

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the year-ended December 31, 2024
Lone Tree, Colorado

Prepared by



CITY OF
LONE TREE

Finance Department

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

**For the Year Ended
December 31, 2024**

**Prepared by:
Department of Finance**

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9220 Kimmer Drive Suite 100, Lone Tree, CO 80124

May 30, 2025

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, 2024.

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, 2024. 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, 2024. 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, the E-470 tollway and Interstate 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 capital expenditures and the Lone Tree Arts Center operations, as well as other City sponsored events and cultural services 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. 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 Interstate 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, Dick's Sporting Goods, LEGO Brand, Yardhouse, 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. 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 multiple apartment complexes. 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, was completed in 2024. Several projects have been completed, are under construction or approved to begin construction near the end of line station at RidgeGate Parkway, including a senior living facility called The Reserve at Lone Tree, AVRA at RidgeGate Station Apartments and a facility for housing and work opportunities for adults with intellectual and developmental disabilities called Tall Tales Ranch.

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 in-progress or completed in 2024 included City-wide pedestrian and bicycle safety improvements, the C-470 pedestrian and bike trail connection to the County Line RTD Station, the Park Meadows Drive and Acres Green Intersection rebuild, and the Interstate 25 / Lincoln Avenue 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.

2024 was the tenth 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 on-demand rides within the Lone Tree City limits and, as of 2024, the Meridian North and Meridian South communities. 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 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 to continue to allow the City to remain as a premier community today and in the future.

Through conservative revenue budgeting, as well as expenditure monitoring during 2024, 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, 2024, 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 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 completed. 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 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, Public Works facility, and an 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 partnering with the Lone Tree Business Improvement District to support new business development, including a new, up-scale restaurant in the 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 design of the Justice Center and Public Works Facility with construction beginning in 2025, phase one of the High Note Regional Park design, the Advancing Lincoln Avenue project and 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, 2023. 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 seventeenth year to submit for and to receive the award. A Certificate of Achievement is valid for one year only. We believe this 2024 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 - 2024 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
Chief Financial Officer



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

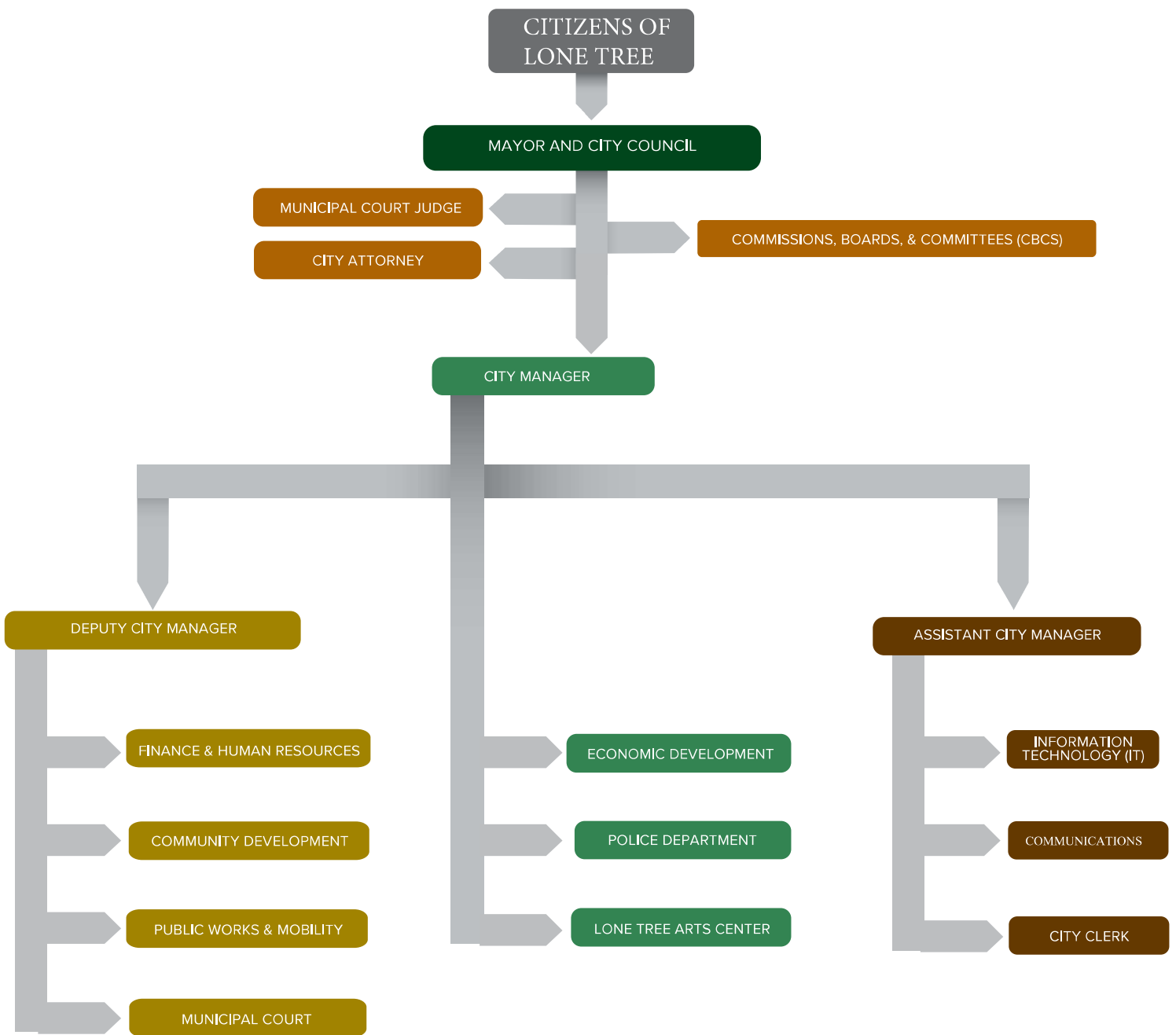
December 31, 2023

Christopher P. Morrill

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, 2024**

CITY COUNCIL

Mayor Marissa Harmon, At-Large
Mayor Pro-Tem..... Jay Carpenter, District 1
Council Members..... Mike Parr, District 1
Mike Anderson, District 2
Alecia Brown, District 2


MUNICIPAL JUDGE Jonathan Lucero


CITY OFFICIALS

City Manager Seth Hoffman
Deputy City Manager.....Kristin Baumgartner
Chief Financial Officer 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 DirectorLeigh Chandler
Director of Economic Development & Public AffairsJeff Holwell
Assistant City Manager..... Austin Good
City Clerk..... Ahnjoulie DeBoyes
Communications Director.....Melissa Gallegos



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INDEPENDENT AUDITOR'S 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 discretely presented component units, each major fund, and the remaining fund information of the City of Lone Tree, Colorado (the "City"), as of and for the year ended December 31, 2024, 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, 2024, 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, of which are included as discretely presented component units, which represent 100 percent of total assets and deferred outflows of resources, total revenues, and net position (deficit) of the discretely presented component units as of and for the year ended December 31, 2024. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and *Government 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.

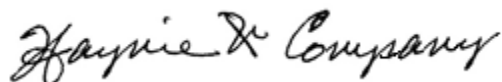
Other Information

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 May 30, 2025, 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
May 30, 2025

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, 2024.

Financial Highlights

With regard to the primary government:

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$245,155,343 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 \$125,478,589.
- Total net position of governmental activities increased by \$29,509,909 from 2023.
- Total cash and investments increased by \$65,161,014 as compared to the prior year.
- Sales and use tax retail revenue decreased by \$4,194,906 as compared to the prior year.
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund totaled \$56,776,820.

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 obligations (Certificates of Participation), and interest and related costs on leases and subscription-based information technology arrangements (SBITAs).

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 Special Revenue Fund – Lone Tree Urban Renewal Authority, and Special Revenue Fund – Lone Tree Art Center Fund 501(c)(3) (blended component units). The initial three funds are considered major funds, while the Lone Tree Art Center Fund 501(c)(3) and Lone Tree Urban Renewal Authority are considered nonmajor funds. The Lone Tree Urban Renewal Authority (LTURA), a blended 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 recognized a property tax receivable and deferred inflows of resources for unavailable property tax revenues in 2024; however, the LTURA did not receive revenues or incurred expenditures in 2024. Thus, balance sheet activity is presented in this report, but no income statement activity. 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 and Capital Projects Fund – Capital 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 37-109 of this report.

Required supplementary information. A budgetary comparison schedule has been provided in this section for the General Fund and the Special Revenue Fund – Cultural and Community Services 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 110-124 of this report.

Other supplementary information. Combined financial statements and budgetary comparison schedules for the Capital Projects Fund – Capital Improvements and 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 Certificates of Participation to maturity and a local highway finance report.

New GASB Pronouncements

The City implemented GASB Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62. GASB Statement No. 100 establishes uniform accounting and financial reporting requirements for accounting changes and error corrections; improves the comparability of government’s financial statements; and enhances the understandability, reliability, relevance, and consistency of information for making decisions or accessing accountability. Specifically, the statement defines accounting changes, addresses corrections of errors in previously issued financial statements, and requires note disclosures regarding the accounting changes and error corrections.

The City implemented GASB Statement No. 101, Compensated Absences, in 2024. GASB Statement No. 101 establishes uniform accounting and financial reporting requirements for compensated absences; improves the comparability of government’s financial statements; and enhances the understandability, reliability, relevance, and consistency of information about compensated absences. Specifically, the statement defines a compensated absence; establishes that a compensated absence results in a liability, to either be recognized when leave is accrued, used or when the leave commences, depending on the type of compensated absence; and provides recognition and measurement guidance for the liability; and requires note disclosures regarding compensated absences.

Government-wide Financial Analysis

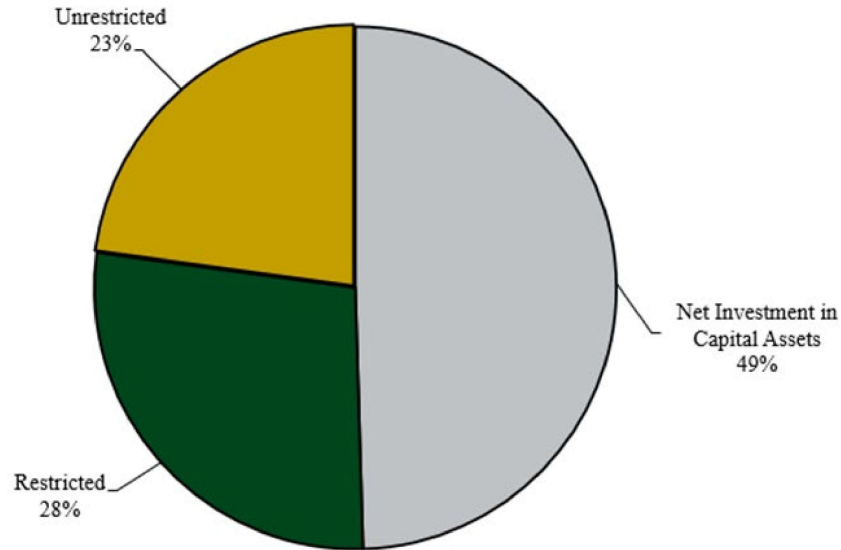
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources related to governmental activities exceeded liabilities and deferred inflows of resources by \$245,155,343 at the close of the most recent fiscal year.

Net Position

	2024	2023
Current Assets	\$ 133,611,066	\$ 67,210,191
Capital Assets	175,700,198	160,044,784
Long-term Assets	641,446	1,085,826
Total Assets	<u>309,952,710</u>	<u>228,340,801</u>
Pension Related Amounts	6,569,884	8,698,817
OPEB Related Amounts	208,322	198,375
Total Deferred Outflows of Resources	<u>6,778,206</u>	<u>8,897,192</u>
Other Liabilities	8,107,016	9,370,955
Long-term Liabilities	62,305,718	9,992,244
Total Liabilities	<u>70,412,734</u>	<u>19,363,199</u>
Pension Related Amounts	349,618	1,107,124
OPEB Related Amounts	148,461	175,305
RidgeGate Affordable Housing Project - Loan	620,381	618,844
Leases	18,917	69,042
Property Taxes	25,462	-
Total Deferred Inflows of Resources	<u>1,162,839</u>	<u>1,970,315</u>
Net Investment in Capital Assets	121,413,253	160,044,784
Restricted Net Position	67,729,349	10,299,175
Unrestricted Net Position	56,012,741	45,560,520
Total Net Position*	<u>\$ 245,155,343</u>	<u>\$ 215,904,479</u>

* The beginning net position for 2024 was restated to \$215,645,434 due to the combination of the Statewide Benefit Plan and the Statewide Hybrid Plan for Fire & Police Pension Association of Colorado (FPPA). See Note 23.

NET POSITION - BY CATEGORY



The largest portion of the City’s net position (49%) 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 (28%) 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 2024 and will be spent in future years, and Certificates of Participation funds to be used for the design and construction of the Justice Center and Public Works Facility as well as the High Note Regional Park and Municipal Building improvements). The remaining balance of *unrestricted net position* totaling \$56,012,741 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	2024	2023
Program Revenues		
Charges for Services	\$ 4,977,357	\$ 4,334,156
Operating Grants and Contributions	7,985,101	7,435,821
Capital Grants and Contributions	20,185,707	7,957,511
General Revenues		
Sales and Use (Retail) Taxes	38,934,024	43,128,930
Other Taxes	3,912,165	3,590,777
Franchise Fees	1,236,050	1,254,826
Investment Earnings	4,332,656	2,627,841
Lease Revenue	50,125	40,462
SBITA Gain on Agreement Renewal	120,511	-
Other	370,180	258,691
Total Revenues	82,103,876	70,629,015
Expenses		
General Government	15,835,926	17,566,722
Municipal Court	381,639	320,935
Community Development	1,785,404	1,773,332
Public Works	16,248,353	14,539,712
Police	11,308,119	10,529,439
Arts and Cultural	4,836,817	4,538,201
Interest and Related Costs on Long-term Obligations	1,923,744	164,376
Interest and Related Costs on Leases	127,893	137,173
Interest and Related Costs on SBITA	146,072	95,560
Total Expenses	52,593,967	49,665,450
Change in Net Position	29,509,909	20,963,565
Net Position - Beginning, as Restated*	215,645,434	194,940,914
Net Position - Ending	\$ 245,155,343	\$ 215,904,479

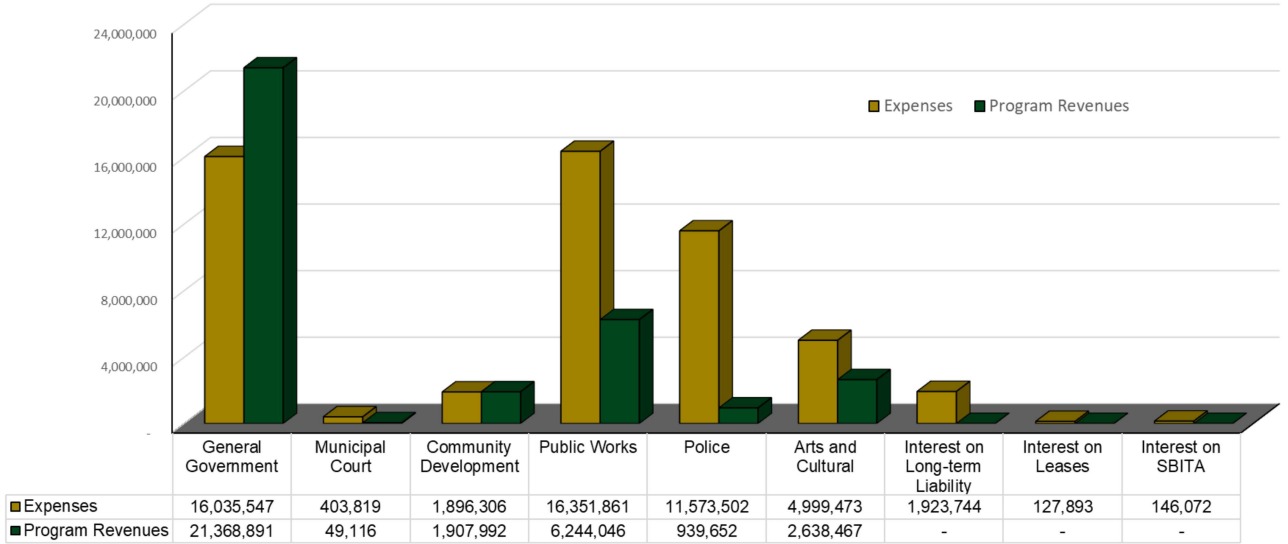
* The Net Position - Beginning for 2024 was restated due to the combination of the Statewide Defined Benefit Plan and the Statewide Hybrid Plan for Fire & Police Pension Association of Colorado (FPPA).

The City's net position related to governmental activities increased by \$29,509,909 during the current fiscal year. Several key highlights of the statement of activities during 2024 include the following items:

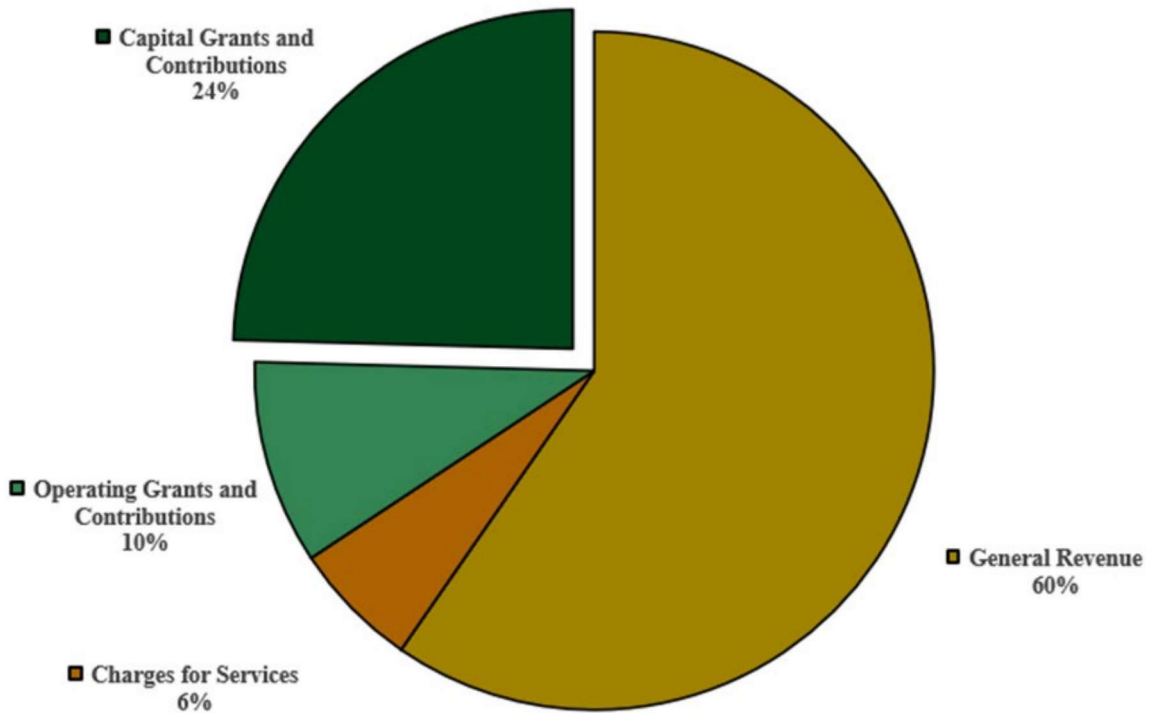
- 2024 charges for services increased by \$643,201 compared to the previous year primarily due to increases in building permit fees, as well as increases in ticket sales at the Lone Tree Arts Center.
- Operating grants and contributions increased by \$549,280 compared to the previous year primarily due to a cost sharing agreement with Douglas County School District for School Resource Officers, as well as new revenue streams from the eastern and western Rampart Range Metro Districts.

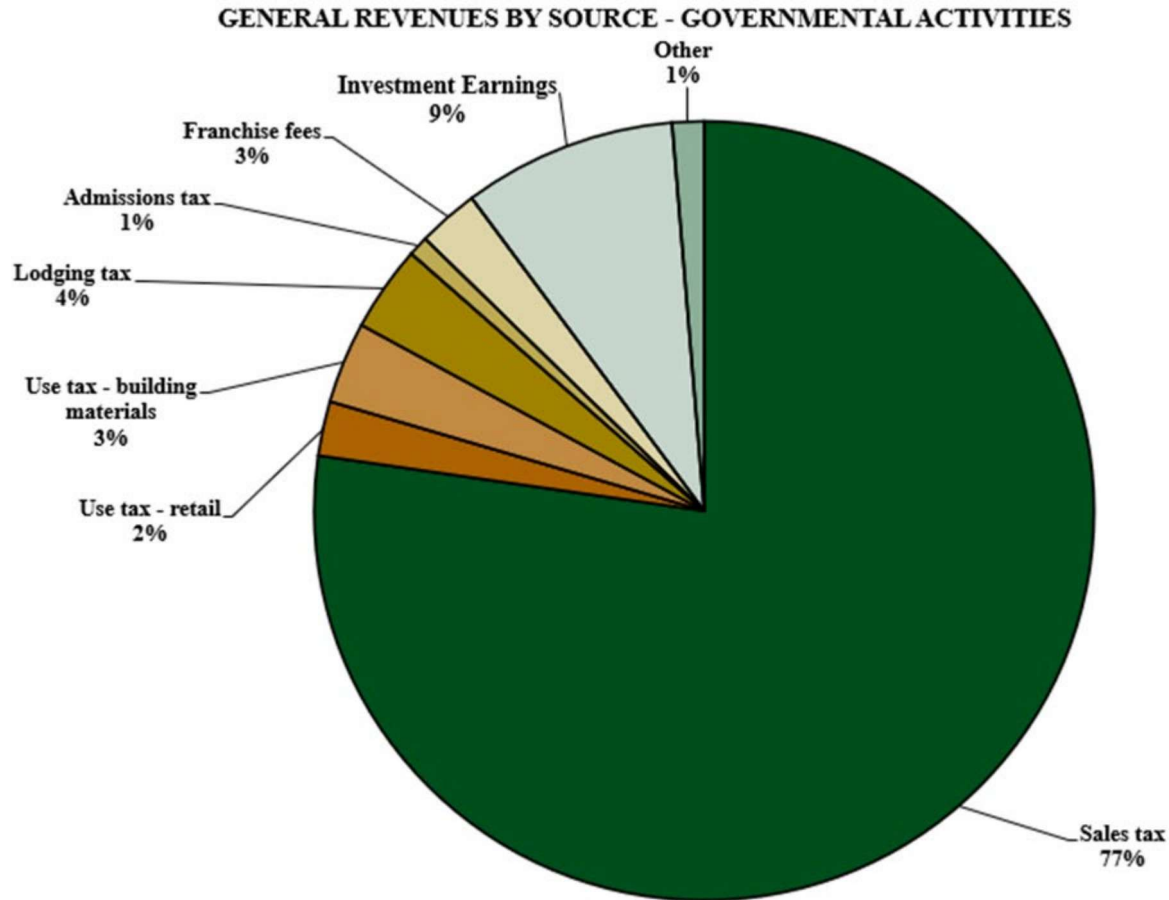
- Capital grants and contributions increased by \$12,228,196 from 2023 to 2024 primarily due to the land transfer of the Justice Center and Public Works Facility sites, as well as the timing of Intergovernmental Agreements with City partners for the Mobility Hub, High Note Regional Park, C-470 trail connection to the County Line RTD station, and the Acres Green and County Line traffic signal projects.
- Sales and use (retail) taxes decreased by \$4,194,906 from 2023 to 2024 mainly due to a decrease in the City sales and use tax rate from 2.8125% to 2.5% in December 2023, as a result of the final payment of the Arts and Cultural Facilities bonds and the Park and Recreation Improvement bonds on December 1, 2023 and the expiration of the associated tax increment.
- Other taxes increased by \$321,388 from 2023 to 2024 primarily due to use tax on building materials as well as admissions tax. Use tax on building materials increased largely due to construction in the Lyric development east of I-25. Admissions tax increased primarily due to two vendors remitting 2022 and 2023 returns in 2024, as well as a new admissions tax collecting vendor opening in late 2024.
- Investment earnings increased by \$1,704,815 from 2023 to 2024 mainly due to the issuance of Certificates of Participation in 2024, with unspent proceeds being invested with the Colorado State Investment Program (CSIP).
- General government expenses decreased by \$1,730,796 from 2023 to 2024. This decrease is mainly attributable to the partner contribution to South Suburban Park and Recreation District for capital improvement projects in 2023, as well as a decrease in sales and use tax shareback amounts.
- Public works expenses increased by \$1,708,641 from 2023 to 2024 primarily due to costs associated with street and drainage maintenance, traffic signal energy cost and maintenance, snow removal, costs related to the expansion of the Lone Tree Link shuttle service, which are partially offset in partnership contributions, consulting and surveying, maintenance of City facilities, and salary and benefits related to two new growth related positions.
- Police expenses increased by \$778,680 from 2023 to 2024 primarily due to timing of vehicle purchases and installation of emergency equipment, as well as salary and benefits related to four new positions, a Lieutenant and three School Resource Officers. The School Resource Officer positions are partially offset in revenue for a cost share program with the Douglas County School District.
- Arts and cultural expenses increased by \$298,616 from 2023 to 2024 primarily due to costs associated with programming at the Lone Tree Arts Center.
- Interest and related costs on long-term obligations increased by \$1,759,368 from 2023 to 2024 due to the issuance of Certificates of Participation in 2024.

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 \$125,478,589. Of this amount, \$56,776,820 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 \$56,776,820 out of a total fund balance of \$124,756,436.

The fund balance of the City's General Fund increased by \$67,384,079 during the current fiscal year largely due to the issuance of Certificates of Participation. 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, C-470 Trail Connection to the County Line RTD Station, and Mobility Hub projects.

At the end of the current fiscal year, the Special Revenue Fund – Cultural and Community Services reported a fund balance of \$722,053. The fund balance decreased by \$134,078 largely due to producing theatrical performances. The utilization of fund balance to support the operating activity of the Arts Center was intentional and accounted for in the 2024 budget.

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 \$100, an increase of \$24 from 2023. This is the seventh 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 2024 came in over budget. The difference between the final budgeted revenue of \$58,220,177 and the actual revenue of \$59,196,543 was \$976,366. The primary reason for this variance is due to increased investment income as well as increased building permit fees.

The City's General Fund total expenditures for 2024 did not exceed the budgeted appropriations. The difference between the budgeted expenditures (exclusive of transfers out) of \$46,716,018 and the actual expenditures of \$42,417,580 was \$4,298,439. The primary factors contributing to this variance were lower than budgeted tax shareback amounts, which are based on sales and use tax revenues, timing of body camera and taser lease payments in the Police Department, as well as salary and benefit savings across departments. Additionally, the variance is attributable to timing of certain projects continuing into 2025, such as the Comprehensive Plan and Code Update, as well as multiple public works projects.

Capital Assets

The City invested \$22,935,101 in net capital assets for its governmental-type activities for the year ended December 31, 2024. Investment in capital assets consisted of projects including street overlay, concrete panel replacements, traffic signalization, vehicles and emergency equipment installation and facility improvements, as well as land conveyances to the City.

More information on the City's capital assets can be found in Note 7 on pages 59-61 of this report.

Long-Term Liabilities

At the end of the fiscal year, the City had \$47,850,000 in outstanding liabilities, due to the issuance of Certificates of Participation on April 04, 2024.

At the end of the fiscal year, the Park Meadows Business Improvement District (PMBID) had total outstanding liabilities of \$15,393,484. This amount represents liabilities secured for capital expenditures related to a multi-story parking garage and a pedestrian plaza, as well as site infrastructure improvements.

Additional information on the City's long-term liabilities can be found in Note 9 on pages 65-67 of this report.

Next Year's Budget

The City's 2025 adopted budget reaffirms 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 achieve this, we remain focused on our ongoing dedication to public safety, strategic planning for the future, maintaining and upgrading the City's core infrastructure, maximizing the value of prior investments, and managing both operating and capital reserves with fiscal responsibility.

The adopted 2025 budget reflects City Council's commitment to fiscal responsibility and alignment with the City's Strategic Plan, built on conservative revenue projections, as well as necessary and discretionary expenditures, and required reasonable reserves and designations. The adopted budget aligns with the City's long-term financial goals, as outlined during the 2E Tax Initiative, ensuring fiscal stability for the years ahead and honoring the commitments made to the community when the initiative was passed.

2025 is an exciting year for the community with new investments in Our Vision:

- **Revenue Projections and Fiscal Responsibility:** While we do not anticipate major increases, our conservative revenue projections allow us to invest in critical priorities while maintaining a balanced budget and ensuring financial stability (Big Idea #6). This strong fiscal foundation was essential in achieving our AA+ credit rating on our certificates of participation (COPs).
- **Focus on Public Safety and Infrastructure:** 87% of all expenses are dedicated to public safety and infrastructure, reflecting our unwavering commitment to safety and a well-maintained environment, crucial elements for any thriving regional destination (Big Ideas #1 & #4).
- **Strategic Staffing Enhancements:** The adopted budget includes key positions to strengthen our service capacity and achieve operational excellence (Big Idea #6). These additions will enable us to better serve our residents and visitors, foster a connected community, and provide exceptional cultural and recreational opportunities that will attract people to Lone Tree (Big Ideas #3 & #4).
- **Leveraging Grant and Partnership Funding:** Significant grant and partnership funding has been secured for capital projects, maximizing our investment in our community's infrastructure and amenities. These projects will enhance our appeal to visitors and businesses alike, further supporting our commitment to exceptional places (Big Idea #4).

- Capital Projects: The Justice Center, High Note Regional Park, and an enlarged Public Works Facility represents our dedication to visionary transportation networks and signature recreational opportunities that will elevate Lone Tree's regional profile (Big Ideas #2 & #4).

The City's Strategic Plan challenges us to be a "national model" in public safety, our transportation network, signature cultural and recreational opportunities, our diverse and sustainable economy, a welcoming and connected community, and as an innovative, customer-focused, and efficient city government. This strategic and forward-thinking approach is what makes the Lone Tree community unique and a desired location for our residents, as well as continuing to be a regional presence, attracting business investments and visitors. To achieve this goal, we have focused our priorities on investments in our people, our infrastructure, and our community while maintaining fiscal responsibility.

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, 2024

	Primary Government	Component Unit	Component Unit
	Governmental Activities	Park Meadows Business Improvement District	Lone Tree Business Improvement District
ASSETS			
Cash and Investments	\$ 52,305,338	\$ 8,887,049	\$ 357,661
Cash and Investments - Restricted	73,559,315	2,453,573	-
Receivables:			
Intergovernmental	1,718,591	1,711,071	2,183
Sales, Use, Admissions and Lodging Taxes	5,347,812	-	-
Property Taxes	25,462	-	286,760
Other	252,301	7,724	-
Prepaid Items	402,248	-	2,831
Loans Receivable	620,381	-	-
Lease Receivable	21,065	-	-
Capital Assets:			
Non-Depreciable	67,905,846	-	-
Depreciable, Net	107,603,279	20,285,630	-
Right to Use Leased Asset	191,073	11,362,099	-
Total Assets	<u>309,952,710</u>	<u>44,707,146</u>	<u>649,435</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	6,569,884	-	-
OPEB Related Amounts	208,322	-	-
Total Deferred Outflows of Resources	<u>6,778,206</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts Payable	6,902,423	1,551,176	24,069
Unearned Revenue	421,985	-	-
Retainage Payable	288,182	285,036	-
Surety Deposits Payable	485,635	-	-
Other Deposits Payable	8,791	-	-
Long-term Liabilities:			
Due within One Year:			
Due within One Year - Debt	-	1,829,323	-
Due within One Year - Compensated Absences	214,306	-	-
Due within One Year - Leases	55,037	-	-
Due within One Year - Certificates of Participation	1,565,000	-	-
Due within One Year - Certificates of Participation - Interest	199,375	-	-
Due in More than One Year:			
Debt	-	13,756,799	-
Compensated Absences	1,300,779	-	-
Leases	150,336	12,026,997	-
Certificates of Participation	52,209,473	-	-
Net Liability - OPEB	474,394	-	-
Net Pension Liability - PERA	6,137,018	-	-
Net Pension Liability - FPPA	-	-	-
Total Liabilities	<u>70,412,734</u>	<u>29,449,331</u>	<u>24,069</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	349,618	-	-
OPEB Related Amounts	148,461	-	-
RidgeGate Affordable Housing Project - Loan	620,381	-	-
Leases	18,917	-	-
Property Taxes	25,462	-	286,760
Total Deferred Inflows of Resources	<u>1,162,839</u>	<u>-</u>	<u>286,760</u>
NET POSITION			
Net Investment in Capital Assets	121,413,253	3,749,574	-
Restricted:			
Emergency Reserve (TABOR)	1,739,778	245,000	9,949
Conservation Trust	843,395	-	-
Brick Fence Replacement	986,200	-	-
Advancing Lincoln Avenue	12,588	-	-
Metropolitan Football Stadium	1,010,137	-	-
Colorado Department of Transportation Mobility Hub	2,000,000	-	-
Regional Park & Municipal Building - Certificates of Participation	7,060,178	-	-
Held in Trust - Justice Center & Public Works Facility - Certificates of Participation	49,809,952	-	-
Capital Reserve - Arts and Cultural Facilities	2,251,177	-	-
Capital Reserve - Parks and Recreation Improvements	2,015,944	-	-
Debt Service	-	2,453,573	-
Restricted Total	67,729,349	2,698,573	9,949
Unrestricted	56,012,741	8,809,668	328,657
Total Net Position	<u>\$ 245,155,343</u>	<u>\$ 15,257,815</u>	<u>\$ 338,606</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, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government	Component Unit	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	\$ 15,835,926	\$ 202,422	\$ 980,764	\$ 20,185,707	\$ 5,532,967	\$ -	\$ -	
Municipal Court	381,639	49,116	-	-	(332,523)	-	-	
Community Development	1,785,404	1,907,992	-	-	122,588	-	-	
Public Works	16,248,353	551,439	5,692,606	-	(10,004,308)	-	-	
Police	11,308,119	429,429	510,223	-	(10,368,467)	-	-	
Arts and Cultural Services	4,836,817	1,836,959	801,508	-	(2,198,350)	-	-	
Interest and Related Costs on Long-Term Debt	1,923,744	-	-	-	(1,923,744)	-	-	
Interest and Related Costs on Leases	127,893	-	-	-	(127,893)	-	-	
Interest and Related Costs on SBITA	146,072	-	-	-	(146,072)	-	-	
Total Primary Government	<u>\$ 52,593,967</u>	<u>\$ 4,977,357</u>	<u>\$ 7,985,101</u>	<u>\$ 20,185,707</u>	<u>(19,445,802)</u>	<u>-</u>	<u>-</u>	
Component Unit:								
Park Meadows Business Improvement District:								
General Government	\$ 6,700,218	\$ -	\$ -	\$ 2,516,861		(4,183,357)	-	
Interest on Long-Term Debt	1,164,496	-	-	-		(1,164,496)	-	
Total Component Unit	<u>\$ 7,864,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,516,861</u>		<u>(5,347,853)</u>	<u>-</u>	
Component Unit:								
Lone Tree Business Improvement District:								
General Government	\$ 432,780	\$ -	\$ -	\$ -			(432,780)	
Total Component Unit	<u>\$ 432,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			<u>(432,780)</u>	
General Revenues:								
Sales Tax					37,827,543	7,736,223	-	
Use Tax - Retail					1,106,481	-	-	
Use Tax - Building Materials					1,656,976	-	-	
Lodging Tax					1,743,578	-	-	
Admissions Tax					407,653	-	-	
Franchise Fees					1,236,050	-	-	
Cigarette Tax					103,958	-	-	
Sales Tax and Liquor Licenses					85,677	-	-	
Property Tax					-	-	306,085	
Investment Earnings					4,332,656	444,519	3,308	
Lease Revenue					50,125	-	-	
SBITA Gain on Agreement Renewal					120,511	-	-	
Other					284,503	5,453	22,241	
Total General Revenues					<u>48,955,711</u>	<u>8,186,195</u>	<u>331,634</u>	
Change in Net Position					<u>29,509,909</u>	<u>2,838,342</u>	<u>(101,146)</u>	
Net Position - Beginning, Prior to Restatement					215,904,479	12,419,473	439,752	
Restatement - See Note 23					(259,045)			
Net Position - Beginning, as Restated					<u>215,645,434</u>			
Net Position - Ending					<u>\$ 245,155,343</u>	<u>\$ 15,257,815</u>	<u>\$ 338,606</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:

- **Special Revenue Funds**
 - Special Revenue Fund – Lone Tree Arts Center Fund 501(c)(3)
 - Special Revenue Fund – Lone Tree Urban Renewal Authority

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, 2024**

	General	Special Revenue - Cultural and Community Services	Capital Projects Fund - Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 50,990,099	\$ 1,315,238	\$ -	\$ -	\$ 52,305,337
Cash and Investments - Restricted	73,491,263	-	-	68,052	73,559,315
Receivables:					
Intergovernmental	544,260	-	1,174,331	-	1,718,591
Sales, Use, Admissions and Lodging Taxes	5,347,812	-	-	-	5,347,812
Property Tax	-	-	-	25,462	25,462
Other	136,939	114,362	-	1,000	252,301
Prepaid items	250,267	151,981	-	-	402,248
Due from Other Funds	362,389	-	1,055,050	-	1,417,439
TOTAL ASSETS	\$ 131,123,029	\$ 1,581,581	\$ 2,229,381	\$ 94,513	\$ 135,028,504
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 4,533,735	\$ 70,354	\$ 2,229,381	68,952	\$ 6,902,422
Unearned Revenue	-	421,985	-	-	421,985
Retainage Payable	288,182	-	-	-	288,182
Surety Deposits Payable	485,635	-	-	-	485,635
Other Deposit Payable	3,991	4,800	-	-	8,791
Due to Other Funds	1,055,050	362,389	-	-	1,417,439
Total Liabilities	<u>6,366,593</u>	<u>859,528</u>	<u>2,229,381</u>	<u>68,952</u>	<u>9,524,454</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Tax Revenues	-	-	-	25,462	25,462
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,462</u>	<u>25,462</u>
FUND BALANCES					
Non-Spendable	250,267	151,981	-	-	402,248
Restricted	67,729,349	-	-	-	67,729,349
Committed	-	570,072	-	100	570,172
Assigned	16,509,224	-	-	-	16,509,224
Unassigned	40,267,596	-	-	-	40,267,596
Total Fund Balances	<u>124,756,436</u>	<u>722,053</u>	<u>-</u>	<u>100</u>	<u>125,478,589</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 131,123,029	\$ 1,581,581	\$ 2,229,381	\$ 94,513	\$ 135,028,504

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, 2024

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

Total Fund Balance - Governmental Funds	\$	125,478,589
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		175,509,124
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		191,073
Net SBITA Asset		-
Lease Receivable		21,065
Loans Receivable - RidgeGate Affordable Housing Project		620,381
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		6,569,884
Deferred Outflows - OPEB		208,322
Deferred Inflows - Pension Plan		(349,618)
Deferred Inflows - OPEB		(148,461)
Deferred Inflows - RidgeGate Affordable Housing Project - Loan		(620,381)
Deferred Inflows - Leases		(18,917)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Liability - PERA		(474,394)
Net Pension Liability - PERA		(6,137,018)
Net Pension Liability - FPPA		-
Certificates of Participation		(53,774,473)
Certificates of Participation Interest Payable		(199,375)
Lease Liability		(205,373)
SBITA Liability		-
Compensated Absences		(1,515,085)
Net Position of Governmental Activities	\$	245,155,343

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, 2024

	<u>General</u>	<u>Special Revenue - Cultural and Community Services</u>	<u>Capital Projects Fund - Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 42,742,229	\$ -	\$ -	\$ -	\$ 42,742,229
Franchise fees	1,236,050	-	-	-	1,236,050
Intergovernmental	7,242,449	-	-	-	7,242,449
Licenses, Fees and Charges	2,636,091	-	-	-	2,636,091
Fines and Forfeitures	444,172	-	-	-	444,172
Net Investment Income	2,940,060	-	-	1	2,940,061
Held in Trust - Interest Income - Certificates of Participation	1,390,448	-	-	-	1,390,448
Tenant Rental Income	111,440	-	-	-	111,440
Arts and Cultural	-	2,638,442	-	75,081	2,713,523
Capital	-	-	5,466,661	-	5,466,661
Other	453,604	-	-	-	453,604
Total Revenues	<u>59,196,543</u>	<u>2,638,442</u>	<u>5,466,661</u>	<u>75,081</u>	<u>67,376,727</u>
EXPENDITURES					
Current					
General Government	6,794,829	-	-	-	6,794,829
Municipal Court	393,480	-	-	-	393,480
Community Development	1,759,051	-	-	-	1,759,051
Police	11,603,082	-	-	-	11,603,082
Public Works	9,161,047	-	-	-	9,161,047
Arts and Cultural Services	-	4,359,891	-	75,057	4,434,948
Park and Recreation	106,031	-	-	-	106,031
Sharebacks	8,637,666	-	-	-	8,637,666
Debt Service					
Certificates of Participation Interest	1,617,394	-	-	-	1,617,394
Certificates of Participation Principal	2,345,000	-	-	-	2,345,000
Capital Outlay	-	-	9,286,672	-	9,286,672
Total Expenditures	<u>42,417,580</u>	<u>4,359,891</u>	<u>9,286,672</u>	<u>75,057</u>	<u>56,139,200</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,778,963</u>	<u>(1,721,449)</u>	<u>(3,820,011)</u>	<u>25</u>	<u>11,237,527</u>
OTHER FINANCING SOURCES (USES)					
Certificates of Participation - Issuance	50,195,000	-	-	-	50,195,000
Certificates of Participation - Premium	6,274,409	-	-	-	6,274,409
Certificates of Participation - Cost of Issuance	(456,911)	-	-	-	(456,911)
Transfers In	-	1,587,371	3,820,011	-	5,407,382
Transfers Out	(5,407,382)	-	-	-	(5,407,382)
Total Other Financing Sources (Uses)	<u>50,605,116</u>	<u>1,587,371</u>	<u>3,820,011</u>	<u>-</u>	<u>56,012,498</u>
NET CHANGE IN FUND BALANCES	67,384,079	(134,078)	-	25	67,250,026
FUND BALANCES - BEGINNING OF YEAR	<u>57,372,357</u>	<u>856,131</u>	<u>-</u>	<u>76</u>	<u>58,228,564</u>
FUND BALANCES - END OF YEAR	<u>\$ 124,756,436</u>	<u>\$ 722,053</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 125,478,589</u>

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, 2024

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

Net Change in Fund Balances - Total Governmental Funds	\$ 67,250,026
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	23,903,544
Depreciation Expense	(8,439,204)
The issuance of long-term debt (e.g. bonds or Certificates of Participation) 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 premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.	
Issuance of Certificates of Participation	(50,195,000)
Principal Paid on Certificates of Participation	2,345,000
Premium on Certificates of Participation	(6,274,409)
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	(70,008)
Pension Revenue	804,655
OPEB Revenue	59,595
Lease Net Revenue (Expense)	709
SBITA Net Revenue (Expense)	(146,072)
SBITA Gain on Agreement Renewal	120,511
Amortization of Certificates of Participation Premium	349,936
Accrued Interest on Certificates of Participation - Change in Liability	(199,375)
Changes in Net Position of Governmental Activities	\$ 29,509,909

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, 2024

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 currently comprised of three board members, and can have up to 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 District has no employees, and all operations and administrative functions are contracted.

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

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)

statute. Since the LTBD's governing body is appointed by City Council and the City has the ability to impose its will, the LTBD 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 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 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.

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, 2024

- 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, 2024

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, certificates of participation, notes and developer advances are recorded as a reduction in liabilities.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 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.

The Special Revenue Fund – Lone Tree Urban Renewal Authority is used to account for property tax increments received, and expenditures related to the operation of the Authority.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024, there were no supplementary budget amendment appropriations in the General Fund, Capital Improvement Fund and Special Revenue Fund – Cultural and Community Services.

During the year ended December 31, 2024, supplementary budget amendment appropriations approved by the Board of Directors increased from \$6,172,857 to \$22,172,857 in the General Fund and from \$1,089,392 to \$1,576,892 in the Debt Service Fund for the PMBID.

During the year ended December 31, 2024, supplementary budget amendment appropriations approved by the Board of Directors increased from \$341,497 to \$342,950 in the General Fund and from \$85,000 to \$275,900 in the Capital Fund for the LTBID.

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

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, construction in process 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

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

For arrangements where the City is a lessee, a lease liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the City's right to use an underlying asset for the lease term and lease liabilities represent the City's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The RTU asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, and is amortized on a straight-line basis over its useful life. RTU assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

For arrangements in which the City is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term, on both the fund which is expected to receive the lease payments, and on the government-wide financial statement. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods and are also recognized on a straight-line basis over the lease term.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses an estimated incremental borrowing rate, that represents the rate at which it could borrow funds for a term equivalent to the lease agreements, as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Subscriptions

The City has contracts providing the right to use a vendor's software, along or in combination with tangible capital assets, for a specified period of time. For short-term Subscription-Based Information Technology Arrangements (SBITAs) with a maximum term of 12 months or less at commencement, the City recognizes expenditures based on the provisions of the SBITA agreement.

For long-term SBITAs with a term exceeding 12 months at commencement, the City recognizes a SBITA liability and an intangible right-to-use SBITA asset. SBITA assets are reported with capital assets, and SBITA liabilities are reported with long-term liabilities in the government-wide

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statement of net position. SBITA assets are amortized over the term of the agreement, and SBITA liabilities are reduced by the principal portion of the SBITA payments made.

The City uses its estimated incremental borrowing rate as the discount rate for the SBITA liability unless the rate is explicitly stated in the contract. The SBITA term includes the noncancellable period of the SBITA plus periods covered by options that are determined to be reasonably certain to be exercised. SBITA payments included in the measurement of the SBITA liability are comprised of fixed and fixed in-substance payments, payments reasonably certain of being required, and the price of options reasonably certain to be exercised. The SBITA asset is measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the commencement of the SBITA term, including incentives received, plus applicable capitalizable implementation costs. If amendments or other certain circumstances occur that are expected to significantly affect the amount of a SBITA, the present value is remeasured and corresponding adjustments made.

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond or certificates of participation premiums and discounts are deferred and amortized over the life of the bonds/certificates of participation using the effective interest method. In the fund financial statements, governmental fund types recognize bond/certificates of participation 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 implemented GASB Statement 101, *Compensated Absences in 2024*. The implementation did not materially affect the financial statements or require a restatement of beginning balances. The City's compensated absences policy allows full-time employees to accumulate earned but unused paid time off (PTO) benefits of at least 6.46 hours per pay period depending on length of service and employment status. An increase in PTO hours occurs when an employee reaches 5 years of service and again at 10 years of service. Employees may carry over PTO hours up to the maximum accrual level based on years of service. In the event of separation from the City, an employee is paid 100% of accumulated PTO benefits.

Compensatory time (CT) received by an employee is provided in lieu of overtime pay at the rate of one and one-half hours for each hour of excess hours worked. CT is earned when working in excess of 40 hours per week for non-sworn, non-exempt employees and in excess of 80 hours per

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

year. In the event of separation from the City, an employee is paid 100% of accumulated CT benefits.

Sick leave is earned by part-time employees (those regularly scheduled for less than 30 hours per week) at a rate of one hour for every thirty hours worked, up to a maximum of 48 hours annually. Employees may carry over sick leave hours. In the event of separation from the City, an employee loses the accumulated sick leave benefit.

In the governmental fund financial statements, compensated absences are recognized as current salary costs when paid. In the government-wide financial statements, the liability for such leave is reported as incurred. The entire balance of PTO and CT are recognized as a liability at year end, while sick leave is recognized as a liability based on an average usage rate of 22 percent.

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 LT BID'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 LT BID.

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, 2024

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. 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). In addition, the Park Meadows Business Improvement District has one item that qualifies for reporting in this category. The item, refunded bonds related amounts (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 6). 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 7). The fifth is shown as deferred property tax revenue, which is related to a property tax increment due to the Lone Tree Urban Renewal Authority. 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, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2024

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, 2024

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

	Primary Government	Park Meadows BID Component Unit	Lone Tree BID Component Unit
Statement of Net Position:			
Cash and Investments	\$ 52,305,337	\$ 8,887,049	\$ 357,661
Cash and Investments – Restricted	73,559,316	2,453,573	-
Total Cash and Investments	\$ 125,864,653	\$ 11,340,622	\$ 357,661

Cash and investments as of December 31, 2024 consist of the following:

	Primary Government	Park Meadows BID Component Unit	Lone Tree BID Component Unit
Deposits with Financial Institutions	\$ 11,578,782	\$ 9,151,270	\$ 357,661
Investments	114,285,871	2,189,352	-
Total Cash and Investments	\$ 125,864,653	\$ 11,340,622	\$ 357,661

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, 2024

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2024, the City's cash deposits had a bank balance of \$10,423,833 and a carrying balance of \$11,578,781. 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, 2024, the PMBID's cash deposits, had a bank and carrying balance of \$9,151,270. 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, 2024, the LTBID's cash deposits had a bank balance of \$357,661 and a carrying balance of \$357,661. 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, 2024

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 investment policy was adopted to establish parameters and guidelines that will foster a prudent and systematic investment program designed to achieve the City's objectives of safety, liquidity and return on investment through a diversified investment portfolio.

At December 31, 2024, the City's investment balances were as follows:

Investment	S & P Rating	Percent of Total	Market Value	Maturities		
				Less than 1 Year	1 - 3 Years	3-5 Years
US Agency	AAA	2.35%	\$ 2,683,179	\$ -	\$ 2,683,179	\$ -
US Treasury Notes	AAA	24.15%	27,596,153	10,833,860	13,352,174	3,410,120
Money Market Fund	NA	0.93%	1,064,185	1,064,185	-	-
Local Government Investment Pools	AAAm	72.57%	82,942,354	82,942,354	-	-
		100.00%	\$114,285,871	\$ 94,840,399	\$ 16,035,352	\$ 3,410,120

Interest Rate Risk - The City's investment policy limits the final maturity of investments in U.S. Treasury and Agency securities to a maximum of five years and investments in corporate notes to a maximum of three years, unless the City Council has by resolution granted authority to make such an investment.

Credit Risk – Securities rated in the highest rating category by each of the nationally recognized statistical rating organizations (NRSROs) may be purchased, subject to maturity limits. If securities owned by the City are downgraded by a NRSRO to a level below the quality required by the City's investment policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. Corporate notes must be rated at least AA- or the equivalent by two or more NRSROs. Commercial paper must be rated at least A1 or the equivalent at the time of purchase by at least two NRSROs.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Municipal securities of this state must be rated at least A- or its equivalent by at least two NRSROs. Municipal securities of any other state, must be rated at least AA- or its equivalent by at least two NRSROs. Supranationals issued in U.S. dollar denominated senior unsecured unsubordinated obligations must be issued or unconditionally guaranteed by the World Bank with a rating of at least AA or its equivalent by an NRSRO. State statute limits investments in money market funds to those that maintain a constant share price and either maintain assets of one billion dollars or the highest rating issued by a NRSRO.

Concentration of Credit Risk – The City’s investment policy requires that at no time shall the aggregate investment in corporate notes, corporate debt, commercial paper, and banker’s acceptances exceed 50% of the City’s investment portfolio, and no more than 5% of the City’s investment portfolio may be invested in the obligations of one issuer. Investments in U.S. Agency securities have no limits on the dollar amount or percentage; however, no more than 35% of the total portfolio may be invested in any single Agency. Investments in Certificates of Deposit as well as municipal securities cannot exceed 30% of the total portfolio, and no more than 5% of the total portfolio may be invested in one issuer. Supranationals cannot exceed 20% of the total portfolio, and no more than 10% of the portfolio may be invested in one issuer.

Fair Value Measurements – The City reports its investments using the fair value measurements established by generally accepted accounting principles (GASB No. 72 *Fair Value Measurement and Application*). 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).

At December 31, 2024, the City's investment balances at fair value hierarchy are as follows:

Investment	Level 1	Level 2	Level 3	Total
US Agency Securities	\$ -	\$ 2,683,179	\$ -	\$ 2,683,179
US Treasury Securities	-	27,596,153	-	27,596,153
Money Market Funds	1,064,185	-	-	1,064,185
Total Investments by Fair Value Level	<u>\$ 1,064,185</u>	<u>\$ 30,279,332</u>	<u>\$ -</u>	<u>\$ 31,343,517</u>
Investment Not Measured at Fair Value:				
Local Government Investment Pools				82,942,354
Total Investments				<u><u>\$ 114,285,871</u></u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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, 2024, the LTACF did not hold any securities.

Local Government Investment Pools

As of December 24, 2024, the City has invested \$33,145,196 in 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. Colostrust is rated AAAM by Standard & Poor's.

Additionally, the City has invested \$49,797,158 of Certificates of Participation proceeds in Colorado Statewide Investment Program (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. The funds are invested in both the Liquid and Term Portfolios, both being managed by PFM Asset Management LLC (PFMAM), a subsidiary of U.S. Bancorp Asset Management, Inc. As the fund's investment adviser and administrator, PFMAM is responsible for the purchase and sale of all portfolio assets. PFMAM is registered with the SEC under the Investment Advisers Act of 1940 and specializes in creating investment strategies and managing funds for public sector, not-for-profit and other institutional clients. CSIP offers a fully liquid, variable rate investment option known as the CSIP Liquid Portfolio, and the ability for participants to invest in shares of fixed-rate, fixed-term investments through the CSIP Term Portfolio. Investments in the CSIP portfolios seek to comply with those authorized under 24-75-601 et. Seq. of the Colorado Revised Statutes. Both the CSIP Liquid Portfolio and the Term Portfolio can be utilized for many types of government funds including general funds, operating funds, bond proceeds, debt service funds, operating reserves and debt service reserve funds. A short-term portfolio rated AAAM by Standard & Poor's and AA Af by Fitch Ratings.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

PMBID – Local Government Investment Pool of \$177,813 are valued using the net asset value method (NAV) per share. The District held certificates of deposit totaling \$2,011,539 and are recorded at amortized cost. 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.

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	\$ 250,267	\$ 151,981	\$ -	\$ -	\$ 402,248
	<u>250,267</u>	<u>151,981</u>	<u>-</u>	<u>-</u>	<u>402,248</u>
Restricted for:					
Emergency Reserve (TABOR)	1,739,778	-	-	-	1,739,778
Conservation Trust	843,395	-	-	-	843,395
Brick Fence Replacement Reserve	986,200	-	-	-	986,200
Advancing Lincoln Avenue	12,588	-	-	-	12,588
Metropolitan Football Stadium Shareback	1,010,137	-	-	-	1,010,137
Colorado Department of Transportation Mobility Hub	2,000,000	-	-	-	2,000,000
Regional Park & Municipal Building - Certificates of Participation	7,060,178	-	-	-	7,060,178
Held in Trust - Justice Center & Public Works Facility - Certificates of Participation	49,809,952	-	-	-	49,809,952
Capital Reserve - Arts and Cultural Facilities	2,251,177	-	-	-	2,251,177
Capital Reserve - Parks and Recreation Improvements	2,015,944	-	-	-	2,015,944
	<u>67,729,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,729,349</u>
Committed to:					
Lone Tree Arts Center	-	570,072	-	100	570,172
Assigned to:					
Emergency Disaster Management - County	213,062	-	-	-	213,062
Capital Replacement	16,010,522	-	-	-	16,010,522
Park Fee in Lieu of Land	285,640	-	-	-	285,640
Subsequent Year's Expenditures (Capital Projects)	-	-	-	-	-
	<u>16,509,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,509,224</u>
Unassigned	<u>40,267,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,267,596</u>
Total Fund Balance	<u>\$ 124,756,436</u>	<u>\$ 722,053</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 125,478,589</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 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 Colorado Department of Transportation Mobility Hub reserve represents funds received by the City from funding partners on this project. These funds are to be used exclusively for the Mobility Hub project.

The Regional Park & Municipal Building – Certificates of Participation reserve represents funds received by the City from Certificates of Participation proceeds exclusively for the design and construction of the High Note Regional Park and capital improvements at the Municipal Building.

The Held in Trust – Justice Center & Public Works Facility – Certificates of Participation reserve represents funds held in trust from Certificates of Participation proceeds exclusively for the design and construction of the Justice Center and Public Works Facility.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4- FUND BALANCE (CONTINUED)

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.

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, 2024

NOTE 5 - TRANSFERS

The following schedule summarizes the City’s transfers for the year ended December 31, 2024:

Transfers Out	Transfer in General Fund	Transfer in Special Revenue Fund - Cultural & Community Services	Transfer in Capital Projects Fund - Capital Improvments
General Fund	\$ -	\$ 1,587,371	\$ 3,820,011
	<u>\$ -</u>	<u>\$ 1,587,371</u>	<u>\$ 3,820,011</u>

The transfer of \$1,587,371 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 \$3,820,011 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.

NOTE 6 – LOANS RECEIVABLE

Long-term loans receivable consists of the following at December 31, 2024:

	Term (Years)	Rate (%)	Outstanding Balance at December 31, 2024
RidgeGate Affordable Housing Project	40.5	0.25%	\$ 615,000
Accrued Interest			5,381
Loans Receivable, Net			<u>\$ 620,381</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, 2024

NOTE 7 – CAPITAL, LEASE and SUBSCRIPTION ASSETS

Capital asset, lease and subscription asset activity for the year ended December 31, 2024 are detailed in the table below:

	<u>Balance at December 31, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2024</u>
Primary Government				
Capital Assets, Not being Depreciated:				
Land	\$ 50,118,580	\$ 14,629,420	\$ -	\$ 64,748,000
Construction in Progress	29,200	3,193,722	(65,076)	3,157,846
Total Capital Assets, not Being Depreciated	<u>50,147,780</u>	<u>17,823,142</u>	<u>(65,076)</u>	<u>67,905,846</u>
Capital Assets, being Depreciated:				
Buildings and Building Improvements	43,432,481	917,476	-	44,349,957
Equipment	5,119,675	304,151	(460,318)	4,963,509
Vehicles	2,363,365	614,368	(278,561)	2,699,173
Infrastructure	178,843,098	4,309,482	-	183,152,580
Intangibles	1,500,000	-	-	1,500,000
Total Capital Assets, being Depreciated	<u>231,258,619</u>	<u>6,145,478</u>	<u>(738,878)</u>	<u>236,665,219</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(14,927,247)	(1,211,216)	-	(16,138,463)
Equipment	(4,715,682)	(264,356)	460,318	(4,519,721)
Vehicles	(1,484,721)	(303,245)	278,561	(1,509,405)
Infrastructure	(99,502,714)	(6,622,886)	-	(106,125,601)
Intangibles	(731,250)	(37,500)	-	(768,750)
Total Accumulated Depreciation	<u>(121,361,614)</u>	<u>(8,439,204)</u>	<u>738,878</u>	<u>(129,061,940)</u>
Total Capital Assets, being Depreciated, Net	<u>109,897,005</u>	<u>(2,293,726)</u>	<u>-</u>	<u>107,603,279</u>
Capital Assets, Net	<u>160,044,785</u>	<u>15,529,416</u>	<u>(65,076)</u>	<u>175,509,124</u>
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	<u>401,916</u>	<u>-</u>	<u>-</u>	<u>401,916</u>
Less Accumulated Amortization for:				
Public Works Facility Port-a-Potty	(2,759)	(1,440)	-	(4,199)
Filtered Water Stations	(4,074)	(2,037)	-	(6,112)
Copiers	(35,322)	(11,774)	-	(47,097)
Traffic Cameras	(102,291)	(51,145)	-	(153,436)
Total Accumulated Amortization	<u>(144,447)</u>	<u>(66,396)</u>	<u>-</u>	<u>(210,843)</u>
Right to Use Leased Assets, Net of Amortization	<u>257,470</u>	<u>(66,396)</u>	<u>-</u>	<u>191,073</u>
Right to Use SBITA Assets				
Total Right to Use SBITA Assets	<u>229,565</u>	<u>-</u>	<u>(229,565)</u>	<u>-</u>
Less Accumulated Amortization				
Total Accumulated Amortization	<u>(88,864)</u>	<u>(140,701)</u>	<u>229,565</u>	<u>-</u>
Right to Use SBITA Assets, Net of Amortization	<u>140,701</u>	<u>(140,701)</u>	<u>-</u>	<u>-</u>
Governmental Activities Capital Assets, Net	<u>\$ 160,442,956</u>	<u>\$ 15,322,318</u>	<u>\$ (65,076)</u>	<u>\$ 175,700,198</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 7 - CAPITAL, LEASE and SUBSCRIPTION ASSETS (CONTINUED)

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Park Meadows BID Component Unit:				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ -	\$ 8,331,239	\$ -	\$ 8,331,239
Total Capital Assets, not being Depreciated	<u>-</u>	<u>8,331,239</u>	<u>-</u>	<u>8,331,239</u>
Capital Assets, being Depreciated:				
Infrastructure	23,626,261	1,540,204	-	25,166,465
Total Capital Assets, being Depreciated	<u>23,626,261</u>	<u>1,540,204</u>	<u>-</u>	<u>25,166,465</u>
Less Accumulated Depreciation for:				
Infrastructure	(11,864,701)	(1,347,373)	-	(13,212,074)
Total Accumulated Depreciation	<u>(11,864,701)</u>	<u>(1,347,373)</u>	<u>-</u>	<u>(13,212,074)</u>
Capital Assets, Net	<u>\$ 11,761,560</u>	<u>\$ 8,524,070</u>	<u>\$ -</u>	<u>\$ 20,285,630</u>
Lease Assets, being Amortized:				
Land Use Lease	11,478,738	-	-	11,478,738
Buildings	1,539,353	-	-	1,539,353
Total Lease Assets, being Amortized	<u>13,018,091</u>	<u>-</u>	<u>-</u>	<u>13,018,091</u>
Less Accumulated Amortization for:				
Land Use Lease	(679,215)	(339,608)	-	(1,018,823)
Buildings	(424,543)	(212,626)	-	(637,169)
Total Accumulated Amortization	<u>(1,103,758)</u>	<u>(552,234)</u>	<u>-</u>	<u>(1,655,992)</u>
Leased Assets, Net of Amortization, as Restated	<u>\$ 11,914,333</u> *	<u>\$ (552,234)</u>	<u>\$ -</u>	<u>\$ 11,362,099</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,675,893</u>	<u>\$ 7,971,836</u>	<u>\$ -</u>	<u>\$ 31,647,729</u>

* Restatement - See Note 23

Depreciation and amortization expense for the Park Meadows BID Component Unit for 2024 in the amount of \$1,899,607 was charged to the general government function.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 7 - CAPITAL, LEASE and SUBSCRIPTION ASSETS (CONTINUED)

Depreciation expense, net of increases and decreases, for 2024 was charged to the following functions / programs:

General Government	\$	423,719
Municipal Court		8,501
Community Development		74,327
Public Works		6,729,001
Police Department		(171,258)
Arts and Cultural		636,036
Total Depreciation Expense, Net	<u>\$</u>	<u>7,700,326</u>

Amortization expense, net of increases and decreases, for leases in 2024 was charged to the following functions / programs:

General Government	\$	13,811
Public Works		1,440
Police Department		51,145
Total Amortization Expense, Net	<u>\$</u>	<u>66,396</u>

Amortization expense, net of increases and decreases, for SBITAs in 2024 was charged to the following functions / programs:

Police Department	\$	88,864
Total Amortization Expense, Net	<u>\$</u>	<u>88,864</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 – LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

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 2024 were \$76,329, including \$64,726 in principal payments and \$11,603 in interest payments.

Lease Liabilities

The following is a summary of changes in lease liabilities of the City for the year ended December 31, 2024:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024	Due Within One Year
Primary Government					
Lease Liability:					
Public Works Facility Port-a-Potty	\$ 4,523	\$ -	\$ (1,433)	\$ 3,090	\$ 1,506
Filtered Water Stations	7,368	-	(1,976)	5,392	2,077
Copiers	12,368	-	(12,368)	-	-
Traffic Cameras	245,840	-	(48,949)	196,891	51,453
Total Lease Liability	<u>\$ 270,099</u>	<u>\$ -</u>	<u>\$ (64,726)</u>	<u>\$ 205,373</u>	<u>\$ 55,037</u>

Future Lease Payments

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

Maturity Analysis	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	\$ 205,373	\$ 18,137	\$ 223,510
Lease Liability	\$ 205,373		

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 – LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (CONTINUED)

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:

	<u>End Date</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Primary Government						
LTMB Suite 175	07/31/2025	\$ 21,329	\$ -	\$ -	\$ -	\$ -
LTMB Suite 270	12/31/2024	-	-	-	-	-
		<u>\$ 21,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Total lease receipts in 2024 were \$49,894, including \$47,746 in principal and \$2,148 in interest.

Future Lease Receipts

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

Maturity Analysis	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/2025 - 12/31/2025	\$ 21,065	\$ 264	\$ 21,329
Total	\$ 21,065	\$ 264	\$ 21,329
Lease Receivable	\$ 21,065		

Subscription-Based Information Technology Arrangements

The City has 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 City is required to make principal and interest payments through the year 2024. An initial subscription liability was recorded in the amount of \$229,565. As of December 31, 2024 the value of the subscription liability was \$0. The SBITA was set to expire on December 31, 2024. The SBITA was negotiated with new terms and pricing effective January 01, 2025, that included a transfer of credit from the current SBITA to a new SBITA, resulting in the expiration of the current SBITA with a gain being recognized and a new SBITA commencing in 2025.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 – LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (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, 2024:

	<u>Balance at December 31, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2024</u>	<u>Due Within One Year</u>
Primary Government					
SBITA Liability	\$ 115,141	\$ -	\$ (115,141)	\$ -	\$ -
Total SBITA Liability	<u>\$ 115,141</u>	<u>\$ -</u>	<u>\$ (115,141)</u>	<u>\$ -</u>	<u>\$ -</u>

Future Subscription-Based Information Technology Arrangement Payments

The future subscription-based information technology arrangement payments for all agreements discussed above are expected to be \$0 for the current SBITA.

In addition to the amounts presented above, the City also had outflows of resources during the fiscal year totaling \$237,775 that were not included in the measurement of the subscription liability. This total consists of a \$176,669 variable amount that is based on the number of seats/licenses related to eleven software subscriptions and \$61,106 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, 2024

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, 2024:

	Balance at 12/31/2023	Additions	Reductions	Balance at 12/31/2024	Due Within One Year
Governmental Activities					
Certificates of Participation	\$ -	\$ 50,195,000	\$ 2,345,000	\$ 47,850,000	\$ 1,565,000
Unamortized Premium on Certificates of Participation	-	6,274,409	349,936	5,924,473	517,636
Total Certificates of Participation	-	56,469,409	2,694,936	53,774,473	2,082,636
Compensated Absences, Net Change	1,445,078	70,007	-	1,515,085	214,306
	<u>\$ 1,445,078</u>	<u>\$ 56,539,416</u>	<u>\$ 2,694,936</u>	<u>\$ 55,289,558</u>	<u>\$ 2,296,942</u>

	Balance at 12/31/2023 *	Additions	Reductions	Balance at 12/31/2024	Due Within One Year
Park Meadows BID Component Unit					
Shared Sales Tax Revenue					
Refunding Loan Series 2017A	\$ 7,733,464	\$ -	\$ 943,470	\$ 6,789,994	\$ 820,852
Loan Series 2024	-	8,677,657	74,167	8,603,490	815,833
Leases Payable	12,507,358	-	287,723	12,219,635	192,638
	<u>\$ 20,240,822</u>	<u>\$ 8,677,657</u>	<u>\$ 1,305,360</u>	<u>\$ 27,613,119</u>	<u>\$ 1,829,323</u>

* Restatement - See Note 23

The details of the City’s long-term obligations are as follows:

Certificates of Participation, Series 2024, dated April 04, 2024. On April 09, 2024, the City issued \$50,195,000 in Certificates of Participation (Certificates) at an interest rate of 3.960184% whose purpose was to finance the acquisition, construction and equipping of a new justice center and public works facility, as well as the acquisition, construction and equipping of general improvements of City facilities, including the High Note Regional Park and other general improvements. The Certificates are issued by RBC Capital Markets, LLC and represent participation in a financed purchase agreement. The Certificates are payable from all general revenues of the City and no particular revenues of the City are pledged to the payment of Base Rentals to U.S. Bank Trust Company, National Association, which is the assigned trustee, registrar and paying agent. The Certificates were originally issued and amounts outstanding at December 31, 2024, respectively, were \$50,195,000 and \$47,850,000.

Assets pledged as collateral include the City’s Municipal Building, the Public Works Facility and the Justice Center. In an event of default or event of non-appropriation, the trustee may take possession or relet all or portions of these assets and the certificates are to be called for redemption in whole with redemption price of the lesser of (a) principal amount plus accrued interest to the redemption date without any premium or (b) sum of amount, if any, received by the Trustee from the exercise of remedies and other amounts available in the trust estate.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2024 Certificates maturing on or prior to December 1, 2033 shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after December 1, 2034 shall be subject to redemption prior to their respective maturity dates at the option of the City, in whole or in part, in integral multiples of \$5,000, and if in part in such order of maturities as the City shall determine and by lot within a maturity, on December 1, 2033, and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date without a premium. The Certificates are not subject to mandatory sinking fund redemption.

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.

Series 2024, \$28,800,000 Shared Sales Tax Revenue Refunding Loan, dated May 17, 2024 (Loan Series 2024). The proceeds of the loan will be used to fund public improvements including a multi-story parking garage, pedestrian plaza, site infrastructure improvements, and other related costs. Draws up to \$28,800,000 will be made incrementally based on project needs. The 2024 Loan principal and interest are due monthly beginning in January of 2025 through December 2037. The loan carries a fixed interest rate of 5.91%, and any unpaid interest compounds monthly. The 2024 Loan may be prepaid at the option of the District in whole or in part on any payment date on or after December 1, 2027 at a prepayment price equal to the principal so prepaid plus accrued interest thereon plus any applicable premium. The loan is secured by the pledged revenues which consist of revenues derived from the District's shared sales tax with the City. The City is required to pledge 50% of the taxes collected in the District area pursuant to the annexation agreement; however, the City is not ultimately responsible for

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

the payment of the loans. As a part of the agreement, two loan reserve accounts were established and will be funded with 10% of each draw of principal.

Annual Certificates of Participation payment schedule to maturity:

Governmental Activities			
Certificates of Participation			
Series 2024			
	Principal	Interest	Total
2025	\$ 1,565,000	\$ 2,392,500	\$ 3,957,500
2026	1,645,000	2,314,250	3,959,250
2027	1,725,000	2,232,000	3,957,000
2028	1,810,000	2,145,750	3,955,750
2029	1,905,000	2,055,250	3,960,250
2030 - 2034	11,050,000	8,748,750	19,798,750
2035 - 2039	14,105,000	5,695,750	19,800,750
2040 - 2043	14,045,000	1,798,500	15,843,500
Total	\$ 47,850,000	\$ 27,382,750	\$ 75,232,750

Annual debt service requirements to maturity on the Series 2017A Loan:

Component Unit			
	Principal	Interest	Total
2025	\$ 820,852	\$ 177,758	\$ 998,610
2026	921,676	167,716	1,089,392
2027	949,967	139,425	1,089,392
2028	978,996	110,396	1,089,392
2029	1,008,977	80,416	1,089,393
2030 - 2031	2,109,526	67,079	2,176,605
Total	\$ 6,789,994	\$ 742,790	\$ 7,532,784

Annual debt service requirements to maturity on the Series 2024 Loan:

Component Unit			
	Principal	Interest	Total
2025	\$ 815,833	\$ 1,314,934	\$ 2,130,767
2026	1,540,000	1,607,766	3,147,766
2027	2,090,000	1,501,854	3,591,854
2028	2,210,000	1,375,085	3,585,085
2029	1,947,657	1,043,731	2,991,388
Total	\$ 8,603,490	\$ 6,843,370	\$ 15,446,860

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 amortization, and reduced by the outstanding balances of bonds and certificates of participation that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2024, the City had net investment in capital assets of \$121,413,253 calculated as follows:

Primary Government	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 175,700,198
Current Portion of Long-term Obligations (Debt)	(1,565,000)
Noncurrent Portion of Long-term Obligations (Debt)	(46,285,000)
Capital Related Liability (Non-Debt)	(493,555)
Certificates of Participation Premium (Net of Accumulated Amortization)	(5,924,473)
Deferred Inflows on Leases	(18,917)
Net Investment in Capital Assets	<u>\$ 121,413,253</u>

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 \$67,729,349 as of December 31, 2024 as follows:

Primary Government	Governmental Activities
Restricted Net Position	
Emergency Reserve (see Note 19)	\$ 1,739,778
Conservation Trust	843,395
Brick Fence Replacement	986,200
Advancing Lincoln Avenue	12,588
Metropolitan Football Stadium	1,010,137
Colorado Department Transportation Mobility Hub	2,000,000
Regional Park & Municipal Building Certificates of Participation	7,060,178
Held in Trust - Justice Center & Public Works Facility - Certificates of Participation	49,809,952
Capital Reserve - Arts and Cultural Facilities	2,251,177
Capital Reserve - Parks and Recreation Improvements	2,015,944
	<u>\$ 67,729,349</u>

The unrestricted component of net position as of December 31, 2024 totaled \$56,012,741.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 10 - NET POSITION (CONTINUED)

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, 2024, 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	\$ 31,647,729
Current Portion of Long-term Obligations	(1,829,323)
Noncurrent Portion of Long-term Obligations	<u>(26,068,832)</u>
Net Investment in Capital Assets	<u><u>\$ 3,749,574</u></u>

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 \$2,698,573 as of December 31, 2024 as follows:

Park Meadows BID

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserve	\$ 245,000
Debt Service (See Note 9)	<u>2,453,573</u>
	<u><u>\$ 2,698,573</u></u>

PMBID’s unrestricted net position as of December 31, 2024 totaled \$8,809,668.

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 10 – NET POSITION (CONTINUED)

The Lone Tree Business Improvement District (LTBID) has a 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, 2024, as follows:

Lone Tree BID	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserve	\$ <u>9,949</u>

LTBID’s unrestricted net position as of December 31, 2024, totaled \$328,657.

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, 2024 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, 2024, Retailer A has been paid \$7,049,209 with a remaining amount committed of \$257,763. Ending in 2020, this Retailer was identified as Retailer B.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 2024, the amount paid to RRMD No.1 pursuant to the First Amendment to the Annexation and Development Shareback Agreement totaled \$698,890.

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, 2024

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 2024, the amount paid to PMBID totaled \$7,346,552.

Enhanced Tax Incentive Program for the Entertainment District Planned Development

In 2021, the City established the Enhanced Tax Incentive Program (ETIP) for properties located within the entertainment district Planned Development. The purposes of this program are to encourage redevelopment and/or substantial expansion of businesses within the entertainment district for a limited period of time; preserve and enhance the desired tenant mix within the entertainment district; incentivize owners and current and prospective tenants of vacant properties to establish and maintain businesses that fulfill the vision / purposes of the entertainment district as a place where residents and visitors may gather to eat, shop and pursue leisure and recreational activities; and stimulate the economic and social vibrancy of the entertainment district.

The ETIP shall automatically expire seven years from March 13, 2021, unless earlier terminated or extended by City Council, provided that ETIP agreements in effect on the expiration of the ETIP shall continue in effect in accordance with the specific terms of such ETIP agreement.

The term of the ETIP agreement commences on the first day of the calendar month following the month in which the Owner receives a Certificate of Occupancy for the Project and shall terminate on the fifth anniversary following the commencement date. The amount of enhanced taxes from sales tax shall be the established base amount of sales taxes subtracted from the amount of sales tax remitted to and collected by the City on the property on an annual basis. The established base amount of sales tax is determined by taking the total sales tax generated from the property during the previous 60-month period from the effective date of the agreement. For each 12-month period from the commencement date of the agreement, the excess of sales tax collections above the established base amount shall be the enhanced taxes for that annual period. During the agreement period, the City shall distribute to the Owner the revenues from the enhanced taxes derived from the property and the business located thereon collected on and after the commencement date on the following percentages: Year 1 - Ninety Percent (90%), Year 2 - Seventy-Five Percent (75%), Year 3 - Sixty Percent (60%), Year 4 – Forty-Five Percent (45%) and Year 5 – Thirty Percent (30%).

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 11 – TAX ABATEMENTS (CONTINUED)

At December 31, 2024, the City had entered into ETIP agreements with two businesses. In 2024, the amount paid totaled \$0.

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.

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 2024, the 50/50 allocation remained the same.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 12 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

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 2025 is approximately \$1,176,584.

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.

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.

Total budgeted partnership funding per these agreements in 2025 is \$900,000, with a City contribution of \$540,000.

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.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – COMMITMENTS (CONTINUED)

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 Interstate 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 Interstate 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.

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.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – COMMITMENTS (CONTINUED)

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.

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.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – COMMITMENTS (CONTINUED)

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, which began with the 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.

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, 2024, the City had unexpended construction related contract commitments of \$2,621,686.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Statewide Retirement Plan)

Plan Description

The City contributes to the Statewide Retirement Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Retirement Plan provides retirement benefits for members and beneficiaries. All full-time, paid police officers of the City are members of the Statewide Retirement 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 Retirement 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 Retirement 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, 2024

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Statewide Retirement Plan) (CONTINUED)

Contributions

The Statewide Retirement 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 2023, members of the Plan and their employers are contributing at the rate of 12.0 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent.

Contributions to the Plan from the City were \$590,651 for the year ended December 31, 2024.

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

At December 31, 2024, the City reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, 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, 2023, the City's proportion was 0.545 percent, which was an increase of .021 percent from its proportion measured as restated as of January 01, 2023. Effective January 01, 2023, the merger of the Statewide Defined Benefit Plan (SWDB) and Statewide Hybrid Plan (SWH) were merged to create the Statewide Retirement Plan (SRP). In doing so, the beginning balances on January 01, 2023 were restated.

For the year ended December 31, 2024, the City recognized pension revenue of (\$158,178).

Pension revenue for 2024 was charged entirely to the Police Department.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Statewide Retirement Plan) (CONTINUED)

At December 31, 2024, 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	\$ 1,038,452	\$ 49,895
Changes in Assumptions	602,343	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	745,513	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	100,713	194,228
City Contributions Subsequent to the Measurement Date	590,651	-
Total	\$ 3,077,672	\$ 244,123

\$590,651 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, 2025. 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
2025	\$ 372,506
2026	569,152
2027	828,846
2028	98,705
2029	134,784
Thereafter	238,905
Total	\$ 2,242,898

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Statewide Retirement 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, 2023. 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 Pub-2010 Safety Healthy Annuitant Mortality Tables using the MP-2020 projection scale, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 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, 2024

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Statewide Retirement Plan) (CONTINUED)

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
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, 2023, 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.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Statewide Retirement Plan) (CONTINUED)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 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)	\$ 3,057,587	\$ 0	\$ 0

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of \$19,633,099 at a 7.00 percent discount rate and \$500,364,385 at a 8.00 percent discount rate (collective amounts, not City’s proportionate share).

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>.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 14 - STATE FIRE AND POLICE PENSION PLAN (FPPA Statewide Retirement Plan) (CONTINUED)

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.

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 sworn 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, 2024

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, 3.4 percent of base salary on January 1, 2023, and 3.6 percent of base salary on January 1, 2024 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 3.6 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, 2022, 2023, 2024, City contributions totaled \$146,272, \$175,512, and \$208,362 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, 2024

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.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

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 the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 1 percent, unless it is adjusted by the automatic adjustment provision (AAP). The AAP may raise or lower the AI cap by up to 0.25% if the AAP ratio of the Division Trust Funds is outside the parameters specified in C.R.S. 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 1 percent or the average Consumer Price Index for Urban Wage Earners and Clerical Workers (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. Applicants found to be disabled receive payments under one of two tiers: short-term disability or disability retirement benefits. Short-term disability provides a maximum income replacement of 60% of the member's pre-disability PERA salary for up to 22 months. The disability retirement benefit are paid by PERA for as long as the disability retiree remains disabled. The benefit is calculated as a percentage of the disabled member's highest average salary using accrued, and in some cases, projected service credit.

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, 2024 was 14.78 percent of covered salaries. The contribution rate for members was 9.0 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 \$1,112,415 to the Trust and \$82,461 to the Health Care Trust Fund, for a total City contribution of \$1,194,876 for the year ended December 31, 2024.

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

**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, 2024, the City reported a liability of \$6,137,018 or its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Generally accepted actuarial techniques were used to roll forward the total pension liability to December 31, 2023. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2023, the City's proportion was 0.8361 percent, which was an increase of 0.080 percent from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension revenue of \$(646,478).

Pension revenue for 2024 was allocated to the following functions/programs:

	<u>Governmental Activities</u>
General Government	\$ (182,774)
Municipal Court	(20,308)
Community Development	(101,541)
Public Works	(94,772)
Police Department	(98,156)
Arts and Cultural	<u>(148,927)</u>
Total Pension Revenue	<u>\$ (646,478)</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

At December 31, 2024, 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	\$ 332,115	\$ 6,304
Changes in Assumptions	-	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	1,792,035	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	235,647	99,191
City Contributions Subsequent to the Measurement Date	1,112,415	-
Total	\$ 3,492,212	\$ 105,495

\$1,112,415 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, 2025.

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	
2025	\$	497,585
2026		758,958
2027		1,511,394
2028		(493,634)
2029		-
Thereafter		-
Total	\$	2,274,303

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

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

Actuarial Assumptions

The December 31, 2022 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 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve (AIR)

As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.

The actuarial assumptions used in the December 31, 2022 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.

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

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

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 PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages 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 are 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, 2024**

**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 nominal 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, 2022 and the financial status of the Trust Fund as of the current measurement date (December 31, 2023). 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 and 2020 AAP assessments. 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, 2024

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 and the 2020 AAP assessments. 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.
- As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.

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, 2024**

**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)	\$ 12,029,237	\$ 6,137,018	\$ 1,201,325

Pension Plan Fiduciary Net Position

Detailed information about the LGDTF's fiduciary net position is available in PERA's annual comprehensive 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 annual comprehensive 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, 2024

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 annual comprehensive 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, 2024

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, 2024

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 \$82,461 for the year ended December 31, 2024.

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

At December 31, 2024, the City reported a liability of \$474,394 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Generally accepted actuarial techniques were used to roll-forward the total OPEB liability to December 31, 2023. The City’s proportions of the net OPEB liability was based on the City’s contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the City’s proportion was 0.066 percent, which was an increase of 0.021 from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024 the City recognized OPEB revenue of \$(59,595).

OPEB revenue for 2024 was allocated to the following functions/programs:

	Governmental Activities
General Government	\$ (16,850)
Municipal Court	(1,872)
Community Development	(9,360)
Public Works	(8,736)
Police Department	(9,048)
Arts and Cultural	(13,729)
Total Pension Revenue	\$ (59,595)

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

At December 31, 2024, 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	\$ -	\$ 97,232
Changes in Assumptions	5,579	50,302
Net Difference Between Actual and Projected Earnings on OPEB Plan Investments	14,672	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	105,610	927
City Contributions Subsequent to the Measurement Date	82,461	-
Total	\$ 208,322	\$ 148,461

\$82,461 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, 2025. 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
2025	\$ (30,537)
2026	(7,083)
2027	10,990
2028	(3,612)
2029	4,648
Thereafter	2,994
Total	\$ (22,600)

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

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

Actuarial Assumptions

The total OPEB liability in the December 31, 2022 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	7.00 Percent in 2023, Gradually Decreasing to 4.50 Percent in 2033
Medicare Part A Premiums	3.50 Percent in 2023, Gradually Increasing to 4.50 percent in 2035

As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2023 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, 2024

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 - 68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	50.0%
72	2.3%	70.0%
73	1.2%	80.0%
74	90.0%	1.5%
75-85	90.0%	1.3%
86 and older	0.0%	0.0%

MAPD PPO #1 with Medicare Part A Retiree / Spouse		
Sample Age	Male	Female
65	\$ 1,692	\$ 1,406
70	1,901	1,573
75	2,100	1,653

MAPD PPO #1 without Medicare Part A Retiree / Spouse		
Sample Age	Male	Female
65	\$ 6,469	\$ 5,373
70	7,266	6,011
75	8,026	6,319

MAPD PPO #2 with Medicare Part A Retiree / Spouse		
Sample Age	Male	Female
65	\$ 579	\$ 481
70	650	538
75	718	566

MAPD PPO #2 without Medicare Part A Retiree / Spouse		
Sample Age	Male	Female
65	\$ 4,198	\$ 3,487
70	4,715	3,900
75	5,208	4,101

MAPD HMO (Kaiser) with Medicare Part A Retiree / Spouse		
Sample Age	Male	Female
65	\$ 1,913	\$ 1,589
70	2,149	1,778
75	2,374	1,869

MAPD HMO (Kaiser) without Medicare Part A Retiree / Spouse		
Sample Age	Male	Female
65	\$ 6,719	\$ 5,581
70	7,546	6,243
75	8,336	6,563

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

The 2023 Medicare Part A premium is \$506 (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, 2022, 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
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

Mortality assumptions used in the December 31, 2022 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, 2022 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 Safety Officers) 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, 2022, 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 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 21, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums.

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, 2024

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

The actuarial assumptions used in the December 31, 2022, 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%	

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.

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

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

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 ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate ¹	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
City’s Proportionate Share of the OPEB Liability	\$560,318	\$474,394	\$400,885

¹For the January 1, 2024, plan year

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, 2022, and the financial status of the Trust Fund as of the current measurement date (December 31, 2023). 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, 2023, 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, 2024

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.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.

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.

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

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

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)	\$ 560,318	\$ 474,394	\$ 400,885

OPEB Plan Fiduciary Net Position

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

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, 2024, 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.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 \$737,680 in 2024. All future lease payments are subject to the District's annual appropriation of funds.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 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.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

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 – RESTATEMENT

The City restated beginning net position for the year ended December 31, 2024 due to the Colorado Fire and Police Pension Association (FPPA) merging the Statewide Defined Benefit Plan (SWDB) and Statewide Hybrid Plan (SWH) to create the Statewide Retirement Plan (SRP). A reconciliation of the impact of the restatement is shown below:

	<u>January 01, 2024 Before Restatement</u>	<u>Accounting Change</u>	<u>January 01, 2024 as Restated</u>
Government Wide			
Net Position	\$ 215,904,479	\$ (259,045)	\$ 215,645,434

The Park Meadows Business Improvement District (the District) restated beginning net position and beginning General Fund, fund balance for the year ended December 31, 2023 due to the correction of an error related to grant revenue recognition and right to use lease assets and lease liabilities in the prior year financial statements. A reconciliation of the impact of the restatement is shown below:

	<u>December 31, 2023 as Previously Reported</u>	<u>Error Correction</u>	<u>December 31, 2023 as Restated</u>
Government Wide			
Net Position	\$ 16,375,444	\$ (3,955,971)	\$ 12,419,473
General Fund			
Fund Balance	\$ 10,421,636	\$ (2,516,861)	\$ 7,904,775

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, 2024**

	<u>Budget Amounts</u> <u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
TAXES			
Sales Tax	\$ 39,906,063	\$ 37,827,542	\$ (2,078,521)
Use Tax - Retail	1,232,000	1,106,481	(125,519)
Use Tax - Building Materials	1,348,000	1,656,976	308,976
Lodging Tax	1,754,167	1,743,578	(10,589)
Admissions Tax	240,050	407,653	167,603
	<u>44,480,280</u>	<u>42,742,229</u>	<u>(1,738,051)</u>
FRANCHISE FEES			
Electric and Gas	1,224,433	1,036,107	(188,326)
Cable Television	359,095	199,943	(159,152)
	<u>1,583,528</u>	<u>1,236,050</u>	<u>(347,478)</u>
INTERGOVERNMENTAL			
Highway Users Tax Fund (HUTF)	371,961	445,392	73,431
Conservation Trust Fund	113,058	89,626	(23,432)
Cigarette Tax	99,172	103,958	4,786
County Road and Bridge Shareback	2,305,462	1,974,042	(331,420)
Douglas County Shareback - Transportation	2,345,940	2,494,369	148,429
Motor Vehicle Registration Fees	46,054	46,755	701
Regional Improvements Contribution - RRMD	125,051	114,329	(10,722)
Operational Mill Levy - RRMD	325,698	328,691	2,993
Contractual Mill Levy - RRMD	325,698	328,691	2,993
Reimbursable Costs	1,238,100	1,203,949	(34,151)
Grants	168,807	112,646	(56,161)
	<u>7,465,001</u>	<u>7,242,449</u>	<u>(222,552)</u>

(Continued)

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

CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024
(Continued)

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
LICENSES, FEES AND CHARGES			
Sales, Use Tax and Business License Fees	9,923	10,582	659
Liquor License Fees	19,469	75,095	55,626
Single Use Bag Fees	101,332	90,981	(10,351)
Building Permit Fees	1,047,000	1,777,321	730,321
Planning and Zoning Fees	166,371	122,712	(43,659)
Engineering Fees	550,000	551,440	1,440
Other	3,000	7,959	4,959
	<u>1,897,095</u>	<u>2,636,091</u>	<u>738,996</u>
FINES AND FORFEITURES			
Court Fees	33,772	49,116	15,343
Vehicle Violation and Other Fines	383,768	384,436	669
Victims Assistance Surcharge Fees	16,103	10,620	(5,484)
	<u>433,643</u>	<u>444,172</u>	<u>10,529</u>
OTHER			
Net Investment Income	1,782,891	2,940,060	1,157,169
Held in Trust - Interest Income - Certificates of Participation	-	1,390,448	1,390,448
Police Department Fees	119,515	164,072	44,557
Tenant Rental Income	114,671	111,440	(3,231)
Miscellaneous	343,553	289,532	(54,021)
	<u>2,360,630</u>	<u>4,895,552</u>	<u>2,534,922</u>
Total Revenues	<u>\$ 58,220,177</u>	<u>\$ 59,196,543</u>	<u>\$ 976,366</u>

(Continued)

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

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024**

(Continued)

	<u>Budget Amounts</u> <u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXPENDITURES			
GENERAL GOVERNMENT			
City Council Expenditures	\$ 61,000	\$ 48,944	\$ 12,056
City Council Stipend	76,904	79,770	(2,866)
City Clerk - Salaries and Benefits	335,039	297,179	37,860
City Clerk	92,900	62,050	30,850
Human Resources - Salaries and Benefits	353,108	301,803	51,305
Human Resources	133,700	134,784	(1,084)
Information Technology - Salaries and Benefits	577,076	577,628	(552)
Information Technology	869,073	782,139	86,934
Insurance and Risk Management	793,767	757,946	35,821
Finance - Salaries and Benefits	876,581	863,294	13,287
Finance	191,189	85,570	105,619
Audit	45,000	45,350	(350)
City Manager's Office - Salaries and Benefits	1,587,280	1,549,881	37,399
Dues and Memberships	140,170	139,304	866
Legal - General	504,000	504,000	-
Legal - Special	30,000	3,116	26,884
Legal - Development Pass Through	25,000	11,018	13,982
Consulting	225,000	161,298	63,702
Community Support	65,400	51,182	14,218
Grant Matching Opportunity	100,000	-	100,000
Youth Initiatives	19,800	19,800	-
Housing Partnership	35,000	35,000	-
Living and Aging Well	12,200	12,859	(659)
Communications	162,700	145,765	16,935
Economic Development	147,500	110,201	37,299
Douglas County Community Foundation	5,000	5,000	-
Miscellaneous	15,000	9,949	5,051
	<u>7,479,387</u>	<u>6,794,829</u>	<u>684,558</u>
MUNICIPAL COURT			
Municipal Judge	35,000	34,366	634
Legal	36,000	44,175	(8,175)
Administration	356,640	314,546	42,094
Office and Software	700	394	306
	<u>428,340</u>	<u>393,480</u>	<u>34,860</u>

(Continued)

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the accompanying Notes to Financial Statements.

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024**

(Continued)

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
COMMUNITY DEVELOPMENT			
Salaries and Benefits	1,742,769	1,632,841	109,928
Contract Services	25,000	-	25,000
Field Supplies	4,620	3,543	1,077
Planning Commission	12,000	4,286	7,714
Plan Review and Other Inspections	10,000	3,438	6,562
Elevator Inspection	3,000	-	3,000
City Forestry Program	5,000	4,930	70
Miscellaneous	398,660	110,013	288,647
	<u>2,201,049</u>	<u>1,759,051</u>	<u>441,998</u>
PUBLIC WORKS			
Salaries and Benefits	1,854,100	1,766,820	87,280
Street Lighting	500,000	419,846	80,154
Street Maintenance	914,000	907,235	6,765
Drainage Maintenance	220,000	231,191	(11,191)
Street and Sidewalk Sweeping	90,000	112,400	(22,400)
Traffic Signal Energy Cost and Maintenance	300,000	261,949	38,051
Signal Timing	40,000	67,580	(27,580)
Snow Removal	1,550,000	1,473,784	76,216
Trash and Recycling Program	700,000	678,041	21,959
Fence Maintenance	25,000	-	25,000
Materials and Equipment	11,000	4,803	6,197
EPA Phase 2 Drainage	3,000	2,374	626
Noxious Weeds Control	20,000	23,583	(3,583)
Signage and Striping	200,000	159,923	40,077
Accident Repairs	7,000	5,324	1,676
Public Works Facility Operations & Equipment	55,000	47,794	7,206
Mutt Mitts Contract	17,000	14,976	2,024
Miscellaneous	6,500	4,825	1,675
Public Works Vehicle Maintenance and Gas	35,000	50,341	(15,341)
Bridge Maintenance	50,000	38,767	11,233
Lone Tree Link	1,440,000	1,043,193	396,807
Brick Fence Replacement Analysis	150,000	32,735	117,265
Walk and Wheel Analysis Update	100,000	33,601	66,399
Consulting and Surveying	600,000	555,136	44,864
Facilities	1,253,259	1,224,825	28,434
	<u>10,140,859</u>	<u>9,161,047</u>	<u>979,812</u>

(Continued)

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the accompanying Notes to Financial Statements.

CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024
(Continued)

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
POLICE			
Salaries and Benefits	9,644,346	9,306,301	338,045
Office and Administration	124,500	108,729	15,771
Uniforms and Equipment	282,764	135,368	147,396
Vehicles and Equipment	842,564	824,531	18,033
General Equipment	31,716	26,116	5,600
Intergovernmental Agreements	1,026,857	979,953	46,904
Training	168,500	185,977	(17,477)
Community Outreach and Miscellaneous	44,000	36,106	7,894
	<u>12,165,247</u>	<u>11,603,082</u>	<u>562,166</u>
PARKS AND RECREATION			
Park and Recreation Improvements	100,000	100,000	-
Recreational Activities and Support	5,250	6,031	(781)
	<u>105,250</u>	<u>106,031</u>	<u>(781)</u>
SHAREBACKS			
Retail Shareback	326,180	221,092	105,088
Developer Revenue Shareback	869,654	698,890	170,764
Reimbursement of Sales Taxes-PMBID	8,467,239	7,346,552	1,120,687
Reimbursement of Property Taxes-PMMD	360,875	371,132	(10,257)
	<u>10,023,948</u>	<u>8,637,666</u>	<u>1,386,282</u>
Certificates of Participation - Interest	1,971,938	1,617,394	(1,617,394)
Certificates of Participation - Principal	2,200,000	2,345,000	1,826,938
	<u>4,171,938</u>	<u>3,962,394</u>	<u>209,544</u>
Total Expenditures	<u>46,716,018</u>	<u>42,417,580</u>	<u>4,298,439</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>11,504,159</u>	<u>16,778,963</u>	<u>5,274,804</u>

(Continued)

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

CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2024
(Continued)

OTHER FINANCING SOURCES (USES)			
Certificates of Participation Issuance	9,500,000	50,195,000	40,695,000
Certificates of Participation Premium	-	6,274,409	6,274,409
Certificates of Participation Cost of Issuance	(500,000)	(456,911)	43,089
Transfers In	-	-	-
Transfers Out	(13,509,923)	(5,407,382)	8,102,541
Total Other Financing Sources (Uses)	<u>(4,509,923)</u>	<u>50,605,116</u>	<u>55,115,039</u>
NET CHANGE IN FUND BALANCES	6,994,236	67,384,079	60,389,843
FUND BALANCES - BEGINNING OF YEAR	<u>56,097,960</u>	<u>57,372,357</u>	<u>1,274,397</u>
FUND BALANCES - END OF YEAR	<u>\$ 63,092,196</u>	<u>\$ 124,756,436</u>	<u>\$ 61,664,240</u>

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

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, 2024

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ticket Sales and Handling Fees	\$ 1,323,601	\$ 1,440,088	\$ 116,487
Rental Fees and Labor Costs	209,500	232,230	22,730
Concessions and Catering	112,000	130,807	18,807
Individual, Corporate and Foundation Contributions	445,000	352,510	(92,490)
Government Grants	437,000	380,046	(56,954)
LTAC Fund 501(c)(3) Contribution	65,000	68,952	3,952
Miscellaneous	3,750	10,246	6,496
Annual events	15,500	17,959	2,459
Arts and cultural events	6,000	5,604	(396)
Total Revenues	<u>2,617,351</u>	<u>2,638,442</u>	<u>21,091</u>
EXPENDITURES			
Administration	197,700	187,618	10,082
Programming	2,759,655	2,848,293	(88,638)
Marketing	562,093	484,176	77,917
Development	416,531	377,887	38,644
Annual Events	390,294	387,908	2,386
Arts and Cultural Events	83,113	74,010	9,103
Total Expenditures	<u>4,409,386</u>	<u>4,359,891</u>	<u>49,495</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,792,035)</u>	<u>(1,721,449)</u>	<u>70,586</u>
OTHER FINANCING SOURCES (USES)			
Transfers In / (Out)	1,600,923	1,587,371	(13,552)
Total Other Financing Sources (Uses)	<u>1,600,923</u>	<u>1,587,371</u>	<u>(13,552)</u>
NET CHANGE IN FUND BALANCES	(191,112)	(134,078)	57,034
FUND BALANCES -			
BEGINNING OF YEAR	844,110	856,131	12,021
FUND BALANCES - END OF YEAR	<u>\$ 652,998</u>	<u>\$ 722,053</u>	<u>\$ 69,055</u>

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability/(asset)	0.741%	0.710%	0.675%	0.672%	0.593%	0.603%	0.568%	0.542%	0.537%	0.545%
City's proportionate share of the net pension liability/(asset)	\$ (836,472)	\$ (12,508)	\$ 244,075	\$ (966,061)	\$ 749,099	\$ (341,150)	\$ (1,234,174)	\$ (2,939,160)	\$ 476,739	\$ -
City's covered payroll	\$ 3,458,225	\$ 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
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	24.2%	0.3%	6.7%	24.3%	18.6%	7.9%	26.9%	57.0%	-9.2%	0.0%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	106.8%	101.6%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%	97.6%	100.0%

(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 PENSION LIABILITY (ASSET)
PUBLIC RETIREMENT ASSOCIATION OF COLORADO (PERA)
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.523%	0.538%	0.562%	0.610%	0.668%	0.698%	0.712%	0.729%	0.756%	0.836%
City's proportionate share of the net pension liability/(asset)	\$ 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	\$ 6,137,018
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
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	155.3%	177.1%	213.4%	169.5%	182.9%	101.8%	71.2%	-11.2%	123.0%	86.0%
Plan fiduciary net position as a percentage of the total pension liability	80.7%	76.9%	73.6%	79.4%	76.0%	86.3%	90.9%	101.5%	83.0%	88.0%

(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 Eight Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.043%	0.047%	0.052%	0.053%	0.054%	0.057%	0.061%	0.066%
City's proportionate share of the net pension liability/(asset)	\$ 558,745	\$ 615,682	\$ 705,235	\$ 600,864	\$ 516,344	\$ 488,565	\$ 497,199	\$ 474,394
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
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%	6.7%
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%	46.2%

(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**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions	\$ 275,158	\$ 276,557	\$ 314,225	\$ 317,519	\$ 355,665	\$ 365,287	\$ 371,111	\$ 420,559	\$ 508,919	\$ 590,651
Contributions in relation to the contractually required contribution	(275,158)	(276,557)	(314,225)	(317,519)	(355,665)	(365,287)	(371,111)	(420,559)	(508,919)	(590,651)
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	\$ 3,689,690	\$ 3,624,431	\$ 3,976,381	\$ 4,026,218	\$ 4,329,357	\$ 4,594,732	\$ 5,158,747	\$ 5,156,748	\$ 5,235,477	\$ 6,768,975
Contributions as a percentage of covered payroll	7.46%	7.63%	7.90%	7.89%	8.22%	7.95%	7.19%	8.16%	9.72%	8.73%

(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**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions	\$ 418,841	\$ 466,528	\$ 487,686 *	\$ 555,896 *	\$ 609,512 *	\$ 658,542 *	\$ 714,780 *	\$ 832,929 *	\$ 1,009,195 *	\$ 1,112,415 *
Contributions in relation to the contractually required contribution	(418,841)	(466,528)	(487,686)	(555,896)	(609,512)	(658,542)	(714,780)	(832,929)	(1,009,195)	(1,112,415)
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	\$ 3,348,942	\$ 3,554,612	\$ 4,005,795	\$ 4,594,877	\$ 5,012,865	\$ 5,207,144	\$ 5,567,306	\$ 6,162,544	\$ 7,133,489	\$ 8,198,072
Contributions as a percentage of covered payroll	12.51%	13.12%	12.17%	12.10%	12.16%	12.65%	12.84%	13.52%	14.15%	13.57%

(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 - 2024 contributions are separated between PERA and OPEB

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions	\$ 34,709	\$ 39,230 *	\$ 44,717 *	\$ 49,030 *	\$ 51,232 *	\$ 56,401 *	\$ 63,031 *	\$ 74,918 *	\$ 82,461 *
Contributions in relation to the contractually required contribution	(34,709)	(39,230)	(44,717)	(49,030)	(51,232)	(56,401)	(63,031)	(74,918)	(82,461)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	\$ 8,198,072
Contributions as a percentage of covered payroll	0.98%	0.98%	0.97%	0.98%	0.98%	1.01%	1.02%	1.05%	1.01%

(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 - 2024 contributions are separated between PERA and OPEB

CITY OF LONE TREE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024

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

HB 22-1034 combined the assets and liabilities of the former Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan. The combined membership now participates under one of four benefit “components:” 1) Defined Benefit Component, 2) Hybrid Defined Benefit Component, 3) Money Purchase Component, and 4) Social Security Component.

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 annual comprehensive report which can be obtained at: <http://www.fppaco.org/annual-reports.html>.

PERA

Changes in Plan Provisions

As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.

Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225,000,000 direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in C.R.S. 24-51-416, plus \$10,000,000 from the General Fund, totaling \$14,561,000.

CITY OF LONE TREE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024

NOTE 2 – PENSION PLAN PROVISIONS (CONTINUED)

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a “12-pay” method to a “non-12-pay” method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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 annual comprehensive financial report which can be obtained at: www.copera.org/investments/pera-financial-reports.

OPEB

Changes in Plan Provisions

As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.

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 annual comprehensive financial report which can be obtained at: www.copera.org/investments/pera-financial-reports.

**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, 2024**

	Special Revenue - Lone Tree Art Center Fund 501(c)(3)	Special Revenue - Lone Tree Urban Renewal Authority	Total Other Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments - Restricted	\$ 68,052	\$ -	\$ 68,052
Receivables:			
Property Tax	-	25,462	25,462
Other	1,000	-	1,000
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>69,052</u>	<u>25,462</u>	<u>94,513</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	68,952	-	68,952
Total Liabilities	<u>68,952</u>	<u> </u>	<u>68,952</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenues	-	25,462	25,462
Total deferred inflows of resources	<u> </u>	<u>25,462</u>	<u>25,462</u>
FUND BALANCES			
Committed	100	-	100
Total Fund Balances	<u>100</u>	<u> </u>	<u>100</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 69,052</u>	<u>\$ 25,462</u>	<u>\$ 94,513</u>

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

CITY OF LONE TREE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	Special Revenue - Lone Tree Art Center Fund 501(c)(3)	Special Revenue - Lone Tree Urban Renewal Authority	Total Other Governmental Funds
REVENUES			
Net Investment Income	\$ 1	\$ -	\$ 1
Arts and Cultural	75,081	-	75,081
Total Revenues	<u>75,081</u>	<u>-</u>	<u>75,081</u>
EXPENDITURES			
Current			
Arts and Cultural Services	75,057	-	75,057
Total Expenditures	<u>75,057</u>	<u>-</u>	<u>75,057</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>25</u>	<u>-</u>	<u>25</u>
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	25	-	24
FUND BALANCES - BEGINNING OF YEAR	<u>76</u>	<u>-</u>	<u>76</u>
FUND BALANCES - END OF YEAR	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>

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

CITY OF LONE TREE
CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS
BUDGET AND ACTUAL
Year Ended December 31, 2024

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Grants	\$ 3,286,500	\$ 2,666,661	\$ (619,839)
Reimbursable Costs	2,800,000	2,800,000	-
Total Revenues	<u>6,086,500</u>	<u>5,466,661</u>	<u>(619,839)</u>
EXPENDITURES			
Overlay Reconstruction Projects	2,800,000	2,473,558	326,442
Traffic Signalization	996,000	861,720	134,281
City Office Capital Improvements	205,000	186,429	18,571
Civic Center Capital Improvements	350,000	439,809	(89,809)
Concrete Panel Replacement	600,000	211,643	388,357
Storm Sewer Improvements	500,000	535,456	(35,456)
Vehicles - PW	90,000	95,935	(5,935)
Advancing Lincoln Avenue	3,660,000	478,266	3,181,734
Emergency Repairs	500,000	302,181	197,819
C-470 Trail Connection to RTD Station	2,497,000	1,394,503	1,102,497
Justice Center / Public Works Facility	2,000,000	1,263,678	736,322
Fiber Replacement	350,000	36,418	313,582
CDOT Mobility Hub Contribution	2,000,000	-	2,000,000
	<u>16,548,000</u>	<u>8,279,595</u>	<u>8,268,405</u>
INFORMATION TECHNOLOGY			
Facilities Security Camera Upgrades	50,000	73,835	(23,835)
	<u>50,000</u>	<u>73,835</u>	<u>(23,835)</u>
COMMUNITY DEVELOPMENT			
Vehicles - CD	70,000	54,991	15,009
Code Enforcement Record System	5,000	5,000	-
	<u>75,000</u>	<u>59,991</u>	<u>15,009</u>
PARKS AND RECREATION			
Joint Recreational Projects with South Suburban	100,000	75,000	25,000
Regional Park	900,000	499,665	400,335
	<u>1,000,000</u>	<u>574,665</u>	<u>425,335</u>
ARTS AND CULTURAL			
Arts Center Capital Improvements	322,500	298,586	23,914
	<u>322,500</u>	<u>298,586</u>	<u>23,914</u>
Total Expenditures	<u>17,995,500</u>	<u>9,286,672</u>	<u>8,708,828</u>

(Continued)

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

CITY OF LONE TREE
CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS
BUDGET AND ACTUAL
Year Ended December 31, 2024
(Continued)

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,909,000)</u>	<u>(3,820,011)</u>	<u>8,088,989</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	11,909,000	3,820,011	(8,088,989)
Total Other Financing Sources (Uses)	<u>11,909,000</u>	<u>3,820,011</u>	<u>(8,088,989)</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING OF YEAR	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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, 2024

	<u>Budget Amounts</u> <u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Individual Gifts	\$ 26,150	\$ 26,081	\$ (69)
Corporate Gifts	26,500	15,500	(11,000)
Foundation Gifts	30,000	33,500	3,500
Total Revenues	<u>82,650</u>	<u>75,081</u>	<u>(7,569)</u>
EXPENDITURES			
Accounting Services	1,350	1,471	(121)
Office Supplies	2,070	-	2,070
Meeting Expenses	2,760	2,463	297
Legal	-	2,172	(2,172)
LTAC Grant Award	76,470	68,952	7,518
Total Expenditures	<u>82,650</u>	<u>75,057</u>	<u>7,593</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>24</u>	<u>24</u>
NON-OPERATING REVENUE			
Investment Revenue	-	1	-
Total Non-Operating Revenue	<u>-</u>	<u>1</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>25</u>	<u>24</u>
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>76</u>	<u>76</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>

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

**CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
COMBINING BALANCE SHEET
December 31, 2024**

	General	Debt Service	Total Component Unit
ASSETS			
Cash and Investments	\$ 8,887,049	\$ -	\$ 8,887,049
Cash and Investments - Restricted	-	2,453,573	2,453,573
Receivables:			
Intergovernmental	1,711,071	-	1,711,071
Other	7,724	-	7,724
TOTAL ASSETS	\$ 10,605,844	\$ 2,453,573	\$ 13,059,417
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,551,176	\$ -	\$ 1,551,176
Retainage Payable	285,036	-	285,036
Total Liabilities	1,836,212	-	1,836,212
 FUND BALANCES			
Restricted for:			
Emergencies (TABOR)	245,000	-	245,000
Debt Service	-	2,453,573	2,453,573
Assigned to:			
Subsequent Year's Expenditures	5,842,872	-	5,842,872
Unassigned	2,681,760	-	2,681,760
Total Fund Balances	8,769,632	2,453,573	11,223,205
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,605,844	\$ 2,453,573	\$ 13,059,417

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 - PARK MEADOWS BUSINESS
IMPROVEMENT DISTRICT COMPONENT UNIT
TO THE STATEMENT OF NET POSITION
December 31, 2024

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	\$	11,223,205
Capital assets and right to use lease assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental		
Right to Use Lease Assets, Net of Accumulated Amortization		11,362,099
Capital Assets, Net of Accumulated Depreciation		20,285,630
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Loans Payable		(15,393,484)
Leases Payable		(12,219,635)
		(27,613,119)
Net position of Park Meadows Business Improvement District component unit activities	\$	15,257,815

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

CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Total Component Unit</u>
REVENUES			
Intergovernmental Revenue	\$ 7,736,223	\$ -	\$ 7,736,223
Grant Income	2,516,861	-	2,516,861
Net Investment Income	385,416	59,103	444,519
Miscellaneous Income	5,453	-	5,453
Total Revenues	<u>10,643,953</u>	<u>59,103</u>	<u>10,703,056</u>
EXPENDITURES			
Current			
Operations and Maintenance	2,266,116	-	2,266,116
Property Repairs and Replacements	1,625,121	-	1,625,121
Professional Services	120,728	-	120,728
General Administrative	43,431	-	43,431
Off Site Storage	30,586	-	30,586
District Management Fee	201,134	-	201,134
Intergovernmental Expenses	379,410	-	379,410
Marketing	134,085	-	134,085
Capital Outlay	9,871,443	-	9,871,443
Debt Service			
Loan Principal	287,723	1,017,637	1,305,360
Loan Interest and Fiscal Charges	431,085	684,547	1,115,632
Total Expenditures	<u>15,390,862</u>	<u>1,702,184</u>	<u>17,093,046</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,746,909)</u>	<u>(1,643,081)</u>	<u>(6,389,990)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-term Debt	-	8,677,657	8,677,657
Transfers In	5,611,766	-	5,611,766
Transfers (Out)	-	(5,611,766)	(5,611,766)
Total Other Financing Sources (Uses)	<u>5,611,766</u>	<u>3,065,891</u>	<u>8,677,657</u>
NET CHANGE IN FUND BALANCES	864,857	1,422,810	2,287,667
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	<u>7,904,775</u>	<u>1,030,763</u>	<u>8,935,538</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,769,632</u>	<u>\$ 2,453,573</u>	<u>\$ 11,223,205</u>

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 THE PARK MEADOWS
BUSINESS IMPROVEMENT DISTRICT COMPONENT UNIT
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

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 \$ 2,287,667

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which outlay exceeded depreciation and amortization during the year.

Capital Outlay	9,871,443
Depreciation Expense	(1,347,373)
Amortization Expense	(552,234)

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	1,017,637
Lease Payment	287,723
Proceeds from Loans	(8,677,657)

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.

Accrued Interest on Loans Payable - Change in Liability	19,463
2017 Loan Issuance Costs Expensed in Current Year	(68,327)

Changes in net position of Park Meadows Business Improvement District component unit activities	\$ 2,838,342
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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, 2024

	<u>Budget Amounts Original</u>	<u>Budget Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental Revenue	\$ 7,599,415	\$ 7,599,415	\$ 7,736,223	\$ 136,808
Grant Revenue	-	-	2,516,861	2,516,861
Net Investment Income	75,000	75,000	385,416	310,416
Miscellaneous Revenue	-	-	5,453	5,453
Total Revenues	<u>7,674,415</u>	<u>7,674,415</u>	<u>10,643,953</u>	<u>2,969,538</u>
EXPENDITURES				
Current				
Operations and Maintenance	1,827,000	1,827,000	2,266,116	(439,116)
Property Repairs and Replacements	138,000	138,000	1,625,121	(1,487,121)
Professional Services	61,000	61,000	120,728	(59,728)
General Administrative	50,000	50,000	43,431	6,569
Off Site Storage	30,000	30,000	30,586	(586)
District Management Fee	222,000	222,000	201,134	20,866
Intergovernmental Expenses	360,875	360,875	379,410	(18,535)
Marketing	110,000	110,000	134,085	(24,085)
Contingency	150,000	150,000	-	150,000
Capital Outlay	2,571,878	18,571,878	9,871,443	8,700,435
Debt Service				
Principal - Leases	652,104	652,104	287,723	364,381
Interest - Leases	-	-	431,085	(431,085)
Total Expenditures	<u>6,172,857</u>	<u>22,172,857</u>	<u>15,390,862</u>	<u>6,781,995</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,501,558</u>	<u>(14,498,442)</u>	<u>(4,746,909)</u>	<u>9,751,533</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	16,000,000	5,611,766	(10,388,234)
Transfers (Out)	<u>(1,089,392)</u>	<u>(7,239,392)</u>	<u>-</u>	<u>7,239,392</u>
Total Other Financing Sources (Uses)	<u>(1,089,392)</u>	<u>8,760,608</u>	<u>5,611,766</u>	<u>(3,148,842)</u>
NET CHANGE IN FUND BALANCES	412,166	(5,737,834)	864,857	6,602,691
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	<u>9,276,518</u>	<u>9,276,518</u>	<u>7,904,775</u>	<u>(1,371,743)</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,688,684</u>	<u>\$ 3,538,684</u>	<u>\$ 8,769,632</u>	<u>\$ 5,230,948</u>

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

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, 2024

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Net Investment Income	\$ -	\$ -	\$ 59,103	\$ 59,103
Total Revenues	<u>-</u>	<u>-</u>	<u>59,103</u>	<u>59,103</u>
EXPENDITURES				
Loan Principal	867,782	867,782	1,017,637	(149,855)
Loan Interest and Fiscal Charges	221,610	709,110	684,547	24,563
Total Expenditures	<u>1,089,392</u>	<u>1,576,892</u>	<u>1,702,184</u>	<u>(125,292)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,089,392)</u>	<u>(1,576,892)</u>	<u>(1,643,081)</u>	<u>(66,189)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-term Debt	-	11,357,500	8,677,657	(2,679,843)
Transfers In	1,089,392	7,239,392	-	(7,239,392)
Transfers Out	-	(16,000,000)	(5,611,766)	10,388,234
Total Other Financing Sources (Uses)	<u>1,089,392</u>	<u>2,596,892</u>	<u>3,065,891</u>	<u>468,999</u>
NET CHANGE IN FUND BALANCES	-	1,020,000	1,422,810	402,810
FUND BALANCES - BEGINNING OF YEAR	<u>1,097,189</u>	<u>1,097,189</u>	<u>1,030,763</u>	<u>(66,426)</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,097,189</u>	<u>\$ 2,117,189</u>	<u>\$ 2,453,573</u>	<u>\$ 336,384</u>

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

**CITY OF LONE TREE
LONE TREE BUSINESS IMPROVEMENT DISTRICT
BALANCE SHEET
December 31, 2024**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 357,661	\$ -	\$ 357,661
Receivables:			
Intergovernmental	2,183	-	2,183
Property Tax	286,760	-	286,760
Prepaid Items	2,831	-	2,831
TOTAL ASSETS	649,435	-	649,435
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	24,069	-	24,069
Total Liabilities	24,069	-	24,069
 DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	286,760	-	286,760
 FUND BALANCES			
Nonspendable:			
Prepaid Items	2,831	-	2,831
Restricted for:			
Emergencies (TABOR)	9,949	-	9,949
Assigned for:			
Capital Projects	-	-	-
Unassigned	325,826	-	325,826
Total Fund Balances	338,606	-	338,606
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 649,435	\$ -	\$ 649,435

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 - LONE TREE BUSINESS
IMPROVEMENT DISTRICT COMPONENT UNIT
TO THE STATEMENT OF NET POSITION
December 31, 2024**

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	\$	338,606
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		(296,922)
Net position of Lone Tree Business Improvement District component unit activities	\$	338,606

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

CITY OF LONE TREE
LONE TREE BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2024

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
General Property Tax	\$ 306,085	\$ -	\$ 306,085
Specific Ownership Taxes	22,241	-	22,241
Interest Income	3,308	-	3,308
Total Revenues	<u>331,634</u>	<u>-</u>	<u>331,634</u>
EXPENDITURES			
Insurance	5,000	-	5,000
Legal	4,045	-	4,045
Office Overhead	1,197	-	1,197
Accounting	6,443	-	6,443
Management	50,000	-	50,000
Landscaping Services	100,603	163,404	264,007
Snow Plow Services	97,466	-	97,466
Treasurer's Fees	4,622	-	4,622
Plaza and Lighting Maintenance	-	-	-
Total Expenditures	<u>269,376</u>	<u>163,404</u>	<u>432,780</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>62,258</u>	<u>(163,404)</u>	<u>(101,146)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	112,446	-	112,446
Transfers In	-	(112,446)	(112,446)
Total Other Financing Sources (Uses)	<u>112,446</u>	<u>(112,446)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	174,704	(275,850)	(101,146)
FUND BALANCES - BEGINNING OF YEAR	163,902	275,850	439,752
FUND BALANCES - END OF YEAR	<u>\$ 338,606</u>	<u>\$ -</u>	<u>\$ 338,606</u>

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 THE LONE TREE
BUSINESS IMPROVEMENT DISTRICT TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

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	<u>\$ (101,146)</u>
Changes in net position of Lone Tree Business Improvement District component unit activities	<u><u>\$ (101,146)</u></u>

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

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, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General Property Tax	\$ 313,395	\$ 296,922	\$ 306,085	\$ 9,163
Specific Ownership Taxes	25,072	23,754	22,241	(1,513)
Interest Income	250	250	3,308	3,058
Total Revenues	<u>338,717</u>	<u>320,926</u>	<u>331,634</u>	<u>10,708</u>
EXPENDITURES				
Insurance	5,597	5,597	5,000	597
Legal	4,000	5,000	4,045	955
Office Overhead	500	1,200	1,197	3
Accounting	-	-	6,443	(6,443)
Management	50,000	50,000	50,000	-
Landscaping Services	97,255	97,255	100,603	(3,348)
Snow Plow Services	170,500	170,500	97,466	73,034
Treasurer's Fees	4,701	4,454	4,622	(168)
Drainage Pond Cleaning	1,500	1,500	-	1,500
Plaza and Lighting Maintenance	7,445	7,445	-	7,445
Total Expenditures	<u>341,498</u>	<u>342,951</u>	<u>269,376</u>	<u>73,575</u>
EXCESS OF REVENUES OVER				
EXPENDITURES				
	<u>(2,781)</u>	<u>(22,025)</u>	<u>62,258</u>	<u>84,283</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	30,000	-	112,446	112,446
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>-</u>	<u>112,446</u>	<u>112,446</u>
NET CHANGE IN FUND BALANCES				
	27,219	(22,025)	174,704	196,729
FUND BALANCES - BEGINNING OF YEAR				
	<u>155,794</u>	<u>163,902</u>	<u>163,902</u>	<u>-</u>
FUND BALANCES - END OF YEAR				
	<u>\$ 183,013</u>	<u>\$ 141,877</u>	<u>\$ 338,606</u>	<u>\$ 196,729</u>

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

**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, 2024**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest Income	\$ 50	\$ 50	\$ -	\$ (50)
Total Revenues	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
EXPENDITURES				
Parking Lot Improvements	85,000	178,800	163,404	15,396
Capital Improvements	-	65,000	-	65,000
Lighting Improvements	-	5,000	-	5,000
Contingency	-	27,100	-	27,100
Total Expenditures	<u>85,000</u>	<u>275,900</u>	<u>163,404</u>	<u>112,496</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(84,950)</u>	<u>(275,850)</u>	<u>(163,404)</u>	<u>112,446</u>
OTHER FINANCING SOURCES (USES)				
Transfers In/(Out)	<u>(30,000)</u>	<u>-</u>	<u>(112,446)</u>	<u>(112,446)</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>-</u>	<u>(112,446)</u>	<u>(112,446)</u>
NET CHANGE IN FUND BALANCES	<u>(114,950)</u>	<u>(275,850)</u>	<u>(275,850)</u>	<u>-</u>
FUND BALANCES - BEGINNING OF YEAR	<u>115,801</u>	<u>275,850</u>	<u>275,850</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF LONE TREE
SCHEDULE OF CERTIFICATES OF PARTICIPATION TO MATURITY
December 31, 2024

\$50,195,000
Certificates of Participation
Dated April 09, 2024
Interest Rate at 3.960184%
Interest Payable
June 1 and December 1
Principal Due December 1

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2025	\$ 1,565,000	\$	2,392,500	\$	3,957,500
2026	1,645,000		2,314,250		3,959,250
2027	1,725,000		2,232,000		3,957,000
2028	1,810,000		2,145,750		3,955,750
2029	1,905,000		2,055,250		3,960,250
2030	2,000,000		1,960,000		3,960,000
2031	2,100,000		1,860,000		3,960,000
2032	2,205,000		1,755,000		3,960,000
2033	2,315,000		1,644,750		3,959,750
2034	2,430,000		1,529,000		3,959,000
2035	2,555,000		1,407,500		3,962,500
2036	2,680,000		1,279,750		3,959,750
2037	2,810,000		1,145,750		3,955,750
2038	2,955,000		1,005,250		3,960,250
2039	3,105,000		857,500		3,962,500
2040	3,255,000		702,250		3,957,250
2041	3,425,000		539,500		3,964,500
2042	3,595,000		368,250		3,963,250
2043	3,770,000		188,500		3,958,500
	<u>\$ 47,850,000</u>	<u>\$</u>	<u>27,382,750</u>	<u>\$</u>	<u>75,232,750</u>

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/24

This Information From The Records Of: City of Lone Tree	Prepared By: Heather Lunde
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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)	\$ 2,845,124
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,019,635
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 1,571,095
2. General fund appropriations	\$ 6,786,031	b. Snow and ice removal	\$ 1,473,784
3. Other local imposts (from page 2)	\$ 4,468,411	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 384,436	d. Total (a. through c.)	\$ 3,044,879
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 5,221,387
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 12,131,025
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)	\$ 11,638,878	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 492,147	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 12,131,025	b. Redemption	
		c. Total (a. + b.)	\$ -
		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)	\$ 12,131,025

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
	\$ -	\$ 12,131,025	\$ 12,131,025	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
 COLORADO
 YEAR ENDING (mm/yy):
 12/24

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 384,436
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	\$ 4,468,411	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 4,468,411	h. Other	
c. Total (a. + b.)	\$ 4,468,411	i. Total (a. through h.)	\$ 384,436
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 445,392	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	\$ 46,755	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.)	\$ 46,755	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 492,147	3. Total (1. + 2.g)	
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

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		\$ 2,685,201	\$ 2,685,201
(3). System Preservation		\$ 159,923	\$ 159,923
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 2,845,124	\$ 2,845,124
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 2,845,124	\$ 2,845,124

(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.

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Fund Balances, Governmental Funds (Table 3)	147
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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.

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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.

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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.

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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.

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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									
	2015 (2)	2016	2017	2018	2019 (3)	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 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	\$ 121,413,253
Restricted	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	67,729,349
Unrestricted	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	56,012,741
Total governmental activities net position	<u>116,745,151</u>	<u>120,016,797</u>	<u>121,235,191</u>	<u>125,643,077</u>	<u>149,657,424</u>	<u>160,728,949</u>	<u>174,018,862</u>	<u>194,940,914</u>	<u>215,906,193</u>	<u>245,155,343</u>
Total primary government net position (1)	<u>\$ 116,745,151</u>	<u>\$ 120,016,797</u>	<u>\$ 121,235,191</u>	<u>\$ 125,643,077</u>	<u>\$ 149,657,424</u>	<u>\$ 160,728,949</u>	<u>\$ 174,018,862</u>	<u>\$ 194,940,914</u>	<u>\$ 215,906,193</u>	<u>\$ 245,155,343</u>

(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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 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	\$ 15,835,926
Municipal court	234,799	259,849	323,935	374,079	293,408	312,221	296,674	226,058	320,879	381,639
Community development	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	1,785,404
Public works	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	16,248,353
Arts and cultural services	3,198,170	3,239,157	4,138,733	4,080,168	3,421,829	2,535,888	2,935,663	2,843,509	4,537,788	4,836,817
Police	6,779,310	7,091,270	7,752,422	7,350,747	8,092,467	8,842,924	8,821,749	8,538,025	10,529,171	11,308,119
Interest and related costs on long-term debt	837,894	777,775	586,505	446,040	358,185	297,241	259,634	213,533	164,376	1,923,744
Interest and related costs on leases	-	-	-	-	-	-	-	137,447	137,173	127,893
Interest and related costs on SBITA	-	-	-	-	-	-	-	-	95,560	146,072
Total governmental activities expenses	<u>35,357,566</u>	<u>37,237,850</u>	<u>39,592,561</u>	<u>39,741,959</u>	<u>36,353,496</u>	<u>33,787,104</u>	<u>36,826,738</u>	<u>42,468,810</u>	<u>49,663,736</u>	<u>52,593,967</u>
Total primary government expenses (1)	<u>\$ 35,357,566</u>	<u>\$ 37,237,850</u>	<u>\$ 39,592,561</u>	<u>\$ 39,741,959</u>	<u>\$ 36,353,496</u>	<u>\$ 33,787,104</u>	<u>\$ 36,826,738</u>	<u>\$ 42,468,810</u>	<u>\$ 49,663,736</u>	<u>\$ 52,593,967</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 239,633	\$ 179,424	\$ 176,438	\$ 527,238	\$ 228,916	\$ 174,152	\$ 179,049	\$ 164,717	\$ 234,271	\$ 202,422
Municipal court	691,943	680,688	636,085	565,302	54,044	37,305	38,319	39,177	36,716	49,116
Community development	1,396,976	1,156,256	832,431	1,321,541	1,215,296	1,364,480	1,493,204	1,580,425	1,293,144	1,907,992
Public works	-	736	499	21,247	150,570	213,624	385,934	539,577	699,969	551,439
Arts and cultural services	1,284,726	996,884	1,562,983	1,253,940	1,537,972	360,031	368,504	1,251,215	1,586,785	1,836,959
Police	3,491	4,453	4,679	7,965	630,875	421,484	848,037	372,779	483,272	429,429
Operating grants and contributions	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	7,985,101
Capital grants and contributions	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	20,185,707
Total governmental activities program revenues	<u>25,316,731</u>	<u>11,522,084</u>	<u>12,379,536</u>	<u>14,004,136</u>	<u>30,163,449</u>	<u>21,429,064</u>	<u>20,156,174</u>	<u>15,213,425</u>	<u>19,727,489</u>	<u>33,148,165</u>
Total primary government revenues (1)	<u>\$ 25,316,731</u>	<u>\$ 11,522,084</u>	<u>\$ 12,379,536</u>	<u>\$ 14,004,136</u>	<u>\$ 30,163,449</u>	<u>\$ 21,429,064</u>	<u>\$ 20,156,174</u>	<u>\$ 15,213,425</u>	<u>\$ 19,727,489</u>	<u>\$ 33,148,165</u>
Net (expense) revenue										
Governmental activities										
	<u>\$(10,040,835)</u>	<u>\$(25,715,766)</u>	<u>\$(27,213,025)</u>	<u>\$(25,737,823)</u>	<u>\$(6,190,048)</u>	<u>\$(12,358,041)</u>	<u>\$(16,670,564)</u>	<u>\$(27,255,384)</u>	<u>\$(29,936,247)</u>	<u>\$(19,445,802)</u>
Total primary government net (expense) revenue (1)	<u>\$(10,040,835)</u>	<u>\$(25,715,766)</u>	<u>\$(27,213,025)</u>	<u>\$(25,737,823)</u>	<u>\$(6,190,048)</u>	<u>\$(12,358,041)</u>	<u>\$(16,670,564)</u>	<u>\$(27,255,384)</u>	<u>\$(29,936,247)</u>	<u>\$(19,445,802)</u>
General revenues										
Sales taxes and Use tax - Retail	\$ 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	\$ 38,934,024
Use taxes - Building materials	1,155,608	791,702	414,263	935,963	770,496	1,320,568	1,299,531	1,727,013	1,528,324	1,656,976
Lodging taxes	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	1,743,578
Admission taxes	368,432	411,421	363,474	375,613	337,637	176,402	254,286	339,902	227,820	407,653
Franchise fees	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	1,236,050
Cigarette taxes	194,668	197,519	175,349	169,197	153,456	171,392	134,946	91,582	139,633	103,958
Investment earnings	22,376	140,767	234,364	400,134	431,565	149,251	10,489	671,563	2,627,841	4,332,656
Lease Revenue	-	-	-	-	-	-	-	45,190	40,462	50,125
SBITA Gain on Agreement Renewal	-	-	-	-	-	-	-	-	-	120,511
Miscellaneous	136,995	707,051	161,055	278,910	159,039	164,723	296,020	242,037	258,691	370,180
Total governmental activities general revenues	<u>28,802,489</u>	<u>28,987,412</u>	<u>28,431,419</u>	<u>30,704,454</u>	<u>30,204,395</u>	<u>23,429,566</u>	<u>29,960,477</u>	<u>48,177,435</u>	<u>50,901,526</u>	<u>48,955,711</u>
Total primary government general revenues (1)	<u>\$ 28,802,489</u>	<u>\$ 28,987,412</u>	<u>\$ 28,431,419</u>	<u>\$ 30,704,454</u>	<u>\$ 30,204,395</u>	<u>\$ 23,429,566</u>	<u>\$ 29,960,477</u>	<u>\$ 48,177,435</u>	<u>\$ 50,901,526</u>	<u>\$ 48,955,711</u>
Change in net position										
Governmental activities										
	<u>\$ 18,761,654</u>	<u>\$ 3,271,646</u>	<u>\$ 1,218,394</u>	<u>\$ 4,966,631</u>	<u>\$ 24,014,347</u>	<u>\$ 11,071,525</u>	<u>\$ 13,289,913</u>	<u>\$ 20,922,051</u>	<u>\$ 20,965,279</u>	<u>\$ 29,509,909</u>
Total primary government change in net position (1)	<u>\$ 18,761,654</u>	<u>\$ 3,271,646</u>	<u>\$ 1,218,394</u>	<u>\$ 4,966,631</u>	<u>\$ 24,014,347</u>	<u>\$ 11,071,525</u>	<u>\$ 13,289,913</u>	<u>\$ 20,922,051</u>	<u>\$ 20,965,279</u>	<u>\$ 29,509,909</u>

(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									
	2015 (1)	2016	2017	2018 (2)	2019	2020	2021	2022	2023	2024
General Fund										
Non-spendable	\$ 380,189	\$ 514,737	\$ 406,279	\$ 167,676	\$ 162,809	\$ 151,718	\$ 71,015	\$ 270,208	\$ 44,418	\$ 250,267
Restricted	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	67,729,349
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	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	16,509,224
Unassigned	<u>4,273,000</u>	<u>4,398,000</u>	<u>4,545,000</u>	<u>4,822,000</u>	<u>4,978,000</u>	<u>6,451,000</u>	<u>5,821,300</u>	<u>26,649,553</u>	<u>28,222,689</u>	<u>40,267,596</u>
Total General Fund	<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>\$ 46,935,508</u>	<u>\$ 57,372,357</u>	<u>\$ 124,756,436</u>
All other governmental funds										
Non-spendable	\$ 56,673	\$ 53,659	\$ 110,727	\$ 81,303	\$ 106,025	\$ 21,215	\$ 86,811	\$ 116,668	\$ 158,351	\$ 151,981
Restricted	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	570,172
Assigned	-	-	-	8,775	-	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	<u>(56,673)</u>	<u>(53,659)</u>	<u>(110,727)</u>	<u>(127,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 722,153</u>
Total governmental funds										
Non-spendable	\$ 436,862	\$ 568,396	\$ 517,006	\$ 248,979	\$ 268,834	\$ 172,933	\$ 157,826	\$ 386,876	\$ 202,769	\$ 402,248
Restricted	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	67,729,349
Committed	-	-	-	105	206,486	146,219	225,267	800,638	697,856	570,172
Assigned	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	16,509,224
Unassigned	<u>4,216,327</u>	<u>4,344,341</u>	<u>4,434,273</u>	<u>4,694,422</u>	<u>4,978,000</u>	<u>6,451,000</u>	<u>5,821,300</u>	<u>26,649,553</u>	<u>28,222,689</u>	<u>40,267,596</u>
Total governmental funds	<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>	<u>\$ 125,478,589</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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023 (1)	2024
Revenues										
Taxes	\$ 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	\$ 42,742,229
Franchise Fees	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	1,236,050
Intergovernmental	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	7,242,449
Licenses, Fees and Charges	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	2,636,091
Fines and Forfeitures	691,943	680,688	636,085	565,302	672,181	436,363	371,622	393,404	490,057	444,172
Net Investment Income	22,376	140,767	234,364	400,134	431,565	149,251	10,488	664,997	2,623,389	2,940,061
Held in Trust - Interest Income - Certificates of Participation	-	-	-	-	-	-	-	-	-	1,390,448
Tenant Rental Income	239,634	179,424	176,438	250,519	228,919	174,152	179,050	164,717	110,002	111,440
Arts and Cultural Event Fees	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	2,713,523
Base Rentals	1,290,006	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	2,221,388	5,466,661
Other	205,953	839,181	285,663	452,654	307,314	359,538	588,503	382,912	334,888	453,604
Total Revenues	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	67,376,727
Expenditures										
General Government	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	6,794,829
Municipal Court	192,197	226,495	270,686	302,995	309,063	299,755	294,898	309,076	331,450	393,480
Community Development	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	1,759,051
Police	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	11,603,082
Public Works	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	9,161,047
Arts and Cultural Services	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	4,434,948
Park and Recreation	-	-	-	-	-	-	-	-	104,398	106,031
Sharebacks	-	-	-	-	-	-	-	-	10,023,120	8,637,666
Debt Service										
Certificates of Participation Interest	-	-	-	-	-	-	-	-	-	1,617,394
Certificates of Participation Principal	-	-	-	-	-	-	-	-	-	2,345,000
Bond Principal	2,920,000	1,755,000	1,890,000	2,030,000	492,600	422,500	340,100	233,300	118,300	-
Bond Interest	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	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	9,286,672
Total Expenditures	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	56,139,200
Excess of Revenues Over (Under) Expenditures	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	11,237,528
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	-	-	-	-	-	-	-
Certificates of Participation - Issuance	-	-	-	-	-	-	-	-	-	50,195,000
Certificates of Participation - Premium	-	-	-	-	-	-	-	-	-	6,274,409
Certificates of Participation - Cost of Issuance	-	-	-	-	-	-	-	-	-	(456,911)
Transfers In	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	5,407,382
Transfers Out	(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)	(5,407,382)
Lease Inception	-	-	-	-	-	-	-	7,078	-	-
Total Other Financing Sources (Uses)	-	-	(99,267)	-	-	-	-	7,078	-	56,012,498
Net Change in Fund Balances	\$ 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	\$ 67,250,026
Debt Service as a % of Noncapital Expenditures	21.2%	7.0%	5.9%	6.4%	8.0%	14.6%	9.6%	7.1%	7.7%	12.3%

(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)
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%
2024	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 2024**

<u>Industry</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
Retail	\$ 35,939,501	92.31%
Services	1,641,496	4.21%
Government	1,168	0.01%
Finance, insurance and real estate	133,846	0.34%
Transportation and utilities	1,218,013	3.13%
Total	<u>\$ 38,934,024</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
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
2024	38,934,024

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>Residential</u>	<u>Commercial</u>	<u>Assessed Value Other</u>	<u>Personal</u>	<u>Total</u>	<u>Actual Value (2)</u>
2014	2015	155,833,800	309,658,840	20,493,300	54,399,760	540,385,700	3,131,131,975
2015	2016	188,966,170	379,839,260	18,558,910	64,355,840	651,720,180	3,783,743,011
2016	2017	195,142,240	376,546,220	16,546,590	63,227,760	651,462,810	3,840,344,430
2017	2018	205,189,400	427,144,090	22,154,660	62,070,460	716,558,610	4,432,701,543
2018	2019	241,702,730	490,445,000	17,314,590	67,813,980	817,276,300	5,195,739,181
2019	2020	245,996,550	490,611,300	14,807,010	65,541,430	816,956,290	5,249,030,422
2020	2021	267,517,020	530,192,300	14,193,440	60,030,370	871,933,130	5,687,392,940
2021	2022	261,156,120	550,801,440	18,557,240	68,639,510	899,154,310	5,799,198,128
2022	2023	338,824,830	603,420,320	26,104,500	84,271,770	1,052,621,420	7,397,230,837
2023	2024	348,933,490	599,991,210	28,703,140	88,011,370	1,065,639,210	7,545,128,013

(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)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
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	0.449	0.473	0.453	0.479	0.451	0.478	0.479	0.5	0.425	0.430
Douglas County	19.774	19.274	19.774	19.774	19.274	19.274	18.524	18.524	19.774	18.726
Douglas County Library District	4.035	4.016	4.021	4.008	4.023	4.012	4.021	4.008	3.513	4.000
Douglas County School District No. Re 1	46.945	45.564	30.942	36.896	35.785	35.450	35.743	36.136	40.730	40.324
Douglas County School District No. Re 1 Bonds	0.000	0.000	0.000	8.054	8.054	8.054	8.054	6.700	5.204	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	39.544	39.000	40.000	40.000	40.000	40.000	40.000	41.137	33.097	33.097
Lone Tree Business Improvement District	15.000	17.500	17.500	17.500	17.500	17.500	17.500	17.500	17.500	17.500
Lone Tree Urban Renewal Authority	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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	48.000	48.000	49.000	49.000	49.000	49.368	50.000	50.000
Rampart Range Metropolitan District No. 7	46.000	46.000	48.000	48.000	49.000	49.000	49.000	49.368	50.000	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	9.344	9.250	9.250	9.250	9.250	9.250	9.319	9.288	9.250	9.290
South Suburban Park and Recreation District	8.651	8.643	8.496	8.364	8.365	8.385	8.396	8.426	8.320	8.286
Southeast Public Improvement Metro District	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	1.865	2.000
Southgate Sanitation District	0.510	0.510	0.465	0.465	0.445	0.465	0.463	0.465	0.428	0.445
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	0.553	0.559	0.500	0.726	0.900	0.900	0.900	0.900	0.900	0.900
Urban Drainage & Flood South Platte	0.058	0.061	0.057	0.094	0.097	0.100	0.100	0.100	0.100	0.100
	<u>245.250</u>	<u>245.237</u>	<u>235.845</u>	<u>249.997</u>	<u>250.531</u>	<u>250.255</u>	<u>249.886</u>	<u>250.807</u>	<u>247.493</u>	<u>246.689</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			Subscription-Based Information Technology Arrangements (SBITAs)	Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation (1)	Sales and Use Tax Revenue Bonds (2) (3)	Lease Liabilities				
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	-	-	270,099	115,141	385,240	0.02%	26
2024	47,850,000	-	205,373	-	48,055,373	2.83%	3,204

- (1) In 2024, the City issued Certificates of Participation for the design and construction of a Justice Center, Public Works Facility and High Note Regional Park, as well as capital improvements to the Municipal Building.
- (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. These were paid off in 2023.
- (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. These were paid off in 2023.

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

	<u>2015</u>	<u>2016</u>	<u>2017 (1)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 (2)</u>	<u>2024</u>
Debt limit	\$ 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	\$ -	\$ -
Legal debt margin (1)	\$ 3,120,000	\$ 3,120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to the limit as a percentage of debt limit	89.94%	89.94%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%

(1) 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.

(2) 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.

**CITY OF LONE TREE
GENERAL OBLIGATION DEBT - DIRECT AND OVERLAPPING GOVERNMENTS
As of December 31, 2024**

	<u>Outstanding General Obligation Debt</u>	<u>Other Long- Term Debt Instruments</u>	<u>Percent Applicable to City*</u>	<u>City's Share of Debt</u>
Direct:				
City of Lone Tree	\$ -	\$ 48,055,373	100.00%	<u>\$ 48,055,373</u>
Overlapping:				
Douglas County School District No. Re 1	527,325,000	-	10.05%	52,996,163
South Suburban Park and Recreation District	33,480,000	-	23.54%	7,881,192
Park Meadows Business Improvement Distric	12,909,843	-	100.00%	12,909,843
Total overlapping debt				<u>73,787,198</u>
Total direct and overlapping debt				<u>\$ 121,842,571</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
- Lone Tree Business Improvement District
- Lone Tree Urban Renewal Authority
- 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**

<u>Calendar Year</u>	<u>Estimated Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income [1]</u>	<u>Douglas County Unemployment Rate</u>
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%
2024	15,000	1,695,135,000	113,009	4.30%

[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>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Douglas County School District	8,500	1	5,563	1
Charles Schwab	3,800	2	2,400	2
DISH Network	1,900	3		
Douglas County Government	1,491	4	1,146	7
Healthone: Sky Ridge Medical	1,300	5	1,220	5
Lockheed Martin Corporation	1,300	6		
Kiewit Companies	1,300	7		
Sequoia One	1,000	8		
Western Union	900	9	1,210	6
Wind Crest	900	10		
Echostar Communications			2,010	3
CH2M Hill			1,660	4
Centura: Parker Adventist Hospital			1,110	8
Information Handling Services			980	9
Specialized Loan Servicing			940	10

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

Source: Douglas County Department of Finance

**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)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	18.00	19.75	23.38	22.38	22.50	22.50	22.63	23.88	26.00	27.00
Municipal court	2.00	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community development	7.00	7.00	8.00	8.00	8.00	10.00	10.00	10.00	14.00	15.00
Arts & Cultural	19.50	20.50	21.50	22.25	22.25	23.00	22.00	22.00	22.00	22.00
Police	56.50	58.50	60.00	59.50	62.50	62.50	64.25	66.25	70.25	74.50
Public Works	-	1.00	1.00	6.00	9.00	11.00	11.00	10.00	12.00	14.00
Total	<u>103.00</u>	<u>109.25</u>	<u>116.38</u>	<u>121.13</u>	<u>127.25</u>	<u>132.00</u>	<u>132.88</u>	<u>135.13</u>	<u>147.25</u>	<u>155.50</u>

(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)	2015	2016	2017	2018	2019	2020(2)	2021	2022	2023	2024
Municipal court										
Number of court cases	3,094	2,307	1,913	1,748	1,432	887	917	919	1,646	1,512
Community development										
Building permits issued	872	770	750	720	806	711	726	700	852	1,129
Building inspections conducted	5,475	5,329	5,720	4,691	4,279	4,169	4,721	4,869	5,429	10,246
Public works										
Streets overlaid (miles)	6.23	8.25	7.90	14.97	7.43	-	10.91	9.40	10.30	11.80
Public safety										
Accidents	1,443	1,255	1,160	1,058	846	520	650	692	681	901
Citations issued	5,079	5,115	4,135	4,674	4,497	2,143	1,188	2,299	3,430	2,746

(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)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public works										
Streets (miles)	160.76	160.76	160.76	160.76	161.1	161.1	161.1	161.1	168.75	172.93
Traffic signals	48	48	49	50	53	54	56	56	61	62
Public safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	20	23	21	21	21	21	21	24	29	31
Capital outlay										
Storm drainage (miles)	41.80	43.12	43.12	43.36	43.36	43.36	43.36	43.36	46.90	54.60

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

Source: Various City departments