned

The emergency disaster management reserve has been provided for pursuant to an intergovernmental agreement with Douglas County estimated at 0.02% of the City's assessed value.

Capital replacement represents funds accumulated for future replacement of capital improvements and/or for capital projects.

Park fee in lieu of land dedication represents funds received on development projects that are pledged for future park and recreation projects pursuant to development site improvement applications.

Unassigned

Included in the unassigned amount in the General Fund is the City's working reserve or stabilization fund. This amount was established by City Council in CAP No. 11-01 to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures as well as to ensure stable tax rates.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 - TRANSFERS

The following schedule summarizes the City's transfers for the year ended December 31, 2023:

Transfers Out	Transfer in General Fund	Transfer in Special Revenue Fund - Cultural & Community Services	Transfer in Capital Projects Fund - Capital Improvements
Debt Service Fund - Arts/Cultural Facilities	\$ 2,549,763	\$ -	\$ 482,982
Debt Service Fund - Park/Recreation Facilities	2,030,944	-	1,003,362
General Fund	-	1,469,542	12,771,236
	<u>\$ 4,580,707</u>	<u>\$ 1,469,542</u>	<u>\$ 14,257,580</u>

The transfer of \$1,469,542 from the General Fund represents the subsidy needed from the General Fund to cover the operational costs of the Lone Tree Arts Center in excess of revenues generated by the Lone Tree Arts Center. The transfer of \$12,771,236 from the General Fund represents the subsidy needed from the General Fund to cover the capital costs in excess of revenues from capital grants and reimbursable costs in the Capital Projects Fund. The transfers of \$2,549,763 and \$2,030,944 represent remaining debt service funds that were transferred to the General Fund upon the payoff of the bonds on December 1, 2023. These funds are to be used for future capital improvements related to Park and Recreation Improvements and Arts and Cultural Facilities Improvements. The transfers of \$482,983 and \$1,003,362 from the Debt Service funds to the Capital Projects Fund represent reimbursement for capital payments that were made from the Capital Projects Fund for Arts and Cultural as well as Park and Recreation projects.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Lessee

The City leases a port-a-potty at the Public Works Facility, filtered water stations, copiers and traffic cameras under cancelable operating leases. The total lease payments in 2023 were \$82,603, including \$67,607 in principal payments and \$14,996 in interest payments.

Right to Use Leased Assets

Right to use leased asset activity for the year ended December 31, 2023, was as follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Primary Government				
Right to Use Leased Assets:				
Public Works Facility Port-a-Potty	\$ 7,078	\$ -	\$ -	\$ 7,078
Filtered Water Stations	11,035	-	-	11,035
Copiers	47,097	-	-	47,097
Traffic Cameras	336,707	-	-	336,707
Total Right to Use Leased Assets	401,916	-	-	401,916
Less Accumulated Amortization for:				
Public Works Facility Port-a-Potty	(1,320)	(1,440)	-	(2,759)
Filtered Water Stations	(2,037)	(2,037)	-	(4,074)
Copiers	(17,661)	(17,661)	-	(35,322)
Traffic Cameras	(51,145)	(51,145)	-	(102,291)
Total Accumulated Amortization	(72,163)	(72,283)	-	(144,447)
Right to Use Leased Assets, Net of Amortization	\$ 329,753	\$ (72,283)	\$ -	\$ 257,470

Lease Liabilities

The following is a summary of changes in lease liabilities of the City for the year ended December 31, 2023:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023	Due Within One Year
Primary Government					
Lease Liability:					
Public Works Facility Port-a-Potty	\$ 5,887	\$ -	\$ (1,363)	\$ 4,523	\$ 1,433
Filtered Water Stations	9,247	-	(1,879)	7,368	1,976
Copiers	30,165	-	(17,797)	12,368	12,368
Traffic Cameras	292,407	-	(46,567)	245,840	48,949
Total Lease Liability	\$ 337,706	\$ -	\$ (67,607)	\$ 270,099	\$ 64,726

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

Future Lease Payments

The future lease payments for all leases discussed above are expected to be paid as follows:

Maturity Analysis	Principal	Interest	Total
01/01/2024 - 12/31/2024	64,726	11,603	76,329
01/01/2025 - 12/31/2025	55,037	8,743	63,780
01/01/2026 - 12/31/2026	57,852	5,928	63,780
01/01/2027 - 12/31/2027	57,986	3,034	61,020
01/01/2028 - 12/31/2028	34,498	432	34,930
Total	\$ 270,099	\$ 29,740	\$ 299,839
Lease Liability	\$ 270,099		

Lessor

The City leases a portion of its Municipal Office Building (LTMB) and the minimum anticipated receipts for the next five years are as follows:

	End Date	2024	2025	2026	2027	2028
Primary Government						
LTMB Suite 175	07/31/2025	\$ 36,564	\$ 21,329	\$ -	\$ -	\$ -
LTMB Suite 270	12/31/2024	13,330	-	-	-	-
		<u>\$ 49,894</u>	<u>\$ 21,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Total lease receipts in 2023 were \$49,894, including \$45,422 in principal and \$4,472 in interest.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

Future Lease Receipts

The future lease receipts for all leases discussed above are expected to be as follows:

Maturity Analysis	Principal	Interest	Total
01/01/2024 - 12/31/2024	\$ 47,746	\$ 2,148	\$ 49,894
01/01/2025 - 12/31/2025	21,065	264	21,329
Total	\$ 68,811	\$ 2,412	\$ 71,223

Lease Receivable	\$ 68,811
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Subscription-Based Information Technology Arrangements

The City implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, in fiscal year 2023. A restatement of financial statements related to this standard was not practicable, thus the cumulative effect of applying this standard is reported. The City has entered into a subscription-based information technology arrangement (SBITA) related to holding cell camera, taser and body camera software services for the Police department that require recognition under GASB No. 96. The total costs of the City's subscription assets are recorded as \$229,565, less accumulated amortization of \$88,864.

Right to Use Subscription-Based Information Technology Arrangements

Right to use subscription-based information technology arrangements activity for the year ended December 31, 2023, was as follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Primary Government				
Right to Use SBITA Assets	\$ -	\$ 229,565	\$ -	\$ 229,565
Total Right to Use SBITA Assets	-	229,565	-	229,565
Less Accumulated Amortization	-	(88,864)	-	(88,864)
Total Accumulated Amortization	-	(88,864)	-	(88,864)
Right to Use SBITA Assets, Net of Amortization	\$ -	\$ 140,701	\$ -	\$ 140,701

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

Subscription-Based Information Technology Arrangement Liabilities

The following is a summary of changes in subscription-based information technology arrangement liabilities of the City for the year ended December 31, 2023:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023	Due Within One Year
Primary Government					
Lease Liability	\$ -	\$ 229,565	\$ (114,424)	\$ 115,141	\$ 115,141
Total SBITA Liability	\$ -	\$ 229,565	\$ (114,424)	\$ 115,141	\$ 115,141

Future Subscription-Based Information Technology Arrangement Payments

The future subscription-based information technology arrangement payments for all agreements discussed above are expected to be paid as follows:

Maturity Analysis	Principal	Interest	Total
01/01/2024 - 12/31/2024	\$ 115,141	\$ 5,979	\$ 121,120
Total	\$ 115,141	\$ 5,979	\$ 121,120

SBITA Liability	\$ 115,141
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In addition to the amounts presented above, the City also had outflows of resources during the fiscal year totaling \$196,685 that were not included in the measurement of the subscription liability. This total consists of a \$136,898 variable amount that is based on the number of seats/licenses related to eleven software subscriptions and \$59,787 for the annual payment related to the City's usage of these eleven web-based software subscriptions. The period of these eleven software subscriptions are indeterminable; therefore, a subscription liability cannot be calculated.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 – LOANS RECEIVABLE

Long-term loans receivable consists of the following at December 31, 2023:

	Term (Years)	Rate (%)	Outstanding Balance at December 31, 2023
RidgeGate Affordable Housing Project	40.5	0.25%	\$ 615,000
Accrued Interest			3,844
Loans Receivable, Net			<u>\$ 618,844</u>

The City was the recipient of a Community Development Block Grant (CDBG) in the amount of \$615,000 and extended the full amount as a long-term loan to support the RidgeGate affordable housing project. The City Council recognizes the importance of having a diverse housing stock that provides choices for every life state and supports housing for a variety of income levels. In addition, the development of attainable housing in Lone Tree is closely tied to its successful and sustainable economic development by providing employers with competitive advantages in terms of housing opportunities for a local workforce. The loan is secured by a deed of trust, which is subordinate to other debt on the associated project. However, collectability of the outstanding balance remains strong and identified.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Primary Government				
Capital Assets, Not being Depreciated:				
Land	\$ 39,797,733	\$ 10,320,847	\$ -	\$ 50,118,580
Construction in Progress	15,083	29,200	(15,083)	29,200
Total Capital Assets, not Being Depreciated	<u>39,812,816</u>	<u>10,350,047</u>	<u>(15,083)</u>	<u>50,147,780</u>
Capital Assets, being Depreciated:				
Buildings and Building Improvements	42,626,368	806,113	-	43,432,481
Equipment	4,870,927	248,748	-	5,119,675
Vehicles	1,782,620	630,392	(49,647)	2,363,365
Infrastructure	169,882,688	8,960,410	-	178,843,098
Intangibles	1,500,000	-	-	1,500,000
Total Capital Assets, being Depreciated	<u>220,662,602</u>	<u>10,645,663</u>	<u>(49,647)</u>	<u>231,258,619</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(13,780,357)	(1,146,890)	-	(14,927,247)
Equipment	(4,443,363)	(272,320)	-	(4,715,682)
Vehicles	(1,309,698)	(224,670)	49,647	(1,484,721)
Infrastructure	(93,238,470)	(6,264,244)	-	(99,502,714)
Intangibles	(693,750)	(37,500)	-	(731,250)
Total Accumulated Depreciation	<u>(113,465,638)</u>	<u>(7,945,623)</u>	<u>49,647</u>	<u>(121,361,614)</u>
Total Capital Assets, being Depreciated, Net	<u>107,196,964</u>	<u>2,700,040</u>	<u>-</u>	<u>109,897,004</u>
Capital Assets, Net	<u>\$ 147,009,780</u>	<u>\$ 13,050,087</u>	<u>\$ (15,083)</u>	<u>\$ 160,044,784</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Park Meadows BID Component Unit:				
Capital Assets, Not being Depreciated:				
Construction in Progress	\$ 963,881	\$ -	\$ (963,881)	\$ -
Total Capital Assets, not Being Depreciated	<u>963,881</u>	<u>-</u>	<u>(963,881)</u>	<u>-</u>
Capital Assets, being Depreciated:				
Infrastructure	21,710,103	1,916,158	-	23,626,261
Total Capital Assets, being Depreciated	<u>21,710,103</u>	<u>1,916,158</u>	<u>-</u>	<u>23,626,261</u>
Lease Assets, being Amortized:				
Right-to-Use Lease - Property	13,245,019	-	-	13,245,019
Total Lease Assets, being Amortized	<u>13,245,019</u>	<u>-</u>	<u>-</u>	<u>13,245,019</u>
Less Accumulated Depreciation for:				
Infrastructure	(10,681,946)	(1,182,755)	-	(11,864,701)
Total Accumulated Depreciation	<u>(10,681,946)</u>	<u>(1,182,755)</u>	<u>-</u>	<u>(11,864,701)</u>
Less Accumulated Amortization for:				
Right-to-Use Lease - Property	(213,052)	(213,052)	-	(426,104)
Total Accumulated Amortization	<u>(213,052)</u>	<u>(213,052)</u>	<u>-</u>	<u>(426,104)</u>
Capital Assets, Net	<u>\$ 25,024,005</u>	<u>\$ 520,351</u>	<u>\$ (963,881)</u>	<u>\$ 24,580,475</u>

Depreciation and amortization expense for 2023 in the amount of \$1,395,807 was charged to the general government function.

Depreciation expense for 2023 was charged to the following functions/programs:

	Governmental Activities	Park Meadows BID Component Unit
General Government	\$ 442,626	\$ 1,395,807
Municipal Court	7,911	-
Community Development	54,066	-
Public Works	6,355,730	-
Police Department	426,685	-
Arts and Cultural	608,957	-
Total Depreciation Expense	<u>\$ 7,895,975</u>	<u>\$ 1,395,807</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the City's long-term obligations for the year ended December 31, 2023:

	Balance at 12/31/2022	Additions	Reductions	Balance at 12/31/2023	Due Within One Year
Governmental Activities					
Sales and Use Tax Revenue					
Refunding Bonds - Series 2017A	\$ 1,090,000	\$ -	\$ 1,090,000	\$ -	\$ -
Unamortized Premium on Series					
2017A Bonds	33,083	-	33,083	-	-
Sales and Use Tax Revenue					
Refunding Bonds - Series 2017B	1,720,000	-	1,720,000	-	-
Unamortized Premium on Series					
2017B Bonds	35,050	-	35,050	-	-
Total Bonds	2,878,134	-	2,878,134	-	-
Compensated Absences	1,235,528	273,132	63,582	1,445,078	209,238
	<u>\$ 4,113,662</u>	<u>\$ 273,132</u>	<u>\$ 2,941,716</u>	<u>\$ 1,445,078</u>	<u>\$ 209,238</u>

	Balance at 12/31/2022	Additions	Reductions	Balance at 12/31/2023	Due Within One Year
Park Meadows BID Component Unit					
Shared Sales Tax Revenue					
Refunding Loan Series 2017A	\$ 8,575,641	\$ -	\$ 842,177	\$ 7,733,464	\$ 867,771
Leases Payable	12,604,030	-	631,200	11,972,830	631,201
	<u>\$ 21,179,671</u>	<u>\$ -</u>	<u>\$ 1,473,377</u>	<u>\$ 19,706,294</u>	<u>\$ 1,498,972</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On May 6, 2008, a majority of the qualified electors of the City authorized the issuance of indebtedness in an amount not to exceed \$18,500,000 and \$12,500,000, for sales and use tax revenue bonds for funding capital improvements for cultural facilities and park and recreation, respectively. The voters also authorized a temporary sales and use tax rate increase of .1875% for arts and cultural facilities and .125% for park and recreation improvements effective July 1, 2008 through December 31, 2023 or until the full payment of such debt if occurring earlier. In 2017, the City refunded these bonds acquiring a lower interest rate, while maintaining the bond terms, which resulted in a savings over the life of the bonds. The City paid off this debt in full on December 1, 2023, resulting in the expiration of the associated tax increment. On December 31, 2023, the City had no outstanding debt and no authorized, but unissued indebtedness.

Additionally, the PMBID held an election on November 7, 2006 where eligible voters of the PMBID authorized the issuance of \$135,000,000 of indebtedness payable from ad valorem property taxes or other legally available revenues of the PMBID for capital expenditures related to street, park and recreation, utility lines, transportation, and television relay improvements. As of December 31, 2023, the PMBID has \$118,690,000 in authorized, but unissued indebtedness for capital purposes.

The detail of the City's long-term obligations, which were paid off on December 1, 2023, are as follows:

Series 2017A, \$4,805,000 Sales and Use Tax Revenue Refunding Bonds, dated May 24, 2017 (2017A Bonds). On May 24, 2017, the City issued \$4,805,000 in Sales and Use Tax Revenue Refunding Bonds at interest rates ranging from 2.00% to 5.00% to refund a portion of the outstanding Sales and Use Tax Revenue Bonds, Series 2008A, whose purpose was to finance the construction of several park and recreation improvements including, the Cook Creek pool and tennis court facility and playground at the Lone Tree Golf Club, as well as a portion of Prairie Sky Park. Series 2008A was originally issued on November 19, 2008, at \$11,000,000 in Sales and Use Tax Revenue Bonds. 2008A Bonds were paid in full as of December 31, 2018. The principal and interest on the 2008A Bonds were payable solely from and secured by an irrevocable pledge of the 2008A pledged revenues which primarily consist of the revenues derived from the City's recreation sales and use tax imposed at a rate equal to 0.125%. The recreation sales tax went into effect on July 1, 2008 and ended on December 1, 2023, as a result of the final related debt service payment.

The purpose of the 2017 refunding was to reduce the interest rate paid on the 2008A Bonds. The total debt service savings for the 2008A bonds as a result of the refunding is approximately \$441,500, while the present value savings from cash flow is approximately \$415,000. The terms of the 2017A bonds remained the same. The 2017A bonds were paid in full as of December 1, 2023.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017B, \$6,200,000 Sales and Use Tax Revenue Refunding Bonds, dated May 24, 2017 (2017B Bonds). On May 24, 2017, the City issued \$6,200,000 in Sales and Use Tax Revenue Refunding Bonds at interest rates ranging from 3.00% to 4.00% to refund a portion of the outstanding Sales and Use Tax Revenue Bonds, Series 2009 whose original purpose was to finance the construction of the Lone Tree Arts Center. Series 2009 was originally issued on August 11, 2009, at \$16,880,000 in Sales and Use Tax Revenue Bonds. 2009 Bonds were paid in full as of December 31, 2019. The principal and interest on the 2009 Bonds were payable solely from and secured by an irrevocable pledge of the 2009 pledged revenues which primarily consist of the revenues derived from the City's cultural sales and use tax imposed at a rate equal to 0.1875%. The cultural sales tax went into effect on July 1, 2008 and ended on December 1, 2023, as a result of the final related debt service payment.

The purpose of the 2017 refunding was to reduce the interest rate paid on the 2009 Bonds. The total debt service savings for the 2009 bonds as a result of the refunding is approximately \$278,500, while the present value savings from cash flow is approximately \$259,000. The terms of the 2017B bonds remained the same. The 2017B bonds were paid in full as of December 1, 2023.

The detail of the Park Meadows Business Improvement District's long-term obligation are as follows:

Series 2017A, \$10,000,000 Shared Sales Tax Revenue Refunding Loan, dated December 1, 2017 (2017A Loan). On December 1, 2017, PMBID issued \$10,000,000 in its Shared Sales Tax Revenue Refunding Loan. The proceeds of the 2017A Loan were used to redeem a portion of the 2007 Bonds, fund a reserve account, and pay for the costs of issuing the 2017A Loan. The 2017A Loan principal is due monthly in various amounts beginning March 1, 2021 through December 1, 2031, with interest at 3.02%, payable monthly beginning January 1, 2018.

The 2017A Loan may be prepaid on or after December 1, 2022 at the option of PMBID, with no prepayment penalty or fee. The principal and interest on the 2017A Loan is payable solely from and secured by an irrevocable pledge of the pledged revenues, which primarily consist of the revenues derived from PMBID's shared sales tax with the City imposed at a rate equal to 1.8125%. As detailed in the Loan Agreement, the District is subject to various covenants, the violation of which may lead to an event of default. The lender may take action as outlined in the Loan Agreement, though payment acceleration is not a remedy for any events of default.

The District is subject to various covenants as agreed to in the Loan Agreement for the 2017A Loans. The City is required to pledge 50% of the taxes collected in the PMBID area pursuant to the annexation agreement (see Note 13); however, the City is not ultimately responsible for the payment of the loans.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

Annual debt service requirements to maturity are as follows:

Year Ended
December 31,

	Component Unit		Total
	Principal	Interest	
2024	\$ 867,771	\$ 221,612	\$ 1,089,383
2025	894,356	195,038	1,089,394
2026	921,742	167,652	1,089,394
2027	949,966	139,428	1,089,394
2028	979,056	110,338	1,089,394
2029-2031	<u>3,120,573</u>	<u>147,428</u>	<u>3,268,001</u>
	<u>\$ 7,733,464</u>	<u>\$ 981,496</u>	<u>\$ 8,714,960</u>

NOTE 10 - NET POSITION

The City has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2023, the City had net investment in capital assets of \$160,044,784 calculated as follows:

Primary Government	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 160,044,784
Net Investment in Capital Assets	<u>\$ 160,044,784</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 10 - NET POSITION (continued)

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City had restricted net position of \$10,299,175 as of December 31, 2023 as follows:

Primary Government	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserve (see Note 22)	\$ 1,662,948
Conservation Trust	679,697
Brick Fence Replacement	986,200
Advancing Lincoln Avenue	1,193,679
Metropolitan Football Stadium Shareback	1,010,137
C-470 Trail Connection to RTD Station	185,807
Capital Reserve – Arts and Cultural Facilities	2,549,763
Capital Reserve – Parks and Recreation Improvements	<u>2,030,944</u>
	<u>\$ 10,299,175</u>

The unrestricted component of net position as of December 31, 2023 totaled \$45,560,520.

The detail of the Park Meadows Business Improvement District's (PMBID) net position is as follows:

PMBID's net position consists of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, PMBID had net investment in capital assets calculated as follows:

Park Meadows BID	<u>Governmental Activities</u>
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 24,580,475
Current Portion of Long-term Obligations	(1,498,972)
Noncurrent Portion of Long-term Obligations	<u>(18,207,322)</u>
Net Investment in Capital Assets	<u>\$ 4,874,181</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 10 – NET POSITION (CONTINUED)

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of \$1,288,363 as of December 31, 2023 as follows:

Park Meadows BID

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserve	\$ 257,600
Debt Service (See Note 9)	<u>1,030,763</u>
	<u>\$ 1,288,363</u>

PMBID's unrestricted net position as of December 31, 2023 totaled \$10,212,900.

The Lone Tree Business Improvement District (LTBID) has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by auditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2023, as follows:

Lone Tree BID

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserve	\$ <u>6,380</u>

LTBID's unrestricted net position as of December 31, 2023, totaled \$433,372.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 11 – TAX ABATEMENTS

In accordance with GASB Statement No. 77, the City has disclosed all agreements entered into with other entities that involve sales tax abatements. Due to the limited number of abatement instances that the City is a part of, no quantitative threshold was set and all agreements were included. The terms of the agreements and payment amounts as of December 31, 2023 are detailed as follows:

Retailer A is to be paid a total of \$7,200,000. \$2,200,000 was due from the City upon the issuance of a certificate of occupancy. Additionally, once Retailer A opened, the City will remit an amount equal to 65% of the revenues collected by the City from taxable transactions occurring on the property during the first three years of the revenue sharing period and 50% during the remainder of the revenue sharing period. The revenue sharing period is fifteen years from the effective date of May 17, 2012 or until the revenue cap of \$5,000,000 is achieved. Furthermore, the City also agrees to rebate 100% of any and all applicable use taxes collected on building and construction materials used for construction of the site improvements and public improvements at the time the initial certificate of occupancy is issued by the City. Such use tax rebates will not be credited against the revenue cap but shall be in addition thereto. The agreement with Retailer A was put in place to help bring in a new tourist retail location to drive economic development and future tax revenues in the City. As of December 31, 2023, Retailer A has been paid \$6,721,146 with a remaining amount committed of \$478,854. Ending in 2020, this Retailer was identified as Retailer B.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 11 – TAX ABATEMENTS (CONTINUED)

Pursuant to the First Amendment to the Annexation and Development Agreement, during the period commencing on January 1, 2014 and ending on December 31, 2032 the City will share with Rampart Range Metropolitan District No.1 (RRMD No.1) all sales tax, lodging tax, admissions tax or use tax collected on taxable transactions occurring within the west side property, without deduction whatsoever other than the deduction of all amounts that the City is required to rebate to Retailer A (discussed above) pursuant to the existing Retailer A Incentive Agreement and MOU. The sales tax shareback was originally created for the purpose of providing certain public improvements and services to and for the benefit of the property located within the boundaries of the special districts contemplated in the service plan that governs RRMD No.1 and that is located within the boundaries of the City as a result of the annexation contemplated and authorized by the Annexation Agreement.

The shareback per this agreement is as follows:

- 45% to RRMD No.1 from January 1, 2014 to December 31, 2018
- 25% to RRMD No.1 from January 1, 2019 to December 31, 2023
- 15% to RRMD No.1 from January 1, 2024 to December 31, 2028
- 10% to RRMD No.1 from January 1, 2029 to December 31, 2032

The City shall make payment to RRMD No.1 in each calendar quarter within sixty (60) days after the end of each calendar quarter. In 2023, the amount paid to RRMD No.1 pursuant to the First Amendment to the Annexation and Development Shareback Agreement totaled \$1,355,757.

Pursuant to the agreement between the City and the owner of the Park Meadows Town Center, commencing on January 1, 2007 and continuing for twenty-five years from the commencement date, the City will distribute 50% of sales tax collections received from the annexed property to the created Park Meadows Business Improvement District (PMBID). Sales tax is considered any sales tax, lodging tax, admissions tax or use tax imposed by the City or on its behalf which is imposed upon taxable transactions occurring with respect to, or the taxable exercise of any privilege on or with respect to the Park Meadows Town Center, specifically excluding ad valorem property taxes. The term of the original agreement would automatically be extended for an additional five-year period if the sales tax collected in 2027 is more than the sales tax collected in the first full sales tax collection year. This sales tax shareback was a negotiated component of the annexation agreement which has contributed to the economic growth of the City and has increased tax revenues. Pursuant to the second amendment of the PMBID Agreement dated October 17, 2023, the term of the agreement was formally extended to thirty years and is set to expire on December 31, 2037.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 11 – TAX ABATEMENTS (CONTINUED)

In addition, the sales tax shareback, excluding lodging tax and admission tax, shall be capped at a rate of 2.5% regardless of the sales tax then in effect upon expiration of the City's Cultural Facilities Sales Tax and Park and Recreational Sales Tax on December 1, 2023. The lodging and admissions tax share shall be capped at a rate of 6% and 4%, respectively. From January 1, 2033 through December 31, 2037 revenues generated from the sales tax of up to 1.5% shall be shared evenly 50-50. Revenues generated from any voter-approved increases in sales tax above 1.5% shall be shared 75-25 between the City and the PMBID, respectively.

The City shall make payment to the PMBID in a lump sum due not more than sixty (60) days following the close of each month, provided that such payments may be made at greater intervals, not to exceed one year. In 2023, the amount paid to PMBID totaled \$8,060,106.

NOTE 12 - INTERGOVERNMENTAL AGREEMENTS

The City continues to leverage partnerships for cost effective ways to provide City services as well as continue to invest in capital infrastructure throughout the City. Substantial intergovernmental agreements are highlighted below.

Dispatch Services

The City has entered into an intergovernmental agreement with the Town of Parker to provide dispatch services within the City's boundaries commencing January 1, 2006. The agreement outlines that the Parker Police Department will provide twenty-four hour, seven days per week, public safety dispatch services to the Lone Tree Police Department at the Dispatch Center. All Dispatch Center personnel are employees of the Town of Parker and are subject to their policies and operating procedures. In 2020, the City and Town of Parker entered into a third replacement intergovernmental agreement for services provided, which changes the cost allocation method from the previous agreement. The cost allocation for 2022 and future years shall equal Lone Tree's proportionate share of the prior year's audited actual costs for Dispatch services. Additionally, a monthly administrative fee of 10% of the allocated costs will be included, not to exceed \$75,000 in any given year.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 12 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Evidence Storage and Crime Scene Investigation

The City has entered into an intergovernmental agreement with the Town of Parker to provide services related to crime scene investigation and evidence storage beginning on January 1, 2013 through December 31, 2013 automatically renewing for five subsequent one-year terms unless terminated by either party. The agreement outlines that the Parker Police Department will provide evidence storage and twenty-four hour, seven days per week, crime scene response services on an on-call basis to the Lone Tree Police Department. Specifically, those services include crime scene processing which entails responding to crime scenes in the City to process evidence, respond to impound lots to process vehicles held for evidence and lab processing of evidence to discover and preserve fingerprints and tool impressions. Evidence storage includes tracking and managing all physical evidence for the Lone Tree Police Department through bar-coded evidence analysis statistics and tracking, picking up and transporting evidence from Lone Tree Police Department to Parker Police Department as-needed, store, track, inventory and audit evidence stored for Lone Tree Police Department and transporting evidence for submission to area labs for analysis on at least a monthly basis. The costs were allocated initially 50/50 for evidence storage costs and will be adjusted annually. For 2022, the 50/50 allocation remained the same. Additionally, a monthly administrative fee of 10% of the allocated costs will be included, not to exceed \$20,000 in any given year. Crime scene services will be invoiced on an hourly basis when requested.

Total estimated costs per these agreements in 2024 is approximately \$987,314.

Lone Tree Link Shuttle Service

The City of Lone Tree's Link on Demand started in 2014 as "Lone Tree Link", operating as a shuttle along Park Meadows Drive, a transportation connection for employees to travel between the Lincoln RTD light rail station and major employers. In 2016, Lone Tree was selected to develop a micro transit pilot program that could deliver on-demand transit service to the community to address its last-mile transit needs. "Link On Demand", launched in August 2017. The City took the lessons learned from the pilot and selected Via, an international ride sharing technology firm, to develop a community app tailored to the specific needs of the community. Southeast Public Improvement Metropolitan District (SPIMD) awarded the City of Lone Tree partnership funding for fiscal years 2020-2023 via an intergovernmental agreement to support the program, which included matched funding support of \$157,379 for 2023.

In 2024, the City has expanded its intergovernmental agreements for its program with Denver South, the Southeast Public Improvement Metropolitan District (SPIMD), as well as Douglas County, which included additional partnership funding to support an extended service area into Meridian North and Meridian South.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 13 - COMMITMENTS

RidgeGate

During 2000, City voters approved the annexation of approximately 3,500 acres identified as RidgeGate. Subsequent to the original 2001 Annexation Agreement, two amendments have been approved, one for the West Side property and one for the East Side property, replacing the original agreement in totality as described below.

First Amendment to the Annexation and Development Agreement (West Side Property)

On December 16, 2014, the City Council approved the First Amendment to the Annexation and Development Agreement (Amendment) between the City and RidgeGate Investments, Inc.

(RidgeGate), which is effective January 1, 2015. Simultaneously with the execution of this Amendment, RidgeGate, the City and Rampart Range Metropolitan District No. 1 (RRMD No.1) entered into an agreement (the West Side Agreement) regarding dedication, acceptance, and maintenance of public improvements on the portion of the property located on the west side of I-25, and the sharing of sales tax revenues generated from transactions occurring within the west side property. This amendment replaces the 2001 Annexation Agreement and 2001 Sales Tax Sharing Agreement (the 2001 Agreements) for the west side of the property only. The 2001 Agreements were still in place for the property east of I-25 until the 2017 amendment as described below. The two significant changes in the Amendment include the acceptance of streets and sales tax sharing.

Concurrent with the execution of the Amendment, RRMD No.1 dedicated to the City for perpetual ownership, repair, replacement, operation and maintenance, all streets, sidewalks, street and pedestrian lighting, safety protection and all appurtenant facilities as detailed in Exhibit A of the Amendment. In 2015, the amount added to the City's financials for these assets totaled \$15,357,820. The City will maintain these assets to the same standard as elsewhere in the City. Additionally, the City agreed that it would also accept all streets, sidewalks, street and pedestrian lighting, and all appurtenant facilities constructed or installed in the future on the west side property in accordance with the subdivision improvement standards and procedures adopted by the City at such time of dedication. RRMD No.1 remains responsible for maintenance, operations, repair and replacement of all other public improvements constructed, retained and owned by RRMD No.1 which may include but are not limited to certain park and recreation, drainage, and parking facilities. In order to offset costs incurred by the City in connection with the City's maintenance and operation of the improvements accepted by the City during 2015 through 2019, RRMD No.1 made five annual payments of \$250,000 each on or before July 1 of each such five years. Additionally, Rampart Range Metropolitan District Nos. 2 and 7 also agreed commencing in the tax collection year 2024, to impose an additional operational mill levy in the amount of one (1) mill that will be paid to the City and used by the City for maintenance and repair of the existing and future streets and sidewalk improvements.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 13 – COMMITMENTS (CONTINUED)

Pursuant to the Amendment, during the period commencing on January 1, 2014 and ending on December 31, 2032, all sales tax, lodging tax, admissions tax or use tax collected by the City on taxable transactions occurring within the west side property, without deduction whatsoever other than the deduction of all amounts that the City is required to rebate pursuant to an existing retailer Incentive Agreement and MOU, shall be shared between the City and RRMD No.1. Please see Note 11 for further details on the payment schedule.

Amended and Restated Annexation and Development Agreement (East Side Property)

On November 21, 2017, the City Council approved the Amended and Restated Annexation and Development Agreement with Respect to the East Side Property (East Side Agreement) between the City and RidgeGate Investments, Inc. (RidgeGate). The East Side Agreement was approved with certain conditions precedent that have all been met as of March 31, 2018. The East Side Agreement outlines various terms including land dedication, vesting rights, attainable housing requirements, and the possible inclusion into the South Suburban Parks and Recreation District occurring within the east side property and is effective until December 31, 2055. This East Side Agreement amends and restates the 2001 Annexation Agreement, with respect to the east side property only. Additionally, the East Side Agreement terminates the 2001 Sales Tax Sharing Agreement and other than the revenue pledged in the Pledge Agreement described below, there shall be no other revenue sharing between the City and RidgeGate for the east side property. Due to the East Side Agreement, the 2001 Annexation Agreement is no longer in place for any part of RidgeGate.

On November 7, 2017, the City Council approved the Mill Levy Pledge Agreement (Pledge Agreement) between the City and Rampart Range Metropolitan District No. 4 (RRMD No. 4). The Pledge Agreement was approved with certain conditions precedent that have all been met as of April 19, 2018. Pursuant to the Pledge Agreement, the City will receive an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of RRMD No. 4 in the amount of eight mills, less the amount of the then-applicable City property tax levy, if any (Contractual Debt Levy). The Contractual Debt Levy shall never be less than two mills. The Contractual Debt Levy term commences in tax certification year 2023 (for collection and remittance in 2024) through and including tax certification year 2054 (for collection and remittance in 2055). For the portion of the Contractual Debt Levy term commencing in tax certification year 2055 (for collection and remittance in 2056) and continuing thereafter until this Pledge Agreement is terminated, an ad valorem mill levy imposed upon all taxable property of RRMD No. 4 each year in the amount of two mills.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 13 – COMMITMENTS (CONTINUED)

If the ratio of valuation for assessment of residential real property is changed after the effective date of this Pledge Agreement, pursuant to Article X, Section 3 of the Colorado Constitution (the “Gallagher Amendment”), the mills levied by RRMD No. 4 pursuant to the Contractual Debt Levy shall be increased or decreased to reflect such change so that, to the extent possible, the actual tax revenues generated by the Contractual Debt Levy, as adjusted, are neither diminished nor enhanced as a result of such changes in ratio of valuation for assessment of residential property; provided that in no event shall the Contractual Debt Levy exceed fifty mills (without adjustment) or be less than two mills (without adjustment). Increases or decreases to the Contractual Debt Levy shall be determined by RRMD No. 4 in good faith and shall be binding and final. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation of residential property shall be deemed to be a change in the method of calculation of assessed valuation.

In exchange for the City’s agreement to provide public services in accordance with the Pledge Agreement, RRMD No. 4 shall levy the Contractual Mill Levy. For avoidance of doubt, the Contractual Debt Levy shall never be less than two mills, subject to adjustment. RRMD No. 4 covenants to lawfully budget and certify annually the Contractual Debt Levy and to appropriate the revenue therefrom and to pay the Contractual Debt Levy obligation to the City no less frequently than quarterly upon receipt of the Contractual Debt Levy revenue, beginning with the calendar quarter ending March 31, 2024.

Park Meadows Mall

During 2006, City Council approved the annexation of the retail shopping property identified as Park Meadows Town Center effective January 1, 2007. The City entered into an agreement with the owner and organized a business improvement district named the Park Meadows Business Improvement District (PMBID). Pursuant to the agreement, commencing January 1, 2007 and continuing for twenty-five years from the commencement date, the City will distribute 50% of sales tax collections received from the annexed property to the PMBID. The term of the agreement would automatically be extended for an additional five-year period if the sales tax collected in 2027 is more than the sales tax collected in the first full sales tax collection year. Pursuant to the second amendment of the PMBID Agreement dated October 17, 2023, the term of the agreement was formally extended to thirty years and is set to expire on December 31, 2037. In addition, the sales tax shareback, excluding lodging tax and admission tax, shall be capped at a rate of 2.5% regardless of the sales tax then in effect upon expiration of the City’s Cultural Facilities Sales Tax and Park and Recreational Sales Tax on December 1, 2023. The lodging and admissions tax share shall be capped at a rate of 6% and 4%, respectively. From January 1, 2033 through December 31, 2037 revenues generated from the sales tax of up to 1.5% shall be shared evenly 50-50. Revenues generated from any voter-approved increases in sales tax above 1.5% shall be shared 75-25 between the City and the PMBID, respectively.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 13 – COMMITMENTS (CONTINUED)

The owner of the retail shopping property has the option to annually notify the City and the PMBID in writing of the amount due by the owners for property taxes certified by the Park Meadows Metropolitan District against the annexed portion of the property within the City for the previous year. Within 60 days of such notice the City shall pay from the sales tax revenue 50% of the stated amount (the Reimbursement). This payment is in addition to the Sales Tax Disbursement.

Construction Commitments

As of December 31, 2023, the City had unexpended construction related contract commitments of \$1,107,582.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)

Plan Description

The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. All full-time, paid police officers of the City are members of the Statewide Defined Benefit Plan. The cost to administer the plan is financed through the contributions and investment earnings of the plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Statewide Defined Benefit Plan, the Statewide Money Purchase Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area or can be obtained at www.fppaco.org.

Pension Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)
(CONTINUED)

Contributions

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

In 2014, the members elected to increase the member contribution rate beginning in 2015. Member contribution rates increased 0.50 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.50 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the Plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

Contributions to the Plan from the City were \$508,919 for the year ended December 31, 2023.

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

At December 31, 2023, the City reported a liability of \$476,737 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At December 31, 2022, the City's proportion was 0.537 percent, which was a decrease of 0.005 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$83,647.

Pension expense for 2023 was charged to the following functions/programs:

	Governmental Activities
Police Department	\$ 83,647
Total Pension Expense	<u>\$ 83,647</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)
(CONTINUED)

At December 31, 2023, the City 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
Differences Between Actual and Expected Experience	1,031,974	58,517
Changes in Assumptions	610,767	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	1,078,846	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	239,158	-
City Contributions Subsequent to the Measurement Date	508,919	-
Total	\$ 3,469,663	58,517

\$508,919 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amounts Reported as Deferred Outflows and Deferred Inflows of Resources Recognized in Pension Expense
2023	\$ 298,843
2024	502,449
2025	685,550
2026	927,182
2027	213,444
Thereafter	274,760
Total	\$ 2,902,228

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)
(CONTINUED)

Actuarial Assumptions

The actuarial valuations for the Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return	7.0 Percent
Projected Salary Increases	4.25 – 11.25 Percent
Cost of Living Adjustment	0.0 Percent
Inflation	2.5 Percent

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The 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.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuation beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)
(CONTINUED)

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.45%
Fixed Income - Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
Total	100%	

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 Plans target asset allocation as of December 31, 2022, are summarized in the above table.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director'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.

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).

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)
(CONTINUED)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the Department’s proportionate share of the net pension liability / (asset) to changes in the discount rate

The following presents the City’s proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the City’s proportionate share of the net pension liability / (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
City’s Proportionate Share of the Net Pension Liability/(Asset)	\$ 3,286,574	\$ 476,737	\$ (1,850,715)

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the FPPA’s comprehensive annual report which can be obtained at <http://www.fppaco.org/annual-reports.html>.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description

Employees of the City that are also members of the Statewide Defined Benefit Plan may voluntarily contribute to the IRC Deferred Compensation Plan, created under Internal Revenue Code Section 457 defined contribution plan administered by FPPA. This Deferred Compensation Plan collects amounts deferred by participants of affiliated employers. The assets are held in trust for the exclusive benefit of participants. The plan allows the members to defer a portion of their salary until future years.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)
(CONTINUED)

Other Post-Employment Benefits

Statewide Death and Disability Plan

Plan Description

The Statewide Death and Disability Plan (Plan) is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the Plan may include part-time police and fire employees; however, the City does not currently have any part-time police employees. Contributions to the Plan are used solely for the payment of death and disability benefits. The Plan assets are included in the Fire & Police Members' Benefit Investment Fund.

Plan benefits provide 24-hour coverage, both on and off duty and are available for members not eligible for normal retirement under a defined benefit plan, or 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 and/or dependent children of active members who were eligible to retire but were still working. On-duty 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.

This plan is reported by FPPA as an Other Post-Employment Benefit (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by FPPA.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)
(CONTINUED)

Funding Policy

Prior to 1997, the Plan was primarily funded by the State of Colorado, 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. Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to this Plan as of January 1, 1997. The contribution increased to 2.6 percent of base salary as of January 1, 2007, to 2.7 percent of base salary on January 1, 2017, to 2.8 percent of base salary on January 1, 2019, to 3.0 percent of base salary on January 1, 2021, to 3.2 percent of base salary on January 1, 2022, and 3.4 percent of base salary on January 1, 2023, and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. The percentage contribution may either be paid entirely by the employer or member, or it may be split between the employer and the member. The City contributes the full 3.4 percent of covered salary for each eligible member. Member contributions to the Statewide Death and Disability Plan are not required. Since the City's contribution is elective and could be passed on to the member, no long-term liability is outstanding pursuant to GASB Statement No. 75.

For the years ended December 31, 2021, 2022, and 2023, City contributions totaled \$130,371, \$146,272, and \$175,512 respectively.

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (PERA)

The City participates in the Local Government Division Trust Fund (Trust), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The Trust provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All civilian employees of the City are members of the Trust.

The City also contributes to the Health Care Trust Fund (Health Fund), a cost-sharing multiple-employer healthcare trust administered by PERA. The Health Fund provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (PERA) (CONTINUED)

Plan Description

Eligible employees of the City are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Pension Benefits

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees of the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.*

The City's contribution rate for the year ended December 31, 2023 was 14.76 percent of covered salaries. The contribution rate for members was 9.5 percent of covered salaries. A portion of the City's contribution (1.02 percent of covered salaries) was appointed to the Health Care Trust Fund (see Note 16).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$1,009,195 to the Trust and \$74,918 to the Health Care Trust Fund, for a total City contribution of \$1,084,113 for the year ended December 31, 2023.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

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

At December 31, 2023, the City reported a liability of \$7,577,319 or its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2022, the City's proportion was 0.7558 percent, which was an increase of 0.027 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension revenue of \$(203,974).

Pension revenue for 2023 was allocated to the following functions/programs:

	Governmental Activities
General Government	\$ (58,119)
Municipal Court	(6,706)
Community Development	(31,295)
Public Works	(26,824)
Police Department	(31,853)
Arts and Cultural	(49,177)
Total Pension Revenue	<u>\$ (203,974)</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

At December 31, 2023, the City 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
Differences Between Actual and Expected Experience	-	37,775
Changes in Assumptions	-	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	3,093,422	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	115,697	-
City Contributions Subsequent to the Measurement Date	1,009,195	-
Total	\$ 4,218,314	\$ 37,775

\$1,009,195 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

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

Year Ended December 31,	Amounts Reported as Deferred Outflows and Deferred Inflows of Resources Recognized in Pension Expense
2023	\$ (243,474)
2024	469,940
2025	1,132,339
2026	1,812,539
2027	-
Thereafter	-
Total	\$ 3,171,344

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

Actuarial Assumptions

The December 31, 2021 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Price Inflation	2.30 Percent
Real Wage Growth	0.70 Percent
Wage Inflation	3.00 Percent
Salary Increases, Including Wage Inflation	3.20 – 11.30 Percent
Long-term Investment Rate of Return, Net of Pension	
Plan Investment Expenses, Including Price Inflation	7.25 Percent
Discount Rate	7.25 Percent
Post-retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to 1/1/07	1.00 Percent
PERA Benefit Structure Hired After 12/31/06	Financed by the Annual Increase
(Ad Hoc, Substantively Automatic)	Reserve (AIR)

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

Healthy mortality assumptions for active members reflect the PubG-2010 Employee Table with generational projection using scale MP-2019.

Healthy, post-retirement mortality assumptions reflect the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

For disabled retirees, the mortality assumption was based on the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent affirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54%	5.60%
Fixed Income	23%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2021 and the financial status of the Trust Fund as of the prior measurement date (December 31, 2021). In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 15 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the LGDTF's collective net pension liability calculated using the discount rate of 7.25 percent as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 12,720,411	\$ 7,577,319	\$ 3,271,699

Pension Plan Fiduciary Net Position

Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at: www.copera.org/investments/pera-financial-reports.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description

Employees of the City that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 – OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan)

Summary of Significant Accounting Policies

The City participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Eligible employees of the City are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 (actual dollars) per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 (actual dollars) per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions.

Employer contributions recognized by the HCTF from the City were \$74,918 for the year ended December 31, 2023.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023, the City reported a liability of \$497,199 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The City's proportions of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the City's proportion was 0.061 percent, which was an increase of 0.004 from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 the City recognized OPEB revenue of \$(39,936).

OPEB revenue for 2023 was allocated to the following functions/programs:

	Governmental Activities
General Government	\$ (11,378)
Municipal Court	(1,313)
Community Development	(6,127)
Public Works	(5,252)
Police Department	(6,237)
Arts and Cultural	(9,628)
Total Pension Revenue	<u>\$ (39,936)</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	65	120,239
Changes in Assumptions	7,991	54,875
Net Difference Between Actual and Projected Earnings on OPEB Plan Investments	30,368	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	85,004	160
City Contributions Subsequent to the Measurement Date	74,918	-
Total	\$ 198,346	\$ 175,275

\$74,918 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amounts Reported as Deferred Outflows and Deferred Inflows of Resources Recognized in Pension Expense
2023	\$ (20,999)
2024	(28,092)
2025	(6,917)
2026	9,476
2027	(4,243)
Thereafter	(1,072)
Total	\$ (51,847)

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30 Percent
Real Wage Growth	0.70 Percent
Wage Inflation	3.00 Percent
Salary Increases, Including Wage Inflation	3.20 – 11.30 Percent
Long-term Investment Rate of Return, Net of OPEB	
Plan Investment Expenses, Including Price Inflation	7.25 Percent
Discount Rate	7.25 Percent
Health Care Cost Trend Rates	
PERA Benefit Structure:	
Service-based Premium Subsidy	0.00 Percent
PERACare Medicare Plans	6.50 Percent in 2022, Gradually Decreasing to 4.50 Percent in 2030
Medicare Part A Premiums	3.75 Percent in 2022, Gradually Increasing to 4.50 percent in 2029

The total OPEB liability for the Trust Fund, as of the December 31, 2022 measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.00%

	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #1 without Medicare Part A Retiree/Spouse	
Sample Age	Male	Female	Male	Female
65	\$1,704	\$1,450	\$6,514	\$5,542
70	1,976	1,561	7,553	5,966
75	2,128	1,681	8,134	6,425

	MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse	
Sample Age	Male	Female	Male	Female
65	\$583	\$496	\$4,227	\$3,596
70	676	534	4,901	3,872
75	728	575	5,278	4,169

	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
Sample Age	Male	Female	Male	Female
65	\$1,923	\$1,634	\$6,752	\$5,739
70	2,229	1,761	7,826	6,185
75	2,401	1,896	8,433	6,657

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

Mortality assumptions used in the December 31, 2021 valuation for the State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below were applied, as applicable, in the December 31, 2021 valuation for the Trust Fund. Affiliated employers of these Division Trust Funds in the Trust Fund.

Healthy mortality assumptions for active members were based on the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

The mortality assumption for disabled retirees was based PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables developed on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the Trust Fund:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the PERA Board's actuary, as discussed above.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25 percent.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
City's Proportionate Share of the OPEB Liability	\$483,126	\$497,197	\$512,512

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2021, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2021). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB Defined Benefit Plan) (CONTINUED)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the Trust Fund representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 576,401	\$ 497,197	\$ 429,456

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 17 - DEFERRED COMPENSATION PLAN - ASSETS IN TRUST

Plan Description

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by Mission Square. Participation in the plan is optional for all civilian employees. The plan allows the employees to defer a portion of their salary until future years.

NOTE 18 - MAJOR TAXPAYERS

For the year ending December 31, 2023, approximately 15% of the City's sales tax revenue was received from three retailers and of those three retailers, one retailer constituted approximately 7% of the total sales tax revenue.

NOTE 19 - CONTINGENCIES

The City has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The City is monitoring the progress of these matters and has referred various matters to the City Attorney's office for consultation and representation. Claims are insured to \$5,000,000 and representation provided by Colorado Intergovernmental Risk Sharing Agency.

NOTE 20 - RELATED PARTY

The developer and current owner of portions of the property which constitutes the Park Meadows Business Improvement District (the District) is Park Meadows Mall, LLC. The members of the Board of Directors of the District are employees of the management company for the Park Meadows Mall. The management company owns an interest in Park Meadows, LLC. Accordingly, the members of the Board of Directors may have conflicts of interest in dealing with the District. Lease agreements have been entered into between the District and Park Meadows Mall, LLC. The District pays monthly lease amounts to Park Meadows Mall, LLC related to the Lone Tree police substation as well as rent of the indoor common area and the ground lease for the Vista's common area. Pursuant to these leases, the District made lease payments of \$652,140 in 2023. All future lease payments are subject to the District's annual appropriation of funds.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 21 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, thefts or damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, liability and workers' compensation coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Settled claims have not exceeded insurance coverage in the last five years.

NOTE 22 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. The City voters approved an election question in 1996 and 1999 to remove limits on the amount of revenue the City is allowed to collect, spend and retain.

On May 6, 2008, City voters approved a sales and use tax increase of .1875% for arts and cultural facilities and approved related sales and use taxes be increased by \$2,650,000 in the first full fiscal year (2010) and by whatever additional amounts are raised annually thereafter. Additionally, City voters approved a sales and use tax increase of .125% for park and recreation improvements and approved related sales and use taxes be increased by \$1,750,000 in the first full fiscal year (2010) and by whatever additional amounts are raised annually thereafter. Both tax increments of .1875% and .125% expired on December 1, 2023, as a result of the final bond payments of the related debt.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 22 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

On November 2, 2021 City voters approved a sales and use tax increase of 1% to be used to maintain vital city services including repairing, maintaining, and improving City streets and aging infrastructure, maintaining service and response times for public safety and maintaining and improving parks, trails, and open space and approved related sales and use taxes be increased by \$15,563,749 annually beginning January 1, 2022 and by such amounts as are raised annually thereafter for a period of ten years.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

NOTE 23 – SUBSEQUENT EVENTS

On April 9, 2024, the City issued \$50,195,000 million in certificates of participation (COP) to finance the acquisition, construction and equipping of a justice center, a public works facility, a regional park, and other capital improvements. The COPs are structured over a 20-year term with a maximum annual debt service of \$3,964,500. Neither the lease nor the COPs constitute a general obligation or other indebtedness of the City, and the lease will terminate if the City Council does not appropriate funds to make the payments in any fiscal year.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	<u>Budget Amounts Original</u>	<u>Budget Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
TAXES				
Sales Tax	\$ 38,664,525	\$ 38,664,525	\$ 38,450,057	\$ (214,468)
Use Tax - Retail	876,000	876,000	1,384,292	508,292
Use Tax - Building Materials	1,824,000	1,824,000	1,468,128	(355,872)
Lodging Tax	1,623,994	1,623,994	1,694,999	71,005
Admissions Tax	348,600	348,600	227,820	(120,780)
	<u>43,337,119</u>	<u>43,337,119</u>	<u>43,225,295</u>	<u>(111,824)</u>
FRANCHISE FEES				
Electric and Gas	1,063,633	1,063,633	1,033,156	(30,477)
Cable Television	248,752	248,752	221,671	(27,081)
	<u>1,312,385</u>	<u>1,312,385</u>	<u>1,254,826</u>	<u>(57,559)</u>
INTERGOVERNMENTAL				
Highway Users Tax Fund (HUTF)	361,019	361,019	378,011	16,992
Conservation Trust Fund	87,873	87,873	107,560	19,687
Cigarette Tax	133,886	133,886	139,633	5,747
County Road and Bridge Shareback	1,927,683	1,927,683	1,981,128	53,445
Douglas County Shareback - Transportation	2,413,998	2,413,998	2,431,305	17,307
Motor Vehicle Registration Fees	52,189	52,189	43,726	(8,463)
Regional Improvements Contribution - RRMD	276,930	276,930	269,406	(7,524)
Reimbursable Costs	248,643	248,643	392,879	144,236
Grants	161,474	161,474	174,102	12,628
	<u>5,663,695</u>	<u>5,663,695</u>	<u>5,917,751</u>	<u>254,056</u>

(Continued)

CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023
(Continued)

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget
LICENSES, FEES AND CHARGES				
Sales, Use Tax and Business License Fees	43,937	43,937	39,892	(4,045)
Liquor License Fees	29,058	29,058	16,535	(12,523)
Single Use Bag Fees	150,000	150,000	124,271	(25,729)
Building Permit Fees	1,630,940	1,630,940	1,186,509	(444,431)
Planning and Zoning Fees	228,250	228,250	101,010	(127,240)
Engineering Fees	425,000	425,000	689,970	264,970
Other	3,000	3,000	5,625	2,625
	<u>2,510,185</u>	<u>2,510,185</u>	<u>2,163,812</u>	<u>(346,373)</u>
FINES AND FORFEITURES				
Court Fees	42,610	42,610	36,716	(5,895)
Vehicle Violation and Other Fines	334,470	334,469	439,457	104,989
Victims Assistance Surcharge Fees	12,873	12,874	13,885	1,010
	<u>389,953</u>	<u>389,953</u>	<u>490,057</u>	<u>100,104</u>
OTHER				
Net Investment Income	412,655	2,008,252	2,327,834	319,582
Miscellaneous	97,253	97,253	202,384	105,131
Police Department Fees	151,443	151,443	132,504	(18,939)
Tenant Rental Income	103,529	103,529	110,002	6,473
	<u>764,880</u>	<u>2,360,477</u>	<u>2,772,724</u>	<u>412,247</u>
	<u>53,978,217</u>	<u>55,573,814</u>	<u>55,824,465</u>	<u>250,651</u>

(Continued)

CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023
(Continued)

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget
EXPENDITURES				
GENERAL GOVERNMENT				
City Council Expenditures	44,000	44,000	45,104	(1,104)
City Council Stipend	73,071	73,071	72,891	180
City Clerk - Salaries and Benefits	326,068	326,068	293,858	32,210
City Clerk	42,400	42,400	13,305	29,095
Human Resources - Salaries and Benefits	316,733	316,733	285,831	30,902
Human Resources	124,200	124,200	102,083	22,117
Information Technology - Salaries and Benefits	584,013	584,013	503,541	80,472
Information Technology	716,925	716,925	729,095	(12,170)
Insurance and Risk Management	581,929	581,929	568,930	12,999
Finance - Salaries and Benefits	864,127	864,127	822,034	42,093
Finance	160,392	160,392	123,964	36,428
Audit	45,000	45,000	42,250	2,750
City Manager's Office - Salaries and Benefits	1,353,869	1,353,869	1,377,383	(23,514)
Dues and Memberships	128,081	128,081	128,999	(918)
Legal - General	480,000	480,000	480,000	-
Legal - Special	30,000	30,000	20,060	9,940
Consulting	237,940	237,940	83,080	154,860
Community Support	63,000	63,000	43,109	19,891
Grant Matching Opportunity	100,000	100,000	72,105	27,895
Youth Initiatives	19,800	19,800	19,800	-
Housing Partnership	35,000	35,000	35,000	-
Living and Aging Well	12,556	12,556	10,557	1,999
Communications	138,300	138,300	121,507	16,793
Economic Development	177,500	177,500	160,854	16,646
Miscellaneous	17,000	17,000	9,571	7,429
	<u>6,671,904</u>	<u>6,671,904</u>	<u>6,164,911</u>	<u>506,993</u>
 MUNICIPAL COURT				
Municipal Judge	33,600	33,600	32,111	1,489
Legal	36,000	36,000	36,000	-
Administration	297,808	297,808	262,860	34,948
Office and Software	700	700	479	221
	<u>368,108</u>	<u>368,108</u>	<u>331,450</u>	<u>36,658</u>

(Continued)

CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023
(Continued)

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget
COMMUNITY DEVELOPMENT				
Salaries and Benefits	1,564,925	1,564,925	1,440,235	124,690
Contract Services	427,940	427,940	151,383	276,557
Field Supplies	4,620	4,620	2,400	2,220
Planning Commission	11,050	11,050	7,366	3,684
Plan Review and Other Inspections	45,000	45,000	19,734	25,266
Elevator Inspection	3,000	3,000	1,875	1,125
City Forestry Program	1,000	1,000	511	489
South Metro Partnership	30,000	30,000	15,729	14,271
Comprehensive Plan & Code Update	-	150,000	29,021	120,979
Miscellaneous	30,460	30,460	14,702	15,758
	<u>2,117,995</u>	<u>2,267,995</u>	<u>1,682,956</u>	<u>585,039</u>
PUBLIC WORKS				
Salaries and Benefits	1,556,576	1,556,576	1,503,523	53,053
Street Lighting	475,000	475,000	457,941	17,059
Street Maintenance	815,000	815,000	668,770	146,230
Drainage Maintenance	220,000	220,000	(5,523)	225,523
Street and Sidewalk Sweeping	60,000	60,000	24,510	35,490
Traffic Signal Energy Cost and Maintenance	275,000	275,000	112,183	162,817
Signal Timing	40,000	40,000	47,273	(7,273)
Snow Removal	1,450,000	1,450,000	1,286,581	163,419
Trash and Recycling Program	650,000	650,000	639,260	10,740
Household Hazardous Program	7,000	7,000	-	7,000
Fence Maintenance	25,000	25,000	4,700	20,300
Materials and Equipment	11,000	11,000	7,146	3,854
EPA Phase 2 Drainage	2,500	2,500	2,023	477
Noxious Weeds Control	20,000	20,000	18,364	1,636
Signage and Striping	175,000	175,000	70,647	104,353
Accident Repairs	5,000	5,000	-	5,000
Public Works Facility Operations & Equipment	55,000	55,000	50,456	4,544
Software and Support	60,000	60,000	50,950	9,050
Mutt Mitts Contract	17,000	17,000	14,976	2,024
Miscellaneous	3,000	3,000	4,818	(1,818)
Public Works Vehicle Maintenance and Gas	30,000	30,000	30,367	(367)
Bridge Maintenance	50,000	50,000	26,106	23,894
Lone Tree Link	692,573	692,573	630,568	62,005
Consulting and Surveying	575,000	575,000	367,855	207,145
Facilities	1,075,042	1,225,042	1,037,266	187,776
	<u>8,344,691</u>	<u>8,494,691</u>	<u>7,050,761</u>	<u>1,443,930</u>

(Continued)

CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023
(Continued)

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget
POLICE				
Salaries and Benefits	8,672,463	8,672,463	8,364,596	307,867
Office and Administration	131,100	131,100	110,127	20,973
Uniforms and Equipment	219,235	219,235	175,185	44,050
Vehicles and Equipment	695,813	695,813	602,704	93,109
General Equipment	31,516	31,516	15,372	16,144
Intergovernmental Agreements	974,531	974,531	931,561	42,970
Training	156,000	156,000	135,548	20,452
Community Outreach and Miscellaneous	43,350	43,350	34,856	8,494
	<u>10,924,008</u>	<u>10,924,008</u>	<u>10,369,949</u>	<u>554,059</u>
PARKS AND RECREATION				
Park and Recreation Improvements	100,000	100,000	100,000	-
	<u>3,250</u>	<u>3,250</u>	<u>4,398</u>	<u>(1,148)</u>
	<u>103,250</u>	<u>103,250</u>	<u>104,398</u>	<u>(1,148)</u>
SHAREBACKS				
Retail Shareback	339,182	339,182	290,575	48,607
Reimbursement of Sales Taxes-PMBID	8,591,891	8,591,891	8,060,106	531,785
Reimbursement of Property Taxes-PMMD	323,197	323,197	316,682	6,515
RRMD Revenue Shareback	1,548,555	1,548,555	1,355,757	192,798
	<u>10,802,825</u>	<u>10,802,825</u>	<u>10,023,120</u>	<u>779,705</u>
Total Expenditures	<u>39,332,781</u>	<u>39,632,781</u>	<u>35,727,545</u>	<u>3,905,236</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>14,645,436</u>	<u>15,941,033</u>	<u>20,096,920</u>	<u>4,155,887</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	4,180,011	5,153,689	4,580,707	(572,982)
Transfers Out	(15,148,910)	(15,817,522)	(14,240,778)	1,576,744
Lease Inception	-	-	-	-
Total Other Financing Sources (Uses)	<u>(10,968,899)</u>	<u>(10,663,833)</u>	<u>(9,660,071)</u>	<u>1,003,762</u>
NET CHANGE IN FUND BALANCES	<u>3,676,537</u>	<u>5,277,200</u>	<u>10,436,849</u>	<u>5,159,649</u>
FUND BALANCES - BEGINNING OF YEAR	<u>43,325,012</u>	<u>46,935,508</u>	<u>46,935,508</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 47,001,549</u>	<u>\$ 52,212,708</u>	<u>\$ 57,372,357</u>	<u>\$ 5,159,649</u>

CITY OF LONE TREE
SPECIAL REVENUE FUND - CULTURAL AND COMMUNITY SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	<u>Budget Amounts Original</u>	<u>Budget Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Ticket Sales and Handling Fees	\$ 1,264,549	\$ 1,263,049	\$ 1,193,287	\$ (69,762)
Rental Fees and Labor Costs	219,300	220,500	240,158	19,658
Concessions and Catering	121,200	120,000	125,779	5,779
Individual, Corporate and Foundation Contributions	487,075	487,075	394,096	(92,979)
Government Grants	342,000	342,000	376,928	34,928
LTAC Fund 501(c)(3) Contribution	55,000	55,000	76,577	21,577
Miscellaneous	6,000	7,500	7,611	111
Annual events	15,000	15,000	13,601	(1,399)
Arts and cultural events	5,000	5,000	6,328	1,328
Total Revenues	<u>2,515,124</u>	<u>2,515,124</u>	<u>2,434,365</u>	<u>(80,759)</u>
EXPENDITURES				
Administration	194,400	194,400	177,227	17,173
Programming	2,519,720	2,519,720	2,516,992	2,728
Marketing	516,254	516,254	432,528	83,726
Development	409,458	409,458	364,049	45,409
Annual Events	374,877	374,877	360,346	14,531
Arts and Cultural Events	122,150	122,150	109,852	12,298
Total Expenditures	<u>4,136,859</u>	<u>4,136,859</u>	<u>3,960,994</u>	<u>175,865</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,621,735)</u>	<u>(1,621,735)</u>	<u>(1,526,629)</u>	<u>95,106</u>
OTHER FINANCING SOURCES (USES)				
Transfers In / (Out)	<u>1,496,300</u>	<u>1,496,300</u>	<u>1,469,542</u>	<u>(26,758)</u>
Total Other Financing Sources (Uses)	<u>1,496,300</u>	<u>1,496,300</u>	<u>1,469,542</u>	<u>(26,758)</u>
NET CHANGE IN FUND BALANCES	<u>(125,435)</u>	<u>(125,435)</u>	<u>(57,087)</u>	<u>68,348</u>
FUND BALANCES - BEGINNING OF YEAR	<u>625,296</u>	<u>913,218</u>	<u>913,218</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 499,861</u>	<u>\$ 787,783</u>	<u>\$ 856,131</u>	<u>\$ 68,348</u>

CITY OF LONE TREE
CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS
BUDGET AND ACTUAL
Year Ended December 31, 2023

	<u>Budget Amounts Original</u>	<u>Budget Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants	\$ 5,234,638	\$ 5,234,638	\$ 1,868,903	\$ (3,365,735)
Reimbursable Costs	925,000	1,086,000	352,485	(733,515)
Total Revenues	<u>6,159,638</u>	<u>6,320,638</u>	<u>2,221,388</u>	<u>(4,099,250)</u>
EXPENDITURES				
Overlay Reconstruction Projects	2,700,000	2,700,000	2,672,276	27,724
Traffic Signalization	2,000,000	2,000,000	1,251,327	748,673
City Office Capital Improvements	370,000	370,000	421,487	(51,487)
Civic Center Capital Improvements	50,000	50,000	48,374	1,626
Justice Center / Public Works Facility	-	-	31,267	(31,267)
Concrete Panel Replacement	600,000	600,000	650,446	(50,446)
Storm Sewer Improvements	250,000	250,000	15,699	234,301
Vehicles - PW	120,000	120,000	153,519	(33,519)
City-Wide Pavement Assessment	50,000	50,000	33,450	16,550
Happy Canyon Creek	100,000	100,000	-	100,000
Advancing Lincoln Avenue	2,214,548	2,214,548	702,825	1,511,723
Acres Green Pedestrian and Bike Bridge	4,020,000	4,020,000	3,478,707	541,293
Emergency Repairs	500,000	500,000	365,876	134,124
City-Wide Bicycle Safety Study and Improvements	302,500	302,500	308,791	(6,291)
C-470 Trail Connection to RTD Station	2,000,000	2,000,000	2,901	1,997,099
Park Meadows Drive and Acres Green Intersection	750,000	750,000	573,913	176,087
Ridgegate Crosswalks	200,000	200,000	131,514	68,486
	<u>16,227,048</u>	<u>16,227,048</u>	<u>10,842,372</u>	<u>5,384,676</u>
INFORMATION TECHNOLOGY				
Network Equipment	-	84,612	84,612	-
	<u>-</u>	<u>84,612</u>	<u>84,612</u>	<u>-</u>
COMMUNITY DEVELOPMENT				
Vehicles - CD	220,200	220,200	124,828	95,372
Code Enforcement Record System	25,000	25,000	19,250	5,750
Planning and Permit Software Upgrade	-	45,000	32,556	12,444
Comprehensive Plan & Code Update	150,000	-	-	-
	<u>395,200</u>	<u>290,200</u>	<u>176,634</u>	<u>113,566</u>
CITY MANAGER OFFICE				
ETIP Placeholder	3,000,000	3,850,000	3,867,314	(17,314)
Art Monument Signage	100,000	100,000	-	100,000
	<u>3,100,000</u>	<u>3,950,000</u>	<u>3,867,314</u>	<u>82,686</u>
PARKS AND RECREATION				
Joint Recreational Projects with South Suburban	1,102,500	1,102,500	1,003,362	99,138
	<u>1,102,500</u>	<u>1,102,500</u>	<u>1,003,362</u>	<u>99,138</u>
ARTS AND CULTURAL				
Arts Center Capital Improvements	522,500	522,500	504,674	17,826
	<u>522,500</u>	<u>522,500</u>	<u>504,674</u>	<u>17,826</u>
LEASE INCEPTION				
Lease Inception	-	100,000	-	100,000
	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>21,347,248</u>	<u>22,276,860</u>	<u>16,478,968</u>	<u>5,797,892</u>

(Continued)

CITY OF LONE TREE
CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS
BUDGET AND ACTUAL
Year Ended December 31, 2023
(Continued)

	<u>Budget Amounts Original</u>	<u>Budget Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,187,610)	(15,956,222)	(14,257,580)	1,698,642
OTHER FINANCING SOURCES (USES)				
Lease Inception	-	100,000	-	(100,000)
Transfers In (Out)	15,187,610	15,856,222	14,257,580	(1,598,642)
Total Other Financing Sources (Uses)	<u>15,187,610</u>	<u>15,956,222</u>	<u>14,257,580</u>	<u>(1,698,642)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF YEAR	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LONE TREE
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
STATE FIRE AND POLICE PENSION PLAN (FPPA)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability/(asset)	0.745%	0.741%	0.710%	0.675%	0.672%	0.593%	0.603%	0.568%	0.542%	0.537%
City's proportionate share of the net pension liability/(asset)	\$ (666,462)	\$ (836,472)	\$ (12,508)	\$ 244,075	\$ (966,061)	\$ 749,099	\$ (341,150)	\$ (1,234,174)	\$ (2,939,160)	\$ 476,739
City's covered payroll	\$ 3,183,366	\$ 3,458,225	\$ 3,689,690	\$ 3,624,431	\$ 3,976,381	\$ 4,026,218	\$ 4,329,357	\$ 4,594,732	\$ 5,158,747	\$ 5,156,748
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	20.9%	24.2%	0.3%	6.7%	24.3%	18.6%	7.9%	26.9%	57.0%	-9.2%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	105.8%	106.8%	101.6%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%	97.6%

(1) The City implemented GASB 68 beginning in 2015. Information prior to 2015 is not available.

*The amounts presented for each year were determined as of December 31, the measurement date used by the City.

CITY OF LONE TREE
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
PUBLIC RETIREMENT ASSOCIATION OF COLORADO (PERA)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.510%	0.523%	0.538%	0.562%	0.610%	0.668%	0.698%	0.712%	0.729%	0.756%
City's proportionate share of the net pension liability/(asset)	\$ 4,194,719	\$ 4,685,216	\$ 5,931,027	\$ 7,586,897	\$ 6,788,332	\$ 8,403,289	\$ 5,105,238	\$ 3,709,250	\$ (624,887)	\$ 7,577,318
City's covered payroll	\$ 2,893,072	\$ 3,017,148	\$ 3,348,942	\$ 3,554,612	\$ 4,005,795	\$ 4,594,877	\$ 5,012,865	\$ 5,207,144	\$ 5,567,306	\$ 6,162,544
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	145.0%	155.3%	177.1%	213.4%	169.5%	182.9%	101.8%	71.2%	-11.2%	123.0%
Plan fiduciary net position as a percentage of the total pension liability	77.7%	80.7%	76.9%	73.6%	79.4%	76.0%	86.3%	90.9%	101.5%	83.0%

(1) The City implemented GASB 68 beginning in 2015. Information prior to 2014 is not available.

*The amounts presented for each year were determined as of December 31, the measurement date used by the City.

CITY OF LONE TREE
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET)
PUBLIC RETIREMENT ASSOCIATION OF COLORADO OTHER POSTEMPLOYMENT BENEFITS (OPEB)
Last Seven Fiscal Years

	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.043%	0.047%	0.052%	0.053%	0.054%	0.057%	0.061%
City's proportionate share of the net pension liability/(asset)	\$ 558,745	\$ 615,682	\$ 705,235	\$ 600,864	\$ 516,344	\$ 488,565	\$ 497,199
City's covered payroll	\$ 3,554,612	\$ 4,005,795	\$ 4,594,877	\$ 5,012,865	\$ 5,207,144	\$ 5,567,306	\$ 6,162,544
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	15.7%	15.4%	15.3%	12.0%	9.9%	8.8%	8.1%
Plan fiduciary net position as a percentage of the total pension liability	16.7%	17.5%	17.0%	24.5%	32.8%	39.4%	38.6%

(1) The City implemented GASB 75 beginning in 2018. Information prior to 2017 is not available.

*The amounts presented for each year were determined as of December 31, the measurement date used by the City.

CITY OF LONE TREE
SCHEDULE OF CONTRIBUTIONS
STATE FIRE AND POLICE PENSION PLAN (FPPA)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 266,647	\$ 275,158	\$ 276,557	\$ 314,225	\$ 317,519	\$ 355,665	\$ 365,287	\$ 371,111	\$ 420,559	\$ 508,919
Contributions in relation to the contractually required contribution	(266,647)	(275,158)	(276,557)	(314,225)	(317,519)	(355,665)	(365,287)	(371,111)	(420,559)	(508,919)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,458,225	\$ 3,689,690	\$ 3,624,431	\$ 3,976,381	\$ 4,026,218	\$ 4,329,357	\$ 4,594,732	\$ 5,158,747	\$ 5,156,748	\$ 5,235,477
Contributions as a percentage of covered payroll	7.71%	7.46%	7.63%	7.90%	7.89%	8.22%	7.95%	7.19%	8.16%	9.72%

(1) The City implemented GASB 68 beginning in 2015. Information prior to 2014 is not available.

CITY OF LONE TREE
SCHEDULE OF CONTRIBUTIONS
PUBLIC RETIREMENT ASSOCIATION OF COLORADO (PERA)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 392,338	\$ 418,841	\$ 466,528	\$ 487,686	\$ 555,896	\$ 609,512	\$ 658,542	\$ 714,780	\$ 832,929	\$ 1,009,195
Contributions in relation to the contractually required contribution	(392,338)	(418,841)	(466,528)	(487,686)	(555,896)	(609,512)	(658,542)	(714,780)	(832,929)	(1,009,195)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,017,148	\$ 3,348,942	\$ 3,554,612	\$ 4,005,795	\$ 4,594,877	\$ 5,012,865	\$ 5,207,144	\$ 5,567,306	\$ 6,162,544	\$ 7,133,489
Contributions as a percentage of covered payroll	13.00%	12.51%	13.12%	12.17%	12.10%	12.16%	12.65%	12.84%	13.52%	14.15%

(1) The City implemented GASB 68 beginning in 2015. Information prior to 2014 is not available.

* Due to the implementation of GASB 75 in 2018, 2017 - 2023 contributions are separated between PERA and OPEB

CITY OF LONE TREE
SCHEDULE OF CONTRIBUTIONS
PUBLIC RETIREMENT ASSOCIATION OF COLORADO OTHER POSTEMPLOYMENT BENEFITS (OPEB)
Last Eight Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 34,709	\$ 39,230	\$ 44,717	\$ 49,030	\$ 51,232	\$ 56,401	\$ 63,031	\$ 74,918
Contributions in relation to the contractually required contribution	(34,709)	(39,230)	(44,717)	(49,030)	(51,232)	(56,401)	(63,031)	(74,918)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,554,612	\$ 4,005,795	\$ 4,594,877	\$ 5,012,865	\$ 5,207,144	\$ 5,567,306	\$ 6,162,544	\$ 7,133,489
Contributions as a percentage of covered payroll	0.98%	0.98%	0.97%	0.98%	0.98%	1.01%	1.02%	1.05%

(1) The City implemented GASB 75 beginning in 2018. Information prior to 2016 is not available.

* Due to the implementation of GASB 75 in 2018, 2017 - 2023 contributions are separated between PERA and OPEB

CITY OF LONE TREE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 1 - BUDGETS

Pursuant to State law, budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the City's General Fund, Special Revenue Fund – Cultural and Community Services, and Capital Projects Fund – Capital Improvements are prepared annually and are legally adopted.

NOTE 2 – PENSION PLAN PROVISIONS

FPPA

Changes in Plan Provisions

The plan provisions have not changed since the prior valuation.

Changes of Assumptions

There were no changes in actuarial assumptions since the January 1, 2021 valuation.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the FPPA's comprehensive annual report which can be obtained at: <http://www.fppaco.org/annual-reports.html>.

PERA

Changes in Plan Provisions

House Bill (HB) 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars) with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to a negative investment return in 2022.

The total pension liability for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

CITY OF LONE TREE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 2 – PENSION PLAN PROVISIONS (CONTINUED)

PERA (Continued)

Changes of Assumptions

There were no changes made to the actuarial methods or assumptions.

Pension Plan Fiduciary Net Position

Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at: www.copera.org/investments/pera-financial-reports.

OPEB

Changes in Plan Provisions

The total OPEB liability for the Health Care Trust Fund (HCTF), as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

Changes of Assumptions

The timing of the retirement decrement was adjusted to middle-of-year.

Pension plan fiduciary net position

Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at: www.copera.org/investments/pera-financial-reports.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

OTHER GOVERNMENTAL FUNDS
AND
COMPONENT UNITS

**CITY OF LONE TREE
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
December 31, 2023**

	Debt Service - Arts and Cultural Facilities	Debt Service - Park and Recreation Improvements	Special Revenue - Lone Tree Art Center Fund 501(c)(3)	Total Other Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ -	\$ -	\$ 77,135	\$ 77,135
Receivables:				
Sales, Use, Admissions and Lodging Taxes	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 77,135</u></u>	<u><u>\$ 77,135</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 77,060	\$ 77,060
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>77,060</u>	<u>77,060</u>
FUND BALANCES				
Restricted	-	-	-	-
Committed	-	-	76	76
Total Fund Balances	<u>-</u>	<u>-</u>	<u>76</u>	<u>76</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 77,135</u></u>	<u><u>\$ 77,135</u></u>

CITY OF LONE TREE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	Debt Service - Arts and Cultural Facilities	Debt Service - Park and Recreation Improvements	Special Revenue - Lone Tree Art Center Fund 501(c)(3)	Total Other Governmental Funds
REVENUES				
Taxes	\$ 2,012,888	\$ 1,341,890	\$ -	\$ 3,354,778
Net Investment Income	151,844	143,690	21	295,555
Arts and Cultural	-	-	76,577	76,577
Total Revenues	<u>2,164,732</u>	<u>1,485,580</u>	<u>76,598</u>	<u>3,726,910</u>
EXPENDITURES				
Current				
Arts and Cultural Services	-	-	80,610	80,610
Debt Service				
Bond Interest	63,800	54,500	-	118,300
Bond Principal	1,720,000	1,090,000	-	2,810,000
Paying Agent Fees	400	400	-	800
Total Expenditures	<u>1,784,200</u>	<u>1,144,900</u>	<u>80,610</u>	<u>3,009,710</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>380,532</u>	<u>340,680</u>	<u>(4,012)</u>	<u>717,200</u>
OTHER FINANCING SOURCES (USES)				
Transfers In/(Out)	<u>(3,032,746)</u>	<u>(3,034,306)</u>	<u>-</u>	<u>(6,067,052)</u>
Total Other Financing Sources (Uses)	<u>(3,032,746)</u>	<u>(3,034,306)</u>	<u>-</u>	<u>(6,067,052)</u>
NET CHANGE IN FUND BALANCES	(2,652,214)	(2,693,626)	(4,012)	(5,349,853)
FUND BALANCES - BEGINNING OF YEAR	<u>2,652,214</u>	<u>2,693,626</u>	<u>4,088</u>	<u>5,349,928</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 75</u>

CITY OF LONE TREE
DEBT SERVICE FUND - ARTS AND CULTURAL FACILITIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES				
Sales Tax	\$ 1,897,447	\$ 1,956,425	\$ 1,898,481	\$ (57,944)
Use Tax - Retail	49,500	86,692	78,268	(8,424)
Use Tax - Building Materials	78,833	78,833	36,139	(42,694)
Contingency	-	250,000	-	(250,000)
Net Investment Income	32,330	151,491	151,844	353
Total Revenues	<u>2,058,110</u>	<u>2,523,441</u>	<u>2,164,732</u>	<u>(358,709)</u>
EXPENDITURES				
Bond Interest	63,800	63,800	63,800	-
Bond Principal	1,720,000	1,720,000	1,720,000	-
Paying Agent Fees	600	600	400	200
Contingency	4,500	4,500	-	4,500
Total Expenditures	<u>1,788,900</u>	<u>1,788,900</u>	<u>1,784,200</u>	<u>4,700</u>
EXCESS OF REVENUES OVER EXPENDITURES	269,210	734,541	380,532	(354,009)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(2,847,401)	(3,386,755)	(3,032,746)	354,009
Total Other Financing Sources (Uses)	<u>(2,847,401)</u>	<u>(3,386,755)</u>	<u>(3,032,746)</u>	<u>354,009</u>
NET CHANGE IN FUND BALANCE	(2,578,191)	(2,652,214)	(2,652,214)	-
FUND BALANCE - BEGINNING OF YEAR	<u>2,578,191</u>	<u>2,652,214</u>	<u>2,652,214</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LONE TREE
DEBT SERVICE FUND - PARK AND RECREATION IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	<u>Budget Amounts Original</u>	<u>Budget Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales Tax	\$ 1,263,069	\$ 1,304,284	\$ 1,265,654	\$ (38,630)
Use Tax - Retail	31,167	57,795	52,179	(5,616)
Use Tax - Building Materials	51,333	51,333	24,057	(27,276)
Contingency	-	200,000	-	(200,000)
Net Investment Income	37,079	142,496	143,690	1,194
Total Revenues	<u>1,382,648</u>	<u>1,755,908</u>	<u>1,485,580</u>	<u>(270,328)</u>
EXPENDITURES				
Bond Interest	54,500	54,500	54,500	-
Bond Principal	1,090,000	1,090,000	1,090,000	-
Paying Agent Fees	600	600	400	200
Contingency	2,500	2,500	-	2,500
Total Expenditures	<u>1,147,600</u>	<u>1,147,600</u>	<u>1,144,900</u>	<u>2,700</u>
EXCESS OF REVENUES OVER EXPENDITURES	235,048	608,308	340,680	(267,628)
OTHER FINANCING SOURCES (USES)				
Transfers In/(Out)	<u>(2,867,610)</u>	<u>(3,301,934)</u>	<u>(3,034,306)</u>	<u>267,628</u>
Total Other Financing Sources (Uses)	<u>(2,867,610)</u>	<u>(3,301,934)</u>	<u>(3,034,306)</u>	<u>267,628</u>
NET CHANGE IN FUND BALANCES	(2,632,562)	(2,693,626)	(2,693,626)	-
FUND BALANCES - BEGINNING OF YEAR				
BEGINNING OF YEAR	<u>2,632,562</u>	<u>2,693,626</u>	<u>2,693,626</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LONE TREE
SPECIAL REVENUE FUND - LONE TREE ARTS CENTER FUND 501(c)(3)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Individual Gifts	\$ 20,500	\$ 18,525	\$ (1,975)
Corporate Gifts	26,000	17,543	(8,457)
Foundation Gifts	30,000	37,750	7,750
Gifts of Securities	-	2,609	2,609
Matching Corporate Gifts	500	150	(350)
Total Revenues	<u>77,000</u>	<u>76,577</u>	<u>(423)</u>
EXPENDITURES			
Accounting Services	1,350	1,392	(42)
Office Supplies	2,195	-	2,195
Meeting Expenses	2,560	2,641	(81)
LTAC Grant Award	74,983	76,577	(1,594)
Total Expenditures	<u>81,088</u>	<u>80,610</u>	<u>478</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,088)</u>	<u>(4,033)</u>	<u>55</u>
NON-OPERATING REVENUE			
Other Revenue	-	-	-
Investment Revenue	-	21	-
Unrealized Gain/(Loss)	-	-	-
Total Non-Operating Revenue	<u>-</u>	<u>21</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(4,088)	(4,012)	55
FUND BALANCES - BEGINNING OF YEAR	<u>4,088</u>	<u>4,088</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 76</u>	<u>\$ 55</u>

CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
COMBINING BALANCE SHEET
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Component Unit</u>
ASSETS			
Cash and Investments	\$ 8,603,372	\$ -	\$ 8,603,372
Cash and Investments - Restricted	257,600	1,030,763	1,288,363
Receivables:			
Intergovernmental	1,799,365	-	1,799,365
Prepaid Items	58,002	-	58,002
TOTAL ASSETS	<u><u>\$ 10,718,339</u></u>	<u><u>\$ 1,030,763</u></u>	<u><u>\$ 11,749,102</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	<u>\$ 296,703</u>	<u>\$ -</u>	<u>\$ 296,703</u>
Total Liabilities	<u>296,703</u>	<u>-</u>	<u>296,703</u>
FUND BALANCES			
Nonspendable:			
Prepaid Amounts	58,002	-	58,002
Restricted for:			
Emergencies (TABOR)	257,600	-	257,600
Debt Service	-	1,030,763	1,030,763
Assigned to:			
Grant Expenditures	2,516,861	-	2,516,861
Unassigned	<u>7,589,173</u>	<u>-</u>	<u>7,589,173</u>
Total Fund Balances	<u>10,421,636</u>	<u>1,030,763</u>	<u>11,452,399</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 10,718,339</u></u>	<u><u>\$ 1,030,763</u></u>	<u><u>\$ 11,749,102</u></u>

CITY OF LONE TREE
RECONCILIATION OF THE BALANCE SHEET - PARK MEADOWS BUSINESS
IMPROVEMENT DISTRICT COMPONENT UNIT
TO THE STATEMENT OF NET POSITION
December 31, 2023

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

Total fund balances - Park Meadows Business Improvement District component unit	\$ 11,452,399
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	24,580,475
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Loans Payable	(7,733,464)
Leases Payable	(11,972,830)
Accrued Interest on Loans Payable	(19,463)
Cost of Debt Refinancing	<u>68,327</u>
Net position of Park Meadows Business Improvement District component unit activities	<u><u>\$ 16,375,444</u></u>

CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Component Unit</u>
REVENUES			
Intergovernmental Revenue	\$ 8,376,788	\$ -	\$ 8,376,788
Net Investment Income	206,845	-	206,845
Reimbursed Expenditures	19,411	-	19,411
Grant Income	-	-	-
Total Revenues	<u>8,603,044</u>	<u>-</u>	<u>8,603,044</u>
EXPENDITURES			
Current			
Operations and Maintenance	2,306,597	-	2,306,597
Lease	676,652	-	676,652
Property Repairs and Replacements	471,464	-	471,464
Marketing	133,374	-	133,374
Property Tax Reimbursement	316,682	-	316,682
Staff and Accounting	386,814	-	386,814
District Management Fee	10,117	-	10,117
Auditing, Legal and Professional Fees	54,804	-	54,804
Off Site Storage	30,000	-	30,000
Other General and Administrative	31,297	-	31,297
Grant Expenditures	710,270	-	710,270
Capital Projects	952,277	-	952,277
Debt Service			
Loan Interest	-	247,227	247,227
Loan Principal	-	842,177	842,177
Total Expenditures	<u>6,080,348</u>	<u>1,089,404</u>	<u>7,169,752</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,522,696</u>	<u>(1,089,404)</u>	<u>1,433,292</u>
OTHER FINANCING SOURCES (USES)			
Transfers In / (Out)	<u>(1,090,589)</u>	<u>1,090,589</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,090,589)</u>	<u>1,090,589</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,432,107	1,185	1,433,292
FUND BALANCES - BEGINNING OF YEAR	8,989,529	1,029,578	10,019,107
FUND BALANCES - END OF YEAR	<u>\$ 10,421,636</u>	<u>\$ 1,030,763</u>	<u>\$ 11,452,399</u>

CITY OF LONE TREE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE PARK MEADOWS
BUSINESS IMPROVEMENT DISTRICT COMPONENT UNIT
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Amounts reported for component unit activities in the statement of activities are different because:

Net change in fund balances - Park Meadows Business Improvement District component unit \$ 1,433,292

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	952,277
Depreciation and Amortization Expense	(1,395,807)

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

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Loan Principal	842,177
Lease Payment	631,200

Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Amortization of Cost of Refunding	(17,222)
Accrued Interest on Debt - Change in Liability	3,405

Changes in net position of Park Meadows Business Improvement District component unit activities	\$ 2,449,322
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CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	<u>Budget Amounts Original</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental Revenue	\$ 7,910,806	\$ 8,376,788	\$ 465,982
Net Investment Income	20,000	206,845	186,845
Grant and Other Income	18,540	19,411	871
Total Revenues	<u>7,949,346</u>	<u>8,603,044</u>	<u>653,698</u>
EXPENDITURES			
Operations and Maintenance	2,081,000	2,306,597	(225,597)
Lease	664,723	676,652	(11,929)
Property Repairs and Replacements	253,000	471,464	(218,464)
Marketing	372,000	133,374	238,626
Property Tax Reimbursement	313,804	316,682	(2,878)
Staff and Accounting	157,000	386,814	(229,814)
District Management Fee	18,000	10,117	7,883
Auditing, Legal and Professional Fees	25,000	54,804	(29,804)
Off Site Storage	30,000	30,000	-
Other General and Administrative	50,000	31,297	18,703
Capital Projects	950,000	952,277	(2,277)
Grant Expenditures	3,052,427	710,270	2,342,157
Contingency	150,000	-	150,000
Total Expenditures	<u>8,116,954</u>	<u>6,080,348</u>	<u>2,036,606</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(167,608)</u>	<u>2,522,696</u>	<u>2,690,304</u>
OTHER FINANCING SOURCES (USES)			
Transfers In / (Out)	(1,089,392)	(1,090,589)	(1,197)
Total Other Financing Sources (Uses)	<u>(1,089,392)</u>	<u>(1,090,589)</u>	<u>(1,197)</u>
NET CHANGE IN FUND BALANCES	(1,257,000)	1,432,107	2,689,107
FUND BALANCES - BEGINNING OF YEAR	<u>8,028,577</u>	<u>8,989,529</u>	<u>960,952</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,771,577</u>	<u>\$ 10,421,636</u>	<u>\$ 3,650,059</u>

CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Net Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Loan Interest	247,227	247,227	-
Loan Principal	842,177	842,177	-
Total Expenditures	<u>1,089,404</u>	<u>1,089,404</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,089,404)</u>	<u>(1,089,404)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	1,089,392	1,090,589	1,197
Total Other Financing Sources (Uses)	<u>1,089,392</u>	<u>1,090,589</u>	<u>1,197</u>
NET CHANGE IN FUND BALANCES	(12)	1,185	1,197
FUND BALANCES - BEGINNING OF YEAR	<u>1,117,227</u>	<u>1,029,578</u>	<u>(87,649)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,117,215</u></u>	<u><u>\$ 1,030,763</u></u>	<u><u>\$ (86,452)</u></u>

**CITY OF LONE TREE
LONE TREE BUSINESS IMPROVEMENT DISTRICT
BALANCE SHEET
December 31, 2023**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 178,366	\$ 275,850	\$ 454,216
Receivables:			
Intergovernmental	1,543	-	1,543
Property Tax	296,922	-	296,922
Prepaid Items	2,641	-	2,641
TOTAL ASSETS	<u>\$ 479,472</u>	<u>\$ 275,850</u>	<u>\$ 755,322</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 18,648	\$ -	\$ 18,648
Total Liabilities	<u>18,648</u>	<u>-</u>	<u>18,648</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	<u>296,922</u>	<u>-</u>	<u>296,922</u>
FUND BALANCES			
Nonspendable:			
Prepaid Items	2,641	-	2,641
Restricted for:			
Emergencies (TABOR)	6,380	-	6,380
Assigned for:			
Capital Projects	-	275,850	275,850
Unassigned	154,881	-	154,881
Total Fund Balances	<u>163,902</u>	<u>275,850</u>	<u>439,752</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 479,472</u>	<u>\$ 275,850</u>	<u>\$ 755,322</u>

CITY OF LONE TREE
RECONCILIATION OF THE BALANCE SHEET - LONE TREE BUSINESS
IMPROVEMENT DISTRICT COMPONENT UNIT
TO THE STATEMENT OF NET POSITION
December 31, 2023

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

Total fund balances - Lone Tree Business Improvement District component unit	\$ 439,752
Other long-term assets are not current financial resources available to pay current period expenditures and, therefore, are not reported in the funds.	
Property Tax Receivable	296,922
Deferred inflows of resources that represent acquisition or consumption of net position that applies to future periods and, therefore, are not reported.	
Property Tax Revenues	<u>(296,922)</u>
Net position of Lone Tree Business Improvement District component unit activities	<u><u>\$ 439,752</u></u>

CITY OF LONE TREE
LONE TREE BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
General Property Tax	\$ 279,386	\$ -	\$ 279,386
Specific Ownership Taxes	23,859	-	23,859
Interest Income	4,668	99	4,767
Total Revenues	<u>307,913</u>	<u>99</u>	<u>308,012</u>
EXPENDITURES			
Insurance	4,302	-	4,302
Legal	14,553	-	14,553
Office Overhead	591	-	591
Accounting	10,837	-	10,837
Auditing	4,750	-	4,750
Landscaping Services	83,779	-	83,779
Snow Plow Services	76,156	-	76,156
Treasurer's Fees	4,247	-	4,247
Plaza and Lighting Maintenance	13,500	-	13,500
Total Expenditures	<u>212,715</u>	<u>-</u>	<u>212,715</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>95,198</u>	<u>99</u>	<u>95,297</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(58,000)	-	(58,000)
Transfers In	-	58,000	58,000
Total Other Financing Sources (Uses)	<u>(58,000)</u>	<u>58,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	37,198	58,099	95,297
FUND BALANCES - BEGINNING OF YEAR	126,704	217,751	344,455
FUND BALANCES - END OF YEAR	<u>\$ 163,902</u>	<u>\$ 275,850</u>	<u>\$ 439,752</u>

CITY OF LONE TREE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE LONE TREE
BUSINESS IMPROVEMENT DISTRICT TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Amounts reported for component unit activities in the statement of
activities are different because:

Net change in fund balances - Lone Tree Business Improvement District component unit	\$ 95,297
--	-----------

Changes in net position of Lone Tree Business Improvement District component unit activities	<u>\$ 95,297</u>
--	------------------

CITY OF LONE TREE
LONE TREE BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	<u>Budget Amounts</u>		
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
General Property Tax	\$ 257,278	\$ 279,386	\$ 22,108
Specific Ownership Taxes	20,582	23,859	3,277
Interest Income	10	4,668	4,658
Total Revenues	<u>277,870</u>	<u>307,913</u>	<u>30,043</u>
EXPENDITURES			
Insurance	4,000	4,302	(302)
Legal	19,000	14,553	4,447
Office Overhead	1,000	591	409
Accounting	18,000	10,837	7,163
Audit	5,330	4,750	580
Landscaping Services	92,765	83,779	8,986
Snow Plow Services	170,500	76,156	94,344
Treasurer's Fees	3,859	4,247	(388)
Drainage Pond Cleaning	1,500	-	1,500
Plaza and Lighting Maintenance	13,900	13,500	400
Total Expenditures	<u>329,854</u>	<u>212,715</u>	<u>117,139</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(51,984)</u>	<u>95,198</u>	<u>147,182</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	76,000	-	(76,000)
Transfers Out	-	(58,000)	(58,000)
Total Other Financing Sources (Uses)	<u>76,000</u>	<u>(58,000)</u>	<u>(134,000)</u>
NET CHANGE IN FUND BALANCES	24,016	37,198	13,182
FUND BALANCES - BEGINNING OF YEAR	<u>140,903</u>	<u>126,704</u>	<u>(14,199)</u>
FUND BALANCES - END OF YEAR	<u>\$ 164,919</u>	<u>\$ 163,902</u>	<u>\$ (1,017)</u>

CITY OF LONE TREE
LONE TREE BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2023

	<u>Budget Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Interest Income	\$ 50	\$ 99	\$ 49
Total Revenues	<u>50</u>	<u>99</u>	<u>49</u>
EXPENDITURES			
Landscaping Services	<u>21,000</u>	<u>-</u>	<u>21,000</u>
Total Expenditures	<u>21,000</u>	<u>-</u>	<u>21,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(20,950)</u>	<u>99</u>	<u>21,049</u>
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	<u>(76,000)</u>	<u>58,000</u>	<u>134,000</u>
Total Other Financing Sources (Uses)	<u>(76,000)</u>	<u>58,000</u>	<u>134,000</u>
NET CHANGE IN FUND BALANCES	<u>(96,950)</u>	<u>58,099</u>	<u>155,049</u>
FUND BALANCES - BEGINNING OF YEAR	<u>190,216</u>	<u>217,751</u>	<u>27,535</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 93,266</u></u>	<u><u>\$ 275,850</u></u>	<u><u>\$ 182,584</u></u>

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OTHER SUPPLEMENTARY INFORMATION

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/23
This Information From The Records Of: City of Lone Tree	Prepared By: Heather Lunde

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. 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 2)	\$ 3,967,282
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 693,280
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 2,137,516
2. General fund appropriations	\$ 7,477,509	b. Snow and ice removal	\$ 1,286,581
3. Other local imposts (from page 2)	\$ 4,412,433	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 439,457	d. Total (a. through c.)	\$ 3,424,097
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 4,666,477
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 12,751,136
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 12,329,399	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 421,737	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 12,751,136	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 12,751,136

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 12,751,136	\$ 12,751,136	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/23	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 439,457
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 4,412,433	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 4,412,433	h. Other	
c. Total (a. + b.)	\$ 4,412,433	i. Total (a. through h.)	\$ 439,457
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 378,011	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 43,726	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (ie. ARPA)		f. Other Federal	
f. Total (a. through e.)	\$ 43,726	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 421,737	3. Total (1. + 2.g)	
(Carry forward to page 1)		(Carry forward to page 1)	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements		\$ 3,896,635	\$ 3,896,635
(3). System Preservation		\$ 70,647	\$ 70,647
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 3,967,282	\$ 3,967,282
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 3,967,282	\$ 3,967,282
(Carry forward to page 1)			
Notes and Comments:			

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Financial Trends

These schedules contain trend information that may assist the reader in understanding how the City's financial performance and well-being have changed over time.

Net Position by Component (Table 1)	144
Changes in Net Position (Table 2)	145
Fund Balances, Governmental Funds (Table 3)	146
Changes in Fund Balances, Governmental Funds (Table 4).....	147

Revenue Capacity

These schedules contain information that may assist the reader in assessing the viability of the City's most significant "own source" revenue source, sales taxes. The City does not assess a property tax levy; therefore, schedules containing information on principal property taxpayers or property tax levies and collections are not included.

Direct and Overlapping Sales Tax Rates (Table 5)	148
Sales Tax Revenue Payers by Industry (Table 6)	149
Sales Tax Revenue Collections (Table 7).....	150

Debt Capacity

These tables present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Assessed Value and Estimated Actual Value of Taxable Property (Table 8).....	151
Property Tax Rates - Direct and Overlapping Governments (Table 9)	152
Ratios of Outstanding Debt by Type (Table 10).....	153
Revenue Bond Coverage (Table 11 a and b)	154
Legal Debt Margin Information (Table 12)	156
General Obligation Debt - Direct and Overlapping Governments (Table 13).....	157

Demographic and Economic Information

These schedules offer demographic and economic indicators that may help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics (Table 14).....	158
Principal Employers (Table 15)	159

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Full-time Equivalent City Government Employees by Function/Program (Table 16)....	160
Operating Indicators by Function/Program (Table 17).....	161
Capital Asset Statistics by Function/Program (Table 18).....	162

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2003; therefore, schedules presenting government-wide information include information beginning in that year.

TABLE 1

CITY OF LONE TREE
NET POSITION BY COMPONENT
Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2014	2015 (2)	2016	2017	2018 (3)	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 81,283,223	\$ 97,829,372	\$ 102,243,231	\$ 108,531,579	\$ 111,992,008	\$ 120,572,452	\$ 140,647,955	\$ 145,232,645	\$ 144,254,915	\$ 160,044,784
Restricted	3,370,714	5,202,543	4,762,302	5,416,090	5,852,393	15,365,807	6,392,901	7,816,276	11,083,260	10,299,175
Unrestricted	16,198,831	13,713,236	13,011,264	7,287,522	7,798,676	13,719,165	13,688,093	20,969,941	39,602,739	45,562,234
Total governmental activities net position	100,852,768	116,745,151	120,016,797	121,235,191	125,643,077	149,657,424	160,728,949	174,018,862	194,940,914	215,906,193
Total primary government net position (1)	\$ 100,852,768	\$ 116,745,151	\$ 120,016,797	\$ 121,235,191	\$ 125,643,077	\$ 149,657,424	\$ 160,728,949	\$ 174,018,862	\$ 194,940,914	\$ 215,906,193

(1) The City does not have any business-type activities; therefore, the total primary government net position is the same as the total governmental activities net position.

(2) Net position restated in 2015 due to implementation of GASB No. 68.

(3) Net position restated in 2018 due to implementation of GASB No. 75.

TABLE 2

CITY OF LONE TREE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 13,494,009	\$ 14,483,424	\$ 16,173,154	\$ 17,071,135	\$ 16,212,205	\$ 12,856,050	\$ 10,214,431	\$ 11,375,639	\$ 14,938,838	\$ 17,566,233
Municipal court	217,969	234,799	259,849	323,935	374,079	293,408	312,221	296,674	226,058	320,879
Community development	1,040,044	1,080,566	1,260,292	1,313,003	1,250,637	936,466	1,166,136	1,777,995	1,136,047	1,773,069
Public works	7,972,040	8,743,403	8,436,353	8,406,828	10,028,083	10,395,092	10,418,266	11,359,384	14,435,353	14,539,487
Arts and cultural services	3,111,362	3,198,170	3,239,157	4,138,733	4,080,168	3,421,829	2,535,888	2,935,663	2,843,509	10,529,171
Police	6,639,856	6,779,310	7,091,310	7,752,422	7,350,747	8,092,467	8,842,924	8,821,749	8,538,025	4,537,788
Interest and related costs on long-term debt	924,398	837,894	777,775	586,505	446,040	358,185	297,241	259,634	213,533	164,376
Interest and related costs on leases	-	-	-	-	-	-	-	-	137,447	137,173
Interest and related costs on SBITA	-	-	-	-	-	-	-	-	-	95,560
Total governmental activities expenses	33,399,678	35,357,566	37,237,850	39,592,561	39,741,959	36,353,496	33,787,104	36,826,738	42,468,810	49,663,736
Total primary government expenses (1)	\$ 33,399,678	\$ 35,357,566	\$ 37,237,850	\$ 39,592,561	\$ 39,741,959	\$ 36,353,496	\$ 33,787,104	\$ 36,826,738	\$ 42,468,810	\$ 49,663,736
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 222,567	\$ 239,633	\$ 179,424	\$ 176,438	\$ 527,238	\$ 228,916	\$ 174,152	\$ 179,049	\$ 164,717	\$ 234,271
Municipal court	540,304	691,943	680,688	636,085	565,302	54,044	37,305	38,319	39,177	36,716
Community development	2,098,603	1,396,976	1,156,256	832,431	1,371,541	1,215,296	1,364,480	1,493,204	1,580,425	1,293,144
Public works	-	-	736	499	21,247	150,570	213,624	385,934	539,577	699,969
Arts and cultural services	1,329,312	1,284,726	996,884	1,562,983	1,253,940	1,537,972	360,031	368,504	1,251,215	1,586,785
Police	22,919	3,491	4,453	4,679	7,965	630,875	421,484	848,037	372,779	483,272
Operating grants and contributions	4,252,466	4,728,754	5,050,314	5,000,361	5,574,101	5,918,552	6,619,538	10,437,077	11,165,358	7,435,821
Capital grants and contributions	1,069,622	16,971,208	3,453,329	4,166,060	4,732,802	20,427,224	12,238,449	6,406,050	100,177	7,957,511
Total governmental activities program revenues	9,535,793	25,316,731	11,522,084	12,379,536	14,004,136	30,163,449	21,429,064	20,156,174	15,213,425	19,727,489
Total primary government revenues (1)	\$ 9,535,793	\$ 25,316,731	\$ 11,522,084	\$ 12,379,536	\$ 14,004,136	\$ 30,163,449	\$ 21,429,064	\$ 20,156,174	\$ 15,213,425	\$ 19,727,489
Net (expense) revenue										
Governmental activities	\$ (23,863,885)	\$ (10,040,835)	\$ (25,715,766)	\$ (27,213,025)	\$ (25,737,823)	\$ (6,190,048)	\$ (12,358,041)	\$ (16,670,564)	\$ (27,255,384)	\$ (29,936,247)
Total primary government net (expense) revenue (1)	\$ (23,863,885)	\$ (10,040,835)	\$ (25,715,766)	\$ (27,213,025)	\$ (25,737,823)	\$ (6,190,048)	\$ (12,358,041)	\$ (16,670,564)	\$ (27,255,384)	\$ (29,936,247)
General revenues										
Sales taxes and Use tax - Retail	\$ 23,736,964	\$ 24,883,632	\$ 24,649,096	\$ 24,920,993	\$ 25,649,105	\$ 25,536,584	\$ 19,726,510	\$ 25,682,661	\$ 42,181,930	\$ 43,128,930
Use taxes - Building materials	1,009,009	1,155,608	791,702	414,263	935,963	770,496	1,320,568	1,299,531	1,727,013	1,528,324
Lodging taxes	908,192	1,000,349	1,048,252	1,092,192	1,823,741	1,736,799	672,449	1,145,417	1,575,329	1,694,999
Admission taxes	503,914	368,432	411,421	363,474	375,613	337,637	176,402	254,286	339,902	227,820
Franchise fees	1,033,993	1,040,429	1,041,604	1,069,729	1,071,791	1,078,819	1,048,271	1,137,127	1,302,889	1,254,826
Cigarette taxes	196,839	194,668	197,519	175,349	169,197	153,456	171,392	134,946	91,582	139,633
Investment earnings	14,113	22,376	140,767	234,364	400,134	431,565	149,251	10,489	671,563	2,627,841
Lease Revenue	-	-	-	-	-	-	-	-	45,190	40,462
Miscellaneous	331,163	136,995	707,051	161,055	278,910	159,039	164,723	296,020	242,037	258,691
Total governmental activities general revenues	27,734,187	28,802,489	28,987,412	28,431,419	30,704,454	30,204,395	23,429,566	29,960,477	48,177,435	50,901,526
Total primary government general revenues (1)	\$ 27,734,187	\$ 28,802,489	\$ 28,987,412	\$ 28,431,419	\$ 30,704,454	\$ 30,204,395	\$ 23,429,566	\$ 29,960,477	\$ 48,177,435	\$ 50,901,526
Change in net position										
Governmental activities	\$ 3,870,302	\$ 18,761,654	\$ 3,271,646	\$ 1,218,394	\$ 4,966,631	\$ 24,014,347	\$ 11,071,525	\$ 13,289,913	\$ 20,922,051	\$ 20,965,279
Total primary government change in net position (1)	\$ 3,870,302	\$ 18,761,654	\$ 3,271,646	\$ 1,218,394	\$ 4,966,631	\$ 24,014,347	\$ 11,071,525	\$ 13,289,913	\$ 20,922,051	\$ 20,965,279

(1) The City does not have any business-type activities; therefore, the totals for primary government are the same as the totals for government activities

TABLE 3

CITY OF LONE TREE
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015 (1)	2016	2017	2018 (2)	2019	2020	2021	2022	2023
General Fund										
Non-spendable	\$ 401,104	\$ 380,189	\$ 514,737	\$ 406,279	\$ 167,676	\$ 162,809	\$ 151,718	\$ 71,015	\$ 270,208	\$ 44,418
Restricted	2,892,348	4,928,216	7,844,007	8,343,148	2,631,785	11,908,748	2,826,718	3,500,112	5,737,420	10,299,175
Committed										
Assigned	10,860,234	12,489,445	11,966,918	6,913,804	9,291,989	13,558,108	12,523,975	20,214,429	14,278,327	18,806,075
Unassigned	3,722,646	4,273,000	4,398,000	4,545,000	4,822,000	4,978,000	6,451,000	5,821,300	26,649,553	28,222,689
Total General Fund	<u>\$ 17,876,332</u>	<u>\$ 22,070,850</u>	<u>\$ 24,723,662</u>	<u>\$ 20,208,231</u>	<u>\$ 16,913,450</u>	<u>\$ 30,607,666</u>	<u>\$ 21,953,411</u>	<u>\$ 29,606,856</u>	<u>\$ 46,955,508</u>	<u>\$ 57,372,357</u>
All other governmental funds										
Non-spendable	\$ 46,674	\$ 56,673	\$ 53,659	\$ 110,727	\$ 81,303	\$ 106,025	\$ 21,215	\$ 86,811	\$ 116,668	\$ 158,351
Restricted	2,409,455	2,103,679	2,429,178	3,053,775	3,220,608	3,457,059	3,566,183	4,316,164	5,345,840	-
Committed	-	-	-	-	105	206,486	146,219	225,267	800,638	697,856
Assigned	-	-	-	-	8,775	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	(46,674)	(56,673)	(53,659)	(110,727)	(127,578)	-	-	-	-	-
Total all other governmental funds	<u>\$ 2,409,455</u>	<u>\$ 2,103,679</u>	<u>\$ 2,429,178</u>	<u>\$ 3,053,775</u>	<u>\$ 3,183,213</u>	<u>\$ 3,769,570</u>	<u>\$ 3,733,617</u>	<u>\$ 4,628,242</u>	<u>\$ 6,263,146</u>	<u>\$ 856,207</u>
Total governmental funds										
Non-spendable	\$ 447,778	\$ 436,862	\$ 568,396	\$ 517,006	\$ 248,979	\$ 268,834	\$ 172,933	\$ 157,826	\$ 386,876	\$ 202,769
Restricted	5,301,803	7,031,895	10,273,185	11,396,923	5,852,393	15,365,807	6,392,901	7,816,276	11,083,260	10,299,175
Committed	-	-	-	-	105	206,486	146,219	225,267	800,638	697,856
Assigned	10,860,234	12,489,445	11,966,918	6,913,804	9,300,764	13,558,108	12,523,975	20,214,429	14,278,327	18,806,075
Unassigned	3,675,972	4,216,327	4,344,341	4,434,273	4,694,422	4,978,000	6,451,000	5,821,300	26,649,553	28,222,689
Total governmental funds	<u>\$ 20,285,787</u>	<u>\$ 24,174,529</u>	<u>\$ 27,152,840</u>	<u>\$ 23,262,006</u>	<u>\$ 20,096,663</u>	<u>\$ 34,377,236</u>	<u>\$ 25,687,028</u>	<u>\$ 34,235,098</u>	<u>\$ 53,198,654</u>	<u>\$ 58,228,564</u>

(1) The City implemented GASB Statement No. 68 in fiscal year 2015.

(2) The City implemented GASB Statement No. 75 in fiscal year 2018.

TABLE 4

CITY OF LONE TREE
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (1)
Revenues										
Taxes	\$ 26,158,079	\$ 27,408,021	\$ 26,900,471	\$ 26,790,921	\$ 28,784,422	\$ 28,381,516	\$ 21,895,929	\$ 28,381,895	\$ 45,824,175	\$ 46,580,073
Franchise fees	1,033,993	1,040,429	1,041,604	1,069,729	1,071,791	1,078,819	1,048,271	1,137,127	1,302,889	1,254,826
Intergovernmental	5,066,287	7,073,987	15,301,133	14,291,208	10,572,636	25,845,262	7,411,211	11,252,919	10,446,205	5,917,751
Licenses, fees and charges	2,124,212	1,430,134	1,134,976	869,837	1,350,836	1,435,736	1,599,964	1,948,433	2,188,240	2,163,812
Fines and forfeitures	540,304	691,943	680,688	636,085	565,302	672,181	436,363	371,622	393,404	490,057
Net investment income	14,113	22,376	140,767	234,364	400,134	431,565	149,251	10,488	664,997	2,623,389
Tenant rental income	222,567	239,634	179,424	176,438	250,519	228,919	174,152	179,050	164,717	110,002
Arts and cultural event fees	1,639,949	1,747,181	1,519,316	2,128,189	1,922,982	2,216,130	1,248,891	2,353,958	2,039,737	2,510,942
Other	401,910	205,953	839,181	285,663	452,654	307,314	359,538	588,503	382,912	334,888
Base rentals	1,009,664	1,290,006	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-
Total revenues	38,211,078	41,149,664	47,737,560	46,482,434	45,371,276	60,597,442	34,323,570	46,223,995	63,407,276	64,207,128
Expenditures										
General government	5,001,832	4,706,785	4,932,276	5,493,850	5,591,215	5,647,331	4,575,637	4,529,647	5,051,387	6,164,911
Municipal court	213,810	192,197	226,495	270,686	302,995	309,063	299,755	294,898	309,076	331,450
Community development	1,025,520	1,020,830	1,181,680	1,115,634	1,018,069	1,000,326	1,098,689	1,143,417	1,305,370	1,682,956
Police	6,483,386	6,697,266	6,918,837	7,176,874	7,523,559	8,216,629	8,603,650	8,506,326	9,395,393	10,369,949
Public works	4,417,190	4,473,031	4,325,451	4,112,818	4,841,201	4,737,463	5,278,695	5,570,247	6,876,849	7,050,761
Arts and cultural services	2,496,989	2,544,481	2,451,342	3,111,466	2,958,530	3,000,630	1,866,950	2,392,480	2,900,385	4,041,604
Park and recreation	-	-	-	-	-	-	-	-	-	104,398
Sharebacks	-	-	-	-	-	-	-	-	-	10,023,120
Debt service	-	-	-	-	-	-	-	-	-	-
Bond principal	2,520,000	2,920,000	1,755,000	1,890,000	2,030,000	492,600	422,500	340,100	233,300	118,300
Bond interest	924,083	866,475	805,432	447,661	581,850	2,180,000	2,285,000	2,435,000	2,620,000	2,810,000
Paying agent fees	-	400	400	800	1,200	1,000	800	800	800	800
Cost of issuance	-	-	-	158,935	-	-	-	-	-	-
Capital outlay and other	11,563,069	13,839,457	22,162,335	26,495,277	23,688,000	20,731,828	18,582,104	12,463,010	15,758,238	16,478,968
Total expenditures	34,646,279	37,260,922	44,759,248	50,274,001	48,536,619	46,316,869	43,013,779	37,675,925	44,450,798	59,177,217
Excess of revenues over (under) expenditures	3,564,799	3,888,742	2,978,312	(3,791,567)	(3,165,343)	14,280,573	(8,690,209)	8,548,070	18,956,478	5,029,911
Other financing sources (uses)										
Bond payment to refunded bonds escrow agent	-	-	-	(12,381,772)	-	-	-	-	-	-
Revenue bonds issued	-	-	-	11,005,000	-	-	-	-	-	-
Bond premium	-	-	-	1,277,505	-	-	-	-	-	-
Transfers in	2,117,873	1,868,506	1,263,381	983,277	1,741,098	1,720,549	489,327	1,663,425	1,503,097	20,307,829
Transfers out	(2,117,873)	(1,868,506)	(1,263,381)	(983,277)	(1,741,098)	(1,720,549)	(489,327)	(1,663,425)	(1,503,097)	(20,307,829)
Lease Inception	-	-	-	-	-	-	-	-	7,078	-
Total other financing sources (uses)	-	-	-	(99,267)	-	-	-	-	7,078	-
Net change in fund balances	\$ 3,564,799	\$ 3,888,742	\$ 2,978,312	\$ (3,890,835)	\$ (3,165,343)	\$ 14,280,574	\$ (8,690,209)	\$ 8,548,070	\$ 18,963,556	\$ 5,029,911
Debt service as a % of noncapital expenditures	10.8%	21.2%	7.0%	5.9%	6.4%	8.0%	14.6%	9.6%	7.1%	7.7%

(1) The City created a Capital Projects Fund in 2023. As a result, revenues related to capital projects were moved out of Intergovernmental into a separate line item. Additionally, Sharebacks and Park and Recreation were moved out of Capital Outlay into separate expenditures line items.

TABLE 5

**CITY OF LONE TREE
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate (1)	Douglas County	State of Colorado	Regional Transportation District	Scientific and Cultural Facilities District	Total Sales Tax Rate (2)
2014	1.8125%	1.00%	2.90%	1.00%	0.10%	6.8125%
2015	1.8125%	1.00%	2.90%	1.00%	0.10%	6.8125%
2016	1.8125%	1.00%	2.90%	1.00%	0.10%	6.8125%
2017	1.8125%	1.00%	2.90%	1.00%	0.10%	6.8125%
2018	1.8125%	1.00%	2.90%	1.00%	0.10%	6.8125%
2019	1.8125%	1.00%	2.90%	1.00%	0.10%	6.8125%
2020	1.8125%	1.00%	2.90%	1.00%	0.10%	6.8125%
2021	1.8125%	1.00%	2.90%	1.00%	0.10%	6.8125%
2022	2.8125%	1.00%	2.90%	1.00%	0.10%	7.8125%
2023	2.5000%	1.00%	2.90%	1.00%	0.10%	7.5000%

(1) Pursuant to election results from November 2021, a sales tax increase of 1% was effective as of January 1, 2022.

(2) Effective December 1, 2023 the City's Direct Rate decreased by 0.3125% due to the final payment of the City's outstanding revenue bonds.

Source: City Budget Office and Douglas County Department of Finance.

TABLE 6

CITY OF LONE TREE
SALES TAX REVENUE PAYERS BY INDUSTRY (1)
Fiscal Year 2023

<u>Industry</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
Retail	\$ 39,893,767	92.50%
Services	1,636,590	3.78%
Government	1,111	0.01%
Finance, insurance and real estate	145,971	0.34%
Transportation and utilities	1,451,491	3.37%
Total	<u>\$ 43,128,930</u>	<u>100.00%</u>

(1) Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's sales tax revenue.

Source: City Sales Tax Department

TABLE 7

**CITY OF LONE TREE
SALES TAX REVENUE COLLECTIONS
Last Ten Fiscal Years**

Fiscal Year	Sales Tax Revenue Collections
2014	23,736,964
2015	24,883,632
2016	24,649,096
2017	24,920,993
2018	25,649,105
2019	25,536,584
2020	19,726,510
2021	25,682,661
2022	42,181,930
2023	43,128,930

TABLE 8

CITY OF LONE TREE
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

<u>Levy Year (1)</u>	<u>Collection Year</u>	<u>Assessed Value</u>			<u>Total</u>	<u>Actual Value (2)</u>
		<u>Residential</u>	<u>Commercial</u>	<u>Other</u>		
2013	2014	147,664,450	283,865,750	19,112,447	496,362,764	2,931,188,630
2014	2015	155,833,800	309,658,840	20,493,300	540,385,700	3,131,131,975
2015	2016	188,966,170	379,839,260	18,558,910	651,720,180	3,783,743,011
2016	2017	195,142,240	376,546,220	16,546,590	651,462,810	3,840,344,430
2017	2018	205,189,400	427,144,090	22,154,660	716,558,610	4,432,701,543
2018	2019	241,702,730	490,445,000	17,314,590	817,276,300	5,195,739,181
2019	2020	245,996,550	490,611,300	14,807,010	816,956,320	5,249,030,422
2020	2021	267,517,020	530,192,300	14,193,440	871,933,130	5,687,392,940
2021	2022	261,156,120	550,801,440	18,557,240	899,154,310	5,799,198,128
2022	2023	338,824,830	603,420,320	26,104,500	1,052,621,420	7,397,230,837

(1) The City of Lone Tree does not currently levy a property tax. Voter authorization would be required in order to levy a property tax in the future.

(2) Actual value is not intended to represent market value.

Source: Douglas County Assessor's Office

TABLE 9

CITY OF LONE TREE
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years
 (Per \$1,000 of Assessed Value)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City of Lone Tree	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Overlapping Mill Levies (1):										
Cherry Creek Basin Water Authority	0.500	0.449	0.473	0.453	0.479	0.451	0.478	0.479	0.5	0.425
Douglas County	19.774	19.774	19.274	19.774	19.774	19.274	19.274	18.524	18.524	19.774
Douglas County Library District	4.032	4.035	4.016	4.021	4.008	4.023	4.012	4.021	4.008	3.513
Douglas County School District No. 1	46.051	46.945	45.564	30.942	36.896	35.785	35.450	35.743	36.136	40.730
Douglas County School District No. Re 1 Bonds	0.000	0.000	0.000	0.000	8.054	8.054	8.054	8.054	6.700	5.204
Douglas County Soil Conservation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Heritage Hills Metropolitan District	40.000	39.544	39.000	40.000	40.000	40.000	40.000	40.000	41.137	33.097
Park Meadows Metropolitan District	6.387	6.387	6.387	6.387	6.387	6.387	6.387	6.387	6.387	6.387
Rampart Range Metropolitan District No. 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Rampart Range Metropolitan District No. 2	46.000	46.000	46.000	48.000	48.000	49.000	49.000	49.000	49.368	50.000
Rampart Range Metropolitan District No. 7	46.000	46.000	46.000	48.000	48.000	49.000	49.000	49.000	49.368	50.000
Regional Transportation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
South Metro Fire Rescue	9.319	9.344	9.250	9.250	9.250	9.250	9.250	9.319	9.288	9.250
South Suburban Park and Recreation District	8.808	8.651	8.643	8.496	8.364	8.365	8.385	8.396	8.426	8.320
Southeast Public Improvement Metro District	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	1.865
Southgate Sanitation District	0.551	0.510	0.510	0.465	0.465	0.445	0.465	0.463	0.465	0.428
Southgate Water District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Urban Drainage & Flood Control District	0.632	0.553	0.559	0.500	0.726	0.900	0.900	0.900	0.900	0.900
Urban Drainage & Flood South Platte	0.068	0.058	0.061	0.057	0.094	0.097	0.100	0.100	0.100	0.100
	<u>230.122</u>	<u>230.250</u>	<u>227.737</u>	<u>218.345</u>	<u>232.497</u>	<u>233.031</u>	<u>232.755</u>	<u>232.386</u>	<u>233.307</u>	<u>229.993</u>

(1) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

Source: Douglas County Assessor's Office

TABLE 10

CITY OF LONE TREE
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation (1)	Sales and Use Tax Revenue Bonds (2) (3)			
2014	1,290,000	20,195,029	21,485,029	2.22%	1,681
2015	-	18,541,137	18,541,137	1.86%	1,449
2016	-	16,763,889	16,763,889	1.57%	1,248
2017	-	15,506,168	15,506,168	1.44%	1,119
2018	-	13,223,326	13,223,326	1.17%	945
2019	-	10,790,484	10,790,484	0.86%	719
2020	-	8,263,023	8,263,023	0.64%	551
2021	-	5,632,386	5,632,386	0.43%	375
2022	-	2,878,133	2,878,133	0.19%	192
2023	-	-	-	0.00%	-

- (1) In 2007, the Building Authority (included as a blended component unit of the City) issued Certificates of Participation. These were paid off in 2014.
- (2) In 2008, the City issued Sales and Use Tax Revenue Bonds for park and recreation improvements. In 2017, a portion of these bonds were refunded as 2017A.
- (3) In 2009, the City issued Sales and Use Tax Revenue Bonds for arts and cultural improvements. In 2017, a portion of these bonds were refunded as 2017B.

TABLE 11a

**CITY OF LONE TREE
REVENUE BOND COVERAGE
PARK AND RECREATION IMPROVEMENT BONDS
Last Ten Fiscal Years**

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (2)	Total	
2014	\$ 1,116,010	\$ 200	\$ 1,115,810	\$ 600,000	\$ 420,213	\$ 1,020,213	109%
2015	\$ 1,305,096	\$ 200	\$ 1,304,896	\$ 645,000	\$ 394,713	\$ 1,039,713	126%
2016	\$ 1,287,903	\$ 200	\$ 1,287,703	\$ 695,000	\$ 365,688	\$ 1,060,688	121%
2017	\$ 1,291,045	\$ 400	\$ 1,290,645	\$ 750,000	\$ 179,873	\$ 929,873	139%
2018	\$ 1,381,097	\$ 600	\$ 1,380,497	\$ 805,000	\$ 236,850	\$ 1,041,850	133%
2019	\$ 1,391,091	\$ 400	\$ 1,390,691	\$ 855,000	\$ 196,600	\$ 1,051,600	132%
2020	\$ 1,157,012	\$ 400	\$ 1,156,612	\$ 900,000	\$ 179,500	\$ 1,079,500	107%
2021	\$ 1,457,718	\$ 400	\$ 1,457,318	\$ 940,000	\$ 152,500	\$ 1,092,500	133%
2022	\$ 1,577,275	\$ 400	\$ 1,576,875	\$ 1,020,000	\$ 105,500	\$ 1,125,500	140%
2023	\$ 1,485,580	\$ 400	\$ 1,485,180	\$ 1,090,000	\$ 54,500	\$ 1,144,500	130%

(1) Sales and use tax revenues derived from the sales and use tax rate increase of 0.125% effective July 1, 2008.

This amount also includes investment earnings from those monies as well as investment earnings from the bond proceeds.

(2) Interest per debt service schedule paid to bondholders during calendar year; does not include accrued interest. A portion of these bonds were refunded in 2017 to reduce the interest rate. These bonds were paid off in full on December 1, 2023.

TABLE 11b

**CITY OF LONE TREE
REVENUE BOND COVERAGE
ARTS AND CULTURAL FACILITIES BONDS
Last Ten Fiscal Years**

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (2)	Total	
2014	\$ 1,673,760	\$ 200	\$ 1,673,560	\$ 915,000	\$ 499,206	\$ 1,414,206	118%
2015	\$ 1,957,203	\$ 200	\$ 1,957,003	\$ 985,000	\$ 471,756	\$ 1,456,756	134%
2016	\$ 1,929,783	\$ 200	\$ 1,929,583	\$ 1,060,000	\$ 439,744	\$ 1,499,744	129%
2017	\$ 1,930,215	\$ 400	\$ 1,929,815	\$ 1,140,000	\$ 267,788	\$ 1,407,788	137%
2018	\$ 2,058,731	\$ 600	\$ 2,058,131	\$ 1,225,000	\$ 345,000	\$ 1,570,000	131%
2019	\$ 2,066,779	\$ 600	\$ 2,066,179	\$ 1,325,000	\$ 296,000	\$ 1,621,000	127%
2020	\$ 1,728,755	\$ 400	\$ 1,728,355	\$ 1,385,000	\$ 243,000	\$ 1,628,000	106%
2021	\$ 2,186,074	\$ 400	\$ 2,185,674	\$ 1,495,000	\$ 187,600	\$ 1,682,600	130%
2022	\$ 2,347,722	\$ 400	\$ 2,347,322	\$ 1,600,000	\$ 127,800	\$ 1,727,800	136%
2023	\$ 2,164,732	\$ 400	\$ 2,164,332	\$ 1,720,000	\$ 63,800	\$ 1,783,800	121%

- (1) Sales and use tax revenues derived from the sales and use tax rate increase of 0.1875% effective July 1, 2008. This amount also includes investment earnings from those monies as well as investment earnings from the bond proceeds.
- (2) Interest per debt service schedule paid to bondholders during calendar year; does not include accrued interest. A portion of these bonds were refunded in 2017 to reduce the interest rate. These bonds were paid off in full on December 1, 2023.

CITY OF LONE TREE
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

	2014	2015	2016	2017 (2)	2018	2019	2020	2021	2022	2023 (3)
Debt limit	\$ 31,000,000	\$ 31,000,000	\$ 31,000,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ -
Total net debt applicable to limit	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ -
Legal debt margin (1)	\$ 3,120,000	\$ 3,120,000	\$ 3,120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to the limit as a percentage of debt limit	89.94%	89.94%	89.94%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%

(1) On May 6, 2008, a majority of the qualified electors of the City authorized the issuance of indebtedness in an amount not to exceed \$18,500,000 and \$12,500,000, for sales and use tax revenue bonds for funding capital improvements for cultural facilities and park and recreation, respectively. The voters also authorized a temporary sales and use tax rate increase of .1875% for arts and cultural facilities and .125% for park and recreation improvements effective July 1, 2008 through December 31, 2023 or until the full payment of such debt if occurring earlier. The City issued \$11,000,000 of its authorized debt during 2008 and \$16,880,000 of its authorized debt during 2009. The City has no other debt authorization. In 2017, the City refunded these bonds acquiring a lower interest rate, while maintaining the bond terms, which resulted in a savings over the life of the bonds.

(2) Pursuant to recommendation from Bond Counsel in 2017 the remaining authorized amounts became stale on December 31, 2017 due to the length of time that has passed since the election and the issuance of the bonds.

(3) The City paid off this debt in full on December 1, 2023, resulting in the City having no outstanding debt and no authorized, but unissued indebtedness as of December 31, 2023.

TABLE 13

CITY OF LONE TREE
GENERAL OBLIGATION DEBT - DIRECT AND OVERLAPPING GOVERNMENTS
As of December 31, 2023

	Outstanding General Obligation Debt	Other Long- Term Debt Instruments	Percent Applicable to City*	City's Share of Debt
Direct:				
City of Lone Tree	\$ -	\$ -	100.00%	<u>\$ -</u>
Overlapping:				
Douglas County School District				
No. Re 1	296,905,000	-	10.13%	30,077,332
South Suburban Park and Recreation District	35,020,000	-	23.44%	<u>8,208,861</u>
Total overlapping debt				<u>38,286,193</u>
Total direct and overlapping debt				<u><u>\$ 38,286,193</u></u>

* The percent applicable to the City is calculated using the gross total taxable assessed valuation based on the previous levy year published by the various County Assessor's Offices.

The following entities also overlap the City, but have no General Obligation Debt outstanding:

Cherry Creek Basin Water Authority
Douglas County
Douglas County Public Library District
Douglas County Soil Conservation District
Heritage Hills Metropolitan District
Park Meadows Metropolitan District
Rampart Range Metropolitan District No. 1
Rampart Range Metropolitan District No. 2
Rampart Range Metropolitan District No. 7
Regional Transportation District
Southeast Public Improvement Metropolitan District
Southgate Sanitation District
Southgate Water District
South Metro Fire Rescue District
Urban Drainage and Flood Control District
Urban Drainage and Flood South Platte

Sources: Assessor's Office for the following Counties: Douglas, Arapahoe, Jefferson and Denver, as well as information obtained from individual entities.

TABLE 14

**CITY OF LONE TREE
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years**

Calendar Year	Estimated Population	Personal Income	Per Capita Personal Income [1]	Douglas County Unemployment Rate
2013	12,572	923,614,552	73,466	5.60%
2014	12,779	966,054,063	75,597	4.50%
2015	12,800	995,699,200	77,789	2.60%
2016	13,431	1,066,730,313	79,423	2.80%
2017	13,860	1,078,793,100	77,835	2.60%
2018	14,000	1,133,272,000	80,948	3.40%
2019	15,000	1,250,640,000	83,376	2.80%
2020	15,000	1,300,665,000	86,711	6.30%
2021	15,000	1,313,670,000	87,578	5.20%
2022	15,000	1,487,730,000	99,182	2.30%
2023	15,000	1,633,080,000	108,872	3.00%

[1] Bureau of Economic Analysis, Washington D.C. (13-22 adjusted finals)

Sources: Douglas County Department of Finance / U.S. Bureau of Labor Statistics

TABLE 15

**CITY OF LONE TREE
PRINCIPAL EMPLOYERS (1)
Current Year and Ten Years Ago**

<u>Employer</u>	<u>2023 (2)</u>		<u>2014</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Douglas County School District	8,500	1	5,470	1
Charles Schwab	3,450	2		
DISH Network	2,500	3		
Centura Health	1,970	4		
Healthone: Sky Ridge Medical	1,470	5	1,300	4
Douglas County Government	1,453	6	1,110	6
Kiewit Companies	1,400	7		
VISA Debit Processing Services	1,180	8		
Lockheed Martin Corporation	1,010	9		
Specialized Loan Servicing LLC	820	10		
CH2M Hill			2,000	2
Echostar Communications			1,930	3
Western Union			1,130	5
Centura: Parker Adventist Hospital			900	7
Information Handling Services			890	8
The Trizetto Group			840	9
VISA Debit Processing Services			700	10

(1) Selected major employers within Douglas County. Total employment within the City is not available.

(2) 2023 data was not available from Development Research Partners, so 2022 data was used.

Source: Douglas County Department of Finance

TABLE 16

CITY OF LONE TREE
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

	Full-Time Equivalent Employees (2)									
Function/Program (1)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	17.75	18.00	19.75	23.38	22.38	22.50	22.50	22.63	23.88	26.00
Municipal court	2.00	2.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Community development	6.00	7.00	7.00	8.00	8.00	8.00	10.00	10.00	10.00	14.00
Arts & Cultural	18.00	19.50	20.50	21.50	22.25	22.25	23.00	22.00	22.00	22.00
Police	56.50	56.50	58.50	60.00	59.50	62.50	62.50	64.25	66.25	70.25
Public Works	-	-	1.00	1.00	6.00	9.00	11.00	11.00	10.00	12.00
Total	100.25	103.00	109.25	116.38	121.13	127.25	132.00	132.88	135.13	147.25

(1) The City contracts out its legal department. The figures above do not include services provided by these contracted parties.

(2) A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Source: City Finance Department

TABLE 17

CITY OF LONE TREE
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program (1)	2014	2015	2016	2017	2018	2019	2020 (2)	2021	2022	2023
Municipal court										
Number of court cases	1,577	3,094	2,307	1,913	1,748	1,432	887	917	919	1,646
Community development										
Building permits issued	804	872	770	750	720	806	711	726	700	852
Building inspections conducted	7,115	5,475	5,329	5,720	4,691	4,279	4,169	4,721	4,869	5,429
Public works										
Streets overlaid (miles)	6.26	6.23	8.25	7.90	14.97	7.43	-	10.91	9.40	10.30
Public safety										
Accidents	1,787	1,443	1,255	1,160	1,058	846	520	650	692	681
Citations issued	4,136	5,079	5,115	4,135	4,674	4,497	2,143	1,188	2,173	2,299

(1) No operating indicators are available for the general government or capital outlay.

(2) Decrease in operating indicators for 2020 is mainly attributable to the COVID-19 pandemic.

Source: Various City departments

TABLE 18

CITY OF LONE TREE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program (1)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public works										
Streets (miles)	157.88	160.76	160.76	160.76	160.76	161.1	161.1	161.1	161.1	168.75
Traffic signals	47	48	48	49	50	53	54	53	53	54
Public safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	22	20	23	21	21	21	21	21	24	29
Capital outlay										
Storm drainage (miles)	41.18	41.80	43.12	43.12	43.36	43.36	43.36	43.36	43.36	46.90

(1) No capital indicators are available for the general government, municipal court or community development.

Source: Various City departments