

Annual Comprehensive Financial Report

For the Year Ended December 31, 2022



City of Thornton
Colorado

City of Thornton, Colorado

Annual Comprehensive Financial Report
For the fiscal year ended
December 31, 2022

Prepared by the Finance Department

City of Thornton, Colorado

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Thornton, CO 80229-4326

City Manager's Office
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FAX 303-538-7562
www.ThorntonCO.gov

June 5, 2023

To the Honorable Mayor, City Council and Citizens of the City of Thornton:

We are pleased to submit the Annual Comprehensive Financial Report (Annual Report) of the City of Thornton (the City) for the year ended December 31, 2022. This report was prepared by the City's Finance Department and consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information contained in this report.

To provide a reasonable basis for these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government'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 accounting principles generally accepted in the United States of America (US GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by RSM US LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2022, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements. The independent auditor concluded, based upon the audit evidence obtained, that there was a sufficient and appropriate basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2022, are fairly presented in conformity with US GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal agencies that provide significant grant funds to the City. 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 audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls especially as they relate to the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

US 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 designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City incorporated in 1956 and became a Home-Rule City in 1967. Thornton operates under a council-manager form of government. The City Manager, the City Attorney and the Presiding Municipal Judge are appointed by City Council. Thornton employs approximately 1,098 full-time employees. The City is a full-service municipality providing police and fire protection, ambulance services, infrastructure construction and maintenance, city planning and development, recreational facilities and services and operates the Thorncreek Golf Course. In addition, the City provides water, sanitary sewer, stormwater, and solid waste collection all of which are reported as enterprise operations.

The City is located in Adams County in the northeast Denver Metropolitan area and encompasses 38 square miles. It is a suburban community of 148,623 residents with a retail-oriented business sector and some light industrial businesses.

Major Initiatives

In response to the growing needs of the community, City Council initiated and continued multiple projects and programs during 2022, including the following:

- Thornton Development Authority (TDA) gained control of the Thornton Shopping Center, which was granted by Adams County District Court in November 2022. Almost \$3.4M is allocated to environmental remediation, demolition, and relocation of tenants.
- Construction of the new Police Training Facility was completed and opened in 2022. This new facility provides an adaptable environment for officers to practice defensive tactics, training classrooms, a low-speed driving track, simulation training areas, and area for canine training.
- Design and construction of Americans with Disabilities Act (ADA) improvements began in 2022 throughout the city as part of a comprehensive citywide evaluation and effort to improve accessibility.
- Thomas J. Slocum Memorial Skate Park at Community Park opened early in 2022. The new skate park is almost twice as large as the previous park and includes a concrete pump track, a totally new feature for Thornton! The skate park will include seating areas, a shade pavilion, public art, and safety lighting.
- The City, in partnership with Anythink Libraries, is rebuilding the Thornton Community Center at 2211 Eppinger Boulevard. In 2022, work focused on design of the new facility, with construction beginning in 2023 and an expected reopening to occur in late 2024.
- Work continued on implementation of several large transportation projects throughout the City. These projects included construction of 144th Avenue widening from York Street to Colorado Boulevard, 128th Avenue widening from York Street to Colorado Boulevard, and design of 104th Avenue Widening.
- Work continued on the City's long-term water supply project, the Thornton Water Project. Activities in 2022 included permitting, land acquisition, construction, and the design of multiple pipeline segments. The project, when completed, will bring water from northern Colorado into Thornton to provide a reliable supply of water for current and future residents and businesses.
- Parks and Open Space secured over \$6.2 million in various grants to support capital projects and planning efforts, including \$2.9M for design and construction of improvements at Aylor Open Lands, \$1.3M for the citywide bicycle/pedestrian trail study and preconstruction activities. \$1M for Niver Open Space, and \$815k for McAllister field purchase and stabilization.
- The city created the Thornton COVID-19 Recovery Grant centered around providing financial assistance to businesses and nonprofits that serve Thornton residents and awarded over \$645k, including \$444k to 33 businesses. The city continued the Thornton Start Up Grant, and the city awarded 66 grants to businesses in total.

Factors Affecting Financial Condition

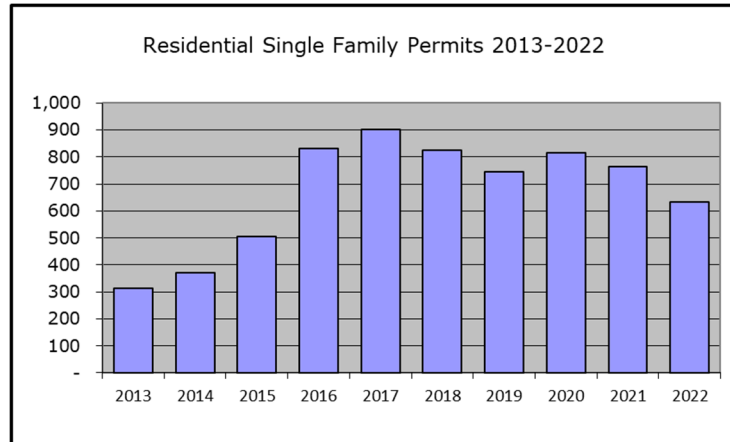
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

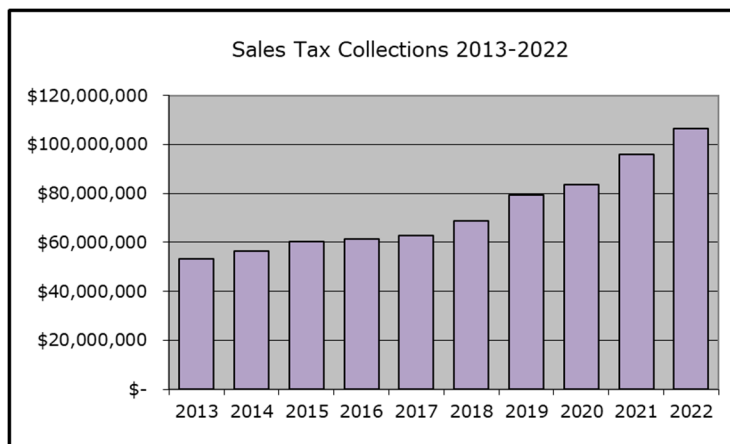
The City continues to experience strong commercial growth along the I-25 corridor, for both retail and primary employers. In early 2023, a new King Soopers Market Place along with various other retailers opened to support residential growth in the Northeast section of the city. The City is looking forward to several other commercial openings in 2023 including; Living Spaces, IC Brewhouse, two Dutch Bros locations, Runway 19 Coffee House, and Ugg. Primary employment continues to see growth, in 2022 Thornton added four new primary employers, Sashco, Solid Power, Air Squared Manufacturing, and North Washington Commerce Center, this level of growth is expected to continue at a rapid pace in 2023 along the I-25 corridor.

Local Economy (continued)

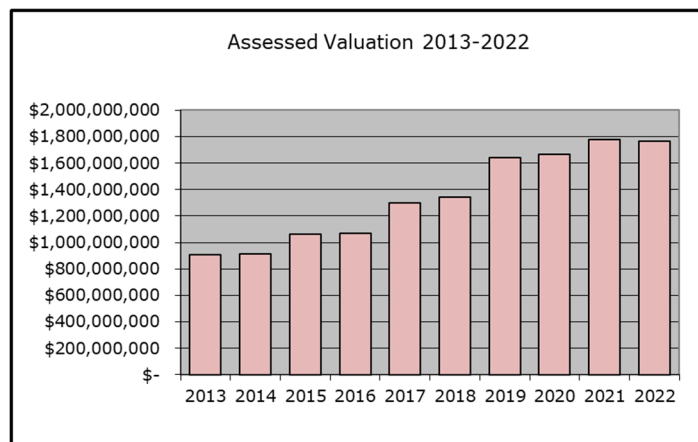
The City issued 632 single-family permits (attached and detached) for residential construction with an estimated value of \$276 million. The City issued 21 commercial building permits with an estimated value of \$46 million.



Sales tax collections in 2022, the largest single revenue stream received by the general government, totaled \$106.7 million, an increase of 11.2% over 2021.



Property values decreased 1% from 2021, totaling \$1.8 billion in assessed value for 2022. The property taxes associated with this assessed valuation will be collected in 2023.



Long Term Financial Planning

The City's financial policies related to fund balances and cash reserves are set by Council. The Council conducts periodic reviews of the fund balance policy and revises as needed to ensure Thornton is financially sustainable and able to meet established service levels, and to ensure the City is following recommended best practices in the government finance industry. The General Fund reserves 17% of the current year budget. Utilization of this reserve requires a two-thirds affirmative vote of Council. In the event that a cash reserve is utilized or the level falls below the amount set forth by policy, the City Council will approve a plan within two years of such event to restore levels to the required amount. In addition to the General Fund, the City maintains financial policies (related to fund balances and cash reserves) for the utility enterprise funds (including Water, Sewer, Stormwater and Environmental Services), and the Risk Fund (self-insurance fund).

Credit Ratings

To achieve the lowest possible interest rates and to be sure it has the widest markets for its bonds, the City often obtains credit ratings from two of the major rating services (Moody's and Standard & Poor's). Stronger ratings result in lower interest rates and reduce the cost to taxpayers and users of City services. The City's underlying bond ratings for all outstanding issues are as follows:

Issue	Moody's	Standard & Poor's
Certificates of Participation S2018	Aa2	AA-
Certificates of Participation S2020	Aa2	AA-
Water Revenue Refunding Bonds S2013	Aa2	AA
Water Revenue Bonds S2020	Aa2	AA
North Washington Urban Renewal Refunding Bonds	NR	A+
Thornton Development Authority 144th and I-25 Urban Renewal Bonds	NR	A+

Credit rating agencies base their ratings of the City's general government debt on a combination of factors. These key factors include debt burden, economic characteristics, government organization, and financial performance. The agencies do not view any one factor as most important. They weigh strengths and weaknesses in each area within the context of potential impact on the issuer's ability and willingness to repay the debt.

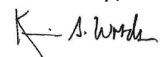
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Report for the fiscal year ended December 31, 2021. This is the thirty-seventh consecutive year the City has received this award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Annual Report continues to meet the Certificate Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and we would like to express our sincere appreciation to them for the contributions made in the preparation of this report. Credit also must be given to the Mayor and the City Council for their unflinching support for maintaining the highest standards of professionalism in the management of the City's finances.

Sincerely,



Kevin S. Woods
City Manager



Kimberly Newhart
Finance Director

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Thornton City Officials

December 31, 2022

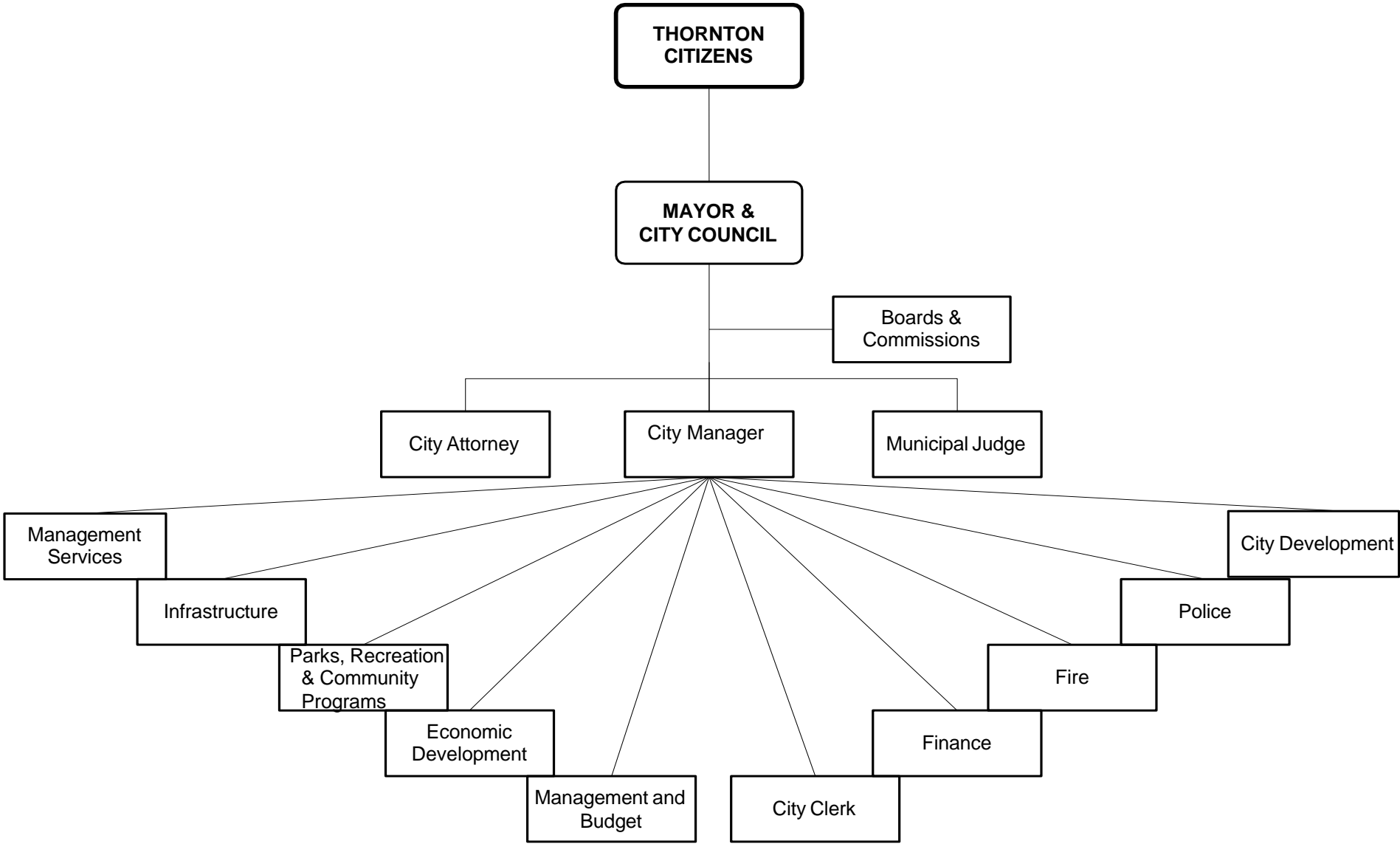
Mayor and City Council

Mayor	Jan Kulmann
Council Members	
Ward 1	Kathy Henson
Ward 1	Eric Garcia
Ward 2	Julia Marvin
Ward 2	Jessica Sandgren
Ward 3	Tony Unrein
Ward 3	David Acunto
Ward 4	Karen Bigelow
Ward 4	Adam Matkowsky

Administrative

City Manager	Kevin Woods
City Attorney	Tami Yellico
Municipal Judge	Tiffany Sorice
Assistant City Manager	Joyce Hunt
Assistant City Manager	Robb Kolstad
Deputy City Manager – City Development	Randy Grant
Executive Director – Infrastructure	Brett Henry
Executive Director – Management Services	Chris Molison
Executive Director – Parks, Recreation & Community Services	Doug Romig
Police Chief	Terrence Gordon
Fire Chief	Gordie Olson
Director – Economic Development	John Cody
Director – Finance	Kimberly Newhart
City Clerk	Kristen Rosenbaum
Director – Communications	Todd Barnes

2022 City Government Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Thornton
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

Independent Auditor's Report

RSM US LLP

The Honorable Mayor and
Members of the City Council
City of Thornton, Colorado

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thornton, Colorado (the City), as of and for the year ended December 31, 2022, 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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thornton, Colorado, as of December 31, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 opinions.

Emphasis of Matter

As discussed in Note A.21 of the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the current year. As a result, beginning net position at the governmental activities was restated and other lease-related item and disclosures here added to the financial statements as of January 1, 2022. Our opinions are not modified with respect to this matter.

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS 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, pension information, the schedule of changes in the City's total OPEB liability and related ratios, and budgetary comparison information, 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, budgetary comparison schedules, and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and other 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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 the City's internal control over financial reporting and compliance.

RSM US LLP

Kansas City, Missouri
June 2, 2023

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City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2022

As management of the City of Thornton ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report, and the City's financial statements that follow this section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,654,823,088. This total is divided between Governmental Activities of \$552,394,198 and Business-type Activities of \$1,102,428,890.
- The City's total net position increased by \$153,457,892. This total is divided between an increase in Governmental Activities of \$64,115,329 and an increase in Business-type Activities of \$89,342,563.
- The City's deferred outflows of resources decreased \$4,000,801 primarily related to a reduction in deferred outflows related to pensions. More details on debt are provided in Note I, following the Basic Financial Statements.
- The City's deferred inflows of resources increased \$7,688,797 primarily related to the implementation of GASB Statement No. 87 – Leases and an increase in deferred inflows related to pensions. More details on leases is provided in Note D and pensions is provided in Note I, following the Basic Financial Statements.
- The City's Governmental Activities show revenues of \$264,731,697. The largest revenue source is sales and use taxes (\$147,877,508) followed by grants and contributions (\$33,432,417), property taxes (\$32,544,945), and charges for services (\$29,048,277). Charges for services consists of the administrative fee charged to the enterprise funds (\$7,157,676, 24.6%), license, permits and inspection fees (\$6,708,666, 23.1%), recreation and related charges (\$7,522,478, 26%), ambulance charges (\$5,025,974, 17.3%), fines and forfeitures (\$1,200,599, 4.1%), and other miscellaneous charges (\$1,432,884, 4.9%). The Governmental expenses were \$200,616,369. More details are provided in the Government-wide Financial Analysis section.
- The City's Business-type Activities show revenues of \$168,864,631 the largest revenue source is charges for services (\$82,008,541) followed by capital grants and contributions (\$46,406,812). Capital grants and contributions consists of payments for connections to the City's water and sewer systems (\$32,074,712, 69.1%), infrastructure donated to the City by developers (\$13,639,197, 29.4%) and grants (\$692,903, 1.5%). The Business-type expenses were \$79,522,068. More details are provided in the Government-wide Financial Analysis section.
- The total fund balance for the General Fund increased by \$2,478,418, (3.2%) from prior year. City Council policy requires the General Fund to maintain a total fund balance at an amount equal to 17% of the current year budget, and Taxpayer Bill of Rights (TABOR) reserve per State Statute. At the end of the current fiscal year, total fund balance was \$79,676,085, or 48.3% of General Fund budgeted expenditures.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information 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 view 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 of resources and liabilities and deferred inflows of resources, 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 government'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 (e.g., uncollected taxes and earned but unused vacation leave).

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2022

Government-wide financial statements (Continued). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, police, fire and ambulance, city development, streets traffic and engineering, and community services. The business-type activities of the City include water, sewer, environmental services, and stormwater.

The government-wide financial statements can be found on pages 14-15 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. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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.

The City maintained 15 individual governmental funds in 2022, of which three are considered major funds: the General Fund, the Thornton Development Authority North Capital Fund, and the Governmental Capital Fund. Information for these three funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The remaining 12 funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget, which can be found on page 72 of this report.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds. The City maintained two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for Water, Sewer, Environmental Services, and Stormwater. Internal service fund is an accounting device used to accumulate and allocate costs internally. The City uses one internal service fund: Risk Management to account for the costs related to a comprehensive program to manage the City's property, liability, work related injury risk, health, dental, and vision. Risk Management predominately benefits governmental rather than business-type functions, so it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Environmental Services, and Stormwater Funds. The Water and Sewer Funds are considered major funds of the City. Individual fund data for the Risk Management fund is provided following the combining statements for proprietary funds elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22-27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-70 of this report.

City of Thornton, Colorado
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Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the basic financial statements. Combining statements and budgetary schedules can be found on pages 83-119 of this report. The Local Highway Finance Report can be found in other schedules on pages 122-123 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$1,654,823,088 at the close of the most recent fiscal year (see Table 1).

By far the largest portion of the City's net position (67.2%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$469,075,699) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Table 1
Net Position
As of December 31,

	Governmental activities		Business-type activities		Total	
	2022	2021 (restated)	2022	2021 (restated)	2022	2021 (restated)
Current and other assets	\$ 328,434,047	\$ 288,497,576	\$ 340,720,266	\$ 278,483,229	\$ 669,154,313	\$ 566,980,805
Capital assets	463,622,352	433,686,979	889,430,064	871,741,044	1,353,052,416	1,305,428,023
Total assets	792,056,399	722,184,555	1,230,150,330	1,150,224,273	2,022,206,729	1,872,408,828
Deferred outflows of resources	13,572,456	17,360,272	1,660,103	1,873,088	15,232,559	19,233,360
Long-term liabilities outstanding						
Due within one year	10,458,925	13,339,608	3,640,374	3,577,597	14,099,299	16,917,205
Due in more than one year	134,810,090	142,591,591	116,260,913	120,251,569	251,071,003	262,843,160
Other liabilities	56,454,293	48,703,254	7,209,996	11,707,147	63,664,289	60,410,401
Total liabilities	201,723,308	204,634,453	127,111,283	135,536,313	328,834,591	340,170,766
Deferred inflows of resources	51,511,349	46,631,505	2,270,260	3,474,721	53,781,609	50,106,226
Net position:						
Net investment in capital assets	339,247,183	301,540,850	773,566,597	751,240,496	1,112,813,780	1,052,781,346
Restricted	72,933,609	60,665,189	-	-	72,933,609	60,665,189
Unrestricted	140,213,406	126,072,830	328,862,293	261,845,831	469,075,699	387,918,661
Total net position	\$ 552,394,198	\$ 488,278,869	\$ 1,102,428,890	\$ 1,013,086,327	\$ 1,654,823,088	\$ 1,501,365,196

The government's net position increased by \$153,457,892 during the current fiscal year. This increase is the result of revenues exceeding expenses (132%) for Governmental activities and (212.3%) for Business-type activities, which are explained below.

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Government-wide Financial Analysis (Continued)

Governmental activities. Below is information regarding Governmental activities (see Table 2).

- Governmental activities increased the City's net position by \$64,115,329. The two primary factors to this increase were the year over year increases in sales and use taxes (\$12,789,278) and capital grants and contributions (\$11,307,173).
- Governmental revenues increased by \$25,153,998 (10.5%) in 2022 compared to 2021, this increase is primarily related to sales and use taxes and capital grants and contributions. Overall, the City sales and use tax growth in 2022 was spurred on by high inflation experienced through a majority of 2022 and the large increase in capital grants and contributions was the result of the receipt of grant fund on completed projects.
- Governmental expenses decreased by \$1,108,775 (.5%) in 2022 compared to 2021. The majority of this decrease was related to Community Services (\$4,271,828) primarily related to decreases in capital outlay on renovation of the pool at the Margaret W Carpenter Recreation Center. These decreases were offset by increases in General Government and City Development expenditures of (\$2,151,803; \$1,718,006) primarily related to asset depreciation and lease amortization costs.

Business-type activities. Information regarding Business-type activities (see Table 2).

- Business-type activities increased the City's net position by \$89,342,563, accounting for 58.2% of the total growth in the government's net position.
- Revenues increased by \$40,070,158 (31.1%) in 2022 compared to 2021. Charges for services (\$82,008,541, 48.6% of total revenues), tap fees (\$32,074,712, 19% of total revenues, included in grants and contributions), and oil and gas revenue received on property owned by the City (\$12,497,787, 7.4% of total revenues, royalties), represent the three largest inflows to business-type activities. The primary factor in the revenue increase for 2022 was a one-time revenue related to the special item – sale of mineral rights of \$30,691,245.
- Expenses increased \$3,808,643 (5%) in 2022 compared to 2021. The Water Fund decreased (\$204,582), the Sewer Fund expenses increased (\$3,615,229), the Environmental Services Fund increased (\$254,457) and the Stormwater Fund increased (\$143,539). In 2022, the primary factor causing the increase in the Sewer fund was the increase in sewage treatment (\$3,143,611) as a result of the increased costs of sewage treatment by Metro Wastewater.

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Government-wide Financial Analysis (Continued)

Table 2
Changes in Net Position
As of December 31,

	Governmental activities		Business-type activities		Total	
	2022	2021 (restated)	2022	2021	2022	2021 (restated)
Revenues:						
Program revenues:						
Charges for services	\$ 29,048,277	\$ 28,417,443	\$ 82,008,541	\$ 77,079,845	\$ 111,056,818	\$ 105,497,288
Operating grants and contributions	10,135,553	10,558,945	-	-	10,135,553	10,558,945
Capital grants and contributions	33,432,417	22,125,244	46,406,812	32,396,597	79,839,229	54,521,841
General revenues:						
Sales and use taxes	147,877,508	135,088,230	-	-	147,877,508	135,088,230
Property taxes	32,544,945	29,499,614	-	-	32,544,945	29,499,614
Franchise taxes	7,288,978	6,387,942	-	-	7,288,978	6,387,942
E911 taxes	3,282,279	2,869,208	-	-	3,282,279	2,869,208
Other taxes	3,501,442	3,393,308	-	-	3,501,442	3,393,308
Loss on investments	(7,631,404)	(793,395)	(9,722,992)	(1,284,819)	(17,354,396)	(2,078,214)
Gain on sale of assets	-	-	32,816	5,972,256	32,816	5,972,256
Royalties	-	-	12,497,787	8,896,723	12,497,787	8,896,723
Miscellaneous	2,401,016	2,031,160	6,950,422	5,733,871	9,351,438	7,765,031
<i>Special item - sale of mineral rights</i>	<u>2,850,686</u>	<u>-</u>	<u>30,691,245</u>	<u>-</u>	<u>33,541,931</u>	<u>-</u>
Total revenues	<u>264,731,697</u>	<u>239,577,699</u>	<u>168,864,631</u>	<u>128,794,473</u>	<u>433,596,328</u>	<u>368,372,172</u>
Expenses:						
General government	37,954,100	35,702,297	-	-	37,954,100	35,702,297
Police	43,658,172	43,491,003	-	-	43,658,172	43,491,003
Fire	26,946,828	27,476,823	-	-	26,946,828	27,476,823
City development	13,235,902	11,517,896	-	-	13,235,902	11,517,896
Streets, traffic, and engineering	36,323,712	36,432,653	-	-	36,323,712	36,432,653
Community services	37,857,779	42,131,617	-	-	37,857,779	42,131,617
Interest on long-term debt	4,639,875	4,972,854	-	-	4,639,875	4,972,854
Water	-	-	49,849,565	50,054,147	49,849,565	50,054,147
Sewer	-	-	18,839,909	15,224,680	18,839,909	15,224,680
Environmental Services	-	-	6,437,147	6,182,690	6,437,147	6,182,690
Stormwater	-	-	4,395,447	4,251,908	4,395,447	4,251,908
Total expenses	<u>200,616,368</u>	<u>201,725,143</u>	<u>79,522,068</u>	<u>75,713,425</u>	<u>280,138,436</u>	<u>277,438,568</u>
Increase in net position before transfers	<u>64,115,329</u>	<u>37,852,556</u>	<u>89,342,563</u>	<u>53,081,048</u>	<u>153,457,892</u>	<u>90,933,604</u>
Transfers	<u>-</u>	<u>(23,893)</u>	<u>-</u>	<u>23,893</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>64,115,329</u>	<u>37,828,663</u>	<u>89,342,563</u>	<u>53,104,941</u>	<u>153,457,892</u>	<u>90,933,604</u>
Net position, Jan 1	<u>488,278,869</u>	<u>450,450,206</u>	<u>1,013,086,327</u>	<u>959,981,386</u>	<u>1,501,365,196</u>	<u>1,410,431,592</u>
Net position, Dec 31, restated	<u>\$ 552,394,198</u>	<u>\$ 488,278,869</u>	<u>\$ 1,102,428,890</u>	<u>\$ 1,013,086,327</u>	<u>\$ 1,654,823,088</u>	<u>\$ 1,501,365,196</u>

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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. The following details are contained in the fund financial statements.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Below is information regarding governmental funds.

- The City governmental funds reported combined ending fund balances of \$196,528,925, an increase of \$14,822,267.
- The increase in fund balance is primarily related to sustained inflation impacting sales and use tax, which increased \$12,789,278 from 2021, to be used on operational and capital expenses for the City.

Approximately 54.2% of year-end fund balance (\$106,580,269) is available for spending at the government's discretion. The remainder of fund balance (\$89,948,656) is nonspendable, restricted, or committed to indicate that it is not available for new spending. The largest component is restricted (\$58,325,000, 64.8%). The increase in restricted balance year over year is related to the sales and use tax collected in the Parks and Open Space fund and the City's portion of the proceeds from the sale of the Denver Broncos.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was 50.2% (\$39,970,888) of total fund balance (\$79,676,085). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (\$161,610,580). Unassigned fund balance represents 24.7% of total actual General Fund expenditures, while total fund balance represents 49.3% of that same amount. The total fund balance year over year did grow slightly (\$2,478,418) as a result of increased sales and use taxes due mainly to inflation and receipt of capital grants and contributions; but the unassigned fund balance decreased mainly as a result of the City's policy to reserve for emergencies, which increased the committed balance by \$2,796,000.

The Thornton Development Authority North Capital Fund is funded primarily with sales and use taxes generated within the boundaries of the authority and provides for repair, replacement and planned growth of infrastructure within the boundaries of the authority. The total fund balance year over year showed a slight reduction (\$554,904). The primary factor for the reduction was flat sales and use taxes revenue year over year with a substantial increase in the capital outlay expenditures year over year within the authority. At the end of the current fiscal year, the assigned fund balance was \$15,409,983, and the restricted fund balance was \$1,390,000 for a total fund balance of \$16,799,983.

The Governmental Capital Projects Fund is funded primarily with sales and use taxes and provides for the repair, replacement and planned growth of infrastructure and other capital assets of the City government. The total fund balance year over year had strong growth (\$8,867,382). The primary factors for the growth were increased sales and use taxes due mainly to inflation and receipt of grant funds from completion of capital projects. At the end of the current fiscal year, the assigned fund balance was \$40,571,464, the nonspendable was \$4,812, and the restricted fund balance was \$1,329,979 for a total fund balance of \$41,906,255.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer, Environmental Services, and Stormwater funds at the end of the year amounted to \$308,281,837, \$12,974,024, \$5,475,924, and \$2,130,508 respectively. The change in net position for the funds was an increase in Water of \$81,484,882, an increase in Sewer of \$3,274,075, a decrease in Environmental Services of \$608,709 and an increase in Stormwater of \$5,192,315. Increases in Water, Sewer and Stormwater proprietary funds is primarily attributed to the Net investment in capital assets.

General Fund Budgetary Highlights

General Fund revenues were less than budgetary estimates and General Fund expenditures were less than appropriations. Fund revenues were under budget by \$335,613 in 2022 primarily related to fines and forfeitures and investment losses. Fund expenditures were under budget by \$3,519,891 in 2022 primarily related to a reduction in capital outlay, some of this reduction was because of slower fulfillment of orders as a result of continued supply chain issues. The majority of governmental sales and use tax, 62% (\$91,695,863) is available for General Fund operations and capital outlay.

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Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounts to \$1,353,052,414 (net of accumulated depreciation and amortization). This investment in capital assets includes land and water rights, building and improvements, leisure areas and improvements, general equipment, infrastructure, and right of use assets from leases including building and improvements and general equipment (see Table 3).

Major capital asset events during the current fiscal year included the following:

- Governmental capital assets increased in the current year by \$31,154,281 net of accumulated depreciation. The majority of this increase is related to costs associated with the police training facility (\$14,049,491) and the infrastructure project widening of 128th between York St. and Colorado Blvd (\$3,192,106) completed in 2022. The widening of the 128th artery will assist the growing demands from the City. The police training facility will address a need for training space for the Thornton police department given the growing needs of law enforcement throughout the metro area and there not being enough training facilities. The City added contributed capital related to development (\$11,345,878). Spending in 2022 carried in construction in progress is related to the construction of fire station #7 (\$7,483,090), the widening of Washington St between 150th and 152nd Ave artery (\$11,553,014), and the widening of 144th Ave between York St. and Colorado Blvd (\$4,243,872).
- Proprietary capital assets increased by \$17,751,168 net of accumulated depreciation. The majority of the increase was related to costs associated with easement purchases for the Thornton water Pipeline (\$1,256,137) and citywide sewer line rehabilitation (\$915,010). Purchase of the easement is to enable the City to establish a water pipeline to move water into Thornton to support growth. A majority of the construction in process balance is related to the building of the new Thornton water pipeline (\$6,003,360), which is expected to deliver water to meet the growing demand fueled by Thornton's continued development.

Additional information on the City's capital assets can be found in note E on pages 41-42 of this report.

Table 3
Capital Assets (net of depreciation/amortization)
As of December 31,

	Governmental activities		Business-type activities		Total	
	2022	2021 restated	2022	2021 restated	2022	2021 restated
Land, water and land rights	\$ 53,572,530	\$ 51,346,120	\$ 215,328,723	\$ 212,664,101	\$ 268,901,253	\$ 264,010,221
Source of supply	-	-	129,350,266	129,350,266	129,350,266	129,350,266
Water treatment plant	-	-	137,229,421	141,017,331	137,229,421	141,017,331
Collection, transmission, & distribution	-	-	294,749,935	289,452,855	294,749,935	289,452,855
Streets, traffic, and engineering	156,623,674	153,154,873	-	-	156,623,674	153,154,873
Buildings, structures and improvements	144,018,385	134,898,343	13,363,083	13,772,755	157,381,468	148,671,098
Leisure areas and improvements	49,312,398	49,663,219	-	-	49,312,398	49,663,219
General equipment	20,876,731	21,955,620	9,891,624	10,702,239	30,768,355	32,657,859
Construction in progress	38,079,689	20,960,471	89,470,404	74,719,349	127,550,093	95,679,820
Right to use assets being amortized:						
Buildings and improvements	196,144	309,892	-	-	196,144	309,892
General equipment	942,801	1,398,441	46,608	62,148	989,409	1,460,589
Total	\$ 463,622,352	\$ 433,686,979	\$ 889,430,064	\$ 871,741,044	\$ 1,353,052,416	\$ 1,305,428,023

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$216,150,000 (see Table 4). The City's debt represents certificates of participation of \$82,190,000 and revenue bonds of \$133,960,000. The revenue bonds outstanding are comprised of four issues: \$7,370,000 related to the Thornton Development Authority Tax Increment Revenue Refunding Bonds, Series 2015, serviced by 50% of the property tax increment and 50% of the general sales tax collected within the boundaries of that urban renewal plan area; \$22,905,000 related to the Thornton Development Authority Tax Increment Revenue Bonds, Series 2015B, serviced by 100% of the property tax increment and general sales tax generated from the annually determined pledged sales tax rate, both net of other obligations, collected within the boundaries of that plan area; \$27,925,000 related to Water Enterprise Revenue Refunding Bonds S2013; and \$75,760,000 related to Water Enterprise Revenue Bonds S2020 supported by a pledge of charges for services of the Water Fund.

The City's total debt decreased by \$11,390,000 (5%) during the current fiscal year.

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Long-term debt (continued). In 2022, the Standard & Poor's rating on the Water Enterprise Revenue Refunding Bonds, Series 2013 and Series 2020, was AA; on the Certificates of Participation S2018, and S2020 was AA-, and on the Tax Increment Bonds, Series 2015 and 2015B, was A+. In 2021, Moody's rated the Water Revenue Refunding Bonds Series 2013 and Series 2020, Aa2, and the Certificates of Participation (S2018, S2020), Aa2. The Tax Increment Bonds, Series 2015 and 2015B were not rated by Moody's.

Table 4
 Outstanding Debt (Revenue Bonds and Certificates of Participation)
 As of December 31,

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ 30,275,000	\$ 32,040,000	\$ 103,685,000	\$ 106,870,000	\$ 133,960,000	\$ 138,910,000
Certificates of participation	82,190,000	88,630,000	-	-	82,190,000	88,630,000
Total	<u>\$ 112,465,000</u>	<u>\$ 120,670,000</u>	<u>\$ 103,685,000</u>	<u>\$ 106,870,000</u>	<u>\$ 216,150,000</u>	<u>\$ 227,540,000</u>

Additional information on the City's long-term debt activity can be found on pages 42-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- The December 31, 2022 unemployment rate for the City was 2.9%, which is lower than last year. The City has a higher unemployment rate than the state (2.5%), lower than the county's (Adams) rate of 3.2%, and lower than the national rate of 3.5%.
- The national inflation rate increased in 2022 to 2.97% from 2.79% in 2021. The Consumer Price Index for the Denver area increased in 2022 to 3.04% from 2.82% in 2021.
- In 2022, the City's occupancy rate is approximately 91.9% for retail space, 89.9% for office space and 88% for industrial space.
- The City's population has increased by 2,353 people.
- The City's yield on cash and investments increased to 1.49% in 2022. The current projection for 2023's rate is 3%. The City invests available funds with safety as the primary goal.

All of these factors were considered in preparing the City's budget for the 2023 fiscal year.

Ending unassigned fund balance in the General Fund was \$39,970,888. Anticipated revenues and the use of this fund balance are expected to be adequate to fund necessary governmental operations and to keep the fund balance in harmony with the City Council's fund balance policy.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, City of Thornton, 9500 Civic Center Drive, Thornton, CO 80229 or visit the City's website at www.thorntonco.gov.

BASIC FINANCIAL STATEMENTS

City of Thornton, Colorado

Statement of Net Position December 31, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 235,720,035	\$ 324,455,104	\$ 560,175,139
Receivables, net			
Taxes	50,633,307	-	50,633,307
Accounts	13,469,674	9,386,068	22,855,742
Leases	658,338	2,150,201	2,808,539
Interest and other	929,462	1,201,975	2,131,437
Inventory of supplies	144,654	-	144,654
Prepays and other assets	453,826	79,125	532,951
Land held for resale	543,099	-	543,099
Restricted assets			
Equity in pooled cash and investments	3,703,349	3,447,793	7,151,142
Net pension asset	22,178,303	-	22,178,303
Capital assets			
Land, water rights, and construction in progress	91,652,219	434,149,393	525,801,612
Depreciable buildings, property, and equipment, net	370,831,188	455,234,063	826,065,251
Right to use leased assets			
Buildings and general equipments, net	1,138,945	46,608	1,185,553
Total assets	792,056,399	1,230,150,330	2,022,206,729
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,373,861	1,373,861
Deferred outflow related to ARO	270,528	30,000	300,528
Deferred outflow related to OPEB	1,530,083	256,242	1,786,325
Deferred outflow related to pension	11,771,845	-	11,771,845
Total deferred outflows of resources	13,572,456	1,660,103	15,232,559
LIABILITIES			
Accounts payable	13,358,554	6,241,382	19,599,936
Retainage payable	2,303,635	312,747	2,616,382
Accrued interest payable	409,925	309,233	719,158
Third party development advances	16,668,580	-	16,668,580
Unearned revenue	17,490,920	125,854	17,616,774
Other	6,222,679	220,780	6,443,459
Noncurrent liabilities			
Due within one year	10,458,925	3,640,374	14,099,299
Due in more than one year			
Due in more than one year - other	126,134,684	115,319,164	241,453,848
Due in more than one year - Total OPEB liability	5,661,488	941,749	6,603,237
Due in more than one year - Net pension liability	3,013,918	-	3,013,918
Total liabilities	201,723,308	127,111,283	328,834,591
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow - property tax	31,940,931	-	31,940,931
Deferred inflow - leases	646,599	1,938,214	2,584,813
Deferred inflow - opioid	1,080,185	-	1,080,185
Deferred gain on refunding	22,471	-	22,471
Deferred inflows related to OPEB	1,968,174	332,046	2,300,220
Deferred inflows related to pensions	15,852,989	-	15,852,989
Total deferred inflows of resources	51,511,349	2,270,260	53,781,609
NET POSITION			
Net investment in capital assets	339,247,183	773,566,597	1,112,813,780
Restricted for			
Capital projects	6,254,838	-	6,254,838
Communications	1,047,059	-	1,047,059
Emergencies	6,804,881	-	6,804,881
Pensions	18,097,159	-	18,097,159
Parks and open space	37,986,099	-	37,986,099
Public safety	1,336,330	-	1,336,330
Other purposes	1,407,243	-	1,407,243
Unrestricted	140,213,406	328,862,293	469,075,699
Total net position	\$ 552,394,198	\$ 1,102,428,890	\$ 1,654,823,088

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

City of Thornton, Colorado

Statement of Activities For the year ended December 31, 2022

Functions/Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental:							
General government	\$ 37,954,100	\$ 8,138,798	\$ 445,033	\$ -	\$ (29,370,269)		\$ (29,370,269)
Police	43,658,172	1,596,231	1,389,165	413,827	(40,258,949)		(40,258,949)
Fire and ambulance	26,946,828	5,139,561	839,642	2,226,410	(18,741,215)		(18,741,215)
City development	13,235,902	6,651,209	351,572	-	(6,233,121)		(6,233,121)
Streets, traffic & engineering	36,323,712	-	5,931,454	20,694,798	(9,697,460)		(9,697,460)
Community services	37,857,779	7,522,478	1,178,687	10,097,382	(19,059,232)		(19,059,232)
Interest on long-term debt	4,639,875	-	-	-	(4,639,875)		(4,639,875)
Total governmental activities	200,616,368	29,048,277	10,135,553	33,432,417	(128,000,121)		(128,000,121)
Business-type:							
Water	49,849,565	55,379,075	-	34,869,839		40,399,349	40,399,349
Sewer	18,839,909	16,278,144	-	6,270,470		3,708,705	3,708,705
Environmental Services	6,437,147	5,952,958	-	-		(484,189)	(484,189)
Stormwater	4,395,447	4,398,364	-	5,266,503		5,269,420	5,269,420
Total business-type activities	79,522,068	82,008,541	-	46,406,812		48,893,285	48,893,285
Total City of Thornton	\$ 280,138,436	\$ 111,056,818	\$ 10,135,553	\$ 79,839,229	(128,000,121)	48,893,285	(79,106,836)
General revenues:							
Sales and use taxes					147,877,508	-	147,877,508
Property taxes					32,544,945	-	32,544,945
Franchise taxes					7,288,978	-	7,288,978
E911 taxes					3,282,279	-	3,282,279
Other taxes					3,501,442	-	3,501,442
Loss on investments					(7,631,404)	(9,722,992)	(17,354,396)
Gain on sale of capital assets					-	32,816	32,816
Royalties					-	12,497,787	12,497,787
Miscellaneous					2,401,016	6,950,422	9,351,438
Special item - sale of mineral rights					2,850,686	30,691,245	33,541,931
Total general revenues and special items					192,115,450	40,449,278	232,564,728
Change in net position					64,115,329	89,342,563	153,457,892
Net position, January 1, restated					488,278,869	1,013,086,327	1,501,365,196
Net position, December 31					\$ 552,394,198	\$ 1,102,428,890	\$ 1,654,823,088

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

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FUND FINANCIAL STATEMENTS

City of Thornton, Colorado

Balance Sheet Governmental Funds December 31, 2022

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments					
Unrestricted	\$ 87,265,455	\$ 16,038,363	\$ 66,296,380	\$ 53,340,151	\$ 222,940,349
Restricted	-	1,410,813	-	2,292,536	3,703,349
Receivables, net					
Taxes	18,596,731	12,485,659	13,261,986	6,288,931	50,633,307
Accounts	3,591,215	-	5,777,577	3,525,882	12,894,674
Leases	658,338	-	-	-	658,338
Interest and other	381,070	61,756	243,473	199,177	885,476
Inventory of supplies	144,654	-	-	-	144,654
Prepaid items and other assets	449,014	-	4,812	-	453,826
Land held for resale	-	-	-	543,099	543,099
Total assets	<u>\$ 111,086,477</u>	<u>\$ 29,996,591</u>	<u>\$ 85,584,228</u>	<u>\$ 66,189,776</u>	<u>\$ 292,857,072</u>
LIABILITIES					
Accounts payable	9,049,646	690,371	1,571,264	1,655,207	12,966,488
Retainage payable	-	613,556	1,188,383	501,696	2,303,635
Third party development advances	-	-	15,500,947	1,167,633	16,668,580
Unearned revenue	93,103	-	17,388,217	9,600	17,490,920
Other	2,366,895	132,856	2,714,358	1,008,570	6,222,679
Total liabilities	<u>11,509,644</u>	<u>1,436,783</u>	<u>38,363,169</u>	<u>4,342,706</u>	<u>55,652,302</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	17,494,245	11,759,825	-	2,686,861	31,940,931
Unavailable revenue - intergovernmental	-	-	4,185,362	1,013,607	5,198,969
Unavailable revenue - grants	1,759,904	-	49,257	-	1,809,161
Unavailable revenue - lease	646,599	-	-	-	646,599
Unavailable revenue - opioid	-	-	1,080,185	-	1,080,185
Total deferred inflows	<u>19,900,748</u>	<u>11,759,825</u>	<u>5,314,804</u>	<u>3,700,468</u>	<u>40,675,845</u>
FUND BALANCES					
Nonspendable					
Inventories	144,654	-	-	-	144,654
Prepays	449,014	-	4,812	-	453,826
Restricted					
Parks and open space	-	-	-	37,986,099	37,986,099
Capital projects	-	-	-	6,254,838	6,254,838
Communications	1,047,059	-	-	-	1,047,059
Debt service	-	1,390,000	-	2,258,550	3,648,550
Emergencies - TABOR	6,804,881	-	-	-	6,804,881
Public safety	234,413	-	-	941,917	1,176,330
Other purposes	-	-	1,329,979	77,264	1,407,243
Committed					
Emergencies	30,751,000	-	-	-	30,751,000
Other purposes	274,176	-	-	-	274,176
Assigned					
Capital projects	-	15,409,983	40,571,464	9,528,044	65,509,491
Land held for resale	-	-	-	543,099	543,099
Parks and open space	-	-	-	420,684	420,684
Other purposes	-	-	-	136,107	136,107
Unassigned	39,970,888	-	-	-	39,970,888
Total fund balances	<u>79,676,085</u>	<u>16,799,983</u>	<u>41,906,255</u>	<u>58,146,602</u>	<u>196,528,925</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 111,086,477</u>	<u>\$ 29,996,591</u>	<u>\$ 85,584,228</u>	<u>\$ 66,189,776</u>	<u>\$ 292,857,072</u>

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

City of Thornton, Colorado

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2022

Total fund balances for governmental funds (page 18)		\$ 196,528,925
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land and land rights	53,572,530	
Construction in progress	38,079,689	
Streets, Traffic & Engineering, net of \$268,880,207 accumulated depreciation	156,623,674	
Buildings and improvements, net of \$45,486,627 accumulated depreciation	144,018,385	
Leisure areas & improvements, net of \$59,892,574 accumulated depreciation	49,312,398	
General equipment, net of \$41,094,880 accumulated depreciation	20,876,731	
Total capital assets		462,483,407
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Buildings and improvements, net of \$113,748 accumulated amortization	196,144	
General equipment, net of \$455,640 accumulated amortization	942,801	
Total right to use leased assets		1,138,945
Net Pension Asset		22,178,303
Risk Management, an internal service fund is used by the City to account for a comprehensive insurance management program provided to other internal departments. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		7,749,878
Governmental funds report the effect of deferred charges on refunding debt when it is first issued, whereas these amounts are amortized over the life of the bonds in the government wide financial statements		(22,471)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net position		
Balances at December 31, 2022 are:		
Accrued interest on bonds and certificates of participation	(404,980)	
Bonds payable, net of unamortized premium	(32,155,984)	
Obligation under certificates of participation	(88,792,808)	
Accrued interest on leases	(4,945)	
Obligation under leases	(1,100,271)	
Total OPEB liability	(5,634,597)	
Compensated absences	(8,941,028)	
Net pension liability	(3,013,918)	
Asset retirement obligation	(375,000)	
Total long-term liabilities		(140,423,531)
Deferred outflows related to asset retirement obligation		270,528
Deferred inflows related to unearned revenues are not available for current expenditures and, therefore, are not reported in the funds:		
Deferred inflows related to intergovernmental	5,198,969	
Deferred inflows related to grants	1,809,161	
		7,008,130
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows relating to OPEB	1,522,570	
Deferred outflows relating to pensions	11,771,845	
Deferred inflows relating to OPEB	(1,959,342)	
Deferred inflows relating to pensions	(15,852,989)	
Total deferred items		(4,517,916)
Total net position governmental activities (page 14)		\$ 552,394,198

City of Thornton, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the year ended December 31, 2022

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Sales and use	\$ 91,695,863	\$ 7,752,106	\$ 36,181,996	\$ 12,247,543	\$ 147,877,508
Property	17,850,900	11,585,718	-	3,108,327	32,544,945
Franchise	7,288,978	-	-	-	7,288,978
E911	-	-	-	3,282,279	3,282,279
Other	3,489,441	-	-	12,001	3,501,442
Licenses and permits	6,708,666	-	-	-	6,708,666
Intergovernmental	7,603,140	-	5,376,526	8,745,713	21,725,379
Governmental grants	1,071,579	-	5,279,013	4,286,057	10,636,649
Charges for services	20,464,371	-	-	-	20,464,371
Fines and forfeitures	1,200,599	-	-	-	1,200,599
Leases	30,072	-	-	-	30,072
Investment loss	(3,364,059)	(512,281)	(2,087,221)	(1,667,843)	(7,631,404)
Miscellaneous	1,029,630	81,184	1,007,261	286,888	2,404,963
Total revenues	<u>155,069,180</u>	<u>18,906,727</u>	<u>45,757,575</u>	<u>30,300,965</u>	<u>250,034,447</u>
EXPENDITURES					
Current					
General government	38,615,549	-	-	-	38,615,549
Police	44,176,348	-	-	-	44,176,348
Fire and ambulance	26,776,865	-	-	-	26,776,865
City development	9,725,080	-	-	-	9,725,080
Streets, traffic and engineering	12,110,719	-	3,344,141	1,008,570	16,463,430
Community services	26,790,037	-	-	51,300	26,841,337
Capital outlay	2,652,246	13,851,251	31,940,408	12,907,621	61,351,526
Debt service					
Principal retirement	761,463	1,035,000	3,768,747	3,401,253	8,966,463
Interest and bond fees	11,562	376,013	781,291	4,077,283	5,246,149
Total expenditures	<u>161,619,869</u>	<u>15,262,264</u>	<u>39,834,587</u>	<u>21,446,027</u>	<u>238,162,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,550,689)</u>	<u>3,644,463</u>	<u>5,922,988</u>	<u>8,854,938</u>	<u>11,871,700</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	6,116,903	-	2,924,031	18,000	9,058,934
Transfers out	(18,000)	(4,199,367)	-	(4,841,567)	(9,058,934)
Sale of general capital assets	79,518	-	20,363	-	99,881
Total other financing sources (uses)	<u>6,178,421</u>	<u>(4,199,367)</u>	<u>2,944,394</u>	<u>(4,823,567)</u>	<u>99,881</u>
SPECIAL ITEM					
Proceeds from sale of mineral rights	<u>2,850,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,850,686</u>
Net change in fund balances	2,478,418	(554,904)	8,867,382	4,031,371	14,822,267
Fund balances, January 1	<u>77,197,667</u>	<u>17,354,887</u>	<u>33,038,873</u>	<u>54,115,231</u>	<u>181,706,658</u>
Fund balances, December 31	<u><u>\$ 79,676,085</u></u>	<u><u>\$ 16,799,983</u></u>	<u><u>\$ 41,906,255</u></u>	<u><u>\$ 58,146,602</u></u>	<u><u>\$ 196,528,925</u></u>

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

City of Thornton, Colorado

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the year ended December 31, 2022

Net change in fund balances - total governmental funds (page 20)		\$	14,822,267
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized capital outlays (\$44,532,396) less work in progress deletions (\$1,179,356), exceeded depreciation (\$24,080,970) in the current period.			19,272,070
The net effect of various miscellaneous transactions involving capital assets is to increase net position (contributions of \$11,345,878 less the loss of \$13,307 less the revenue recognized at the fund level of \$99,881 on the sale of capital assets)			11,232,690
The net effect of various transactions involving right to use leased assets is to decrease net position (lease amortization of \$569,388)			(569,388)
Repayment of bond and lease principal is reported as an expenditure in the governmental funds. However, the repayment reduces long-term liabilities on the Statement of Net Position, so this transaction has no effect on net position.			
Repayments:			
To bond holders	1,765,000		
To Capital Asset Finance Corporation for certificates of participation	6,440,000		
Obligation under leases	761,463		
Net adjustment			8,966,463
The issuance of long-term debt 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 the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these difference in the treatment of long-term debt and related items.			580,940
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes:			
Adjustment to compensated absences	(1,024,320)		
Accrued interest on bonds	30,279		
Accrued interest on leases	(4,945)		
Asset Retirement Obligation Expense	(26,118)		
Combined adjustment			(1,025,104)
Under the modified accrual basis of accounting used in the governmental funds, revenues are recognized when measurable and available. In the Statement of Activities, which is presented on the accrual basis, revenues are reported when earned regardless of availability.			
Intergovernmental revenues	412,382		
Grant revenues	(11,576)		
Combined adjustment			400,806
Other postemployment benefits and pension expenses are reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, the increase or decrease in the other postemployment benefit liability and the net pension liabilities are not reported as an expenditure or (credit) in the government funds.			
Other Postemployment benefit expenses			(766,242)
Pension Income			6,082,108
Internal Service Funds are used by the City to account for the financing of goods or services provided by one department or agency to other departments or agencies. The net revenues of the internal service funds are reported with governmental activities.			5,118,719
		\$	<u>64,115,329</u>

City of Thornton, Colorado

Statement of Net Position Proprietary Funds December 31, 2022

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Risk Fund
	Water	Sewer	Other Enterprise Funds	
ASSETS				
Current assets				
Equity in pooled cash and investments - unrestricted	\$ 302,890,297	\$ 13,960,347	\$ 7,604,460	\$ 324,455,104
Equity in pooled cash and investments - restricted	3,447,793	-	-	3,447,793
Receivables, net				
Accounts	6,694,022	1,801,576	890,470	9,386,068
Leases	1,161,915	-	-	1,161,915
Interest and other	1,083,096	51,553	28,224	1,162,873
Prepays and other assets	62,035	1,000	16,090	79,125
Total current assets	315,339,158	15,814,476	8,539,244	339,692,878
Noncurrent assets				
Lease receivable	988,286	-	-	988,286
Loan receivable, net of current portion	39,102	-	-	39,102
Capital assets				
Land and water rights	214,911,316	417,407	-	215,328,723
Source of supply	129,350,266	-	-	129,350,266
Water treatment plant	176,791,898	-	-	176,791,898
Collection, transmission, and distribution	262,224,245	120,243,928	81,793,506	464,261,679
Transportation equipment	2,148,806	1,945,950	8,073,579	12,168,335
General equipment	11,008,606	1,000,859	1,587,512	13,596,977
Buildings and improvements	21,616,867	2,428,376	684,752	24,729,995
Less accumulated depreciation	(155,560,337)	(53,458,227)	(27,296,257)	(236,314,821)
Construction in progress	85,614,316	1,321,903	2,534,185	89,470,404
Right to use assets				
General equipment	62,148	-	-	62,148
Less accumulated amortization	(15,540)	-	-	(15,540)
Total noncurrent assets	749,179,979	73,900,196	67,377,277	890,457,452
Total assets	1,064,519,137	89,714,672	75,916,521	1,230,150,330
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to OPEB	164,139	25,567	66,536	256,242
Deferred outflow related to ARO	30,000	-	-	30,000
Deferred charge on refunding	1,373,861	-	-	1,373,861
Total deferred outflows of resources	1,568,000	25,567	66,536	1,660,103

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

	Business-type Activities Enterprise Funds				Governmental Activities
	Other Enterprise Funds			Total	Internal Service Risk Fund
	Water	Sewer			
LIABILITIES					
Current liabilities					
Accounts payable	\$ 3,083,894	\$ 2,714,182	\$ 443,306	\$ 6,241,382	\$ 392,066
Retainage payable	283,681	27,394	1,672	312,747	-
Other	220,780	-	-	220,780	-
Unearned revenue	125,854	-	-	125,854	-
Payable from restricted assets					
Accrued bond interest payable	309,233	-	-	309,233	-
Revenue bonds payable	3,350,000	-	-	3,350,000	-
Lease payable	15,465	-	-	15,465	-
Compensated absences	269,703	1,387	3,819	274,909	17,665
Outstanding reserves and incurred but not reported claims	-	-	-	-	2,591,978
Total current liabilities	7,658,610	2,742,963	448,797	10,850,370	3,001,709
Long-term liabilities					
Revenue bonds payable, excluding current portion, net of other unamortized costs	113,557,816	-	-	113,557,816	-
Total OPEB liability	602,974	94,992	243,783	941,749	26,891
Compensated absences	566,770	32,980	219,072	818,822	36,745
Leases	31,300	-	-	31,300	-
Other obligations	911,226	-	-	911,226	-
Outstanding reserves and incurred but not reported claims	-	-	-	-	2,582,130
Total long-term liabilities	115,670,086	127,972	462,855	116,260,913	2,645,766
Total liabilities	123,328,696	2,870,935	911,652	127,111,283	5,647,475
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	220,200	22,478	89,368	332,046	8,832
Deferred inflows related to leases	1,938,214	-	-	1,938,214	-
Total deferred inflows of resources	2,158,414	22,478	89,368	2,270,260	8,832
NET POSITION					
Net investment in capital assets	632,318,190	73,872,802	67,375,605	773,566,597	-
Restricted - Public Safety	-	-	-	-	160,000
Unrestricted	308,281,837	12,974,024	7,606,432	328,862,293	7,589,878
Total net position	\$ 940,600,027	\$ 86,846,826	\$ 74,982,037	\$ 1,102,428,890	\$ 7,749,878

City of Thornton, Colorado

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the year ended December 31, 2022

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Risk Fund
	Water	Sewer	Other Enterprise Funds	
OPERATING REVENUES				
Charges for services pledged for debt	\$ 55,379,075	\$ -	\$ -	\$ 55,379,075
Charges for services	-	16,278,144	10,351,322	26,629,466
Miscellaneous revenue	113,489	-	43,170	156,659
Interfund services	-	-	-	-
				18,414,461
Total operating revenues	55,492,564	16,278,144	10,394,492	82,165,200
				18,414,461
OPERATING EXPENSES				
Source of supply	7,305,822	-	-	7,305,822
Water treatment	13,146,394	-	-	13,146,394
Collection, transmission distribution, and trash removal	3,900,503	2,576,712	5,538,053	12,015,268
Sewage treatment-Metro Wastewater	-	11,928,266	-	11,928,266
Insurance premiums	-	-	-	-
Claims and reserves for claims	-	-	-	-
Other operating expenses	1,746,362	187,823	1,194,117	3,128,302
Administration	10,002,529	1,469,797	1,492,695	12,965,021
Depreciation/Amortization	10,345,269	2,677,311	2,607,729	15,630,309
Total operating expenses	46,446,879	18,839,909	10,832,594	76,119,382
				12,923,626
Operating income (loss)	9,045,685	(2,561,765)	(438,102)	6,045,818
				5,490,835
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of capital assets	31,111	1,705	-	32,816
Investment loss	(9,041,857)	(436,335)	(244,800)	(9,722,992)
Interest and bond amortization expense	(3,402,686)	-	-	(3,402,686)
Royalties	12,497,787	-	-	12,497,787
Miscellaneous, net	6,793,758	-	5	6,793,763
				20,000
Total nonoperating revenues (expenses)	6,878,113	(434,630)	(244,795)	6,198,688
				(372,116)
Income (loss) before capital contributions and special items	15,923,798	(2,996,395)	(682,897)	12,244,506
				5,118,719
Grants and capital contributions	34,869,839	6,270,470	5,266,503	46,406,812
Special item - sale of mineral rights	30,691,245	-	-	30,691,245
Change in net position	81,484,882	3,274,075	4,583,606	89,342,563
				5,118,719
Net position, January 1	859,115,145	83,572,751	70,398,431	1,013,086,327
				2,631,159
Net position, December 31	\$ 940,600,027	\$ 86,846,826	\$ 74,982,037	\$ 1,102,428,890
				\$ 7,749,878

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

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City of Thornton, Colorado

Statement of Cash Flows Proprietary Funds For the year ended December 31, 2022

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Risk Fund
	Water	Sewer	Other Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and others	\$ 60,340,507	\$ 16,251,610	\$ 10,292,801	\$ 86,884,918
Receipts from interfund services	-	-	-	17,989,461
Payments to suppliers	(28,871,673)	(14,094,742)	(4,712,506)	(47,678,921)
Payments to employees	(12,058,199)	(1,339,146)	(3,797,986)	(17,195,331)
Net cash provided by operating activities	19,410,635	817,722	1,782,309	22,010,666
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant	314,973	-	-	314,973
Advance to other funds	-	-	-	-
Repayment from (to) other funds	-	-	-	-
Receipts from nonoperating leases	14,400,666	-	-	14,400,666
Special Item - sale of mineral rights	30,691,245	-	-	30,691,245
Net cash provided by noncapital financing activities	45,406,884	-	-	45,406,884
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases and construction of capital assets	(16,561,053)	(2,375,846)	(747,574)	(19,684,473)
Proceeds from sale of capital assets	33,516	1,705	-	35,221
Principal paid on bonds and other obligations	(3,185,000)	-	-	(3,185,000)
Interest and fees paid on capital debt	(3,871,074)	-	-	(3,871,074)
Lease Payments	(15,383)	-	-	(15,383)
Capital contributions	29,719,186	2,233,583	121,944	32,074,713
Net cash provided by (used in) capital and related financing activities	6,120,192	(140,558)	(625,630)	5,354,004
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	111,284,804	6,675,662	3,131,643	121,092,109
Purchases of investments	(216,518,448)	(9,877,957)	(5,377,114)	(231,773,519)
Interest on investments	3,069,172	156,348	83,239	3,308,759
Net cash used in investing activities	(102,164,472)	(3,045,947)	(2,162,232)	(107,372,651)
Net decrease in cash and cash equivalents	(31,226,761)	(2,368,783)	(1,005,553)	(34,601,097)
Cash and cash equivalents, Jan. 1	89,511,656	5,027,713	2,452,997	96,992,366
Cash and cash equivalents, Dec. 31	\$ 58,284,895	\$ 2,658,930	\$ 1,447,444	\$ 62,391,269
Cash and cash equivalents	\$ 58,284,895	\$ 2,658,930	\$ 1,447,444	\$ 62,391,269
Investments	248,053,195	11,301,417	6,157,016	265,511,628
Total cash and investments	\$ 306,338,090	\$ 13,960,347	\$ 7,604,460	\$ 327,902,897
Equity in pooled cash and investments	\$ 302,890,297	\$ 13,960,347	\$ 7,604,460	\$ 324,455,104
Restricted cash and investments	3,447,793	-	-	3,447,793
Total cash and investments	\$ 306,338,090	\$ 13,960,347	\$ 7,604,460	\$ 327,902,897

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

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Sewer	Other Enterprise Funds	Total	Internal Service Risk Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 9,045,685	\$ (2,561,765)	\$ (438,102)	\$ 6,045,818	\$ 5,490,835
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation & Amortization expense	10,345,269	2,677,311	2,607,729	15,630,309	-
Miscellaneous receipts	4,732,986	-	5	4,732,991	20,000
Other expenses	(5,000)	-	-	(5,000)	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable, net	93,645	(26,533)	(101,697)	(34,585)	(445,000)
Decrease in loans receivable	20,153	-	-	20,153	-
Decrease (increase) in other assets	(6,180)	-	1,045	(5,135)	-
Decrease in deferred outflows of resources Other	5,000	-	-	5,000	-
Decrease in deferred outflows of resources OPEB Related	61,700	5,848	25,148	92,696	2,339
Increase (decrease) in accounts payable	(4,868,182)	714,565	(339,361)	(4,492,978)	182,858
Decrease in OPEB	(104,439)	(9,899)	(47,122)	(161,460)	(3,960)
Increase (decrease) in other liabilities	(40,336)	5,951	22,015	(12,370)	(632,245)
Increase in unearned revenue	1,158	-	-	1,158	-
Increase in deferred inflows of resources OPEB Related	129,175	12,244	52,649	194,068	4,898
Net cash provided by operating activities	<u>\$ 19,410,634</u>	<u>\$ 817,722</u>	<u>\$ 1,782,309</u>	<u>\$ 22,010,665</u>	<u>\$ 4,619,725</u>

**NON-CASH INVESTING,
CAPITAL AND FINANCING ACTIVITIES:**

Investing Activities					
Decrease in the fair value of investments	\$ (11,671,561)	\$ (563,977)	\$ (314,679)	\$ (12,550,217)	\$ (501,025)
Financing Activities					
Bond amortization premiums	(454,720)	-	-	(454,720)	-
Capital Activities					
Loss on disposal of capital assets	(2,405)	-	-	(2,405)	-
Water, sewer, and stormwater lines contributed by developers	4,457,751	4,036,887	5,144,559	13,639,197	-

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Thornton, Colorado ("the City") was incorporated May 26, 1956. The citizenry voted to become a home rule city in 1967 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: public safety (police, fire, and ambulance), highways and streets, public improvements, water, sewer, environmental services and stormwater, culture and recreation, debt service and general administrative services, including financial, planning and zoning, and municipal court services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

1. Reporting Entity

The City follows the 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 organizations 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 organizations governing body, ability to impose its will on the organization, and 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 component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. These component units are so intertwined with the City that they are, in substance, the same as the City and, therefore, are blended and reported as if they were part of the City. None of the component units listed below report their financial statements independent from the City.

The management of the City has operational responsibility for each of the following component units, and therefore, they are included within the reporting entity (in blended presentation):

Thornton Development Authority (TDA) - The TDA, an Urban Renewal Authority organized pursuant to Part 1, Article 25, Title 31 of the Colorado Revised Statutes, was established to finance the design and construction of the Thornton Parkway highway interchange, as well as various other improvements within the TDA's boundaries. The City Council is the TDA's governing board. The debt of the TDA is disclosed as tax increment bonds, but is not a general obligation of the City (primary government). There are three urban renewal areas within the City, the South Capital Fund, the North Capital Fund, and the 144th Capital Fund. For ease of financial management, separate funds were established for the improvements in each geographical area.

Thornton Arts, Sciences, and Humanities Council, Inc. (TASHCO) - TASHCO, a legally separate, nonprofit corporation, was established to expand the Cultural Arts and Scientific program offerings within the City of Thornton. TASHCO is funded by a local grant, donations, ticket sales, and contribution from the General Fund. In 2007, the City Council appointed an advisory board consisting of citizens to serve as liaison for the City Council to the community at large to ensure programming services are meeting the needs and desires of the public. The City Council is the governing board of the TASHCO and approves the annual budget, making all substantive decisions regarding the operations of the TASHCO.

136th Avenue General Improvement District (GID) - 136th Avenue GID was established to account for the collection of assessment revenues to be used exclusively for the purpose of constructing an interchange at 136th Avenue and Interstate 25. The City Council is the GID's governing board.

E911 Authority Fund - This fund was established to account for E911 surcharges received from telecommunications companies doing business within the City to pay for a portion of the costs authorized by State statute for the City to provide emergency telephone service. The City Council is the E911's governing board.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Separate financial statements are provided for governmental and proprietary funds.

The statement of activities presents comparisons between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including its blended component units. Separate statements are provided for governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The City reports the following major governmental funds:

General Fund. This 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.

Thornton Development Authority North Washington Fund (TDA North) (Component Unit). This fund accounts for debt services and capital improvement projects within the Authority boundaries financed by current resources (property tax, sales tax, investment income) and by bond proceeds. The debt service payments are for the following bond issue: \$13,900,000 Thornton Development Authority Tax Increment Revenue Refunding (North Washington Street Urban Corridor), Series 2015A – financed by sales and property tax incremental increases within the boundaries of the North Washington Urban Renewal Area. The bonds are due in semi-annual payments until maturity in 2028.

Governmental Capital Fund. This fund accounts for capital improvement projects financed by current resources (investment income, sales and use tax), as well as by restricted grant and intergovernmental revenues, developer contributions, and bond proceeds.

The City reports the following major enterprise funds:

Water Utility Fund. This fund accounts for the provision of water services to residents of the City and some residents of unincorporated Adams County.

Sewer Utility Fund. This fund accounts for the provision of sewer services to residents of the City and some residents of unincorporated Adams County.

Fund types that do not meet the criteria of major funds have been summarized and presented as other governmental funds and other enterprise funds within the fund financial statements as appropriate.

Additionally, the City reports the following fund type:

Internal Service Funds. The Risk Fund accounts for the costs related to providing the departments of the City with a comprehensive program to manage its property, liability, and work-related injury risk.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and grants. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year end, with the exception of sales tax, for which revenues collected and held by vendors at year end on behalf of the City is recognized as revenue if collected within thirty days after year end, and property taxes, for which revenues collected within thirty days after year end are recognized.

Those revenues susceptible to accrual are property, franchise, cigarette, sales and some use taxes, interest revenue, and charges for services. Fines and forfeitures, licenses and permits, and building use tax revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the fund for payments to be made early in the following year. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds and issuance of long-term debt are reported as other financing sources.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service fund are charges to customers for sales or services. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Miscellaneous nonoperating revenue consists primarily of lease and royalty revenue.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are the charges between the City's utility functions and various other functions, as well as an administrative fee charged by the General government activity to the other activities. Elimination of these charges would distort the costs and program revenues reported for the various functions.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets and Budgetary Accounting

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

- a. The City Manager submits to the Mayor and the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures of all funds and the means of financing them.
- b. A public hearing is conducted to obtain taxpayer comments.
- c. Prior to the end of the fiscal year, the budget for the next fiscal year is legally adopted through passage of a resolution. An appropriation ordinance, based on the adopted budget, is enacted on or before the last day of December.
- d. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council.
- e. The level on which expenditures may not legally exceed appropriations is the legally adopted annual operating budget for each fund in total. All appropriations for operating budgets lapse at year end.
- f. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are legally adopted for most governmental funds. In any given year, an individual fund may not be budgeted if expenditures for the year are not anticipated. In 2022, all governmental funds had legally adopted annual budgets. Notes 4g. and 4h. explain funds with budgets that are on a non-GAAP basis. Note 4i. explains budgetary practices for capital project funds/accounts.
- g. Budgets for governmental capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that the City includes the capital outlay costs for purchases of land intended for resale and excludes subsequent gains or losses on the resale of the land. In addition, the City excludes gain or loss on disposal of capital assets, acquisition of capital leases, any balances transferred due to closure of a fund and miscellaneous non-cash adjustments.
- h. Budgets for proprietary funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that the City excludes depreciation, amortization, gain or loss on disposal of capital assets, and incurred but not reported claims and includes debt service principal and interest payments and capital outlay. In addition, any balances transferred due to closure of a fund and miscellaneous non-cash adjustments are not budgeted. Budget to Actual schedules for each proprietary fund can be found in the Combining & Individual Statements & Schedules section.
- i. The City adopts a multi-year appropriation for certain capital projects, identified as long term in nature, where unexpended funds will not automatically lapse at year end, but remain appropriated until project completion. Unspent and unencumbered appropriations for those projects that are short term in nature (annual) will continue to lapse at year end.
- j. The City Council may legally amend the budget by ordinance or resolution once it has been approved. Budgeted amounts, including all amendments, are shown as adopted by the City Council.

In 2022, five budget amendments were approved by ordinance or resolution. The effect of these amendments was an overall increase in appropriations of \$41,863,792, broken down by fund type as follows:

General Fund	\$ 709,700
Special Revenue Funds	262,000
Capital Projects Funds	17,681,012
Enterprise Funds	23,211,080
	<u>\$ 41,863,792</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Investments

Investments in securities are carried at fair value or amortized cost as applicable. Unrealized gains resulting from increases in fair value between January 1 and December 31 are recognized as a component of interest income; unrealized losses resulting from decreases in fair value reduce interest income. Realized gains or losses on securities included in the investment portfolio are recognized only when the related security is sold prior to the stated maturity. Certain investments may be restricted for debt service, capital or pledge commitments.

6. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

7. Inventories

Inventories are valued at weighted average cost. Inventory in the General Fund consists of fuel held for consumption. In the General Fund cost of inventory is recorded as expenditures when consumed, rather than when purchased. The General Fund reserve for inventory, included in nonspendable inventories, is equal to the amount of inventory on hand to indicate that a portion of the General Fund fund balance is not available for future expenditures.

8. Construction Advances

Third party development advances for construction represent the deposits made by developers for specific improvements to be made either by a developer or the City at a future date. If the developer completes the improvement, then the deposit is returned to the developer upon satisfactory completion. If the City completes the improvement, then the deposit is used towards the cost of the improvement. The City recognizes revenue for these deposits when it is determined that the City, and not a developer, will incur the costs of the improvements, and the deposit will not be returned to the developer.

9. Capital Assets

Capital assets, which include property, plant, equipment, water rights, and infrastructure assets (e.g. roads, bridges, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated capital assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement are recorded at acquisition value. Contributed capital assets are recorded at their acquisition value on the date received. General infrastructure assets are valued based on estimated original cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

GASB 51 Accounting and Financial Reporting for Intangible Assets requires that all intangible assets be classified as capital assets and recognized in the statement of net position. The term depreciation includes amortization of intangible assets.

Land, water rights, source of supply assets related to tributary water rights and permanent easements are capitalized and not depreciated. Temporary easements are capitalized and depreciated over the appropriate period. All other capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated useful life</u>
Infrastructure	5-75 years
Buildings, Structures and improvements	10-50 years
Leisure Areas and improvements	5-50 years
Collection, transmission, and distribution	7-50 years
Equipment	2-30 years

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Leases

Lessee: The City is a lessee of 2 separate building spaces, law enforcement tasers, specialized reprographics copiers, City wide copiers and printers, and an asphalt milling machine under the General Fund and a liquid oxygen tank under the Water Enterprise Fund. The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual present value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease 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. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of, the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate used on the expected lease payments to determine present value, (2) lease term to include likelihood of exercising renewal or cancelation options and (3) lease payments included in present value calculation.

The City will use the interest rate implicit within the lease agreement as the discount rate. In the absence of an implicit rate, the City calculates the rate by using the City's estimated incremental borrowing rate.

The lease term includes the noncancelable period of the lease. The noncancelable period is determined by adding the initial noncancelable period to any extension option(s) reasonably certain to be exercised by the lessee or termination option reasonably certain not to be exercised by lessor

Lease payments included in the measurement of the lease asset/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 any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor of 81 leases of land used for farming or grazing purposes under the Water Enterprise Fund and 1 cell tower lease under the General Fund. The City recognizes a lease receivable and a deferred inflows of resources in both the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City calculates the discount rate by taking the treasury rate by using the City's estimated incremental borrowing rate.

The lease term includes the noncancellable period of the lease.

Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Compensated Absences

Eligible City employees earn vacation leave at a variable rate, dependent on years of service, and sick leave at the rate of 8 hours per month. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Accumulated vacation leave cannot exceed 300 (450 for 56-hour-per-week schedule) hours at the end of the year and any excess cannot be carried forward to the next year unless pre-authorized by the City Manager. For employees hired before January 1, 1995, all sick leave earned prior to December 31, 2002 is compensable. After 20 years of service or at age 62 and 10 years of service, 100% of the unused sick leave over 384 hours plus accumulated vacation leave are paid upon termination, retirement or death. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances, as described above. Compensated absences are liquidated by the respective fund where the liability was originally accrued.

12. Long-Term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

GASB 49 addresses accounting and financial reporting for pollution remediation obligations. The Thornton Development Authority, a component unit of the City, owns property which falls under voluntary remediation and had a plan with the State to actively treat subsurface contamination. The total amount spent as of year end 2010 on remediation was \$1,437,056. In 2010, the City received approval from the State to stop remediation and move to monitoring only. The City has spent a total of \$405,937 as of year-end 2022 for monitoring.

13. Fund Equity

In the fund financial statements, fund equity of the City's governmental funds are classified as nonspendable, restricted, committed, assigned, or unassigned. A governmental fund may or may not have all five components of fund balance. The five classifications describe the relative strength of the spending constraints.

Nonspendable fund balances indicate amounts that cannot be spent either due to form (for example inventories or prepaids) or due to legal or contractual requirements. Restricted fund balances indicate amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. Committed fund balances indicate amounts constrained for a specific purpose by a government using its highest level of decision-making authority (ordinance). It would require an ordinance by the City Council to remove or change the constraints placed on the resources. Assigned fund balance is established by City Council by resolution and as intended for specific purpose (such as the purchase of capital assets, construction, debt service, etc.). Unassigned fund balances indicate amounts in the general fund that are not classified as nonspendable, restricted, committed, or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, restricted amounts are deemed to be used first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then by unassigned amounts.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. In the general fund, 17% of the current year budget is committed for emergencies and utilization requires a two-thirds affirmative vote of the Council. Examples of emergencies that may lead to utilization of the reserve include economic stabilization due to an unforeseen loss of a key sales tax vendor, a catastrophic event or natural disaster. A key sales tax vendor is a vendor that generates more than one million per year in sales tax revenue for the City. An example of a catastrophic event or natural disaster would be a tornado requiring extensive operational or capital costs. Funds are not intended to be used to adjust for revenue variances due to cycles of the economy.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Net Position

In the Government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets – Consist of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Net investment in capital assets excludes unspent bond and loan proceeds.

Restricted – Consists of amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Unrestricted – Consist of amounts that do not meet the definition of “restricted” or “net investment in capital assets”.

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

15. Interfund Transactions

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

16. Statement of Cash Flows

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

17. Contraband Forfeitures

In accordance with the Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) and the Controlled Substances Act (21 USC 881(e)(3)), forfeitures from the seizure of contraband are used for the specific purpose of law enforcement activities. These funds are included in the City's General Fund.

18. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

19. Sales Tax

As a home rule city, Thornton collects its own sales taxes. Within the general government, the ten largest retailers remit approximately 43.5% of the sales tax collected.

20. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position has a separate section for deferred outflows of resources. Deferred outflows represent a consumption of net assets that applies to future period(s) and so are not recognized as an expense/expenditure in the current year, but will be in a future year. The City has items that qualify for reporting in this category relating to changes in asset retirement obligation liability, other post-employment benefits liability, changes in net pension liability and deferred charges on a bond refunding reported in the statement of net position.

In addition to liabilities, the statement of net position and *the balance sheet of the governmental funds* has a separate section for deferred inflows of resources. Deferred inflows represent an acquisition of net assets that applies to a future period(s) and so are not recognized as revenue in the current year, but will be in a future year. The City has items that qualify for reporting in this category relating to property taxes, leases, deferred charges on bond refunding, changes in other post-employment benefits liability, and changes in net pension liability reported in the statement of net position. *At the governmental fund level deferred inflows of resources are reported for unavailable revenue in connection with receivables not considered to be available under modified accrual basis of accounting.*

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. Implementation of New GASB Statements

Beginning in fiscal year 2022, the City implemented the following statements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 87, Leases - This statement is requiring the recognition of lease assets and lease liabilities for all leases with a noncancelable period beyond 12 months. Many of these leases were previously classified as operating leases with inflows of resources and outflows of resources recognized when received or expended. Short term leases, lease with a noncancelable period 12 months or less, will continue to be received or expended as operating leases previously were.

The result of implementing GASB 87, related to agreements the reporting entity was a lessee on, for the period beginning January 1, 2022; governmental activities capital assets increased \$1,108,009; liabilities due within one year increased \$470,686 and liabilities due in more than one year increased \$637,323. The implementation resulted in the beginning net position of governmental activities being decreased \$52,308 because of prior capital leases that required remeasurement under the new standard. Business-type activities capital assets increased \$62,148; liabilities due within a year increased \$15,383 and liabilities due in more than one year increased \$46,765.

The result of implementing GASB 87, related to agreements the reporting entity was a lessor on, for the period beginning January 1, 2022; governmental activities accounts receivable and deferred inflows of resources increase \$676,671. Business-type activities accounts receivable and deferred inflows of resources increased \$3,336,743.

GASB Statement No. 99, Omnibus 2022 – This statement was issued to clarification on GASB statements No. 34, Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments; No. 53, Accounting and Financial Reporting for Derivative Instruments; No. 87, Leases; No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements; No. 96, Subscription-Based Information Technology Arrangements; as well as other program and terminology updates. *This GASB did not require a change to reporting of current or prior periods.*

22. Future Accounting Pronouncements

This report does not incorporate GASB Statement No. 96 Subscription-Based Information Technology Arrangements; No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62; and GASB Statement No. 101, Compensated Absences.

City's management does expect the implementation of GASB No. 96 to effect financial statements, at this time management has not determined what the effect is going to be.

City's management is still evaluating GASB Statement Nos. 100 and 101 for impact to the financial statements.

23. Jointly Governed Organization

Woman Creek Reservoir Authority (the Authority). The City participates as an equal partner with the Cities of Northglenn and Westminster in the operation of the Woman Creek Reservoir Authority. It has no financial interest in the Authority. The Authority began operation in 1996 with funding from a grant by the federal government's Environmental Protection Agency. The grant's purpose was to supply sufficient funds to mitigate and/or clean up any hazardous effects to the water supply of the three cities from the previous production of nuclear weapons at the Rocky Flats facility located near the Woman Creek Reservoir. The Authority contracted with the Church Ditch Water Authority to provide maintenance and monitoring services for the reservoir. Copies of the Woman Creek Reservoir Authority's financial statements may be obtained from the City of Thornton.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance with Finance-Related Legal and Contractual Provisions

The City believes it has no material violations of finance-related legal and contractual provisions.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE C - DEPOSITS AND INVESTMENTS

1. Equity in Pooled Cash and Investments

Except when required by trust agreements, the operating cash in each fund is pooled and cash in excess of operating requirements is invested.

2. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, with eligibility 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the City's deposits had a carrying amount of \$5,378,048 and a bank balance of \$7,352,328. Of the bank balance, \$808,980 was covered by federal depository insurance. The remainder of the bank balance, \$6,543,348, was uninsured and collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

3. Investments

The City's Charter allows investment in one or more of the securities permitted by the statutes of Colorado for the investment of state funds or municipal funds, bonds payable out of the revenues of any service or facility furnished by the City, or in general obligation bonds of the City. The City's internal investment policy further restricts investments to the following securities: United States Treasury, Government Sponsored Enterprises, State & Local Government taxable general or revenue obligations, Corporate Bonds and Commercial Paper, Local Government Investment Pools, Money Market Mutual Funds, Repurchase Agreements, Reverse Repurchase Agreements, Securities Lending Agreements, and Deposits in State or Nationally Chartered Depository Institutions. Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below. At December 31, 2022, the City had the following investments and maturities:

Investment Type	Fair Value	< 1 Year	2-3 Years	4-5 Years
U.S. Government Treasuries	\$ 38,588,203	\$ 22,237,500	\$ 16,350,703	\$ -
Corp Bonds	164,800,062	59,310,814	44,660,419	60,828,829
U.S. Government Agencies	197,314,191	2,869,553	114,267,315	80,177,323
State & Local Government Bonds	43,887,800	4,196,364	14,959,676	24,731,760
Asset Backed Securities	12,320,418	-	6,633,625	5,686,793
Certificate of Deposit	2,600,331	488,355	2,111,976	-
Local Gov't Investment Pools	102,437,233	102,437,233	-	-
Total	\$ 561,948,238	\$ 191,539,819	\$ 198,983,714	\$ 171,424,705

Unrealized gains or losses resulting from changes in the fair value of the investment portfolio are recognized as increases to or reductions from interest income in the financial statements. The only time a realized gain or loss is recognized on investment transactions is when they are sold prior to their stated maturity. Present cash flow needs of the City are being met without premature liquidation of investments. The City generally holds investments until maturity and redeems them at par. The City has no unfunded commitments related to these investments and there are no withdrawal restrictions. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date

Level 2: Inputs other than quoted prices included in Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities

Level 3: Unobservable inputs for an asset or liability

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

3. Investments (Continued)

There have been no significant changes in the valuation techniques during the year ended December 31, 2022. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At December 31, 2022, U.S. Government Treasuries, Corporate Bonds, State and Local Government bonds, U.S. Government Agencies, and Certificate of Deposits, are classified within Level 2 hierarchy. Participant balances in the Local government pools Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colotrust) are stated at net asset value. The underlying securities in CSAFE are measured at amortized cost and are so close to fair value when measured at amortized cost that they are generally equivalent. Securities in Colotrust, other than agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities, repurchase agreements are recorded at cost, which approximates fair value.

Interest Rate Risk – The City's internal investment policy is designed to reduce interest rate risk. The maximum duration of the portfolio is limited to 5.0 years. At December 31, 2022, the weighted-average maturity of the City's portfolio was 22.10 months.

Credit Risk – The City minimizes credit risk, the risk of loss due to the failure of the security issuers or banker, by diversifying the investment portfolio so that potential losses on individual securities are minimized and by limiting investments to specified credit ratings. Per the City's Investment Policy, at the time of purchase, a security must be rated AA- or Aa3 or better by Standard & Poor's or Moody's respectively. If a security is downgraded after the date of purchase, the City may continue to hold the security provided the Investment Officer acts as a Prudent Investor; disclosing and managing the risks associated with the security. As of December 31, 2022, the City's investment in U.S. Treasuries, FHLB, FFCB, FHLMC, and Corporates (excluding Toyota, Toronto Dominion Bank, Protective Life Global, and Amazon) were all rated AA- or better by Standard & Poor's or Aa3 or better by Moody's. As of December 31, 2022, the City's investment in Toyota was rated A+ by Standard & Poor's and A1 by Moody's, Toronto Dominion Bank was rated A by Standard & Poor's and A1 by Moody's, Protective Life Global was rated AA- by Standard & Poors and A1 by Moody's, Amazon was rated AA by Standard & Poor's and A1 by Moody's.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. At December 31, 2022, no investments were held by a counterparty, and all investments were registered in the City's name.

Concentration of Credit Risk – The City's internal investment policy limits the amount the City may invest in one issuer except for U.S. Treasuries, which are unlimited because they are backed by the full faith and credit of the U.S. Government. No more than 5% of the portfolio may be invested in a single corporation and no more than 30% may be invested in a single government sponsored enterprise. As of December 31, 2022, the City's investment in U.S. Treasuries were 6.9%, FHLB were 16.8%, FFCB was 6.2%, and FHLMC was 5.9%. The City's investment in Local Government Investment Pools are excluded from this disclosure requirement.

Local Government Investment Pools – As of December 31, 2022, the City had \$63,870,187 invested in Colotrust and \$38,567,046 invested in CSAFE. These investment vehicles were established for local government entities in Colorado to pool surplus resources; it is overseen by the Colorado Securities Commissioner and governed by CRS 24-75-701. A designated custodial bank provides safekeeping and depository services. The custodian's internal records identify the investments owned by the participating governments. Both pools operate similarly to a money market fund and each share is equal to \$1.00 in value. Colotrust and CSAFE are rated AAAM by Standard & Poor's.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE D - PROPERTY TAXES AND RECEIVABLES

1. Property Taxes

Property taxes are collected on behalf of the City by Adams County and then remitted to the City. The property tax is levied and certified in December of the year prior to the year the taxes are collected on all taxable property in the City. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments, on February 28 and June 15, and are delinquent after these dates, respectively. The entire balance may be paid on April 30 without penalty. Property taxes levied are recorded as deferred inflows in the year levied, as they are not due until the following year. Property tax revenue is recognized in the subsequent tax year.

2. Receivables

For governmental receivables, available means when due or past due and receivable within the current period, and collected within the current period or expected to be collected soon thereafter to be used to pay liabilities of the current period, generally within thirty days.

Ambulance receivables and revenues are reported net of contractual allowances and uncollectible amounts. As of December 31, 2022, total accounts receivable were \$1,814,789 with an allowance for bad debt of \$870,971. Write-offs, which include contractual allowances and uncollectible amounts related to the current period, are \$4,566,235.

3. Lease Receivables

Lease Receivables Governmental Activities –

Cell Tower - In 2022, the City entered into a five year noncancelable lease with two additional five year terms that the City is reasonably certain will be exercised, totaling a 15 year lease term, with a third party to place and operate a cell tower on a piece of land located at approximately 136th Ave. and Quebec St. The City will receive payments of \$3,750 per month beginning May 1, 2022 through April 30, 2027. Monthly payments shall be increase 25% effective for the five year term beginning May 1, 2027, and increase another 25% for the five year term beginning May 1, 2032. In no event shall payment for any year decrease. The City recognized \$30,072 in lease revenue and \$11,667 in interest revenue during the current fiscal year related to this lease. As of December 31, 2022, the City's receivable for lease payments is \$658,338. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources is \$646,599.

Lease Receivables Business Type Activities –

Farm Land - The City enters into numerous three to five year noncancelable leases with various third parties for land used for agricultural purposes located in Ault, CO. During the lease period there could be adjustments related to ditch crossing assessment, however these cannot be calculated at the time of the lease agreement and will therefore flow through as an increase or decrease in inflow of resources as applicable in the period the adjustment becomes effective. The City recognized \$1,398,529 in lease revenue and \$19,811 in interest revenue during the current fiscal year related to these leases. As of December 31, 2022, the City's receivable for lease payments is \$2,150,201. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources is \$1,938,214.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning balances (as restated)	Additions & transfers	Deletions & transfers	Ending balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 51,346,120	\$ 2,226,410	\$ -	\$ 53,572,530
Construction in progress	20,960,471	30,860,292	(13,741,074)	38,079,689
Total capital assets not being depreciated	72,306,591	33,086,702	(13,741,074)	91,652,219
Capital assets being depreciated:				
Streets, traffic, and engineering	410,591,848	14,912,033	-	425,503,881
Buildings and improvements	176,437,312	13,067,700	-	189,505,012
Leisure areas and improvements	105,445,411	3,759,561	-	109,204,972
General equipment	60,096,962	3,616,064	(1,741,415)	61,971,611
Right to use assets being amortized:				
Buildings and improvements	309,892	-	-	309,892
General Equipment	1,398,441	-	-	1,398,441
Total capital & RTU assets being depreciated	754,279,866	35,355,358	(1,741,415)	787,893,809
Less accumulated depreciation for:				
Streets, traffic, and engineering	257,436,975	11,443,232	-	268,880,207
Buildings and improvements	41,538,969	3,947,658	-	45,486,627
Leisure areas and improvements	55,782,192	4,110,382	-	59,892,574
General equipment	38,141,342	4,579,698	(1,626,160)	41,094,880
Less accumulated amortization for:				
Buildings and improvements	-	113,748	-	113,748
General Equipment	-	455,640	-	455,640
Total accumulated depreciation/amortization	392,899,478	24,650,358	(1,626,160)	415,923,676
Total capital & RTU assets being depreciated, net	361,380,388	10,705,000	(115,255)	371,970,133
Governmental activity capital & RTU assets, net	\$ 433,686,979	\$ 43,791,702	\$ (13,856,329)	\$ 463,622,352
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land and water rights	\$ 212,664,101	\$ 2,664,622	\$ -	\$ 215,328,723
Source of supply	129,350,266	-	-	129,350,266
Construction in progress	74,719,349	14,844,046	(92,991)	89,470,404
Total capital assets not being depreciated	416,733,716	17,508,668	(92,991)	434,149,393
Capital assets being depreciated:				
Water treatment plant	176,778,606	13,291	-	176,791,897
Collection, transmission, and distribution	449,582,012	14,779,973	(100,306)	464,261,679
Transportation equipment	11,474,658	804,205	(110,528)	12,168,335
General equipment	13,362,232	308,588	(73,843)	13,596,977
Buildings and improvements	24,789,349	-	(59,354)	24,729,995
Right to use assets being amortized:				
General equipment	62,148	-	-	62,148
Total capital & RTU assets being depreciated	676,049,005	15,906,057	(344,031)	691,611,031
Less accumulated depreciation for:				
Water treatment plant	35,761,275	3,801,201	-	39,562,476
Collection, transmission, and distribution	160,129,157	9,482,893	(100,306)	169,511,744
Transportation equipment	5,428,078	1,230,327	(110,528)	6,547,877
General equipment	8,706,573	690,676	(71,438)	9,325,811
Buildings and improvements	11,016,594	409,672	(59,354)	11,366,912
Less accumulated amortization for:				
General equipment	-	15,540	-	15,540
Total accumulated depreciation/amortization	221,041,677	15,630,309	(341,626)	236,330,360
Total capital & RTU assets being depreciated, net	455,007,328	275,748	(2,405)	455,280,671
Business-type capital & RTU assets, net	\$ 871,741,044	\$ 17,784,416	\$ (95,396)	\$ 889,430,064

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE E - CAPITAL ASSETS (CONTINUED)

As a result of the adoption of GASB Statement No. 87, the beginning balances for capital assets being depreciated: general equipment and right to use assets being amortized: general equipment have been restated. For net impact on beginning net position reference footnote A21.

Depreciation and amortization expense was charged to functions/activities as follows:

<u>Governmental activities:</u>	
Capital Assets:	
General government	\$ 1,676,012
Police	1,693,876
Fire	1,644,749
City development	297,492
Streets, traffic & engineering	12,077,669
Community services	<u>6,691,172</u>
Capital asset depreciation	<u>24,080,970</u>
Right to use leased assets:	
General government	192,864
Police	149,916
City development	49,512
Streets, traffic & engineering	112,860
Community services	<u>64,236</u>
Right to use asset amortization	<u>569,388</u>
Additions and transfers per Note E for accumulated depreciation for government activities	<u><u>\$ 24,650,358</u></u>
<u>Business-type activities:</u>	
Capital Assets:	
Water	\$ 10,329,729
Sewer	2,677,311
Environmental Services	833,861
Stormwater	<u>1,773,868</u>
Capital asset depreciation	<u>15,614,769</u>
Right to use leased assets:	
Water	<u>15,540</u>
Right to use asset amortization	<u>15,540</u>
Additions and transfers per Note E for accumulated depreciation for business-type activities	<u><u>\$ 15,630,309</u></u>

NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. The composition of transfers at December 31, 2022 is as follows:

Transfers out:	Transfers in:			
	General	Governmental Capital	Governmental Non Major	Total
General	\$ -	\$ -	\$ 18,000	\$ 18,000
TDA North Capital Fund	1,275,336	2,924,031	-	4,199,367
Governmental Non-Major	4,841,567	-	-	4,841,567
	<u>\$ 6,116,903</u>	<u>\$ 2,924,031</u>	<u>\$ 18,000</u>	<u>\$ 9,058,934</u>

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE G - LONG-TERM DEBT

1. Bonds Payable

Bonds payable at December 31, 2022 are comprised of:

Revenue Bonds

\$39,380,000, April 29, 2013 Water Enterprise Revenue Refunding Bonds, Series 2013, annual installments of \$1,880,000 to \$2,765,000 through December 1, 2034, interest at 3.00% to 5.00% \$ 27,925,000

\$78,255,000, October 29, 2020 Water Enterprise Revenue Bonds, Series 2020, annual installments of \$1,470,000 to \$4,080,000 through December 1, 2050, interest at 3.00% to 5.00% 75,760,000

Plus unamortized premium 13,222,816

\$ 116,907,816

At December 31, 2022, deferred charges were \$1,373,861 for the Water Enterprise Revenue Refunding Bonds.

Tax Increment Bonds

\$13,900,000, September 22, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Refunding Bonds, Series 2015, annual installments of \$1,090,000 to \$1,365,000 through December 1, 2028, interest at 3.25% to 5.00% (This issue will be serviced solely by 50% of the property tax increment and 50% of the sales tax collected within the boundaries of the North Washington Street Corridor Area. Although the obligation is reported within the governmental activities, it is not a general obligation of the City (primary government). For the year ended December 31, 2022, pledged sales and property taxes were \$13,544,965, principal and interest paid were \$1,035,000 and \$373,263 respectively. \$ 7,370,000

\$27,580,000, December 2, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Bonds, Series 2015B, annual installments of \$755,000 to \$2,170,000 through December 1, 2037, interest at 3.38% to 5.00% (This issue will be serviced solely by the pledged property tax increment and sales tax collected, net other obligations, within the boundaries of the East 144th Ave. and I-25 Area. Although the obligation is reported within the governmental activities, it is not a general obligation of the City (primary government). For the year ended December 31, 2022, pledged sales and property taxes were \$4,276,799, principal and interest paid were \$730,000, and \$1,077,494 respectively. 22,905,000

Plus unamortized premium 1,880,984

\$ 32,155,984

At December 31, 2022, the deferred gain was \$22,471 for the Tax Increment Revenue Refunding Bonds.

There are limitations and restrictions in the various bond indentures. As of December 31, 2022 the City believes it is in compliance with all significant limitations and restrictions.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE G - LONG-TERM DEBT (CONTINUED)

2. Certificates of Participation

2007 Certificates of Participation - During 2002, the City entered into a Master Lease Purchase Agreement with the Capital Asset Finance Corporation (CAFC), an independent Colorado nonprofit corporation. Under this agreement, the Thornton Finance Authority (TFA) assigned all of its rights and obligations under Certificates of Participation (COPs) issued in 1998 to the CAFC and the CAFC issued 2002 COPs totaling \$41,690,000, the proceeds of which were used to purchase the City's Civic Center and the property on which the City's Justice Center was constructed and to provide funds to construct the Justice Center. The proceeds from the sale of City assets were used by the City to construct an interchange. The Justice Center is leased back to the City by the CAFC with the lease payments matching the COP payment terms. During 2007, the City entered into an Amended and Restated Master Lease Purchase Agreement with the CAFC and the CAFC issued 2007 COPs totaling \$32,820,000, the proceeds of which were used to refund the outstanding 1998 COPs maturing on and after December 1, 2009 and the 2002 COPs maturing on and after December 1, 2013.

The 2007 Amended and Restated Master Lease Purchase Agreement totaling \$32,820,000, is due in an annual installment of \$3,230,000 through December 1, 2022. As of December 31, 2022 the City had fulfilled its obligations related to this debt.

2018 Certificates of Participation - In November 2018, the City entered into a Site and Improvement Lease with US Bank, NA as Trustee pursuant to which the City will lease to the Trustee City Hall and the Margaret W. Carpenter Recreation Center. Simultaneously, the City entered into an annually renewable Lease Purchase Agreement under which the City will pay base rentals in order to lease City Hall and the Recreation Center back from the Trustee.

The City issued 2018 Certificates of Participation totaling \$65,280,000 evidencing proportionate interests in the base rentals under the Lease Purchase Agreement. The proceeds of the issuance will be used to finance or reimburse the City for the costs of the new Trail Winds Recreation Center, a new Public Safety Facility and other capital improvements. The base rentals are due in annual installments of \$2,280,00 to \$4,610,000 through December 1, 2039 with interest at 4.00% to 5.00% and currently amounts to \$57,425,000. The 2018 Lease Purchase Agreement unamortized premium was \$3,412,239 at December 31, 2022.

2020 Certificates of Participation - In May 2020, the City entered into the First Amendment to the Site and Improvement Lease, dated November 1, 2018, with US Bank, NA as Trustee pursuant to which the City will lease to the Trustee, in addition to the facilities listed in the Original Lease, the Active Adult Center. Simultaneously, the City entered into an amended annually renewable Lease Purchase Agreement under which the City will pay base rentals in order to lease, in addition to the facilities in the Original Agreement, the Active Adult Center back from the Trustee.

The City issued 2020 Certificates of Participation totaling \$26,785,000, evidencing proportionate interests in the base rentals under the Amended Lease Purchase Agreement. The proceeds of the issuance will be used to finance or reimburse the City for the costs of the new Active Adult Center and rehabilitating the aquatics facility at the Margaret W. Carpenter Recreation Center. The base rentals are due in annual installments of \$1,090,000 to \$1,995,000 through December 1, 2038 with interest at 3.00% to 5.00% and currently amounts to \$24,765,000. The 2020 Amended Lease Purchase Agreement unamortized premium was \$3,190,569 at December 31, 2022.

3. Other Obligations

In 1986, the City entered into a settlement agreement with the Water Supply and Storage Company ("the Company"), a mutual ditch company. Among the terms and conditions of the settlement, the City agreed to make certain capital contributions to the Company in the form of direct payments in the years 1987, 1988, and 1989, and committed to contribute an additional \$5,000,000 toward future mutually beneficial capital projects or improvements to the system. As of December 31, 2022 the remaining amount owed under this portion of the agreement is \$861,226. This balance does not accrue interest and is not required to be paid before any specific date in accordance with the agreement.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE G - LONG-TERM DEBT (CONTINUED)

3. Other Obligations (Continued)

In 2019, the implementation of GASB Statement No. 83, Certain Asset Retirement Obligations, resulted in recording the following liabilities and were outstanding at the end of December 31, 2022:

In the governmental activities, a liability of \$375,000 remaining for obligations related to three underground and two aboveground fuel tanks (capacities ranging from 4,000 to 10,000 gallons), these tanks provide fuel for the City's vehicles and equipment. The obligation is legally enforceable by a Colorado State Regulation from the Division of Oil and Public Safety for both aboveground and underground storage tanks. The methods and assumptions used to measure liability was based on historical cost for tank abandonment provided by the Fleet Manager. The estimated remaining life of the three underground fuel tanks is 9 years. The estimated remaining life of the two aboveground tanks is 15 years. There are no legal funding requirements or assurances, or restricted amounts for the payment of these liabilities.

In the business-type activities, a liability of \$50,000 is remaining for an obligation related to a 4,000 gallon underground fuel tank that provides fuel for a backup generator to one of the City's pump stations. The obligation is legally enforceable by a Colorado State Regulation from the Division of Oil and Public Safety for Storage Tanks. The methods and assumptions used to measure liability was based on a direct quote obtained by the Utilities Manager. The estimated remaining life of the underground fuel tank is 6 years. There are no legal funding requirements or assurances, or restricted amounts for the payment of this liability.

4. Lease Obligations

Lease Obligations Governmental Activities Building and Improvements –

Pinnacle Shopping Center Suite 170 – In August 2020, the City entered into a four year lease agreement on suite 170 at the premises of The Pinnacle Shopping Center at 550 East Thornton Parkway. Previously recognized as an operating lease, this lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$127,893, as of December 31, 2022 the lease liability is \$79,520. The City was required to make monthly principal and interest payments of \$4,095 (Jan '22 – July '22), \$4,176 (Aug '22 – Jul '23), and \$4,259 (Aug '23 – Jul '24). The lease has an interest rate of 1.23%. The premises had an initial useful life of 50 years. The net book value of the right to use asset as of December 31, 2022 is \$78,381 with accumulated amortization of \$49,512, which is included in buildings and improvements in governmental activities in Footnote E.

Pinnacle Shopping Center Suite 9499-A2 – In September 2021, the City entered into a one year lease agreement with two additional one year options that the City is likely to exercise on suite 9499-A2 at the premises of The Pinnacle Shopping Center at 550 East Thornton Parkway. Previously recognized as an operating lease, this lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$181,999, as of December 31, 2022 the lease liability is \$118,365. The City was required to make monthly principal and interest payments of \$5,444. The lease has an interest rate of 1.23%. The premises had an initial useful life of 50 years. The net book value of the right to use asset as of December 31, 2022 is \$117,763 with accumulated amortization of \$64,236, which is included in buildings and improvements in governmental activities in Footnote E.

Lease Obligations Governmental Activities General Equipment –

Ricoh Copiers – In March 2018, the City entered into a five year lease agreement on two reprographics copiers. This lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$37,978, as of December 31, 2022 the lease liability is \$9,775. The City is required to make monthly principal and interest payments of \$2,483. The lease has an interest rate of 7.26%. The equipment had an initial useful life of five years. The net book value of the right to use asset as of December 31, 2022 is \$9,490 with accumulated amortization of \$28,488, which is included in general equipment in governmental activities in Footnote E. This lease includes a variable monthly maintenance payment covering the five year lease agreement. As of December 31, 2022 this variable payment not included in the liability above is \$25,381.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE G - LONG-TERM DEBT (CONTINUED)

4. Lease Obligations (Continued)

Lease Obligations Governmental Activities General Equipment (Continued) –

Wirtgen Milling Machine – In February 2021, the City entered into a five year lease agreement on one wirtgen milling machine with canopy. This lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$451,447, as of December 31, 2022 the lease liability is \$336,090. The City is required to make annual principal and interest payments of \$115,357. The lease has an interest rate of 1.48%. The equipment had an initial useful life of ten years. The City has the option to purchase the equipment for \$119,200 when the lease ends on February 25, 2026. The net book value of the right to use asset as of December 31, 2022 is \$338,587 with accumulated amortization of \$112,860, which is included in general equipment in governmental activities in Footnote E.

Axon Tasers – In June 2019, the City entered into a five year lease agreement on tasers. Previously recognized as an operating lease, this lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$374,775, as of December 31, 2022 the lease liability is \$186,423. The City is required to make annual principal and interest payments of \$188,352. The lease has an interest rate of 1.04%. The equipment had an initial useful life of five years. The net book value of the right to use asset as of December 31, 2022 is \$224,859 with accumulated amortization of \$149,916, which is included in general equipment in governmental activities in Footnote E.

Canon Copiers – In February 2020, the City entered into a five year lease agreement on citywide printer and copier equipment. Previously recognized as an operating lease, this lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$534,241, as of December 31, 2022 the lease liability is \$370,098. The City is required to make monthly principal and interest payments of \$14,103. The lease has an interest rate of 1.23%. The equipment had an initial useful life of five years. The net book value of the right to use asset as of December 31, 2022 is \$369,865 with accumulated amortization of \$164,376, which is included in general equipment in governmental activities in Footnote E. This lease includes a variable usage payment covering the five year lease agreement. As of December 31, 2022 this variable payment not included in the liability above is \$63,109.

Obligations under leases at December 31, 2022 are as follows:

Year	Principal	Interest	Total
2023	\$ 586,264	\$ 10,303	\$ 596,567
2024	362,156	3,958	366,114
2025	151,851	359	152,210
Totals	<u>\$ 1,100,271</u>	<u>\$ 14,620</u>	<u>\$ 1,114,891</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE G - LONG-TERM DEBT (CONTINUED)

4. Lease Obligations (Continued)

Lease Obligations Business Type Activities –

Liquid Oxygen Tank – In July 2019, the City entered into a one year lease agreement effective January 1, 2021 with four additional one year options that the City is likely to exercise on a liquid oxygen at the Thornton water treatment plant. Previously recognized as an operating lease, this lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$62,148, as of December 31, 2022 the lease liability is \$46,765. The City is required to make monthly principal and interest payments of \$1,315. The lease has an interest rate of 0.80%. The equipment had an initial useful life of 30 years. The net book value of the right to use asset as of December 31, 2022 is \$46,608 with accumulated amortization of \$15,540, which is included in general equipment in business type activities in Footnote E. This lease includes a variable monthly maintenance payment covering the five year lease agreement. As of December 31, 2022 this variable payment not included in the liability above is \$34,220.

Obligations under lease at December 31, 2022 are as follows:

Year	Principal	Interest	Total
2023	\$ 15,465	\$ 315	\$ 15,780
2024	15,588	192	15,780
2025	15,712	68	15,780
Totals	<u>\$ 46,765</u>	<u>\$ 575</u>	<u>\$ 47,340</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE G - LONG-TERM DEBT (CONTINUED)

5. Long-Term Obligation Activity

As a result of the adoption of GASB Statement No. 87, the beginning balance for Governmental activities: Leases has been restated. For net impact on beginning net position reference footnote A21.

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balances (as restated)	Increases	Decreases	Ending Balances	Due within one year
Governmental activities:					
Tax increment bonds	\$ 32,040,000	\$ -	\$ 1,765,000	\$ 30,275,000	\$ 1,845,000
Add unamortized premium	2,063,232	-	182,248	1,880,984	-
Total bonds payable	34,103,232	-	1,947,248	32,155,984	1,845,000
Certificates of participation	88,630,000	-	6,440,000	82,190,000	3,370,000
Less unamortized discount	(16,003)	-	(16,003)	-	-
Add unamortized premium	7,013,596	-	410,788	6,602,808	-
Total certificate of participation payable	95,627,593	-	6,834,785	88,792,808	3,370,000
Leases	1,861,734	-	761,463	1,100,271	586,264
Compensated absences	7,959,397	7,301,340	6,265,300	8,995,437	2,065,683
Risk - claims liability	5,818,074	8,840,014	9,483,980	5,174,108	2,591,978
Other - asset retirement obligation	375,000	-	-	375,000	-
Governmental activities:					
Total long-term liabilities	<u>\$145,745,030</u>	<u>\$ 16,141,354</u>	<u>\$ 25,292,776</u>	<u>\$136,593,608</u>	<u>\$ 10,458,925</u>
Business-type activities:					
Revenue bonds	\$106,870,000	\$ -	\$ 3,185,000	\$103,685,000	\$ 3,350,000
Add unamortized premium	13,792,825	-	570,009	13,222,816	-
Total bonds payable	120,662,825	-	3,755,009	116,907,816	3,350,000
Leases	62,148	-	15,383	46,765	15,465
Compensated absences	1,094,312	1,075,920	1,076,501	1,093,731	274,909
Other	911,226	-	-	911,226	-
Business-type activities:					
Total long-term liabilities	<u>\$122,668,363</u>	<u>\$ 1,075,920</u>	<u>\$ 4,846,893</u>	<u>\$118,959,538</u>	<u>\$ 3,640,374</u>

Governmental activities, claims and judgments are generally liquidated by the general fund. Compensated absences would be liquidated by the respective fund where the liability accrued.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE G - LONG-TERM DEBT (CONTINUED)

6. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2022 are as follows:

Year ending Dec 31,	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES	
	Tax increment bonds		Certificates of participation		Revenue bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,845,000	\$ 1,377,107	\$ 3,370,000	\$ 3,482,650	\$ 3,350,000	\$ 3,710,794
2024	1,930,000	1,284,856	3,535,000	3,314,150	3,515,000	3,543,294
2025	2,030,000	1,188,357	3,715,000	3,137,400	3,670,000	3,387,244
2026	2,575,000	1,086,857	3,900,000	2,951,650	3,840,000	3,224,194
2027	2,705,000	958,107	4,090,000	2,756,650	4,005,000	3,053,544
2028-2032	9,305,000	3,389,157	23,675,000	10,581,700	22,560,000	12,737,525
2033-2037	9,885,000	1,397,684	28,865,000	5,376,050	18,060,000	8,664,961
2038-2042	-	-	11,040,000	606,050	15,170,000	5,849,400
2043-2047	-	-	-	-	17,620,000	3,401,100
2048-2050	-	-	-	-	11,895,000	720,600
	<u>\$ 30,275,000</u>	<u>\$ 10,682,125</u>	<u>\$ 82,190,000</u>	<u>\$ 32,206,300</u>	<u>\$ 103,685,000</u>	<u>\$ 48,292,656</u>

7. Revenues Pledged for Debt Service

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$39,380,000 in water revenue refunding bonds and \$78,255,000 in water revenue bonds. Proceeds from the revenue refunding bonds, Series 2013, were used for rejuvenation of the water treatment facilities, improving and expanding water storage, and various other projects and the proceeds from the revenue bonds, Series 2020, were used to construct a water treatment plant. The bonds are payable solely from water customer net revenues and are payable through 2050. Annual principal and interest payments on the bonds are expected to require less than 8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$152 million. For the year ended December 31, 2022 net available revenues were \$90,811,840, principal and interest paid were \$3,185,000, and \$3,870,044, respectively.

NOTE H - UNEARNED REVENUE

The General Fund includes unearned revenue of \$93,103, which is related to funds received for prefunded permit fees. The Governmental Capital Fund has \$17,388,217 related to funds received from American Rescue Plan Act of 2021. The Open Space Fund has \$9,600 for a property lease. The Water Fund has \$125,854 for water and farm leases.

NOTE I - RETIREMENT PLANS

City employees are covered under one of two different retirement plans, depending on occupation and date of hire. Additionally, the City Manager, the City Attorney, and the presiding Municipal Judge are covered under their own separate retirement plans. All plans and plan amendments are approved by City Council as single-employer, defined contribution plans, qualified under IRS guidelines, except the fire and police pension plans, an agent multiple-employer defined benefit plan and a cost sharing multiple-employer defined benefit plan.

In early 2017, City Council passed a resolution to reaffiliate with the Fire and Police Pension Association (FPPA), a multiple-employer defined benefit plan. Sworn police and firefighters hired before July 10, 2017 were given the option to remain in the City's local money purchase plan or reenter FPPA. Sworn police and firefighters hired on or after July 10, 2017 are enrolled in the FPPA Statewide Defined Benefit plan (SWDB).

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

At December 31, 2022, the City reported the following aggregate amounts related to the FPPA plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension liability	\$ 3,013,918
Net pension asset	22,178,303
Deferred outflows of resources	11,771,845
Deferred inflows of resources	15,852,989
Pension income	6,082,108

All plans are administered by outside trustees and do not meet the standards of accounting principles generally accepted in the United States of America for inclusion as part of the reporting entity.

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City Fire and Police Pension Plans and additions to/deductions from the Fire and Police Pension Plans fiduciary net position have been determined on the same basis as they are reported by the Fire and Police Pension Association of Colorado (FPPA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The City's money purchase plans do not meet the definition of a component unit in GASB Statement No. 84 and the City does not control the assets of the plans, so the plans are not included as a fiduciary activity in the financial statements.

A description of each plan and selected financial information follows.

1. Defined Contribution Money Purchase Plans

a. Regular Employee Money Purchase Plan

Plan Description. The Regular Employee Money Purchase Plan is a single employer defined contribution plan maintained for regular employees. Assets are administered and held by Nationwide. The plan requires mandatory employee pre-tax contributions to the plan of 6% of base pay. The City also contributes 7.6% of employees' base pay to the plan. The plan requires employee participation in the plan immediately upon date of hire. Vesting of employer contributions is as follows: 0% in employer contributions for the first 2 years, 30% at 3 years, 40% at 4 years, and 100% at 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

Funding. Employer contributions are funded every pay period by the governmental and proprietary funds. The City's contributions for 2022 were \$4,930,925 (which includes the City's match for voluntary contributions, which is further explained on footnote J). City employees' contributions for 2022 were \$7,398,330. The City's contributions were offset by \$89,965 in employee forfeitures.

b. City Manager, City Attorney and presiding Municipal Judge Money Purchase Plan (Contract Employee Plan)

Plan Description. The Contract Employee Plan is a single employer defined contribution plan maintained for the City Manager, City Attorney, and presiding Municipal Judge. Assets are administered and held by Nationwide.

Funding. Employer contributions are funded every pay period by the General Fund and the terms of the plan are negotiated periodically as a part of their employment contract. The City and employee contributions for 2022 were \$52,727 and \$61,357 respectively.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

1. Defined Contribution Money Purchase Plans (Continued)

c. Firefighters Money Purchase Plan

Plan Description. The Firefighters Employee Money Purchase Plan is a single employer defined contribution plan maintained for all full-time firefighters hired on or after January 1, 1994 and before July 10, 2017. Firefighters hired before July 10, 2017 were given the option to remain in the City's local money purchase plan or reenter FPPA. Assets are administered and held by Nationwide. The plan requires mandatory employee contributions of 9% of base pay. The City's contribution is 9% of base pay. Vesting of employees is as follows: 0% in employer contributions for the first 2 years, 30% at 3 years, 40% at 4 years, and 100% at 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

Funding. Employer contributions are funded every pay period from the General Fund. The City's contributions for 2022 were \$262,266. The City firefighters' mandatory contributions for 2022 were \$262,266.

d. Police Money Purchase Plan

Plan Description. The Police Money Purchase Plan is a single employer defined contribution plan maintained for all full-time, sworn police officers hired before July 10, 2017. Sworn police hired before July 10, 2017 were given the option to remain in the City's local money purchase plan or reenter FPPA. Assets are administered and held by Nationwide. The plan requires mandatory employee contributions of 10% of base pay. The City's contribution is 10% of base pay. Vesting of employer contributions is as follows: 0% in employer contributions for the first 2 years, 30% at 3 years, 40% at 4 years, and 100% at 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

Funding. Employer contributions are funded every pay period from the General Fund. The City's contributions for 2022 were \$180,017. The City police employees' mandatory contributions for 2022 were \$180,017. The City's contributions were offset by \$11,265 in employee forfeitures.

e. Fire and Police Statewide Money Purchase Plan

Plan Description. The Fire & Police Statewide Money Purchase Plan is a multiple-employer defined contribution pension plan, for full-time and part-time firefighters and police officers, as well as its full-time and part-time administrative employees whose services are auxiliary to fire protection. The plan is administered by the Fire & Police Pension Association of Colorado. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

Funding. Contributions to the plan are calculated as a percentage of the member's pensionable earnings, which is specified by state statute. For Firefighter members, the plan requires mandatory employee contributions of 9.0% of base pay, which is matched by the City. For Police Officer members the plan requires mandatory employee contributions of 10% of base pay, which is matched by the City.

Employer and member contributions are invested in funds at the discretion of members. Members are always fully vested in their own contributions, and the earnings on those contributions. Vesting in the City's contributions and earnings on those contributions occurs according to the vesting schedule set by state statute at 20% per year after the first year of service to be 100% vested after 5 years of service. Unvested City contributions and earnings thereon are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. Any administrative expenses not covered by forfeitures are charged directly to member accounts. Benefit terms are established and amended through collective bargaining agreements between the City of Thornton and the Thornton Firefighters Local Number 2376, International Association of Firefighters and the Fraternal Order of Police, Thornton Lodge 16.

Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. Employer contributions are funded every pay period from the General Fund. For the year ended December 31, 2022, City and employee contributions were both \$42,437.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. **Fire and Police Pension Plans**

a. Fire and Police Pension Old Hire Fire Pension Plan

Plan Description. The City Fire Pension Plan (the Old Hire Plan), a defined benefit pension plan, established in accordance with Colorado law, covers all full-time firefighters hired prior to April 8, 1978. All plan assets held by the City were transferred in January 1986 to FPPA, an agent multiple-employer defined benefit pension plan. The City's fire department transferred out of the City, into a joint venture fire district in 1994. The fire district dissolved on December 31, 1999, and the fire department rejoined the City on January 1, 2000. The maintenance of total plan assets sufficient to pay the benefits relating to contributions prior to January 1, 1994 was the responsibility of the City while the firefighters were members of the fire district.

Participants are eligible for plan benefits at the age of 50 and after completing twenty years of active service. Plan benefits consist of a monthly pension of up to 70.0% of monthly salary as of the date of retirement. Additional surviving spouse benefits of lesser amounts are also available. In accordance with a 1976 decision by the Colorado Supreme Court, the City must return all individual employee contributions upon termination.

FPPA issues a publicly available financial report that includes financial statements for the Old Hire Plan. The FPPA Annual Comprehensive Financial Report can be obtained on FPPA's website at www.fppaco.org.

Funding Policy. Contributions are funded from the General Fund, the City's contributions for 2022 were \$359,717.

As of December 31, 2022, there are no active participants and 18 inactive employees or beneficiaries currently receiving benefits. In 2022, there were no contributions made by participants.

Pension Liability. The City's net pension liability of \$3,013,918 for the Old Hire Plan was measured as of December 31, 2021. The total pension liability was determined by a full actuarial valuation of that date.

Actuarial Assumptions. The significant actuarial assumptions used to determine contribution rates are as follows:

Actuarial Method	Entry Age Normal
Inflation	2.5%
Salary Increases	N/A
Single Discount Rate	6.50%
Investment Rate of Return	6.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years

Actuarial determined contribution rates are calculated as of January 1 of even numbered years. An actuarial experienced study with valuations as of January 1, 2020, determined the contribution amounts for 2021 and 2022, which follow the standard one-year lag.

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. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

a. Fire and Police Pension Old Hire Fire Pension Plan (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Public Equity	17.0%	7.8%
Long/Short	6.0%	6.9%
Private Capital	28.0%	10.5%
Fixed Income - Rates	32.0%	2.3%
Fixed Income - Credit	6.0%	3.5%
Absolute Return	6.0%	5.6%
Cash	5.0%	0.1%
Total	<u>100.0%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the OH – Defined Benefit Component 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.

Changes in the Net Pension Liability.

	<u>Total Pension Liability (a)</u>	<u>Increase (Decrease) Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at December 31, 2021	<u>\$ 7,549,629</u>	<u>\$ 3,954,749</u>	<u>\$ 3,594,880</u>
Changes for the year:			
Interest	466,116	-	466,116
Differences between expected and actual experience	107,012	-	107,012
Contributions - employer	-	697,637	(697,637)
Net investment income	-	461,655	(461,655)
Benefit payments, including refunds of employee contributions	(769,332)	(769,332)	-
Administrative expense	-	(5,202)	5,202
Net changes	<u>(196,204)</u>	<u>384,758</u>	<u>(580,962)</u>
Balance at December 31, 2022	<u><u>\$ 7,353,425</u></u>	<u><u>\$ 4,339,507</u></u>	<u><u>\$ 3,013,918</u></u>

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease 5.50%</u>	<u>Single Discount Rate Assumption 6.50%</u>	<u>1% Increase 7.50%</u>
City's net pension liability	<u>\$ 3,582,985</u>	<u>\$ 3,013,918</u>	<u>\$ 2,516,073</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

a. Fire and Police Pension Old Hire Fire Pension Plan (Continued)

Pension Expense. For the year ended December 31, 2022, the City recognized pension income of \$150,709 for the Old Hire Plan.

Pension Deferred Outflows/Inflows of Resources. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 278,076
City contributions subsequent to the measurement date	<u>359,717</u>	<u>-</u>
Total	<u><u>\$ 359,717</u></u>	<u><u>\$ 278,076</u></u>

The \$359,717 reported as deferred outflows of resources are related to City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred inflows of resources related to the Old Hire plan will be recognized in pension income as follows:

<u>Year ending December 31</u>	<u>Amount</u>
2023	\$ (52,810)
2024	(114,266)
2025	(69,588)
2026	<u>(41,412)</u>
Total	<u><u>\$ (278,076)</u></u>

b. Fire and Police Pension Statewide Defined Benefit Plan

Plan Description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members). The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available Annual Comprehensive Financial Report that can be obtained on FPPA's website at www.fppaco.org.

The City's fire department transferred out of the City, into a joint venture fire district in 1994. The fire district dissolved on December 31, 1999, and the fire department rejoined the City on January 1, 2000. The New Hire Plan was not the responsibility of the City while the firefighters were members of the fire district.

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).

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Defined Benefit Plan (Continued)

The annual normal retirement benefit is 2% 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% 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually 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% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% 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% of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Funding Policy. Through December 31, 2021 contribution rates for the SWDB 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 election of the membership. Effective January 1, 2022, 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. The current employer contribution rate is 9% for all firefighters, regardless of hire date, and 9% for all police hired after July 10, 2017. For police hired before July 10, 2017, the statutory required employer contribution is 9%, the City contributes 10% based on an underlying contractual commitment between the City and police. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. Member contribution rates can be amended by state statute or election of the membership. The current member contribution rate for of the SWDB is 12% of pensionable earnings.

Members covered under this plan may elect an optional account known as the "deferred retirement option plan" or "DROP" within five years prior to retirement. The purpose of DROP is to allow an eligible participant to elect, in lieu of immediate termination of employment and receipt of a service retirement benefit, to continue employment for a specified period of time not to exceed five years, coupled with the deferral of actual receipt of retirement benefits until the end of such specified period, at which time employment shall cease. Once a participant elects a DROP, the City is no longer required to match that participant's contribution. As of measurement date December 31, 2021, 7 active participants in this plan had elected a DROP.

The City's contributions to the Plan for the year ending December 31, 2022 were \$2,865,576.

Pension Asset. The City's net pension asset of \$18,853,591 for its proportionate share of the SWBD net pension asset was measured as of December 31, 2021. The total pension liability was determined by a full actuarial valuation of that date.

The City's reported asset at December 31, 2022, increased to \$18,853,591 from the City's prior year asset of \$8,375,087 because of changes in the SWDB net pension asset and the City's proportionate share of that asset. The SWDB Plan's publicly available financial report provides details on the change in the net pension asset.

The City's proportion of the net pension asset was based on contributions received and processed by employers that were members of the SWDB plan within the year ended December 31, 2021. The City's proportion measured as of December 31, 2021, was 3.478948%, which was a decrease of 0.378756% from its proportion measured as of December 31, 2020.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2022, the City recognized a pension income for the SWDB plan of \$5,405,771. At December 31, 2022, 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
Difference between expected and actual experience	\$ 4,959,060	\$ -
Changes of assumptions	2,688,657	-
Net difference between projected and actual investment earnings	-	12,617,886
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,475,142
City contributions subsequent to the measurement date	2,865,576	-
Total	<u>\$ 10,513,293</u>	<u>\$ 14,093,028</u>

The \$2,865,576 reported as deferred outflows of resources related to the SWDB Plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SWDB Plan will be recognized in pension expense (income) as follows:

Year ending December 31	Amount
2023	\$ (2,118,104)
2024	(3,423,269)
2025	(2,105,086)
2026	(903,012)
2027	923,250
Thereafter	1,180,910
Total	<u>\$ (6,445,311)</u>

Actuarial Assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Defined Benefit Plan (Continued)

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 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The Actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	39.0%	8.2%
Equity Long/Short	8.0%	6.9%
Private Markets	26.0%	10.6%
Fixed Income - Rates	10.0%	4.0%
Fixed Income - Credit	5.0%	5.3%
Absolute Return	10.0%	5.6%
Cash	2.0%	2.3%
Total	<u>100.0%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB 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.

Regarding the sensitivity of the net pension asset to changes in the Single Discount Rate, the following presents the plan's net pension asset, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension asset would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease 6.0%</u>	<u>Single Discount Rate Assumption 7.0%</u>	<u>1% Increase 8.0%</u>
City's proportionate share of the net pension (asset)	\$ (2,600,027)	\$ (18,853,591)	\$ (32,318,765)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued SWDB financial report.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Defined Benefit Plan (Continued)

Subsequent Event. Statewide Retirement Plan: During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined.

Actuarial Experience Study: During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in Statewide Retirement Plan valuation as of January 1, 2023.

c. Fire and Police Pension Statewide Hybrid Plan – Defined Benefit Component

Plan Description. The Statewide Hybrid Plan (SWH) is a cost-sharing multiple-employer defined benefit pension plan offered to Sworn Police and Firefighters hired before July 10, 2017 that chose to reaffiliate with FPPA in 2017. The SWH is comprised of two components: Defined Benefit and Money Purchase. The plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan (DROP) assets are included in the Fire & Police Members' Self-Directed Investment Plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available Annual Comprehensive Financial Report which can be obtained on FPPA's website at www.fppaco.org.

The SWH Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service. The annual normal pension of the Defined Benefit Component is 1.5% of the average of the member's highest three years' pensionable earnings for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the FPPA Board's discretion and can range from 0% to 3%.

A member is eligible for early retirement within the Defined Benefit Component 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, a member may elect to have all contributions, along with 5% as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5% of the average of the member's highest three years' pensionable earnings for each year of credited service.

Funding Policy. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates are determined by the City, however, the plan requires a minimum rate for both employer and members be at least 8% of the member's base pensionable earnings. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. Firefighters have a mandatory 9% member contribution rate and Police Officers have a mandatory 10% contribution rate, both matched equally by the City.

Members covered under this plan may elect an optional account known as the "deferred retirement option plan" or "DROP" within five years prior to retirement. The purpose of DROP is to allow an eligible participant to elect, in lieu of immediate termination of employment and receipt of a service retirement benefit, to continue employment for a specified period of time not to exceed five years, coupled with the deferral of actual receipt of retirement benefits until the end of such specified period, at which time employment shall cease. Once a participant elects a DROP, the City is no longer required to match that participant's contribution. As of December 31, 2021, no active participants in this plan had elected a DROP.

The City's contributions to the Plan for the year ending December 31, 2022 were \$153,171.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

c. Fire and Police Pension Statewide Hybrid Plan – Defined Benefit Component (Continued)

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20% per year after the first year of service to be 100% vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

Pension Asset. The City's net pension asset of \$3,324,712 for its proportionate share of the SWH net pension asset was measured as of December 31, 2021. The total pension liability was determined by a full actuarial valuation of that date. The SWH publicly available financial report provides details on the change in the net pension asset.

The City's proportion of the net pension asset was based on contributions received and processed by employers that were members of the SWH plan within the year ended December 31, 2021. The City's proportion measured as of December 31, 2021, was 8.767776%, which was an increase of 0.350386% from its proportion measured as of December 31, 2020.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2022, the City recognized a pension income for the Hybrid Plan of \$525,628. At December 31, 2022 the City reported deferred outflows and inflows of resources and deferred outflows and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 663,871	\$ -
Changes of assumptions	81,793	-
Net difference between projected and actual investment earnings	-	941,850
Changes in proportion and differences between City contributions and proportionate share of contributions	-	540,035
City contributions subsequent to the measurement date	153,171	-
Total	<u>\$ 898,835</u>	<u>\$ 1,481,885</u>

The \$153,171 reported as a deferred outflow of resources resulting from the City contributions subsequent to the measurement date will be recognized as a increase of the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Hybrid Plan will be recognized in pension expense (income) as follows:

Year ending December 31	Amount
2023	\$ (211,826)
2024	(334,017)
2025	(110,075)
2026	(78,444)
2027	3,065
Thereafter	(4,924)
Total	<u>\$ (736,221)</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

c. Fire and Police Pension Statewide Hybrid Plan – Defined Benefit Component (Continued)

Actuarial Assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, review its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	39.0%	8.2%
Equity Long/Short	8.0%	6.9%
Private Markets	26.0%	10.6%
Fixed Income - Rates	10.0%	4.0%
Fixed Income - Credit	5.0%	5.3%
Absolute Return	10.0%	5.6%
Cash	2.0%	2.3%
Total	100.0%	

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

c. Fire and Police Pension Statewide Hybrid Plan – Defined Benefit Component (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH – Defined Benefit Component 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.

Regarding the sensitivity of the net pension asset to changes in the Single Discount Rate, the following presents the plan's net pension asset, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension asset would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 6.0%	Single Discount Rate Assumption 7.0%	1% Increase 8.0%
City's proportionate share of the net pension (asset)	\$ (2,536,900)	\$ (3,324,712)	\$ (3,982,498)

Subsequent Event.

Statewide Retirement Plan: During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Hybrid Plan will become the Hybrid Defined Benefit Component of the Statewide Retirement Plan. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined and will be reported in the December 31, 2022 GASB 68 report.

To complete the merger of the plans equitably, the funded status of the Statewide Hybrid Plan will be reduced to match the Statewide Defined Benefit Plan. To complete this action, a one-time benefit adjustment on all service accrued prior to the merger date of 1/1/2023 for current retirees, deferred vested, vested and active members will be applied. Members that have not started to receive a retirement benefit payment will receive a 1.9% benefit factor for service earned prior to January 1, 2023. Service earned after the merger date will continue to earn a 1.5% benefit factor. Retired members receiving benefit payments as of the merger date will receive a one-time benefit increase of 26.66% to implement the benefit factor.

As part of the legislation, effective January 1, 2023, 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).

Additionally, the required minimum contributions to the Hybrid Defined Benefit Component will increase to 9% for members and 9% for employers. The increase will take effect January 1, 2023 at a rate of 0.125% per year through 2030. Employer departments with contribution rates that meet or are in excess of this amount will not be impacted by this change.

Actuarial Experience Study: During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in Statewide Retirement Plan valuation as of January 1, 2023.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE J - DEFERRED COMPENSATION

The City offers all regular City employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits participants to defer a portion of their salary until future years.

The general employees', police, and fire voluntary contributions are made to the 457 plan. Employees can contribute a maximum of \$20,500 per year (\$27,000 if age 50 or more). The City matches 50% of employee contributions up to a maximum of 1% of base pay for general employees and Police, and up to 2% for Fire. For 2022, the general employees' voluntary contributions were \$2,463,377, the police employees' voluntary contributions were \$919,182 and the fire employees' voluntary contributions were \$818,614 for a total of \$4,201,173. Withdrawals must begin at age 72, or can be made upon termination of employment, death, or unforeseeable emergency. Withdrawals due to unforeseeable emergency may be subject to IRS penalties for early withdrawal.

Nationwide, independent trustee, administers funds for this plan. The City maintains accounting records. The trustee provides participants with quarterly statements of contributions, withdrawals and earnings.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS

1. Defined Benefit Post-Employment Health Care Plan

Plan Description. The City of Thornton provides a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The City's Code of Ordinances Section 54-152 provides that regular employees may retire with benefits if they meet one or more of the following criteria; complete 20 years of continuous service with the City, complete at least ten years of continuous service with the City and attain age 62, or qualify for normal or disability retirement in accordance with the provisions of the applicable general employee, fire, or police pension plan. Dependents may also enroll in the plan and their coverage ceases upon the termination of the retiree's coverage or upon reaching Medicare eligibility or age 65.

Benefits Provided. The City provides medical, dental and vision benefits for retirees. There are two medical plans offered by CIGNA and two medical plans offered by Kaiser. Two dental plans are offered by Delta Dental. The vision plan is provided by VSP. The retiree benefits are the same as those provided for active employees.

Funding Policy. The City of Thornton establishes and amends contribution requirements. The current funding policy of the City is to pay health insurance premiums as they occur. This arrangement does not qualify as other postemployment benefits (OPEB) plan assets under GASB Statement No. 75 for current GASB reporting.

Contributions. Retirees pay 100% of the total premium. There is an explicit City contribution of 90% of the premium for disabled retirees, and 100% of the highest priced employee-only coverage high deductible medical plan for public safety employees with retirement dates in 2021 or later. There is no explicit City contribution for other retirees. The 2022 monthly premiums for retirees are shown in the table below.

Coverage Category	2022 Monthly Premium Rate						
	CIGNA	CIGNA HDHP	Kaiser HMO	Kaiser HDHP	Dental EPO	Dental Premier	Vision
Retiree	\$ 1,013.94	\$ 784.64	\$ 630.10	\$ 491.41	\$ 27.35	\$ 46.54	\$ 8.60
Retiree + 1	2,017.76	1,557.24	1,272.16	982.97	51.14	86.59	14.61
Retiree + Family	2,859.33	2,204.94	1,819.53	1,420.08	94.36	153.82	26.10

Employees Covered by Benefit Terms. In 2022, there were 959 active and 34 inactive employees covered by the plan.

Total OPEB Liability. The City's total OPEB liability is \$6,603,237 as of December 31, 2022, and was determined by an actuarial valuation as of that date, but includes an additional \$200,000 in estimated liability due to the increased benefits for public safety retirees effective November 1, 2022 that provides 100% of the highest priced employee-only coverage high deductible medical plan.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

1. Defined Benefit Post-Employment Health Care Plan (Continued)

Actuarial Methods and Assumptions. The actuarial assumptions used in the valuation represent a reasonable long-term expectation of future OPEB outcomes. The assumptions are tested with each valuation for ongoing reasonableness and are updated if appropriate.

Measurement / Valuation Date	December 31, 2022
Census Data	All data was provided by the City. The census data was provided in January 2022.
Liability Components	Medical: An implicit liability exists due to age. There is also an explicit subsidy due to the City's contributions for disabled retirees and public safety retirees. Dental and Vision: We assumed there is no implicit liability due to age. There is an explicit subsidy due to the City's contributions for disabled retirees.
Cost Method	Entry age normal, determined as a level percent of projected pay
Funding Method	Pay as you go
Discount Rate	4.31% Source: S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022
Payroll Growth	3.0% Source: Colorado PERA Local Government Division 12/31/2020 Actuarial Valuation
General Inflation	3% per year
Mortality Rate	RP-2014 Generational Table using MP 2015 projections scale applied on a gender-specific basis
Termination Before Retirement	Source: Colorado PERA Local Government Division 12/31/2020 Actuarial Valuation
Disability Rate	Source: Colorado PERA Local Government Division 12/31/2020 Actuarial Valuation
Retirement Rate	Source: Colorado PERA Local Government Division 12/31/2020 Actuarial Valuation
Participation Rate	45% of active employees are assumed to elect the City's healthcare coverage in retirement. Source: Study of 2016 through 2021 retirements
Spousal Coverage	46% of retirees who take coverage will also cover spouses. Actual spouse information is used where available; otherwise, husbands are assumed to be 3 years older than their wives. Source: Study of 2020 – 2021 retirements
Medical Trend Rate	The medical claims and premiums are assumed to increase at the following rates. Source: Deloitte 2021 Study of Economic Assumptions. 5.8% in 2022 down .2% to 4.7% in 2028
Dental and Vision Trend Rate	Dental – 0% Vision – 0% Source: Recent City experience
Medical Aging Factors	Source: Society of Actuaries 2013 Study "Health Care Costs – From Birth to Death"
Age Adjusted Medical Claims	Blended Plans, Annual
Admin Costs	Calculated as 15% of average annual premium, not age adjusted

Change in Total OPEB Liability.

	Total OPEB Liability
Balance as of December 31, 2021	\$ 7,689,944
Changes for the year:	
Service cost	292,781
Interest	331,437
Change of benefit terms	200,000
Difference between expected and actual experience	(244,733)
Changes in assumptions or other inputs	(1,558,240)
Benefit payments	(107,952)
Net changes	(1,086,707)
Balance as of December 31, 2022	\$ 6,603,237

Change in Assumptions. The following table shows the assumption changes that were made and their impact on the liability.

Assumption	Description	Source/Reason	Impact on Liability
Discount rate	Increased from 2.25% to 4.31%	S&P Municipal Bond 20-Year High Grade Rate Index as of 12/30/2022	(\$1,558,240)

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

1. Defined Benefit Post-Employment Health Care Plan (Continued)

Change in Benefit Terms. Effective November 1, 2022, the City amended an explicit monthly contribution for Fire and Police retirees. The change is documented in Memorandum of Understanding and was adopted by the City council in October 2022. The monthly contribution is indexed to the full cost of highest priced employee-only coverage high deductible medical plan offered to City Employees. The City's monthly contribution in 2022 was set at \$784.64. This change in benefit terms is considered permanent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or higher than the current discount rate.

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB Liability	\$ 7,332,847	\$ 6,603,237	\$ 5,959,609

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a medical trend rate that is 1-percentage-point lower or higher than the current trend rate.

	1% Decrease (4.83% graded)	Trend Rates (5.83% graded)	1% Increase (6.83% graded)
Total OPEB Liability	\$ 5,818,106	\$ 6,603,237	\$ 7,538,704

OPEB Expense and Deferred Inflows and Outflows. Changes in the total OPEB liability due to: (1) changes in actuarial assumptions or (2) differences between expected actuarial experience and actual experience are deferred and recognized in the OPEB expense over a closed period equal to the average expected remaining service lives of employees and retirees, starting with the current reporting period. The average remaining service lives as of December 31, 2022 is 7.5 years.

Amounts reported as Deferred Outflows of Resources related to OPEB as of December 31, 2022 will be recognized in OPEB Expense as follows:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,106,467	\$ 437,874
Changes in assumptions or other inputs	679,858	1,862,346
Total	<u>\$ 1,786,325</u>	<u>\$ 2,300,220</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a future OPEB expense (income) as follows:

Year Ending December 31	Amount
2023	\$ 128,621
2024	(20,952)
2025	4,145
2026	(144,280)
2027	(153,755)
2028	(327,674)
Total	<u>\$ (513,895)</u>

For the year ended December 31, 2022 the City recognized \$899,379 in OPEB expense.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

2. Retirement Health Savings Plan

Additionally, the City offers employees a retirement health savings plan, which is classified as a single-employer defined contribution plan. Regular employees, City Officials, Police and Firefighters, become eligible after five years of continuous service, at which time, participation in the plan is mandatory, for 2022 the plan had 1,272 participants. Contributions and plan benefit terms are established and amended on the authority of City Council. Contributions are currently made by the City. The annual contribution is determined each year by City Council, for 2022, the amount contributed was \$184,450.

ICMA Retirement Corporation, an independent trustee, administers funds for this plan. The City maintains accounting records. The trustee provides participants with quarterly statements of contributions, withdrawals and earnings.

NOTE L - RISK MANAGEMENT

1. General Liability Insurance Pool

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a separate and independent governmental and legal entity. The purposes of CIRSA are to provide members defined liability and property coverage through joint self-insurance, insurance, reinsurance, or any combination thereof, and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, or their employees or officers.

All operating funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay current-year claims and to establish a reserve for catastrophe losses. The City pays claims up to the self-insured retention. In 2022, the self-insured retention (deductible amount) set by the City was \$250,000 per claim. Through CIRSA, the City purchases commercial excess insurance for claims in excess of \$250,000. In 2022, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for property/casualty claims of \$1,548,507. There has been no significant reduction in insurance coverage from the prior year. Only one settlement exceeded the City's self-insurance coverage in the past three years.

	2022	2021
Reserve for unpaid claims, January 1,	\$ 1,617,023	\$ 1,211,034
Incurred claims (including IBNRs)	1,083,260	1,239,963
Claim payments	(1,151,776)	(833,974)
Reserve for unpaid claims, December 31,	<u>\$ 1,548,507</u>	<u>\$ 1,617,023</u>
Unpaid claims to be paid in 1 year	<u>\$ 862,855</u>	<u>\$ 707,878</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE L - RISK MANAGEMENT (CONTINUED)

1. General Liability Insurance Pool (Continued)

The City's respective share of CIRSA's member fund balances for the most recently available statements are as follows:

Year*	Fund	PC Pool surplus (deficit) December 31, 2021 **	City of Thornton's contribution ratio	City of Thornton's share of surplus as of December 31, 2021
1996	Loss Fund	\$ 54,919	0.000%	\$ -
1997	Loss Fund	39,646	0.000%	-
1999	Loss Fund	1,998	0.000%	-
2000	Loss Fund	(12)	0.000%	-
2001	Loss Fund	879	0.000%	-
2003	Loss Fund	360,740	0.000%	-
2004	Loss Fund	1,358,468	0.000%	10,428
2006	Loss Fund	2,653,565	0.349%	9,269
2007	Loss Fund	9,644	0.000%	-
2008	Loss Fund	2,480,577	0.000%	-
2009	Loss Fund	2,227,079	0.000%	-
2010	Loss Fund	3,219	0.000%	-
2011	Loss Fund	199,018	0.000%	-
2012	Loss Fund	1,720,708	0.000%	-
2013	Loss Fund	1,935,187	0.000%	-
2014	Loss Fund	2,264,977	0.000%	-
2015	Loss Fund	848,398	0.000%	-
2016	Loss Fund	1,593,205	0.000%	-
2017	Loss Fund	(199,848)	0.000%	-
2018	Loss Fund	6,115,171	0.000%	-
2019	Loss Fund	(752,400)	0.000%	-
2020	Loss Fund	3,982,113	0.000%	-
2021	Loss Fund	(3,223,752)	0.000%	-
ALL	Operating fund	11,140,920	2.689%	299,575
ALL	Excess fund	(11,413,556)	7.660%	(874,322)
ALL	Reserve fund	8,851,777	0.728%	64,475
		<u>\$ 32,252,640</u>		<u>\$ (490,575)</u>

* Years 1982 through 1995, 1998, 2002 and 2005 no longer have balances remaining.

** Surpluses or deficits for any year are subject to change for reasons which include: interest earnings or invested amounts for those years and funds, reestimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE L - RISK MANAGEMENT (CONTINUED)

1. General Liability Insurance Pool (Continued)

Summary of the most recently available financial information for CIRSA (December 31, 2021) is as follows:

Assets	<u>\$ 60,248,853</u>
Liabilities, including incurred but not reported claims	\$ 27,996,212
Members' fund balance	
Accumulated members' equity	<u>32,252,641</u>
Total liabilities and fund balance	<u>\$ 60,248,853</u>
Revenues	\$ 28,011,580
Expenses	<u>26,793,806</u>
Net increase in members' fund balance	<u>\$ 1,217,774</u>

2. Workers' Compensation

On January 1, 1992, the City established a limited Risk Management program for worker's compensation. This program was tailored to meet an annual exposure predicted from ten years of claims history. A risk retention of \$850,000 for all employees per accident is maintained and funded through the Risk Management Fund, based on an annual estimated claims cost. The City purchases commercial excess insurance for claims in excess of \$850,000. Claims administration and medical services are provided through contract and the City's Director of Risk Management and the City's Risk Management Administrator are responsible for overall program management. The State of Colorado has a strict application and annual renewal process that includes funding verification, excess insurance coverage verification, claims data review and provision of a comprehensive loss prevention and control program. The application includes a required surety bond of \$1,500,000 to cover the City's risk retention portion.

All operating funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay current year claims and to establish a reserve for catastrophe losses. In 2022, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for workers' compensation of \$3,191,601. There have been no significant reductions in insurance coverage from the prior year. There has been one claim that exceeded the City's risk retention in the last ten years.

	<u>2022</u>	<u>2021</u>
Reserve for unpaid claims, January 1,	\$ 4,174,051	\$ 4,300,174
Incurred claims (including IBNRs)	992,308	1,785,137
Claim payments	<u>(1,974,758)</u>	<u>(1,911,260)</u>
Reserve for unpaid claims, December 31,	<u>\$ 3,191,601</u>	<u>\$ 4,174,051</u>
Unpaid claims to be paid in 1 year	<u>\$ 1,295,123</u>	<u>\$ 1,621,120</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE L - RISK MANAGEMENT (CONTINUED)

3. Self-Funded Dental Insurance

The City established two self-funded dental programs effective January 1, 2007: Delta EPO and Delta Premier. The purpose of these programs is to pay the dental claims of eligible City employees and their covered dependents. As of January 1, 2007 the City entered into an administrative services only arrangement with Delta Dental of Colorado, whereby the City pays Delta Dental a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The City has recorded a liability in this fund totaling \$25,000 for open and estimated claims not yet reported at December 31, 2022.

	2022	2021
Reserve for unpaid claims, January 1,	\$ 20,000	\$ 20,000
Incurring claims (including IBNRs)	701,631	683,068
Claim payments	<u>(696,631)</u>	<u>(683,068)</u>
Reserve for unpaid claims, December 31,	<u>\$ 25,000</u>	<u>\$ 20,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 25,000</u>	<u>\$ 20,000</u>

4. Self-Funded Vision Insurance

The City established a self-funded vision program effective January 1, 2009: Vision Service Plan. The purpose of this program is to pay the vision claims of eligible City employees and their covered dependents. As of January 1, 2009 the City entered into an administrative services only arrangement with Vision Service Plan, whereby the City pays Vision Service Plan a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The City has a recorded liability in this fund totaling \$9,000 for open and estimated claims not yet reported at December 31, 2022.

	2022	2021
Reserve for unpaid claims, January 1,	\$ 7,000	\$ 7,000
Incurring claims (including IBNRs)	120,396	109,313
Claim payments	<u>(118,396)</u>	<u>(109,313)</u>
Reserve for unpaid claims, December 31,	<u>\$ 9,000</u>	<u>\$ 7,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 9,000</u>	<u>\$ 7,000</u>

5. Self-Funded Medical Insurance

The City established two self-funded medical programs effective January 1, 2022: Cigna Local Plus and Cigna HDHP Local Plus. The purpose of this program is to pay the medical claims of eligible City employees and their covered dependents. As of January 1, 2022 the City entered into an administrative services only arrangement with Cigna, whereby the City pays Cigna a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims and carries an additional stop loss policy to cover claims in excess of \$100,000. At the end of the year, the City retains any money not spent on claims. The City has a recorded liability in this fund totaling 400,000 for open and estimated claims not yet reported at December 31, 2022.

	2022	2021
Reserve for unpaid claims, January 1,	\$ -	\$ -
Incurring claims (including IBNRs)	5,942,419	-
Claim payments	<u>(5,542,419)</u>	<u>-</u>
Reserve for unpaid claims, December 31,	<u>\$ 400,000</u>	<u>\$ -</u>
Unpaid claims to be paid in 1 year	<u>\$ 400,000</u>	<u>\$ -</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE M - LEGAL RESTRICTION

At the November 3, 1992 general election, Colorado voters approved an amendment to the Colorado Constitution commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR was effective December 31, 1992, and its provisions limit government taxes, spending revenues and debt without electoral approval. On November 6, 2001, the City's voters chose to permit the City to collect, retain and spend the full amount of the City's past and future taxes and other revenue above the TABOR amendment limitations.

TABOR by its terms applies to local governments such as the City but excludes "enterprises," which are defined as (1) a government owned business, (2) authorized to issue its own debt and (3) receives less than 10% of its annual revenue in grants from all state and local governments. The City considers its Water, Sewer, Environmental Services, and Stormwater to be "enterprise" funds, and therefore considers them excluded from the terms of TABOR. All other government activities are presumably covered under the limitations of TABOR.

TABOR also requires the City to set aside a portion of its spending for an emergency reserve. In 2022, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled \$6,804,881. The City is not allowed to use the emergency reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE N - COMMITMENTS AND CONTINGENT LIABILITIES

1. Litigation

The City is a defendant in various lawsuits, including claims related to activities or employees of the City. The City maintains a self-funded reserve in the Risk Management fund of \$1,548,507 for general liability and \$3,191,601 for worker's compensation claims. The City believes that final disposition of matters not covered by insurance will not have a material adverse effect on the City's financial condition.

2. Contracts

The City has \$7,831,258 and \$23,669,922, in outstanding contracts with various contractors for the Governmental Capital Fund and all other governmental funds, respectively. The City has \$27,979,277, \$3,595,082, and \$4,124,541 in outstanding contracts with various contractors for the Water Fund, Sewer Fund, and all other proprietary funds, respectively.

The City has a collective bargaining agreement between the City of Thornton and the Thornton Firefighters Local Number 2376, International Association of Firefighters for the line firefighters. The current agreement is for three years and expires January 1, 2025.

The City has a collective bargaining agreement between the City of Thornton and the Fraternal Order of Police, Thornton Police Department Colorado Lodge 16, for Police Officers and Police Sergeants. The current agreement is for two years and expires December 31, 2023.

Certain City employees have contracts through the fiscal year 2022. Some contracts include severance packages, not exceeding twelve months, if the employee is involuntarily terminated.

NOTE O - TAX ABATEMENTS

The City of Thornton enters into incentive agreements to encourage economic development and redevelopment, to retain growing businesses, to grow the local economy and to provide quality job opportunities for Thornton residents. Incentive agreements are entirely discretionary and are considered on a case-by-case basis by the City Council. A written agreement is required and no agreement is final without formal action by City Council.

All incentive agreements are performance based. Performance based means that before any monies are disbursed the business shall meet or exceed the specific performance measures identified in the Incentive Agreement. Specific performance measures may include: (a) meeting the requirements of the eligibility threshold for jobs and wages; (b) requiring new revenues generated by the business to equal or exceed the total dollar amount of the incentive provided during the period of the incentive agreement by rebate or refund; (c) requiring any rebate or refund to come from the revenues actually generated by that business; or (d) requiring the completion of significant development review process milestones such as successful completion and issuance of a development permit, building permit or certificate of occupancy. Incentive agreements with performance measures tied to jobs and wages contain a recapture provision if the abatement recipient does not maintain the eligibility threshold for the specified period.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE O – TAX ABATEMENTS (CONTINUED)

Incentive packages vary and may include the City agreeing to forego a portion of its sales tax, a direct subsidy for public infrastructure costs or a rebate of sales taxes, use taxes, permit fees, or property taxes. Rebate of sales and use taxes will only be considered for new taxes generated by the business. Unless special circumstances dictate, such rebate will be limited to 50% of the new sales and use taxes generated. The City does not rebate existing sales and uses taxes generated by a business. All incentive agreements are subject to annual appropriations by City Council as required in the Colorado Constitution and the City Charter. In 2022, the City's expenditures include \$1,431,101 in tax abatements.

NOTE P – SUBSEQUENT EVENTS

On January 3, 2023, through the process of eminent domain, the City took immediate possession of the Thornton Shopping Center property, which is generally located between Washington St East to Corona St and 88th Ave North to Russell Blvd. The possession and subsequent environmental remediation of the property is anticipated to be material to the City's financial statements; however, given the ongoing litigation related to this matter, no estimates will be provided in the current year financial statements or accompanying footnotes.

NOTE Q – SPECIAL ITEM

For the fiscal period ending December 31, 2022 the City had one transaction that was infrequent in nature and within management control, thus qualified as a special item for reporting and note disclosure purposes. The City sold mineral rights related to oil and gas for \$33,541,931, which was split between governmental activities (\$2,850,686) and business-type activities (\$30,691,245).

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REQUIRED SUPPLEMENTARY INFORMATION

City of Thornton, Colorado

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Non US GAAP Basis For the year ended December 31, 2022

	Budgeted Amounts			Positive (negative) variance - actual from final
	Original	Final	Actual Amounts	
REVENUES				
Taxes				
Sales and use	\$ 89,785,100	\$ 89,785,100	\$ 91,695,863	\$ 1,910,763
Property	19,420,500	19,420,500	17,850,900	(1,569,600)
Franchise	6,710,500	6,710,500	7,288,978	578,478
Other	3,370,300	3,370,300	3,489,441	119,141
Licenses and permits	6,956,600	6,956,600	6,708,666	(247,934)
Intergovernmental	7,495,100	7,495,100	7,603,140	108,040
Governmental grants	349,700	349,700	1,071,579	721,879
Charges for services	20,361,400	20,361,400	20,464,371	102,971
Fines and forfeitures	2,252,000	2,252,000	1,200,599	(1,051,401)
Leases	-	-	30,072	30,072
Investment earnings (loss)	539,000	539,000	(3,364,059)	(3,903,059)
Miscellaneous	1,084,797	1,084,797	1,029,630	(55,167)
Total revenues	158,324,997	158,324,997	155,069,180	(3,255,817)
EXPENDITURES				
Current				
General government				
Legislative	3,276,047	3,276,047	2,997,211	278,836
City manager	4,516,982	4,616,982	4,482,985	133,997
General services	23,420,609	23,420,609	23,339,171	81,438
Miscellaneous	10,299,946	10,299,946	7,800,100	2,499,846
Police	43,731,562	43,971,562	44,145,539	(173,977)
Fire and ambulance	25,134,424	25,504,124	26,782,993	(1,278,869)
City development	10,473,785	10,473,785	9,738,854	734,931
Streets, traffic and engineering	12,587,811	12,587,811	12,115,324	472,487
Community services	26,560,471	26,560,471	26,783,132	(222,661)
Capital outlay	4,419,134	4,419,134	2,652,246	1,766,888
Debt service				
Principal retirement	-	-	761,463	(761,463)
Interest and bond fees	-	-	11,562	(11,562)
Total expenditures	164,420,771	165,130,471	161,610,580	3,519,891
Deficiency of revenues under expenditures	(6,095,774)	(6,805,474)	(6,541,400)	264,074
OTHER FINANCING SOURCES (USES)				
Transfers in	6,126,903	6,126,903	6,116,903	(10,000)
Transfers out	(18,000)	(18,000)	(18,000)	-
Sale of general capital assets	-	-	79,518	79,518
Total other financing sources	6,108,903	6,108,903	6,178,421	69,518
SPECIAL ITEM				
Proceeds from sale of mineral sales	-	-	2,850,686	2,850,686
Excess (deficiency) of revenues and other sources over (under) expenditures and other sources (uses) before reconciling items	\$ 13,129	\$ (696,571)	2,487,707	\$ 3,184,278
RECONCILIATION TO US GAAP BASIS				
RHS & sick payout			(9,289)	
Total reconciling items			(9,289)	
Net change in fund balances			2,478,418	
Fund balances, January 1			77,197,667	
Fund balances, December 31	72		\$ 79,676,085	

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Defined Benefit Plan (SWDB)

	2015	2016	2017 (1)	2018	2019	2020	2021	2022
Statutorily required contribution	\$ 54,522	\$ 31,646	\$ 486,813	\$ 2,063,822	\$ 2,239,975	\$ 2,478,812	\$ 2,538,034	\$ 2,865,576
Contributions in relation to the statutorily required contribution	54,522	31,646	486,813	2,063,822	2,239,975	2,478,812	2,538,034	2,865,576
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll firefighters	\$ 681,525	\$ 395,575	\$ 2,027,550	\$ 7,431,738	\$ 8,487,588	\$ 9,717,275	\$ 10,620,800	\$ 11,983,156
Covered payroll police new hire	-	-	309,775	2,132,838	3,279,363	4,566,300	5,170,882	7,035,044
Covered payroll police reentry	-	-	2,998,270	12,986,550	12,986,190	13,361,270	11,957,410	11,539,380
Contributions as a percentage of covered payroll								
Firefighters	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.50%	9.00%
Police new hire	-	-	8.00%	8.00%	8.00%	8.00%	8.50%	9.00%
Police reentry	-	-	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Information for Fiscal Year 2013 through 2014 is not available.

Other information:

(1) 2017 includes \$415,740 related to the reentry of Current Police Officers and Firefighters

City of Thornton, Colorado

Schedule of Proportionate Share of the Net Pension Liability Statewide Defined Benefit Plan (SWDB)

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability	0.221023%	0.140685%	0.077294%	4.001789%	3.833744%	3.798771%	3.857703%	3.478948%
City's proportionate share of the net pension liability (asset)	\$ (249,441)	\$ (2,478)	\$ 27,931	\$ (1,686,561)	\$ 4,846,906	\$ (2,148,444)	\$ (8,375,088)	\$ (18,853,591)
Covered payroll firefighters	\$ 993,945	\$ 681,525	\$ 395,575	\$ 2,027,550	\$ 7,431,738	\$ 8,487,588	\$ 9,717,275	\$ 10,620,800
Covered payroll police new hire	-	-	-	309,775	2,132,838	3,279,363	4,566,300	5,170,882
Covered payroll police reentry	-	-	-	2,998,270	12,986,550	12,986,190	13,361,270	11,957,410
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-25.10%	-0.36%	7.06%	-31.61%	21.49%	-8.68%	-30.30%	-67.94%
Plan fiduciary net position as a percentage of the total pension liability	106.80%	100.10%	98.21%	106.30%	95.20%	101.90%	106.70%	116.20%
Presented as of the measurement date, December 31,	2014	2015	2016	2017	2018	2019	2020	2021

Information for Fiscal Year 2013 through 2014 is not available.

City of Thornton, Colorado

Schedule of Proportionate Share of the Net Pension Liability Statewide Hybrid Plan (SWH)

	2018	2019	2020	2021	2022
City's proportion of the net pension liability	8.867137%	8.541335%	8.732019%	8.417390%	8.767776%
City's proportionate share of the net pension asset	\$ (1,097,401)	\$ (1,178,999)	\$ (1,700,476)	\$ (2,315,210)	\$ (3,324,712)
Covered payroll firefighters	\$ 143,551	\$ 603,713	\$ 635,675	\$ 567,338	\$ 589,471
Covered payroll police	198,039	878,330	884,970	975,790	983,380
City's proportionate share of the net pension asset as a percentage of covered payroll	-321.26%	-79.55%	-111.83%	-150.03%	-211.38%
Plan fiduciary net position as a percentage of the total pension liability	138.86%	123.46%	130.06%	137.99%	149.01%
Presented as of the measurement date, December 31,	2017	2018	2019	2020	2021

There is no information for Fiscal Year 2013 through 2017. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017.

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Hybrid Plan (SWH)

	2018	2019	2020	2021	2022
Statutorily required contribution	\$ 136,129	\$ 139,351	\$ 143,275	\$ 148,443	\$ 153,171
Contributions in relation to the statutorily required contribution	136,129	139,351	143,275	148,443	153,171
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll firefighters	\$ 603,713	\$ 635,675	\$ 567,338	\$ 589,471	\$ 544,100
Covered payroll police	878,330	884,970	975,790	983,380	1,042,020
Contributions as a percentage of covered payroll					
Firefighters	8.00%	8.00%	8.00%	8.50%	9.00%
Police reentry	10.00%	10.00%	10.00%	10.00%	10.00%

There is no information for Fiscal Year 2013 through 2017. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017.

City of Thornton, Colorado

**Schedule of Proportionate Share of the Net Pension Liability
Old Hire Plan (Thornton Fire Department)**

	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	566,974	549,907	427,182	393,042	535,048	516,740	484,628	466,116
Benefit changes	-	-	-	281,477	-	-	337,920	-
Differences between expected and actual experience	-	(305,110)	-	389,958	-	2,990	-	107,012
Assumption changes	-	2,319,410	312,071	(2,243,221)	-	478,713	-	-
Benefit payments, including refunds of employee contributions	(806,304)	(782,322)	(749,075)	(788,438)	(788,438)	(769,517)	(769,517)	(769,332)
Net change in total pension liability	(239,330)	1,781,885	(9,822)	(1,967,182)	(253,390)	228,926	53,031	(196,204)
Total pension liability - beginning	7,955,511	7,716,181	9,498,066	9,488,244	7,521,062	7,267,672	7,496,598	7,549,629
Total pension liability - ending	<u>\$ 7,716,181</u>	<u>\$ 9,498,066</u>	<u>\$ 9,488,244</u>	<u>\$ 7,521,062</u>	<u>\$ 7,267,672</u>	<u>\$ 7,496,598</u>	<u>\$ 7,549,629</u>	<u>\$ 7,353,425</u>
Plan fiduciary net position								
Contributions - employer	\$ -	\$ 239,804	\$ -	\$ 551,130	\$ 269,653	\$ 337,419	\$ 337,419	\$ 697,637
Net investment income	352,452	90,586	220,309	607,804	7,900	502,911	387,301	461,655
Benefit payments, including refunds of employee contributions	(806,304)	(782,322)	(749,075)	(788,438)	(788,438)	(769,517)	(769,517)	(769,332)
Administrative expense	(11,060)	(9,397)	(10,095)	(4,259)	(8,772)	(5,154)	(7,867)	(5,202)
Net change in plan fiduciary net position	(464,912)	(461,329)	(538,861)	366,237	(519,657)	65,659	(52,664)	384,758
Plan fiduciary net position - beginning	5,560,276	5,095,364	4,634,035	4,095,174	4,461,411	3,941,754	4,007,413	3,954,749
Plan fiduciary net position - ending	<u>\$ 5,095,364</u>	<u>\$ 4,634,035</u>	<u>\$ 4,095,174</u>	<u>\$ 4,461,411</u>	<u>\$ 3,941,754</u>	<u>\$ 4,007,413</u>	<u>\$ 3,954,749</u>	<u>\$ 4,339,507</u>
Net pension liability	2,620,817	4,864,031	5,393,070	3,059,651	3,325,918	3,489,185	3,594,880	3,013,918
Plan fiduciary net position as a percentage of total pension liability	66.03%	48.79%	43.16%	59.32%	54.24%	53.46%	52.38%	59.01%
Covered payroll	-	-	-	-	-	-	-	-
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Information for Fiscal Year 2013 through 2014 is not available.

City of Thornton, Colorado

Schedule of Pension Contributions Old Hire Plan (Thornton Fire Department)

	2014	2015	2016	2017 (3)	2018	2019	2020	2021 (4)	2022
Actuarial determined contribution (1)	\$ 192,152	\$ 239,804	\$ 269,653	\$ 269,653	\$ 269,653	\$ 337,419	\$ 337,419	\$ 359,717	\$ 359,717
Contributions in relation to the actuarial determined contribution (1)	-	239,804	-	551,130	269,653	337,419	337,419	697,637	359,717
Contribution deficiency (excess)	<u>\$ 192,152</u>	<u>\$ -</u>	<u>\$ 269,653</u>	<u>\$ (281,477)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (337,920)</u>	<u>\$ -</u>
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Actuarially determined contribution rates are calculated as of January 1 of even numbered years.

Methods and Assumptions Used to Determine Contribution Rates for current fiscal year:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	6.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and female projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

Other information:

(1) Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

(2) Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

(3) 2017 includes a one time contribution of \$281,477 to pay for unfunded liability that resulted from an increase to monthly benefits of certain participants.

(4) 2021 includes a one time contribution of \$337,920 to cover the difference in the unfunded accrued liability that resulted from a one-time-cost-of-living adjustment effective January 1, 2021 to all current retired members and beneficiaries.

Information for Fiscal Year 2013 is not available.

City of Thornton, Colorado

Schedule of Changes in Total OPEB and Related Ratios

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 225,863	\$ 208,610	\$ 300,857	\$ 466,575	\$ 292,781
Interest	290,800	144,867	86,468	129,695	331,437
Benefit changes	(5,134,249)	-	-	792,031	200,000
Differences between expected and actual experience	1,425,291	(93,021)	(389,508)	1,265,741	(244,733)
Assumption changes	(222,345)	(85,101)	1,346,383	(626,331)	(1,558,240)
Benefit payments	(130,583)	(138,940)	(60,154)	(102,005)	(107,952)
Net change in total OPEB liability	(3,545,223)	36,415	1,284,046	1,925,706	(1,086,707)
Total OPEB liability - beginning	7,989,000	4,443,777	4,480,192	5,764,238	7,689,944
Total OPEB liability - ending	<u>\$ 4,443,777</u>	<u>\$ 4,480,192</u>	<u>\$ 5,764,238</u>	<u>\$ 7,689,944</u>	<u>\$ 6,603,237</u>
Covered-employee payroll	\$ 80,735,374	\$ 87,662,142	\$ 93,230,794	\$ 97,311,878	\$ 102,955,832
Total OPEB liability as a percentage of covered-employee payroll	5.50%	5.11%	6.18%	7.90%	6.41%
Notes to Schedule:					
Major Assumptions					
Discount Rate	3.64%	3.26%	1.93%	2.25%	4.31%
Medical Trend Rate	6.60%	6.40%	6.30%	5.80%	5.83%

Change of benefit terms: As of 12/31/2019 coverage is not be available for retirees age 65 or above or those who are below age 65 and eligible for Medicare. As of 11/1/2022, Public safety employees who retire after 2021 are eligible for 100% of the most expensive HDHP plan offered to City Employees

Information for Fiscal Year 2013 through 2017 is not available.

Note: Assets are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay benefits for the OPEB plan.

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COMBINING STATEMENTS AND BUDGETARY SCHEDULES

City of Thornton, Colorado
Combining Statements and Budgetary Schedules
Fund Descriptions
Major Governmental Funds

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Thornton Development Authority North Washington Fund (TDA North) (Component Unit) – to account for debt services and capital improvement projects within the Authority boundaries financed by current resources (property tax, sales tax, investment income) and by bond proceeds. The debt service payments are for the following bond issue:

\$13,900,000 Thornton Development Authority Tax Increment Revenue Refunding (North Washington Street Urban Corridor), Series 2015A – financed by sales and property tax incremental increases within the boundaries of the North Washington Urban Renewal Area. The bonds are due in semi-annual payments until maturity in 2028.

Governmental Capital Fund – to account for capital replacement and planned growth infrastructure and other capital assets of the City government, financed by existing and current resources (sales and use taxes).

City of Thornton, Colorado

Thornton Development Authority North Capital Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes			
Sales and use	\$ 6,745,000	\$ 7,752,106	\$ 1,007,106
Property	10,998,000	11,585,718	587,718
Investments			
Investment earnings (loss)	115,200	(512,281)	(627,481)
Miscellaneous			
Other	-	81,184	81,184
Total revenues	<u>17,858,200</u>	<u>18,906,727</u>	<u>1,048,527</u>
EXPENDITURES			
Capital outlay	19,789,561	13,851,251	5,938,310
Debt service			
Principal retirement	1,035,000	1,035,000	-
Interest	373,263	373,263	-
Bond fees	2,500	2,750	(250)
Total expenditures	<u>21,200,324</u>	<u>15,262,264</u>	<u>5,938,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,342,124)</u>	<u>3,644,463</u>	<u>6,986,587</u>
OTHER FINANCING USES			
Transfers out	<u>(5,313,975)</u>	<u>(4,199,367)</u>	<u>1,114,608</u>
Total other financing uses	<u>(5,313,975)</u>	<u>(4,199,367)</u>	<u>1,114,608</u>
Net change in fund balance	<u>\$ (8,656,099)</u>	<u>(554,904)</u>	<u>\$ 8,101,195</u>
Fund balance, January 1		<u>17,354,887</u>	
Fund balance, December 31		<u>\$ 16,799,983</u>	

City of Thornton, Colorado

Governmental Capital Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes - sales and use	\$ 20,766,300	\$ 36,181,996	\$ 15,415,696
Intergovernmental	4,199,100	5,376,526	1,177,426
Governmental grants	13,399,900	5,279,013	(8,120,887)
Investments			
Investment earnings (loss)	591,600	(2,087,221)	(2,678,821)
Miscellaneous			
Developers' contributions	4,014,069	423,747	(3,590,322)
Other	175,700	583,514	407,814
	<u>43,146,669</u>	<u>45,757,575</u>	<u>2,610,906</u>
Total revenues			
EXPENDITURES			
Streets, traffic and engineering	3,060,000	3,344,141	(284,141)
Capital outlay	64,040,460	31,940,408	32,100,052
Debt service			
Principal retirement	3,768,748	3,768,747	1
Interest	779,041	779,041	-
Bond fees	2,250	2,250	-
	<u>71,650,499</u>	<u>39,834,587</u>	<u>31,815,912</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(28,503,830)</u>	<u>5,922,988</u>	<u>34,426,818</u>
OTHER FINANCING SOURCES			
Transfers in	2,924,031	2,924,031	-
Sales of general capital assets	-	20,363	20,363
	<u>2,924,031</u>	<u>2,944,394</u>	<u>20,363</u>
Total other financing sources			
Net change in fund balance	<u>\$ (25,579,799)</u>	8,867,382	<u>\$ 34,447,181</u>
Fund balance, January 1		<u>33,038,873</u>	
Fund balance, December 31		<u>\$ 41,906,255</u>	

City of Thornton, Colorado
Combining Statements and Budgetary Schedules
Fund Descriptions
Non-Major Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for specific revenues that are legally restricted to expend for particular purposes.

Thornton Arts, Sciences and Humanities Council (TASHCO) Fund (Component Unit) – to account for monies received from grants and program revenues for purposes of cultural enhancements.

Cash in Lieu Fund – to account for monies contributed by land developers in lieu of providing an improvement such as parks or drainage.

Conservation Trust Fund – to account for monies received from the State government for purposes of developing new parks and park improvements.

Parks Fund – to account for one-third of the .25% open space tax to be used exclusively for the purchase and development of parks in the City.

Open Space Fund – to account for one-third of the .25% open space tax to be used exclusively for the purchase and development of open space in the City.

Parks and Open Space Fund – to account for one-third of the .25% open space tax to be used exclusively for the purchase and development of parks and open space in the City, based on the recommendations of the Parks and Open Space Advisory Committee (POSAC).

Adams County Open Space Sales Tax Fund – to account for open space monies from Adams County to be used exclusively for the purchase and development of open space in the City.

Adams County Road and Bridge Sales Tax Fund – to account for road and bridge monies from Adams County to be used exclusively for transportation related projects in the City.

136th Avenue GID Fund (Component Unit) – to account for the collection of assessment revenues to be used exclusively for payment of the construction of the interchange at 136th Avenue and Interstate 25.

E911 Authority Fund (Component Unit) – to account for E911 surcharges received from telecommunication companies doing business within the City. The Authority was established by City Council in 2004, and funds collected are used to pay for a portion of costs authorized by State statute for the City to provide emergency telephone services.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Thornton Development Authority South Capital Fund (Component Unit) – to account for capital improvement projects within the Authority boundaries financed by existing and current resources (property tax and investment income).

Thornton Development Authority 144th (TDA 144th) (Component Unit) – to account for debt services and capital improvement projects within the Authority boundaries financed by current resources (property tax, sales tax, investment income) and by bond proceeds. The debt service payments are for the following bond issue:

\$27,580,000 Thornton Development Authority Tax Increment Revenue Bonds (East 144th Avenue and I-25 Project), Series 2015B – financed by sales and property tax incremental increases within the boundaries of the 144th Urban Renewal Area. The bonds are due in semi-annual payments until maturity in 2037.

City of Thornton, Colorado

Combining Balance Sheet Non-Major Governmental Funds December 31, 2022

	Special Revenue Funds					
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space	Parks & Open Space
ASSETS						
Equity in pooled cash and investments						
Unrestricted	\$ 217,270	\$ 1,620,675	\$ 3,729,993	\$ 406,027	\$ 3,939,677	\$ 22,560,108
Restricted	-	-	-	-	-	-
Receivables, net						
Taxes	-	-	-	-	-	1,024,803
Accounts	-	-	-	-	55,183	970,699
Interest	804	5,934	12,944	1,477	14,441	79,997
Land held for resale	-	-	-	-	-	-
Total assets	<u>\$ 218,074</u>	<u>\$ 1,626,609</u>	<u>\$ 3,742,937</u>	<u>\$ 407,504</u>	<u>\$ 4,009,301</u>	<u>\$ 24,635,607</u>
LIABILITIES						
Accounts payable	4,703	49,907	168,735	-	117,785	104,943
Retainage payable	-	1,885	8,666	-	14,534	-
Third party advances	-	1,154,133	-	-	-	-
Unearned revenue	-	-	-	-	9,600	-
Other	-	-	-	-	-	-
Total liabilities	<u>4,703</u>	<u>1,205,925</u>	<u>177,401</u>	<u>-</u>	<u>141,919</u>	<u>104,943</u>
DEFERRED INFLOWS						
Unavailable revenue -						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,814	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,814</u>	<u>-</u>
FUND BALANCES						
Restricted						
Parks and open space	-	-	3,565,536	407,504	3,864,568	24,530,664
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Other purposes	77,264	-	-	-	-	-
Assigned						
Capital projects	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Parks and open space	-	420,684	-	-	-	-
Other purposes	136,107	-	-	-	-	-
Total fund balances	<u>213,371</u>	<u>420,684</u>	<u>3,565,536</u>	<u>407,504</u>	<u>3,864,568</u>	<u>24,530,664</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 218,074</u>	<u>\$ 1,626,609</u>	<u>\$ 3,742,937</u>	<u>\$ 407,504</u>	<u>\$ 4,009,301</u>	<u>\$ 24,635,607</u>

Special Revenue Funds				
Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
\$ 5,699,609	\$ 6,794,953	\$ 62,982	\$ 599,214	\$ 45,630,508
-	-	-	-	-
1,010,793	1,011,362	162,846	338,167	3,547,971
-	-	-	-	1,025,882
20,682	25,390	350	4,536	166,555
-	-	-	-	-
<u>\$ 6,731,084</u>	<u>\$ 7,831,705</u>	<u>\$ 226,178</u>	<u>\$ 941,917</u>	<u>\$ 50,370,916</u>
62,575	1,140,145	-	-	1,648,793
39,889	436,722	-	-	501,696
-	-	-	-	1,154,133
-	-	-	-	9,600
-	-	-	-	-
<u>102,464</u>	<u>1,576,867</u>	<u>-</u>	<u>-</u>	<u>3,314,222</u>
-	-	164,238	-	164,238
<u>1,010,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,013,607</u>
<u>1,010,793</u>	<u>-</u>	<u>164,238</u>	<u>-</u>	<u>1,177,845</u>
5,617,827	-	-	-	37,986,099
-	6,254,838	-	-	6,254,838
-	-	-	-	-
-	-	-	941,917	941,917
-	-	-	-	77,264
-	-	61,940	-	61,940
-	-	-	-	-
-	-	-	-	420,684
-	-	-	-	136,107
<u>5,617,827</u>	<u>6,254,838</u>	<u>61,940</u>	<u>941,917</u>	<u>45,878,849</u>
<u>\$ 6,731,084</u>	<u>\$ 7,831,705</u>	<u>\$ 226,178</u>	<u>\$ 941,917</u>	<u>\$ 50,370,916</u>

City of Thornton, Colorado

Combining Balance Sheet Non-Major Governmental Funds December 31, 2022

	Capital Funds			Total Non-major Governmental Funds
	TDA South Capital	TDA 144th Capital	Total Capital Projects	
ASSETS				
Equity in pooled cash and investments				
Unrestricted	\$ 6,676,533	\$ 1,033,110	\$ 7,709,643	\$ 53,340,151
Restricted	-	2,292,536	2,292,536	2,292,536
Receivables, net				
Taxes	743,946	1,997,014	2,740,960	6,288,931
Accounts	2,500,000	-	2,500,000	3,525,882
Interest	28,960	3,662	32,622	199,177
Land held for resale	543,099	-	543,099	543,099
Total assets	<u>\$ 10,492,538</u>	<u>\$ 5,326,322</u>	<u>\$ 15,818,860</u>	<u>\$ 66,189,776</u>
LIABILITIES				
Accounts payable	6,414	-	6,414	1,655,207
Retainage payable	-	-	-	501,696
Third party advances	13,500	-	13,500	1,167,633
Unearned revenue	-	-	-	9,600
Other	-	1,008,570	1,008,570	1,008,570
Total liabilities	<u>19,914</u>	<u>1,008,570</u>	<u>1,028,484</u>	<u>4,342,706</u>
DEFERRED INFLOWS				
Unavailable revenue - property taxes	743,943	1,778,680	2,522,623	2,686,861
Intergovernmental	-	-	-	1,013,607
Total deferred inflows of resources	<u>743,943</u>	<u>1,778,680</u>	<u>2,522,623</u>	<u>3,700,468</u>
FUND BALANCES				
Restricted				
Parks and open space	-	-	-	37,986,099
Capital projects	-	-	-	6,254,838
Debt service	-	2,258,550	2,258,550	2,258,550
Public safety	-	-	-	941,917
Other purposes	-	-	-	77,264
Assigned				
Capital projects	9,185,582	280,522	9,466,104	9,528,044
Land held for resale	543,099	-	543,099	543,099
Parks and open space	-	-	-	420,684
Other purposes	-	-	-	136,107
Total fund balances	<u>9,728,681</u>	<u>2,539,072</u>	<u>12,267,753</u>	<u>58,146,602</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,492,538</u>	<u>\$ 5,326,322</u>	<u>\$ 15,818,860</u>	<u>\$ 66,189,776</u>

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City of Thornton, Colorado

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-Major Governmental Funds For the year ended December 31, 2022

	Special Revenue Funds					
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space	Parks & Open Space
REVENUES						
Taxes						
Sales and use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,910,323
Property	-	-	-	-	-	-
E911	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	1,718,471	-	-	-
Governmental grants	77,264	-	-	-	42,770	4,166,023
Investments						
Investment loss	(6,162)	(49,874)	(115,369)	(12,472)	(104,730)	(695,619)
Miscellaneous						
Developers' contributions	-	148,389	-	-	-	-
Other	766	3,134	-	-	9,600	-
Total revenues	<u>71,868</u>	<u>101,649</u>	<u>1,603,102</u>	<u>(12,472)</u>	<u>(52,360)</u>	<u>13,380,727</u>
EXPENDITURES						
Current						
Streets, traffic and engineering	-	-	-	-	-	-
Community services	51,300	-	-	-	-	-
Capital outlay	171,500	148,389	628,687	-	3,404,813	3,005,215
Debt service						
Principal retirement	-	-	-	-	-	2,671,253
Interest	-	-	-	-	-	2,993,309
Bond fees	-	-	-	-	-	3,980
Total expenditures	<u>222,800</u>	<u>148,389</u>	<u>628,687</u>	<u>-</u>	<u>3,404,813</u>	<u>8,673,757</u>
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	<u>(150,932)</u>	<u>(46,740)</u>	<u>974,415</u>	<u>(12,472)</u>	<u>(3,457,173)</u>	<u>4,706,970</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	18,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(132,932)	(46,740)	974,415	(12,472)	(3,457,173)	4,706,970
Fund balances, January 1	<u>346,303</u>	<u>467,424</u>	<u>2,591,121</u>	<u>419,976</u>	<u>7,321,741</u>	<u>19,823,694</u>
Fund balances, December 31	<u>\$ 213,371</u>	<u>\$ 420,684</u>	<u>\$ 3,565,536</u>	<u>\$ 407,504</u>	<u>\$ 3,864,568</u>	<u>\$ 24,530,664</u>

Special Revenue Funds				
Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ 9,910,323
-	-	152,474	-	152,474
-	-	-	3,282,279	3,282,279
-	-	12,001	-	12,001
1,806,832	5,220,410	-	-	8,745,713
-	-	-	-	4,286,057
(181,906)	(218,495)	(3,086)	(39,962)	(1,427,675)
-	124,999	-	-	273,388
-	-	-	-	13,500
1,624,926	5,126,914	161,389	3,242,317	25,248,060
-	-	-	-	-
-	-	-	-	51,300
797,366	4,508,425	-	-	12,664,395
-	-	-	-	2,671,253
-	-	-	-	2,993,309
-	-	-	-	3,980
797,366	4,508,425	-	-	18,384,237
827,560	618,489	161,389	3,242,317	6,863,823
-	-	-	-	18,000
-	-	(150,000)	(3,000,000)	(3,150,000)
-	-	(150,000)	(3,000,000)	(3,132,000)
827,560	618,489	11,389	242,317	3,731,823
4,790,267	5,636,349	50,551	699,600	42,147,026
\$ 5,617,827	\$ 6,254,838	\$ 61,940	\$ 941,917	\$ 45,878,849

City of Thornton, Colorado

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued) Non-Major Governmental Funds For the year ended December 31, 2022

	Capital Funds			Total Non-major Governmental Funds
	TDA South Capital	TDA 144th Capital	Total Capital Projects	
REVENUES				
Taxes				
Sales and use	\$ -	\$ 2,337,220	\$ 2,337,220	\$ 12,247,543
Property	807,714	2,148,139	2,955,853	3,108,327
E911	-	-	-	3,282,279
Other	-	-	-	12,001
Intergovernmental	-	-	-	8,745,713
Governmental grants	-	-	-	4,286,057
Investments				
Investment loss	(239,831)	(337)	(240,168)	(1,667,843)
Miscellaneous				
Developers' contributions	-	-	-	273,388
Other	-	-	-	13,500
Total revenues	567,883	4,485,022	5,052,905	30,300,965
EXPENDITURES				
Current				
Streets, traffic and engineering	-	1,008,570	1,008,570	1,008,570
Community services	-	-	-	51,300
Capital outlay	243,226	-	243,226	12,907,621
Debt service				
Principal retirement	-	730,000	730,000	3,401,253
Interest	-	1,077,494	1,077,494	4,070,803
Bond fees	-	2,500	2,500	6,480
Total expenditures	243,226	2,818,564	3,061,790	21,446,027
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	324,657	1,666,458	1,991,115	8,854,938
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	18,000
Transfers out	(225,096)	(1,466,471)	(1,691,567)	(4,841,567)
Total other financing sources (uses)	(225,096)	(1,466,471)	(1,691,567)	(4,823,567)
Net change in fund balances	99,561	199,987	299,548	4,031,371
Fund balances, January 1	9,629,120	2,339,085	11,968,205	54,115,231
Fund balances, December 31	\$ 9,728,681	\$ 2,539,072	\$ 12,267,753	\$ 58,146,602

City of Thornton, Colorado

Thornton Arts, Sciences, and Humanities Council Fund (TASHCO) Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Governmental grants	\$ 68,974	\$ 77,264	\$ 8,290
Investments			
Investment loss	-	(6,162)	(6,162)
Miscellaneous			
Other	2,500	766	(1,734)
	<u>71,474</u>	<u>71,868</u>	<u>394</u>
Total revenues			
	<u>71,474</u>	<u>71,868</u>	<u>394</u>
EXPENDITURES			
Community services	54,284	51,300	2,984
Capital outlay	248,000	171,500	76,500
	<u>302,284</u>	<u>222,800</u>	<u>79,484</u>
Total expenditures			
	<u>302,284</u>	<u>222,800</u>	<u>79,484</u>
Deficiency of revenues under expenditures	(230,810)	(150,932)	79,878
OTHER FINANCING SOURCES			
Transfers in	18,000	18,000	-
	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total other financing sources			
	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (212,810)</u>	(132,932)	<u>\$ 79,878</u>
Fund balance, January 1		346,303	
Fund balance, December 31		<u>\$ 213,371</u>	

City of Thornton, Colorado

Cash in Lieu Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Investments			
Investment earnings (loss)	\$ 15,800	\$ (49,874)	\$ (65,674)
Miscellaneous			
Developers' contributions	500,000	148,389	(351,611)
Other	-	3,134	3,134
	<u>515,800</u>	<u>101,649</u>	<u>(414,151)</u>
EXPENDITURES			
Capital outlay	<u>1,155,042</u>	<u>148,389</u>	<u>1,006,653</u>
	<u>1,155,042</u>	<u>148,389</u>	<u>1,006,653</u>
Net change in fund balance	<u>\$ (639,242)</u>	<u>(46,740)</u>	<u>\$ 592,502</u>
Fund balance, January 1		<u>467,424</u>	
Fund balance, December 31		<u>\$ 420,684</u>	

City of Thornton, Colorado

Conservation Trust Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Intergovernmental - State lottery	\$ 1,583,000	\$ 1,718,471	\$ 135,471
Investments			
Investment earnings (loss)	18,300	(115,369)	(133,669)
Total revenues	1,601,300	1,603,102	1,802
EXPENDITURES			
Capital outlay	3,419,978	628,687	2,791,291
Total expenditures	3,419,978	628,687	2,791,291
Net change in fund balance	<u>\$ (1,818,678)</u>	974,415	<u>\$ 2,793,093</u>
Fund balance, January 1		2,591,121	
Fund balance, December 31		<u>\$ 3,565,536</u>	

City of Thornton, Colorado

Parks Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Investments			
Investment earnings (loss)	<u>\$ 5,800</u>	<u>\$ (12,472)</u>	<u>\$ (18,272)</u>
Total revenues	<u>5,800</u>	<u>(12,472)</u>	<u>(18,272)</u>
EXPENDITURES			
Capital outlay	<u>229,501</u>	<u>-</u>	<u>229,501</u>
Total expenditures	<u>229,501</u>	<u>-</u>	<u>229,501</u>
Net change in fund balance	<u><u>\$ (223,701)</u></u>	<u>(12,472)</u>	<u><u>\$ 211,229</u></u>
Fund balance, January 1		<u>419,976</u>	
Fund balance, December 31		<u><u>\$ 407,504</u></u>	

City of Thornton, Colorado

Open Space Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Governmental grants	\$ 3,819,400	\$ 42,770	\$ (3,776,630)
Investments			
Investment earnings (loss)	69,700	(104,730)	(174,430)
Miscellaneous			
Other	-	9,600	9,600
Total revenues	<u>3,889,100</u>	<u>(52,360)</u>	<u>(3,941,460)</u>
EXPENDITURES			
Capital outlay	<u>9,146,708</u>	<u>3,404,813</u>	<u>5,741,895</u>
Total expenditures	<u>9,146,708</u>	<u>3,404,813</u>	<u>5,741,895</u>
Net change in fund balance	<u>\$ (5,257,608)</u>	<u>(3,457,173)</u>	<u>\$ 1,800,435</u>
Fund balance, January 1		<u>7,321,741</u>	
Fund balance, December 31		<u>\$ 3,864,568</u>	

City of Thornton, Colorado

Parks and Open Space Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes - sales and use	\$ 8,412,600	\$ 9,910,323	\$ 1,497,723
Governmental grants	1,711,900	4,166,023	2,454,123
Investments			
Investment earnings (loss)	141,100	(695,619)	(836,719)
Total revenues	10,265,600	13,380,727	3,115,127
EXPENDITURES			
Capital outlay	24,477,042	3,005,215	21,471,827
Debt service			
Principal retirement	2,671,253	2,671,253	-
Interest	2,993,309	2,993,309	-
Bond fees	3,000	3,980	(980)
Total expenditures	30,144,604	8,673,757	21,470,847
Net change in fund balance	<u>\$ (19,879,004)</u>	4,706,970	<u>\$ 24,585,974</u>
Fund balance, January 1		19,823,694	
Fund balance, December 31		<u>\$ 24,530,664</u>	

City of Thornton, Colorado

Adams County Open Space Sales Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Intergovernmental	\$ 1,381,000	\$ 1,806,832	\$ 425,832
Governmental grants	985,500	-	(985,500)
Investments			
Investment earnings (loss)	<u>31,100</u>	<u>(181,906)</u>	<u>(213,006)</u>
Total revenues	<u>2,397,600</u>	<u>1,624,926</u>	<u>(772,674)</u>
EXPENDITURES			
Capital outlay	<u>5,266,503</u>	<u>797,366</u>	<u>4,469,137</u>
Total expenditures	<u>5,266,503</u>	<u>797,366</u>	<u>4,469,137</u>
Net change in fund balance	<u>\$ (2,868,903)</u>	827,560	<u>\$ 3,696,463</u>
Fund balance, January 1		<u>4,790,267</u>	
Fund balance, December 31		<u>\$ 5,617,827</u>	

City of Thornton, Colorado

Adams County Road and Bridge Sales Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Intergovernmental	\$ 4,209,000	\$ 5,220,410	\$ 1,011,410
Investments			
Investment earnings (loss)	83,200	(218,495)	(301,695)
Miscellaneous			
Developers' contributions	-	124,999	124,999
Total revenues	<u>4,292,200</u>	<u>5,126,914</u>	<u>834,714</u>
EXPENDITURES			
Capital outlay	<u>7,941,950</u>	<u>4,508,425</u>	<u>3,433,525</u>
Total expenditures	<u>7,941,950</u>	<u>4,508,425</u>	<u>3,433,525</u>
Net change in fund balance	<u>\$ (3,649,750)</u>	618,489	<u>\$ 4,268,239</u>
Fund balance, January 1		<u>5,636,349</u>	
Fund balance, December 31		<u>\$ 6,254,838</u>	

City of Thornton, Colorado

136th Avenue General Improvement District Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Property	\$ 155,000	\$ 152,474	\$ (2,526)
Other	-	12,001	12,001
Investments			
Investment loss	-	(3,086)	(3,086)
Total revenues	<u>155,000</u>	<u>161,389</u>	<u>6,389</u>
OTHER FINANCING USES			
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing uses	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 5,000</u>	11,389	<u>\$ 6,389</u>
Fund balance, January 1		<u>50,551</u>	
Fund balance, December 31		<u>\$ 61,940</u>	

City of Thornton, Colorado

E911 Authority Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes - E911	\$ 2,662,000	\$ 3,282,279	\$ 620,279
Investments			
Investment earnings (loss)	4,800	(39,962)	(44,762)
Total revenues	<u>2,666,800</u>	<u>3,242,317</u>	<u>575,517</u>
OTHER FINANCING USES			
Transfers out	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>
Total other financing uses	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (333,200)</u>	242,317	<u>\$ 575,517</u>
Fund balance, January 1		<u>699,600</u>	
Fund balance, December 31		<u>\$ 941,917</u>	

City of Thornton, Colorado

Thornton Development Authority South Capital Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes - property	\$ 837,000	\$ 807,714	\$ (29,286)
Investments			
Investment earnings (loss)	80,700	(239,831)	(320,531)
Total revenues	917,700	567,883	(349,817)
EXPENDITURES			
Capital outlay	7,012,701	243,226	6,769,475
Total expenditures	7,012,701	243,226	6,769,475
Excess (deficiency) of revenues over (under) expenditures	(6,095,001)	324,657	6,419,658
OTHER FINANCING USES			
Transfers out	(225,096)	(225,096)	-
Total other financing uses	(225,096)	(225,096)	-
Net change in fund balance	\$ (6,320,097)	99,561	\$ 6,419,658
Fund balance, January 1		9,629,120	
Fund balance, December 31		\$ 9,728,681	

City of Thornton, Colorado

Thornton Development Authority 144th Capital Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes			
Sales and use	\$ 1,871,700	\$ 2,337,220	\$ 465,520
Property	1,849,400	2,148,139	298,739
Investments			
Investment earnings (loss)	9,800	(337)	(10,137)
Total revenues	<u>3,730,900</u>	<u>4,485,022</u>	<u>754,122</u>
EXPENDITURES			
Streets, traffic and engineering	1,000,000	1,008,570	(8,570)
Debt Service			
Principal Retirement	730,000	730,000	-
Interest	1,077,494	1,077,494	-
Bond fees	2,500	2,500	-
Total expenditures	<u>2,809,994</u>	<u>2,818,564</u>	<u>(8,570)</u>
Excess of revenues over expenditures	<u>920,906</u>	<u>1,666,458</u>	<u>745,552</u>
OTHER FINANCING USES			
Transfers out	<u>(1,476,471)</u>	<u>(1,466,471)</u>	<u>10,000</u>
Total other financing uses	<u>(1,476,471)</u>	<u>(1,466,471)</u>	<u>10,000</u>
Net change in fund balance	<u>\$ (555,565)</u>	199,987	<u>\$ 755,552</u>
Net position, January 1		<u>2,339,085</u>	
Net position, December 31		<u>\$ 2,539,072</u>	

City of Thornton, Colorado

Combining Statements and Budgetary Schedules Fund Descriptions Major Enterprise Funds

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Water Utility Fund – to account for the provision of water services to residents of the City and some residents of Adams County.

Sewer Utility Fund – to account for the provision of sewer services to residents of the City and some residents of Adams County.

City of Thornton, Colorado

Water Fund Schedule of Revenues, Expenses, and Changes in Net Position Budget and Actual - Non US GAAP Basis For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services pledged for debt	\$ 51,693,600	\$ 55,379,075	\$ 3,685,475
Miscellaneous revenue	113,000	113,489	489
Total operating revenues	51,806,600	55,492,564	3,685,964
OPERATING EXPENSES			
Source of supply	7,177,237	7,305,822	(128,585)
Water treatment	12,559,960	13,146,394	(586,434)
Collection, transmission, and distribution	3,793,571	3,900,503	(106,932)
Other operating expenses	1,940,354	1,746,362	193,992
Administration	10,840,937	9,940,087	900,850
Total operating expenses	36,312,059	36,039,168	272,891
Operating income	15,494,541	19,453,396	3,958,855
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	2,065,900	(9,041,857)	(11,107,757)
Capital outlay	(337,920,110)	(16,561,053)	321,359,057
Debt service			
Principal payment	(3,185,000)	(3,185,000)	-
Interest	(3,870,044)	(3,870,044)	-
Bond fees	(2,775)	(633)	2,142
Other Principal (leases)	-	(15,383)	(15,383)
Other Interest (leases)	-	(397)	(397)
Royalties	3,500,000	12,497,787	8,997,787
Special Item (mineral rights sale)	-	30,691,245	30,691,245
Miscellaneous revenue	2,541,100	6,799,155	4,258,055
Total nonoperating revenues (expenses)	(336,870,929)	17,313,820	354,184,749
Income (loss) before capital contributions and transfers	(321,376,388)	36,767,216	358,143,604
Grants and capital contributions	21,991,200	30,412,088	8,420,888
Excess (Deficiency) of revenues over (under) expenditures before reconciling items	\$ (299,385,188)	67,179,304	\$ 366,564,492
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments (administrative)		(62,442)	
Miscellaneous non-cash adjustments (ARO)		(5,000)	
Add back principal payment (debt)		3,185,000	
Add back principal payment (leases)		15,383	
Change in accrued interest payable		13,271	
Gain on sale of capital assets		31,111	
Depreciation		(10,329,729)	
Amortization (leases)		(15,540)	
Capital asset additions (from the City's capital projects)		16,561,053	
Contributed capital assets		4,457,751	
Bond deferred premiums amortized		454,720	
Total reconciling items		14,305,578	
Change in net position		81,484,882	
Net position, January 1		859,115,145	
Net position, December 31		\$ 940,600,027	

City of Thornton, Colorado

Sewer Fund

Schedule of Revenues, Expenses, and Changes in Net Position Budget and Actual - Non US GAAP Basis For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 16,501,700	\$ 16,278,144	\$ (223,556)
Total operating revenues	16,501,700	16,278,144	(223,556)
OPERATING EXPENSES			
Collection, transmission, and distribution	2,784,151	2,576,712	207,439
Sewage treatment-Metro Wastewater	11,928,266	11,928,266	-
Other operating expenses	206,680	187,823	18,857
Administration	1,455,652	1,455,652	-
Total operating expenses	16,374,749	16,148,453	226,296
Operating income	126,951	129,691	2,740
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	122,100	(436,335)	(558,435)
Capital outlay	(12,593,728)	(2,375,847)	10,217,881
Total nonoperating expenses	(12,471,628)	(2,812,182)	9,659,446
Loss before capital contributions and transfers	(12,344,677)	(2,682,491)	9,662,186
Capital contributions	1,571,100	2,233,583	662,483
Transfers in	1,114,600	-	(1,114,600)
Deficiency of revenues under expenditures before reconciling items	\$ (9,658,977)	(448,908)	\$ 9,210,069
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(14,145)	
Gain on sale of capital assets		1,705	
Depreciation		(2,677,311)	
Capital asset additions (from the City's capital projects)		2,375,847	
Contributed capital assets		4,036,887	
Total reconciling items		3,722,983	
Change in net position		3,274,075	
Net position, January 1		83,572,751	
Net position, December 31		\$ 86,846,826	

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City of Thornton, Colorado

Combining Statements and Budgetary Schedules Fund Descriptions Non-Major Enterprise Funds

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Environmental Services Fund – to account for rubbish removal and recycling services provided to City residents.

Stormwater Fund - to account for the provision of storm sewer services to residents of the City and some residents of Adams County.

City of Thornton, Colorado

Statement of Net Position Non-Major Proprietary Funds December 31, 2022

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
ASSETS			
Current assets			
Equity in pooled cash and investments - unrestricted	\$ 5,265,024	\$ 2,339,436	\$ 7,604,460
Receivables, net			
Accounts	674,386	216,084	890,470
Interest and other receivables	19,608	8,616	28,224
Prepays and other assets	10,045	6,045	16,090
Total current assets	5,969,063	2,570,181	8,539,244
Noncurrent assets			
Collection, transmission, and distribution	-	81,793,506	81,793,506
Transportation equipment	6,143,946	1,929,633	8,073,579
General equipment	403,212	1,184,300	1,587,512
Buildings and improvements	684,752	-	684,752
Less accumulated depreciation	(3,659,220)	(23,637,037)	(27,296,257)
Construction in progress	-	2,534,185	2,534,185
Total noncurrent assets	3,572,690	63,804,587	67,377,277
Total assets	9,541,753	66,374,768	75,916,521
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to OPEB	43,196	23,340	66,536
Total deferred outflows of resources	43,196	23,340	66,536

Business-type Activities Enterprise Funds			
	Environmental Services	Stormwater	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 190,423	\$ 252,883	\$ 443,306
Retainage payable	-	1,672	1,672
Compensated absences	854	2,965	3,819
Total current liabilities	191,277	257,520	448,797
Long-term liabilities			
Total OPEB liability	157,591	86,192	243,783
Compensated absences	129,138	89,934	219,072
Total long-term liabilities	286,729	176,126	462,855
Total liabilities	478,006	433,646	911,652
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	58,329	31,039	89,368
Total deferred inflows of resources	58,329	31,039	89,368
NET POSITION			
Net investment in capital assets	3,572,690	63,802,915	67,375,605
Unrestricted	5,475,924	2,130,508	7,606,432
Total net position	\$ 9,048,614	\$ 65,933,423	\$ 74,982,037

City of Thornton, Colorado

Statement of Revenues, Expenses and Changes in Net Position Non-Major Proprietary Funds For the year ended December 31, 2022

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
OPERATING REVENUES			
Charges for services	\$ 5,952,958	\$ 4,398,364	\$ 10,351,322
Miscellaneous revenue	43,170	-	43,170
Total operating revenues	5,996,128	4,398,364	10,394,492
OPERATING EXPENSES			
Collection, transmission distribution, and trash removal	3,787,838	1,750,215	5,538,053
Other operating expenses	1,136,414	57,703	1,194,117
Administration	679,034	813,661	1,492,695
Depreciation	833,861	1,773,868	2,607,729
Total operating expenses	6,437,147	4,395,447	10,832,594
Operating income (loss)	(441,019)	2,917	(438,102)
NONOPERATING REVENUES (EXPENSES)			
Investment loss	(167,690)	(77,110)	(244,800)
Miscellaneous, net	-	5	5
Total nonoperating expenses	(167,690)	(77,105)	(244,795)
Loss before capital contributions and transfers	(608,709)	(74,188)	(682,897)
Grants and capital contributions	-	5,266,503	5,266,503
Change in net position	(608,709)	5,192,315	4,583,606
Net position, January 1	9,657,323	60,741,108	70,398,431
Net position, December 31	\$ 9,048,614	\$ 65,933,423	\$ 74,982,037

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City of Thornton, Colorado

Statement of Cash Flows Non-Major Proprietary Funds For the year ended December 31, 2022

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and others	\$ 5,940,077	\$ 4,352,724	\$ 10,292,801
Payments to suppliers	(3,159,125)	(1,553,381)	(4,712,506)
Payments to employees	(2,391,894)	(1,406,092)	(3,797,986)
Net cash provided by operating activities	389,058	1,393,251	1,782,309
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases and construction of capital assets	-	(747,574)	(747,574)
Capital contributions	-	121,944	121,944
Net cash used in capital and related financing activities	-	(625,630)	(625,630)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	2,409,542	722,101	3,131,643
Purchases of investments	(3,704,234)	(1,672,880)	(5,377,114)
Interest on investments	58,770	24,469	83,239
Net cash used in investing activities	(1,235,922)	(926,310)	(2,162,232)
Net decrease in cash and cash equivalents	(846,864)	(158,689)	(1,005,553)
Cash and cash equivalents, Jan. 1	1,844,216	608,781	2,452,997
Cash and cash equivalents, Dec. 31	\$ 997,352	\$ 450,092	\$ 1,447,444
Cash and cash equivalents	\$ 997,352	\$ 450,092	\$ 1,447,444
Investments	4,267,672	1,889,344	6,157,016
Total cash and investments	\$ 5,265,024	\$ 2,339,436	\$ 7,604,460
Equity in pooled cash and investments	\$ 5,265,024	\$ 2,339,436	\$ 7,604,460
Total cash and investments	\$ 5,265,024	\$ 2,339,436	\$ 7,604,460

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (441,019)	\$ 2,917	\$ (438,102)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	833,861	1,773,868	2,607,729
Miscellaneous receipts	-	5	5
Change in assets and liabilities:			
Increase in accounts receivable, net	(56,052)	(45,645)	(101,697)
Decrease (increase) in other assets	3,045	(2,000)	1,045
Decrease in deferred outflows of resources OPEB Related	16,376	8,772	25,148
Increase (decrease) in accounts payable	5,684	(345,045)	(339,361)
Decrease in OPEB	(32,273)	(14,849)	(47,122)
Increase (decrease) in other liabilities	25,153	(3,138)	22,015
Increase in deferred inflows of resources OPEB Related	34,283	18,366	52,649
Net cash provided by operating activities	<u>\$ 389,058</u>	<u>\$ 1,393,251</u>	<u>\$ 1,782,309</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Investing Activities			
Decrease in the fair value of investments	\$ (216,235)	\$ (98,444)	\$ (314,679)
Stormwater lines contributed by developers	-	5,144,559	5,144,559

City of Thornton, Colorado

Environmental Services Fund Schedule of Revenues, Expenses, and Changes in Net Position Budget and Actual - Non US GAAP Basis For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 5,934,200	\$ 5,952,958	\$ 18,758
Miscellaneous revenue	8,000	43,170	35,170
Total operating revenues	5,942,200	5,996,128	53,928
OPERATING EXPENSES			
Trash removal	3,841,858	3,787,838	54,020
Other operating expenses	1,039,552	1,136,414	(96,862)
Administration	727,793	635,496	92,297
Total operating expenses	5,609,203	5,559,748	49,455
Operating income	332,997	436,380	103,383
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	51,200	(167,690)	(218,890)
Capital outlay	(729,696)	-	729,696
Total nonoperating expenses	(678,496)	(167,690)	510,806
Excess (Deficiency) of revenues over (under) expenditures before reconciling items	<u>\$ (345,499)</u>	268,690	<u>\$ 614,189</u>
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(43,538)	
Depreciation		(833,861)	
Total reconciling items		(877,399)	
Change in net position		(608,709)	
Net position, January 1		9,657,323	
Net position, December 31		<u>\$ 9,048,614</u>	

City of Thornton, Colorado

Stormwater Fund Schedule of Revenues, Expenses, and Changes in Net Position Budget and Actual - Non US GAAP Basis For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 4,386,700	\$ 4,398,364	\$ 11,664
Total operating revenues	4,386,700	4,398,364	11,664
OPERATING EXPENSES			
Collection, transmission, and distribution	1,723,677	1,750,215	(26,538)
Other operating expenses	106,055	57,703	48,352
Administration	804,524	804,510	14
Total operating expenses	2,634,256	2,612,428	21,828
Operating income	1,752,444	1,785,936	33,492
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	4,800	(77,110)	(81,910)
Capital outlay	(6,568,213)	(747,573)	5,820,640
Miscellaneous revenue	-	5	5
Total nonoperating expenses	(6,563,413)	(824,678)	5,738,735
Income (loss) before capital contributions and transfers	(4,810,969)	961,258	5,772,227
Capital contributions	-	121,944	121,944
Excess (Deficiency) of revenues over (under) expenditures before reconciling items	\$ (4,810,969)	1,083,202	\$ 5,894,171
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(9,151)	
Depreciation		(1,773,868)	
Capital asset additions (from the City's capital projects)		747,573	
Contributed capital assets		5,144,559	
Total reconciling items		4,109,113	
Change in net position		5,192,315	
Net position, January 1		60,741,108	
Net position, December 31		\$ 65,933,423	

City of Thornton, Colorado
Combining Statements and Budgetary Schedules
Fund Descriptions
Internal Service Funds

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

Risk Management Fund – to account for the costs related to providing the City with a comprehensive program to manage the City's property, liability and work related injury risk, and to manage the City's self-funded dental and vision insurance programs.

City of Thornton, Colorado

Risk Management Fund Schedule of Revenues, Expenses, and Changes in Net Position Budget and Actual - Non US GAAP Basis For the year ended December 31, 2022

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Interfund services	\$ 17,588,208	\$ 18,414,461	\$ 826,253
Total operating revenues	17,588,208	18,414,461	826,253
OPERATING EXPENSES			
Insurance and related expenses	3,213,339	3,464,077	(250,738)
Claims and reserves for claims	13,586,393	12,736,289	850,104
Administration	647,730	604,537	43,193
Total operating expenses	17,447,462	16,804,903	642,559
Operating income	140,746	1,609,558	1,468,812
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	61,000	(392,116)	(453,116)
Miscellaneous revenue	19,792	20,000	208
Total nonoperating revenues (expenses)	80,792	(372,116)	(452,908)
Excess of revenues over expenditures before reconciling items	\$ 221,538	1,237,442	\$ 1,015,904
RECONCILIATION TO US GAAP BASIS			
Incurred but not reported adjustment - property casualty		381,948	
Incurred but not reported adjustment - worker's compensation		3,492,724	
Incurred but not reported adjustment - dental		10,023	
Incurred but not reported adjustment - vision		11,580	
OPEB liability adjustment		(3,277)	
Miscellaneous non-cash adjustments		(11,721)	
Total reconciling items		3,881,277	
Change in net position		5,118,719	
Net position, January 1,		2,631,159	
Net position, December 31		\$ 7,749,878	

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OTHER SCHEDULES

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Thornton, Colorado YEAR ENDING : December 2022	
This Information From The Records Of: City of Thornton, Colorado		Prepared By: Susan Nguyn Sum, Accountant Phone: 303-538-7692	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	27,694,981
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,519,539
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,109,877
2. General fund appropriations	0	b. Snow and ice removal	752,847
3. Other local imposts (from page 2)	35,713,451	c. Other	2,416,719
4. Miscellaneous local receipts (from page 2)	5,392,367	d. Total (a. through c.)	5,279,443
5. Transfers from toll facilities	0	4. General administration & miscellaneous	631,380
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	9,217,135
a. Bonds - Original Issues	0	6. Total (1 through 5)	46,342,478
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	34,586
7. Total (1 through 6)	41,105,818	b. Redemption	833,876
B. Private Contributions	523,766	c. Total (a. + b.)	868,462
C. Receipts from State government		2. Notes:	
(from page 2)	5,041,260	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	540,096	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	47,210,940	3. Total (1.c + 2.c)	868,462
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	47,210,940
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)	833,876	0	833,876
1. Bonds (Refunding Portion)	0	0	0
B. Notes (Total)	0	0	0
V. LOCAL ROAD AND STREET FUND BALANCE			
A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
0	47,210,940	47,210,940	0
Notes and Comments:			

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING: December 2022	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	27,915,487	a. Interest on investments	369,475
b. Other local imposts:		b. Traffic Fines & Penalties	930,603
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	7,797,964	g. Other Misc. Receipts	0
6. Total (1. through 5.)	7,797,964	h. Other	4,092,289
c. Total (a. + b.)	35,713,451	i. Total (a. through h.)	5,392,367
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,259,916	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	199,567	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	581,777	f. Other Federal	540,096
f. Total (a. through e.)	781,344	g. Total (a. through f.)	540,096
4. Total (1. + 2. + 3.f)	5,041,260	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	9,800	9,800
b. Engineering Costs	826,917	1,408,592	2,235,509
c. Construction:			
(1). New Facilities	0	22,912	22,912
(2). Capacity Improvements	0	18,587,156	18,587,156
(3). System Preservation	0	5,951,192	5,951,192
(4). System Enhancement & Operation	0	888,412	888,412
(5). Total Construction (1)+(2)+(3)+(4)	0	25,449,672	25,449,672
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	826,917	26,868,064	27,694,981
			(Carry forward to page 1)
Notes and Comments:			

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	125
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	130
These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax.	
Debt Capacity	134
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	139
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Schedule of Principal Employers	140
The number of employees per business is confidential therefore the City is providing employee totals by sector.	
Operating Information	142
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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City of Thornton, Colorado
Schedule 1
Net Position by Component
(accrual basis of accounting)

	Fiscal Year									
	2013	2014-restated	2015	2016	2017-restated	2018	2019	2020	2021-restated	2022
Governmental activities										
Net investment in capital assets	\$ 271,137,481	\$ 268,904,561	\$ 247,691,323	\$ 259,179,659	\$ 289,933,156	\$ 297,988,545	\$ 288,245,136	\$ 287,482,862	\$ 301,540,850	\$ 339,517,710
Restricted	5,360,319	5,528,730	8,062,689	8,241,309	40,196,389	70,807,361	37,653,387	63,312,275	60,665,189	72,933,609
Unrestricted	85,077,988	89,976,356	123,804,451	125,530,515	80,883,896	74,950,117	109,771,204	99,655,069	126,072,830	139,942,879
Total governmental activities net position	<u>\$ 361,575,788</u>	<u>\$ 364,409,647</u>	<u>\$ 379,558,463</u>	<u>\$ 392,951,483</u>	<u>\$ 411,013,441</u>	<u>\$ 443,746,023</u>	<u>\$ 435,669,727</u>	<u>\$ 450,450,206</u>	<u>\$ 488,278,869</u>	<u>\$ 552,394,198</u>
Business-type activities										
Net investment in capital assets	\$ 508,956,512	\$ 532,249,683	\$ 543,600,154	\$ 560,279,776	\$ 579,737,175	\$ 611,217,991	\$ 713,190,231	\$ 697,623,613	\$ 751,240,496	\$ 773,566,597
Restricted	6,480,661	5,665,074	2,976,894	2,980,644	3,097,447	-	-	-	-	-
Unrestricted	104,008,361	98,346,597	113,397,141	139,927,331	166,787,828	190,174,759	189,266,660	262,357,773	261,845,831	328,862,293
Total business-type activities net position	<u>\$ 619,445,534</u>	<u>\$ 636,261,354</u>	<u>\$ 659,974,189</u>	<u>\$ 703,187,751</u>	<u>\$ 749,622,450</u>	<u>\$ 801,392,750</u>	<u>\$ 902,456,891</u>	<u>\$ 959,981,386</u>	<u>\$ 1,013,086,327</u>	<u>\$ 1,102,428,890</u>
Primary government										
Net investment in capital assets	\$ 780,093,993	\$ 801,154,244	\$ 791,291,477	\$ 819,459,435	\$ 869,670,331	\$ 909,206,536	\$ 1,001,435,367	\$ 985,106,475	\$ 1,052,781,346	\$ 1,113,084,307
Restricted	11,840,980	11,193,804	11,039,583	11,221,953	43,293,836	70,807,361	37,653,387	63,312,275	60,665,189	72,933,609
Unrestricted	189,086,349	188,322,953	237,201,592	265,457,846	247,671,724	265,124,876	299,037,864	362,012,842	387,918,661	468,805,172
Total primary government net position	<u>\$ 981,021,322</u>	<u>\$ 1,000,671,001</u>	<u>\$ 1,039,532,652</u>	<u>\$ 1,096,139,234</u>	<u>\$ 1,160,635,891</u>	<u>\$ 1,245,138,773</u>	<u>\$ 1,338,126,618</u>	<u>\$ 1,410,431,592</u>	<u>\$ 1,501,365,196</u>	<u>\$ 1,654,823,088</u>

Source: Current and prior year's financial statements.

City of Thornton, Colorado
Schedule 2
Changes in Net Position
(accrual basis of accounting)

Expenses	Fiscal Year									
	2013	2014-restated	2015	2016	2017-restated	2018	2019	2020	2021-restated	2022
Governmental activities:										
General government	\$ 20,193,979	\$ 17,112,300	\$ 18,362,528	\$ 21,317,628	\$ 21,298,512	\$ 20,132,128	\$ 36,684,800	\$ 45,830,438	\$ 35,702,297	\$ 37,954,100
Police	28,044,137	29,873,901	30,700,874	32,573,830	39,488,938	41,095,050	37,984,510	41,367,619	43,491,003	43,658,172
Fire	12,758,169	16,496,326	14,323,859	18,718,470	19,276,932	17,169,938	19,329,627	23,152,345	27,476,823	26,946,828
City development	14,459,695	15,709,881	15,937,319	16,511,773	18,300,626	17,541,537	16,307,495	11,029,371	11,517,896	13,235,902
Streets, traffic & eng.	36,991,096	29,021,305	33,558,931	33,737,170	33,728,799	32,562,600	41,806,524	42,049,922	36,432,653	36,323,712
Community services	22,066,524	26,714,095	27,788,576	26,938,495	32,799,109	33,151,759	30,208,698	36,564,491	42,131,617	37,857,779
Interest on long-term debt	2,643,404	2,686,272	2,756,646	2,706,046	2,442,527	2,515,628	4,654,459	4,962,721	4,972,854	4,639,875
Total government activities expenses	137,157,004	137,614,080	143,428,733	152,503,412	167,335,443	164,168,640	186,976,113	204,956,907	201,725,143	200,616,368
Business-type activities										
Water	32,722,025	33,600,763	35,912,922	34,885,132	36,467,628	38,867,160	44,118,390	47,840,352	50,054,147	49,849,565
Sewer	12,254,003	13,380,812	13,721,652	15,011,361	14,206,094	21,447,839	16,670,678	16,432,487	15,224,680	18,839,909
Environmental Services	4,454,606	4,525,051	4,801,905	4,729,623	5,120,014	5,199,016	5,833,459	6,010,614	6,182,690	6,437,147
Golf	1,227,092	1,653,285	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	3,074,617	3,698,035	4,251,908	4,395,447
Total business-type activities expenses	50,657,726	53,159,911	54,436,479	54,626,116	55,793,736	65,514,015	69,697,144	73,981,488	75,713,425	79,522,068
Total primary government expenses	\$ 187,814,730	\$ 190,773,991	\$ 197,865,212	\$ 207,129,528	\$ 223,129,179	\$ 229,682,655	\$ 256,673,257	\$ 278,938,395	\$ 277,438,568	\$ 280,138,436
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,624,849	\$ 4,188,565	\$ 4,923,991	\$ 4,879,909	\$ 4,730,914	\$ 4,952,737	\$ 9,396,628	\$ 8,153,917	\$ 8,713,494	\$ 8,138,798
Police	2,699,807	2,538,093	1,964,945	1,284,687	1,717,764	2,346,799	2,357,553	1,696,738	1,967,445	1,596,231
Fire	1,617,997	1,693,145	1,887,235	2,350,600	2,622,926	2,530,075	3,271,005	4,568,578	4,497,690	5,139,561
City Development	2,607,403	3,339,238	4,061,961	4,899,797	7,540,989	6,586,129	6,456,272	6,092,697	7,003,195	6,651,209
Community Services	2,887,552	2,977,761	4,634,472	4,618,949	3,038,920	3,917,705	5,323,552	3,496,636	6,235,619	7,522,478
Operating grants/contrib.	5,704,876	6,461,838	5,958,882	5,941,237	6,322,021	8,068,103	9,442,526	18,800,681	10,558,945	10,135,553
Capital grants/contrib.	12,577,779	11,965,768	16,368,314	20,359,352	27,183,807	25,890,689	32,388,427	18,800,873	22,125,244	33,432,417
Total government activities program revenues	32,720,263	33,164,408	39,799,800	44,334,531	53,157,341	54,292,237	68,635,963	61,610,120	61,101,632	72,616,247
Business-type activities:										
Charges for services:										
Water	28,765,602	29,003,515	34,348,429	42,610,157	45,776,729	47,875,449	47,009,075	53,413,467	50,707,873	55,379,075
Sewer	12,645,386	13,105,689	14,191,006	14,388,579	15,128,165	15,092,464	15,466,882	15,838,431	16,210,386	16,278,144
Environmental Services	4,900,812	4,888,248	5,024,225	5,109,703	5,292,541	5,416,199	5,548,190	5,718,387	5,871,538	5,952,958
Golf	1,282,893	1,368,959	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	3,001,616	4,181,998	4,290,048	4,398,364
Capital grants/contrib.	9,205,225	10,855,812	15,915,139	29,850,742	30,493,138	35,361,778	43,034,895	37,577,921	32,396,597	46,406,812
Total business-type activities program revenues	56,799,918	59,222,223	69,478,799	91,959,181	96,690,573	103,745,890	114,060,658	116,730,204	109,476,442	128,415,353
Total primary government program revenues	\$ 89,520,181	\$ 92,386,631	\$ 109,278,599	\$ 136,293,712	\$ 149,847,914	\$ 158,038,127	\$ 182,696,621	\$ 178,340,324	\$ 170,578,074	\$ 201,031,600

	Fiscal Year									
	2013	2014-restated	2015	2016	2017-restated	2018	2019	2020	2021-restated	2022
Net (expense)/revenue										
Governmental activities	\$ (104,436,741)	\$ (104,449,672)	\$ (103,628,933)	\$ (108,168,881)	\$ (114,178,102)	\$ (109,876,403)	\$ (118,340,150)	\$ (143,346,787)	\$ (140,623,511)	\$ (128,000,121)
Business-type activities	6,142,192	6,062,312	15,042,320	37,333,065	40,896,837	38,231,875	44,363,514	42,748,716	33,763,017	48,893,285
Total primary government net expense	<u>\$ (98,294,549)</u>	<u>\$ (98,387,360)</u>	<u>\$ (88,586,613)</u>	<u>\$ (70,835,816)</u>	<u>\$ (73,281,265)</u>	<u>\$ (71,644,528)</u>	<u>\$ (73,976,636)</u>	<u>\$ (100,598,071)</u>	<u>\$ (106,860,494)</u>	<u>\$ (79,106,836)</u>
General Revenues and Other Changes in Assets										
Governmental activities										
Taxes										
Sales and use taxes	\$ 78,188,772	\$ 84,024,928	\$ 91,975,491	\$ 96,446,874	\$ 104,489,333	\$ 110,306,247	\$ 110,473,089	\$ 113,669,743	\$ 135,088,230	\$ 147,877,508
Property taxes	11,858,574	12,046,479	12,571,291	14,503,019	14,798,204	17,448,489	20,335,200	29,247,725	29,499,614	32,544,945
Other taxes	8,157,151	8,693,260	8,612,126	8,873,989	9,547,866	10,050,848	10,249,895	9,744,229	12,650,458	14,072,699
Loss on investments	206,456	960,404	1,513,417	56,183	1,748,964	3,195,518	6,391,532	2,797,470	(793,395)	(7,631,404)
Gain on sale of assets	-	206,932	152,381	188,110	148,555	-	31,958	-	-	-
Miscellaneous	1,663,472	1,762,781	2,186,632	1,493,726	1,507,138	1,607,883	1,913,175	4,906,366	2,031,160	2,401,016
Special Item	-	-	-	-	-	-	-	-	-	2,850,686
Transfers	-	(411,253)	1,766,411	-	-	-	(39,130,995)	(2,238,267)	(23,893)	-
Total governmental activities	<u>100,074,425</u>	<u>107,283,531</u>	<u>118,777,749</u>	<u>121,561,901</u>	<u>132,240,060</u>	<u>142,608,985</u>	<u>110,263,854</u>	<u>158,127,266</u>	<u>178,452,174</u>	<u>192,115,450</u>
Business-type activities										
Investment loss	553,078	2,012,676	1,553,374	948,963	1,537,970	2,981,846	6,384,386	4,502,457	(1,284,819)	(9,722,992)
Gain on sale of assets	16,259	942,423	5,038,541	722,012	221,759	202,890	2,430,704	3,994,650	5,972,256	32,816
Royalties ¹	-	-	-	-	-	-	-	-	8,896,723	12,497,787
Miscellaneous	2,750,108	7,387,156	3,845,011	4,209,522	3,778,133	10,353,689	8,754,542	4,040,405	5,733,871	6,950,422
Special Item	-	-	-	-	-	-	-	-	-	30,691,245
Transfers	-	411,253	(1,766,411)	-	-	-	39,130,995	2,238,267	23,893	-
Total business-type activities	<u>3,319,445</u>	<u>10,753,508</u>	<u>8,670,515</u>	<u>5,880,497</u>	<u>5,537,862</u>	<u>13,538,425</u>	<u>56,700,627</u>	<u>14,775,779</u>	<u>19,341,924</u>	<u>40,449,278</u>
Total primary government	<u>\$ 103,393,870</u>	<u>\$ 118,037,039</u>	<u>\$ 127,448,264</u>	<u>\$ 127,442,398</u>	<u>\$ 137,777,922</u>	<u>\$ 156,147,410</u>	<u>\$ 166,964,481</u>	<u>\$ 172,903,045</u>	<u>\$ 197,794,098</u>	<u>\$ 232,564,728</u>
Change in Net Position										
Governmental activities	\$ (4,362,316)	\$ 2,833,859	\$ 15,148,816	\$ 13,393,020	\$ 18,061,958	\$ 32,732,582	\$ (8,076,296)	\$ 14,780,479	\$ 37,828,663	\$ 64,115,329
Business-type activities	9,461,637	16,815,820	23,712,835	43,213,562	46,434,699	51,770,300	101,064,141	57,524,495	53,104,941	89,342,563
Total primary government	<u>\$ 5,099,321</u>	<u>\$ 19,649,679</u>	<u>\$ 38,861,651</u>	<u>\$ 56,606,582</u>	<u>\$ 64,496,657</u>	<u>\$ 84,502,882</u>	<u>\$ 92,987,845</u>	<u>\$ 72,304,974</u>	<u>\$ 90,933,604</u>	<u>\$ 153,457,892</u>

Notes: In the 2014 original presentation, loss on land held for resale was netted in General Government expenditures, with the 2016 presentation it is netted in investment

1. For years 2020 and before royalties revenue was within miscellaneous. 2021 and beyond royalties revenue will be reported as a separate line item.

Source: Current and prior year's financial statements.

City of Thornton, Colorado
Schedule 3
Fund Balances of Governmental Funds
(modified accrual basis accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 276,656	\$ 256,407	\$ 224,102	\$ 252,741	\$ 247,410	\$ 130,616	\$ 114,577	\$ 78,387	\$ 115,013	\$ 593,668
Restricted	4,241,641	4,472,701	4,926,372	5,170,463	5,384,063	5,892,808	6,295,661	6,663,749	7,497,378	8,086,353
Committed	16,760,292	18,196,555	19,138,386	20,990,233	22,028,000	23,127,000	25,138,000	25,186,000	27,955,000	31,025,176
Unassigned	11,628,514	10,190,182	519,210	922,130	9,613,998	10,128,234	19,744,899	19,907,001	41,630,276	39,970,888
Total general fund	<u>\$ 32,907,103</u>	<u>\$ 33,115,845</u>	<u>\$ 24,808,070</u>	<u>\$ 27,335,567</u>	<u>\$ 37,273,471</u>	<u>\$ 39,278,658</u>	<u>\$ 51,293,137</u>	<u>\$ 51,835,137</u>	<u>\$ 77,197,667</u>	<u>\$ 79,676,085</u>
All other governmental funds										
Nonspendable	\$ 15,951,159	\$ 15,220,076	\$ 1,985,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,812
Restricted	1,742,501	1,644,923	3,759,428	39,383,427	34,812,326	68,483,103	40,138,102	62,004,594	45,000,273	50,238,647
Committed	1,137,543	1,137,043	1,000,000	2,659	-	-	-	-	-	-
Assigned	68,087,596	78,963,732	110,090,600	79,603,850	64,976,510	74,674,244	58,271,816	60,199,162	59,508,718	66,609,381
Unassigned	(25,188,697)	(25,330,792)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 61,730,102</u>	<u>\$ 71,634,982</u>	<u>\$ 116,835,901</u>	<u>\$ 118,989,936</u>	<u>\$ 99,788,836</u>	<u>\$ 143,157,347</u>	<u>\$ 98,409,918</u>	<u>\$ 122,203,756</u>	<u>\$ 104,508,991</u>	<u>\$ 116,852,840</u>

Source: Current and prior year's financial statements.

City of Thornton, Colorado
Schedule 4
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021-restated	2022
Revenues										
Taxes	\$ 98,204,497	\$ 104,764,667	\$ 113,158,908	\$ 119,823,882	\$ 128,835,403	\$ 137,805,584	\$ 141,058,184	\$ 152,661,697	\$ 177,238,302	\$ 194,495,152
Licenses and permits	2,602,394	3,316,530	4,031,530	4,959,615	7,623,869	6,600,980	6,478,463	6,131,257	7,011,036	6,708,666
Intergovernmental	12,931,228	13,628,297	13,782,495	14,704,196	14,829,335	17,671,923	17,990,353	18,228,395	19,188,941	21,725,379
Governmental grants	5,348,856	3,456,132	5,120,376	4,653,577	4,296,608	5,184,780	3,905,434	16,094,122	4,578,933	10,636,649
Charges for services	8,952,084	8,652,264	11,224,156	11,295,406	9,690,537	10,733,941	17,452,032	15,570,267	19,127,279	20,464,371
Fines and forfeitures	2,597,693	2,452,610	1,833,930	1,249,962	1,662,594	2,198,926	2,230,512	1,540,140	1,562,823	1,200,599
Lease	207,581	207,213	207,710	207,792	207,648	175,551	175,701	175,889	175,648	30,072
Investment loss	206,456	960,404	1,513,417	56,183	1,748,964	3,195,518	6,391,532	2,797,470	(793,395)	(7,631,404)
Miscellaneous	1,077,349	1,090,416	1,220,633	874,594	1,380,925	2,438,256	1,488,837	5,794,929	1,952,040	2,404,963
Total revenues	132,128,138	138,528,533	152,093,155	157,825,207	170,275,883	186,005,459	197,171,048	218,994,166	230,041,607	250,034,447
Expenditures										
General government	17,735,112	14,231,242	16,347,304	17,574,494	19,108,028	19,130,535	32,344,427	31,921,508	34,677,430	38,615,549
Police	26,345,134	27,567,650	28,867,622	30,733,098	36,305,515	39,539,105	37,937,011	39,208,799	41,324,207	44,176,348
Fire and Ambulance	12,195,742	13,070,907	13,630,141	15,123,637	17,693,181	19,272,739	19,750,199	20,734,126	25,070,216	26,776,865
City development	7,010,772	7,836,797	8,289,288	8,456,322	9,265,248	10,391,186	9,347,955	9,291,154	9,250,922	9,725,080
Streets, traffic and engineering	11,105,807	11,738,019	12,713,416	12,730,210	13,524,537	14,343,779	15,122,054	13,216,978	15,636,030	16,463,430
Community services	16,521,970	17,730,163	20,628,287	21,378,664	20,553,513	23,460,086	22,017,406	20,964,588	23,334,148	26,841,337
Capital outlay	30,090,513	29,792,607	36,650,789	38,277,166	54,287,245	75,174,464	83,093,427	73,985,088	59,844,258	62,570,434
Debt service										
Principal retirement	4,985,000	5,160,000	4,580,000	6,210,000	6,410,000	6,098,539	6,224,347	7,663,858	8,098,939	8,966,463
Interest	2,681,595	2,690,626	2,462,975	2,883,894	2,643,547	2,373,332	5,281,123	5,724,112	5,573,189	5,234,669
Bond fees	1,700	3,571	244,061	6,850	4,196	6,755	8,809	6,755	8,755	11,480
Bond issuance costs	-	-	168,985	-	-	541,368	-	511,526	-	-
Total Expenditures	128,673,345	129,821,582	144,582,868	153,374,335	179,795,010	210,331,888	231,126,758	223,228,492	222,818,094	239,381,655
Excess (deficiency) of revenues over (under) expenditures	3,454,793	8,706,951	7,510,287	4,450,872	(9,519,127)	(24,326,429)	(33,955,710)	(4,234,326)	7,223,513	10,652,792
Other financing sources (uses)										
Transfers in	3,532,854	10,043,738	14,482,662	5,672,765	9,298,637	9,287,257	7,347,294	7,183,995	7,761,827	9,058,934
Transfers out	(3,532,854)	(8,932,377)	(14,259,537)	(5,672,765)	(9,298,637)	(9,341,044)	(6,313,547)	(9,248,912)	(7,761,827)	(9,058,934)
Bonds issued	-	-	41,480,000	-	-	69,536,852	-	26,785,000	-	-
Premium on bonds issued	-	-	3,187,135	-	-	-	-	3,745,451	-	-
Pymnts to underwriter on bonds issued	-	-	(15,805,000)	-	-	-	-	-	-	-
Capital lease acquisition	-	-	-	-	-	-	-	-	-	1,218,908
Sales of capital assets	-	295,310	297,597	230,660	255,931	217,062	189,013	104,630	391,944	99,881
Total other financing sources (uses)	-	1,406,671	29,382,857	230,660	255,931	69,700,127	1,222,760	28,570,164	391,944	1,318,789
Special item										
Proceeds from sale of mineral rights	-	-	-	-	-	-	-	-	-	2,850,686
Net change in fund balances	\$ 3,454,793	\$ 10,113,622	\$ 36,893,144	\$ 4,681,532	\$ (9,263,196)	\$ 45,373,698	\$ (32,732,950)	\$ 24,335,838	\$ 7,615,457	\$ 14,822,267
Debt service as a percentage of noncapital expenditures	6.2%	6.6%	5.5%	6.6%	6.0%	5.4%	6.5%	7.2%	7.3%	7.3%

Note: In the 2014 original presentation, loss on land held for resale was netted in General Government expenditures, with the 2016 presentation it is netted in investment earnings.

Source: Current and prior year's financial statements.

City of Thornton, Colorado
Schedule 5
General Government Tax and Assessment Revenues by Source¹

Fiscal Year	Sales tax	Motel tax	Use tax	Property tax	Specific ownership tax	Franchise tax	Cigarette tax	Total
2013	\$ 53,221,042	\$ 839,638	\$ 13,311,291	\$ 9,045,633	\$ 697,464	\$ 5,258,367	\$ 216,756	\$ 82,590,191
2014	56,379,978	1,058,019	15,782,478	9,137,579	753,402	5,521,208	201,573	88,834,237
2015	60,194,735	1,124,700	19,200,063	9,233,929	836,278	5,308,812	198,949	96,097,466
2016	61,544,769	1,179,445	20,895,946	10,681,366	925,272	5,387,163	199,494	100,813,455
2017	62,613,775	1,260,891	26,085,453	10,826,288	1,093,409	5,809,945	193,693	107,883,454
2018	68,650,875	1,320,551	29,049,758	13,124,438	1,194,177	6,117,914	185,622	119,643,335
2019	79,272,131	1,457,730	24,178,694	13,575,713	1,177,076	6,195,392	181,998	126,038,734
2020	83,627,429	924,955	22,641,658	16,537,713	1,325,554	6,011,074	239,902	131,308,285
2021	95,919,026	1,591,445	31,105,765	16,826,865	1,506,180	6,387,943	190,268	153,527,492
2022	106,674,390	1,941,416	31,113,792	18,003,374	1,437,486	7,288,978	28,290	166,487,726

¹ Revenues from the General, Parks, Open Space, Parks and Open Space, Governmental Capital, TDA North and TDA 144th Capital Funds (excluding revenue pledged for debt service on the Series 2015 and Series 2015B Tax Increment Bonds).

Source: City of Thornton Finance Department

City of Thornton, Colorado
Schedule 6
Sales Tax Revenue by Type of Industry

Fiscal Year	General Merchandise	Grocery	Electric & Natural Gas	Automotive	Construction	Furniture & Electronics	Restaurants Liquor & Food Service	Telecomm. & Cable Utility	All Other	Total Sales Tax	Total Direct Tax^{1, 2} Rate
2013	\$ 16,575,442	\$ 7,807,324	\$ 3,556,124	\$ 3,530,698	\$ 2,788,722	\$ 3,104,647	\$ 7,700,137	\$ 4,740,332	\$ 1,514,293	\$ 51,317,719	3.75
2014	16,894,260	8,405,616	3,654,939	3,819,125	3,350,827	3,856,016	8,345,741	5,054,112	1,716,548	55,097,184	3.75
2015	17,356,120	8,723,066	3,499,658	4,276,950	4,194,684	4,366,301	9,067,627	4,955,275	1,915,447	58,355,128	3.75
2016	18,154,195	8,954,343	3,378,819	4,877,990	4,427,382	4,906,621	9,227,279	5,613,605	2,004,535	61,544,769	3.75
2017	18,341,139	9,149,265	3,478,793	4,881,463	4,839,698	4,384,954	9,721,763	5,496,744	2,319,956	62,613,775	3.75
2018	21,008,470	9,695,714	3,601,649	5,204,670	5,785,369	6,006,502	10,257,476	4,610,663	2,480,362	68,650,875	3.75
2019	28,565,769	10,046,758	3,771,659	5,711,395	6,589,401	4,901,396	11,732,720	4,422,165	3,530,868	79,272,131	3.75
2020	31,039,638	10,722,258	3,723,885	5,700,495	7,190,528	5,492,629	12,388,526	3,951,818	3,417,652	83,627,429	3.75
2021	37,336,448	10,611,147	4,189,337	6,502,721	7,947,253	6,404,478	14,950,390	3,837,870	4,139,382	95,919,026	3.75
2022	42,674,792	12,041,035	4,992,838	7,258,110	8,868,275	6,551,781	15,817,791	3,778,632	4,691,136	106,674,390	3.75

¹ Marijuana and related products sold at retail subject to additional 5% special sales tax.

² Sales tax rate within Denver Premium Outlet shopping area is 2.35%.

Source: City of Thornton Sales and Use Tax Reports

City of Thornton, Colorado
Schedule 7
Direct and Overlapping Sales Tax Rates

Fiscal Year	City of Thornton	Total Direct Sales Tax Rate	Overlapping Rates					Total Overlapping Sales Tax Rate
			State of Colorado	Adams County	Rapid Transit District RTD	Cultural Facilities District	Football Stadium District	
2013	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2014	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2015	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2016	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2017	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2018	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2019	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2020	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2021	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2022	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%

Source: City of Thornton Sales and Use Tax Reports

Note: Additional 10% Colorado sales tax on recreational use marijuana and additional 5% City sales tax on marijuana and related products sold at retail.

City of Thornton, Colorado
Schedule 8
Principal Sales Taxpayers

	2013	2014	2015	2016	2017	Fiscal Year 2018	2019	2020	2021	2022
Aggregate top ten filers ¹	<u>\$ 24,561,715</u>	<u>\$ 25,511,695</u>	<u>\$ 26,511,596</u>	<u>\$ 27,750,234</u>	<u>\$ 28,899,319</u>	<u>\$ 29,705,410</u>	<u>\$ 33,553,048</u>	<u>\$ 36,736,395</u>	<u>\$ 40,657,228</u>	<u>\$ 46,367,619</u>
Aggregate all other filers	<u>26,756,004</u>	<u>29,585,489</u>	<u>31,843,532</u>	<u>33,794,535</u>	<u>33,714,456</u>	<u>38,945,465</u>	<u>45,719,083</u>	<u>46,891,034</u>	<u>55,261,798</u>	<u>60,306,771</u>
Total sales tax	<u><u>\$ 51,317,719</u></u>	<u><u>\$ 55,097,184</u></u>	<u><u>\$ 58,355,128</u></u>	<u><u>\$ 61,544,769</u></u>	<u><u>\$ 62,613,775</u></u>	<u><u>\$ 68,650,875</u></u>	<u><u>\$ 79,272,131</u></u>	<u><u>\$ 83,627,429</u></u>	<u><u>\$ 95,919,026</u></u>	<u><u>\$ 106,674,390</u></u>
Top ten filers as a percentage of total sales	47.9%	46.3%	45.4%	45.1%	46.2%	43.3%	42.3%	43.9%	42.4%	43.5%

¹ Colorado State Statutes and City of Thornton Ordinances prohibit disclosure of individual sales tax returns.

Source: City of Thornton Sales and Use Tax Reports

City of Thornton, Colorado
Schedule 9
Ratios of Outstanding Debt by Type

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Sales and Use Tax Bonds	Tax Incremental Bonds	Certificates of Participation	Leases	General Obligation Bonds	Revenue Bonds	Notes and Loan Payable	Leases			
2013	\$ 8,065,000	\$ 16,545,000	\$ 27,295,000	\$ -	\$ 16,175,000	\$ 39,955,000	\$ 79,160	\$ -	\$ 108,114,160	3.3%	\$ 882
2014	6,555,000	15,805,000	24,385,000	-	8,045,000	39,475,000	41,284	-	94,306,284	2.9%	763
2015	5,000,000	41,480,000	21,360,000	-	-	38,955,000	-	-	106,795,000	3.0%	811
2016	3,635,796	42,989,472	18,123,982	-	-	40,519,469	-	-	105,268,719	2.8%	785
2017	1,839,451	41,317,224	14,884,985	-	-	38,898,452	-	-	96,940,112	2.5%	705
2018	-	39,584,976	81,639,055	547,937	-	37,232,435	-	-	159,004,403	3.8%	1,132
2019	-	37,812,728	76,932,351	433,591	-	35,506,418	-	-	150,685,088	3.3%	1,048
2020	-	35,990,480	102,177,378	314,733	-	124,027,834	-	-	262,510,425	5.5%	1,793
2021	-	34,103,232	95,627,593	753,725	-	120,662,825	-	-	251,147,375	5.3%	1,717
2022	-	32,155,984	88,792,808	1,100,271	-	116,907,816	-	46,765	239,003,644	4.6%	1,608

¹ See Schedule 14 for personal income and population data.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: For years 2016 and forward debt balances are net of related premiums and discounts

Note: Increase in leases in 2022 related to the adoption of GASB 87 - Leases standard

Source: Current and prior year's financial statements.

City of Thornton, Colorado
Schedule 10
Ratios of General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita¹
2013	\$ 16,175,000	\$ -	\$ 16,175,000	1.79%	\$ 132
2014	8,045,000	-	8,045,000	0.88%	65
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-

¹ See Schedule 14 for population data.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: For years 2016 and forward debt balances are net of related premiums and discounts

Source: Current and prior year's financial statements.

City of Thornton, Colorado
Schedule 11
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Entity (1)	Assessed Valuation (2)	Debt Outstanding	Percentage Applicable to the City (3)	Estimated Share of Overlapping Debt
City of Thornton direct debt				\$ 122,049,063
Overlapping Debt				
Adams 12 Five Star School District	\$ 2,946,850,320	\$ 407,780,000	47.98	195,652,844
Adams County School District 1	988,197,850	120,110,000	16.26	19,529,886
Adams County School District 14	993,241,240	63,997,398	4.27	2,732,689
Amber Creek Metropolitan District	15,587,940	19,604,829	100.00	19,604,829
Aspen Reserve Metropolitan District	4,890,920	3,492,000	100.00	3,492,000
Brighton School District 27J	2,475,806,980	905,644,348	11.29	102,247,247
Bramming Farm Metropolitan District No. 1	4,678,190	3,830,000	100.00	3,830,000
Cherrylane Metropolitan District	4,298,130	3,864,000	100.00	3,864,000
Creekside Village Metropolitan District	2,374,700	11,502,000	100.00	11,502,000
Cundall Farms Metropolitan District	13,655,330	13,497,000	100.00	13,497,000
Fallbrook Metropolitan District	22,054,460	560,000	100.00	560,000
Heritage Todd Creek Metropolitan District	47,894,400	35,159,175	100.00	35,159,175
Highpointe Park Metropolitan District	9,210,670	6,991,000	100.00	6,991,000
Homestead Hills Metropolitan District	2,946,670	2,942,000	100.00	2,942,000
Lambertson Lakes Metro District	21,011,430	2,050,000	100.00	2,050,000
Larkridge Metropolitan District No. 1	24,652,700	12,375,000	100.00	12,375,000
Larkridge Metropolitan District No. 2	15,970,540	15,270,000	100.00	15,270,000
Lewis Pointe Metropolitan District	15,434,450	9,762,949	100.00	9,762,949
Mayfield Metropolitan District	8,296,970	9,753,136	100.00	9,753,136
North Holly Metropolitan District	12,596,020	14,304,625	100.00	14,304,625
North Metro Fire Rescue FKA Fire Dist. 1	666,193,490	7,290,000	0.28	20,412
Orchard Farms Metropolitan District	15,334,050	14,165,000	100.00	14,165,000
PLA Metropolitan District	3,858,870	635,000	100.00	635,000
Rangeview Library District	7,517,362,920	73,190,650	25.23	18,466,001
RII-DII Business Improvement District	14,943,590	7,797,974	100.00	7,797,974
Talon Pointe Metropolitan District	8,847,530	23,910,000	100.00	23,910,000
Timberleaf Metropolitan District	3,256,260	7,697,000	100.00	7,697,000
Village at Dry Creek Metro No 2	26,838,840	14,937,000	100.00	14,937,000
Villas at Eastlake Reservoir Metro District	4,125,360	2,570,000	100.00	2,570,000
Westwood Metropolitan District	20,660	8,100,000	100.00	8,100,000
Willow Bend Metropolitan District	11,439,510	16,455,000	100.00	16,455,000
Subtotal, overlapping debt				\$ 599,873,767
Total direct and overlapping debt				\$ 721,922,830

(1) The following entities also overlap the City but have no reported general obligation debt outstanding:

Adams County	Regional Transportation District
Adams County Fire Protection District	River Valley Village Metropolitan District
Ash Meadows Metropolitan District	Riverdale Peaks II Metropolitan District
Brittany Place Metropolitan District	Riverdale Ranch Metropolitan District
Central Colorado Water Conservancy	South Adams County Fire Protection District
City of Thornton 136th Ave GID	South Adams Water and Sanitation District
Eastcreek Farm Metropolitan District	Talon Pointe Coordinating Metro District
Fire District 6 Greater Brighton	The Village at North Creek Metropolitan District
Home Place Metropolitan District	Urban Drainage and Flood Control District
Hyland Hills Metro Park & Recreation	Urban Drainage and Flood Control District - S. Platte
Lees Farm Metropolitan District	Village at Dry Creek Metro Districts No 1, 3-4
North End Metropolitan Districts	Wright Farms Metropolitan District
North Metro Fire Bond (FKA FD1B)	York Street Metropolitan District
North Washington Water and Sanitation District	
Parterre Metropolitan Districts	

(2) Assessed values certified in 2021 are for collection of ad valorem property taxes in 2022.

(3) The percentage of each entity's outstanding debt chargeable to the City is calculated by comparing the assessed valuation of the portion overlapping the City to the total assessed valuation of the overlapping entity. To the extent the City's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the City are responsible will also change.

Sources: Adams County Assessor's office and individual taxing entities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

City of Thornton, Colorado
Schedule 12
Legal Debt Margin Information

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit ¹	\$ 90,471,515	\$ 91,397,034	\$ 106,189,059	\$ 107,150,843	\$ 129,656,445	\$ 133,967,394	\$ 164,035,556	\$ 166,486,507	\$ 177,525,237	\$ 176,355,177
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	1,147,036
Legal debt margin	\$ 90,471,515	\$ 91,397,034	\$ 106,189,059	\$ 107,150,843	\$ 129,656,445	\$ 133,967,394	\$ 164,035,556	\$ 166,486,507	\$ 177,525,237	\$ 177,502,213
Total net debt applicable as a percentage of debt limit	-	-	-	-	-	-	-	-	-	0.65%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	\$ 1,763,551,770
Debt limit (10% of total assessed value) ¹	176,355,177
Debt applicable to limit	
General obligation bonds	-
Less: Amount set aside for repayment of RTU - lease obligations	1,147,036
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	1,147,036
Legal debt margin	<u>\$ 175,208,141</u>

¹ Per the City of Thornton Charter, the City's general obligation debt should not exceed 10 percent of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: Current and prior year's financial statements and the Adams County Assessor's Office.

City of Thornton, Colorado
Schedule 13
Pledged-Revenue Coverage

Water Revenue and Revenue Refunding Bonds						
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2013	\$ 39,083,359	\$ 20,131,086	\$ 18,952,273	\$ -	\$ 1,665,985	11.38
2014	45,650,754	24,784,811	20,865,943	200,000	1,453,344	12.62
2015	51,226,351	27,647,167	23,579,184	225,000	1,449,344	14.08
2016	70,365,957	26,443,298	43,922,659	1,410,000	1,442,594	15.40
2017	72,913,829	27,490,432	45,423,397	1,455,000	1,400,294	15.91
2018	89,000,301	29,300,163	59,700,138	1,500,000	1,356,644	20.90
2019	83,876,134	35,386,006	48,490,128	1,560,000	1,296,644	16.97
2020	85,243,075	37,983,262	47,259,813	1,620,000	1,234,244	16.56
2021	82,308,247	36,495,304	45,812,943	2,795,000	4,263,709	6.49
2022	126,851,008	36,039,168	90,811,840	3,185,000	3,870,044	12.87

TDA North Tax Increment Bonds				
Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
2013	\$ 6,162,807	\$ 715,000	\$ 788,713	4.10
2014	6,143,493	740,000	763,688	4.09
2015	6,257,149	-	702,573	8.91
2016	6,317,948	850,000	557,963	4.49
2017	6,632,204	865,000	540,963	4.72
2018	6,545,747	905,000	506,363	4.64
2019	7,818,057	920,000	488,263	5.55
2020	11,292,373	960,000	451,463	8.00
2021	11,914,925	995,000	413,063	8.46
2022	13,544,965	1,035,000	373,263	9.62

TDA 144th Tax Increment Bonds				
Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
2015	\$ 2,008,437	\$ -	\$ -	N/A
2016	2,555,008	615,000	1,192,921	1.41
2017	2,795,074	625,000	1,183,944	1.55
2018	2,812,899	645,000	1,165,194	1.55
2019	2,326,090	670,000	1,139,394	1.29
2020	2,187,764	680,000	1,125,994	1.21
2021	2,103,045	710,000	1,098,794	1.16
2022	4,276,799	730,000	1,077,494	2.37

Sales and Use Tax Bonds				
Fiscal Year	Sales Taxes	Principal	Interest	Coverage
2013	\$ 67,811,466	\$ 1,455,000	\$ 350,150	37.57
2014	72,844,683	1,510,000	291,950	40.43
2015	80,057,239	1,555,000	246,650	44.44
2016	84,106,064	1,605,000	200,000	46.60
2017	91,378,445	1,665,000	135,800	50.74
2018	97,700,633	1,730,000	69,200	54.30
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-

Notes: Water revenue refunding bonds were issued in 2013.
Water revenue bonds were issued in 2020, no principal or interest due in 2020.
Water charges and other includes investment earnings and tap fees.
Operating expenses do not include depreciation or amortization expenses.
TDA North Tax Increment Revenue Bonds series 2004 were refunded in 2015, no principal due in 2015.
TDA 144th Tax Increment Revenue Bonds series 2015B, no principal or interest due in 2015.
Sales and Use Tax Bonds series 2007, were paid in full in 2018.

City of Thornton, Colorado
Schedule 14
Demographic and Economic Statistics

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2013	122,643	\$ 3,258,134	\$ 26,566	6.9%
2014	123,648	3,243,040	26,228	4.4%
2015	131,761	3,528,823	26,782	3.5%
2016	134,149	3,704,927	27,618	2.7%
2017	137,443	3,916,713	28,497	3.0%
2018	140,509	4,228,478	30,094	3.8%
2019	143,788	4,499,270	31,291	2.4%
2020	146,427	4,756,974	32,487	8.6%
2021	146,270	4,766,793	32,589	4.3%
2022	148,623	5,228,706	35,181	2.9%

City of Thornton, Colorado
Schedule 15
Principal Employers

2022			
<u>Employer Type</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Retail Trade (439 Units)	7,735	1	25%
Health Care and Social Assistance (282 Units)	5,346	2	17%
Accommodation and Food Services (238 Units)	4,320	3	14%
Educational Services (81 Units)	3,045	4	10%
Public Administration (46 Units)	1,884	5	6%
Other Services (284 Units)	1,803	6	6%
Construction (208 Units)	1,369	7	4%
Professional, Service & Tech (176 Units)	1,099	8	4%
Information (56 Units)	933	9	3%
Arts, Entertainment & Recreation (47 Units)	745	10	2%
Total	<u>28,279</u>		<u>91%</u>

Total number of persons employed by Thornton establishments: 30,974

2013			
<u>Employer Type</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Retail Trade (505 units)	5,185	1	22%
Educational Services (92 Units)	3,024	2	13%
Health Care and Social Assistance (305 Units)	2,961	3	12%
Administrative and support (967 Units)	2,137	4	9%
Accommodation and Food Services (200 Units)	1,995	5	8%
Construction (637 Units)	1,986	6	8%
Professional Services (650 Units)	1,709	7	7%
Other Services (415 Units)	1,218	8	5%
Wholesale trade (197 Units)	694	9	3%
Finance and Insurance (188 Units)	688	10	3%
Total	<u>21,597</u>		<u>90%</u>

Total number of persons employed by Thornton establishments: 24,116

Note: The number of employees per business is confidential therefore the City is providing employee totals by sector.

Source: City of Thornton - Economic Development

City of Thornton, Colorado
Schedule 16
Full-time Equivalent City Government Employees by Function

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	156	158	165	168	175	182	191	201	196	197
Police										
Officers	158	171	178	233	244	247	243	243	242	247
Civilians	69	59	63	63	63	73	77	79	79	81
Fire										
Firefighters and officers	75	76	76	85	101	106	132	132	145	138
Ambulance	25	26	26	26	29	26	4	4	4	4
Civilians	3	3	3	3	3	3	3	3	3	10
City development	65	71	72	78	82	84	82	82	79	82
Streets, traffic, & engineering										
Engineering	34	33	33	36	35	37	40	41	38	36
Maintenance	31	32	31	31	32	33	23	23	23	25
Community services	85	96	98	99	100	106	124	129	126	131
Water & Sewer	85	86	90	92	95	97	100	102	104	104
Environmental Services	22	22	23	23	24	26	26	28	28	28
Stormwater	-	-	-	-	-	-	13	14	15	15
Total	808	833	858	937	983	1,020	1,058	1,081	1,082	1,098

Source: City of Thornton budget office.

City of Thornton, Colorado
Schedule 17
Operating Indicators by Function

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Patrol calls for service	98,634	94,355	113,756	103,910	111,238	122,943	153,608	142,754	139,584	130,726
Physical arrests	2,365	2,607	2,796	2,891	5,749	6,608	7,071	4,667	4,934	6,805
Traffic violations	17,993	17,085	13,351	9,843	15,125	20,959	20,635	13,981	16,766	12,996
Fire										
Calls for service	8,106	8,868	9,387	9,976	10,538	11,028	11,898	12,220	14,070	16,736
Fire incidents	190	214	212	282	277	248	223	284	273	314
EMS and other incidents	7,916	8,654	9,175	9,694	10,261	10,780	11,675	11,936	13,797	16,422
Inspections*	1,586	1,957	1,753	-	1,469	1,275	1,244	2,564	251	1,216
Ambulance										
Number of transports	4,193	4,624	5,129	5,355	5,693	5,903	5,850	6,284	7,240	7,094
City development										
Single-family permits	314	370	505	832	902	824	744	816	764	632
Commercial permits issued	10	18	19	19	31	25	23	26	24	21
Building inspections	28,473	30,103	37,755	57,437	52,873	66,945	44,370	44,980	35,600	45,219
Code violations & inspections	16,370	18,183	15,998	14,374	12,509	11,757	13,704	6,364	7,795	6,654
Graffiti incidents removed	1,526	1,016	880	795	534	160	178	266	344	394
Streets, traffic, & engineering										
Lane miles of streets maintained	1,227	1,232	1,238	1,244	1,252	1,255	1,258	1,267	1,278	1,307
Community services										
Carpenter Recreation center admissions	295,200	297,279	296,429	303,658	301,024	280,912	235,816	32,040	52,640	151,264
Trail Winds Recreation center admissions**	-	-	-	-	-	-	47,053	114,528	218,381	273,814
Water										
New connections	297	301	419	559	826	922	644	652	488	745
Average daily consumption (in gallons) (excludes Westminster)	14,971,237	15,005,578	15,580,590	16,820,855	16,263,868	17,459,644	16,379,225	18,523,145	17,619,820	18,121,940
Environmental Services										
Solid waste customers	26,919	27,060	27,317	27,671	28,328	29,233	29,899	30,763	31,202	31,708
Tons of refuse collected	34,029	34,249	34,574	36,529	36,571	37,724	37,811	43,332	43,026	40,449
Tons of recyclables collected	5,180	5,161	5,193	5,255	5,424	5,417	5,355	5,928	5,646	5,763

Note: Indicators are not available for the general government function.

* Indicator was not tracked in 2016.

** Indicator was not tracked prior to 2019 - Trail Winds Recreation Center opened November 2019

Sources: Various city departments.

City of Thornton, Colorado
Schedule 18
Capital Asset Statistics by Function

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	2	2	2	2	2
Patrol Units	74	77	92	95	119	125	134	139	149	148
Fire										
Fire Stations	5	5	5	5	5	6	6	6	6	6
Ambulances	6	6	6	6	7	8	7	5	5	5
Streets, traffic, & engineering										
Streets (miles)	404	406	409	411	414	417	421	424	433	442
Streetlights	8,565	8,521	8,783	8,824	9,125	9,140	9,316	9,583	9,617	9,673
Community services										
Parks acreage	683	697	723	733	757	879	851	881	1,007	1,016
Parks	81	82	84	88	90	92	93	93	90	91
Swimming Pools	3	3	3	3	3	3	4	4	4	4
Tennis Courts	17	17	17	17	17	17	17	16	16	16
Community Centers	3	3	3	3	3	3	4	4	4	4
Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	559	566	577	584	593	597	602	626	650	658
Fire Hydrants	4,699	4,688	4,847	4,950	5,073	5,132	5,194	5,261	5,539	5,696
Maximum daily capacity (thousands of gallons)	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Sewer										
Sanitary sewer (miles)	427	439	445	454	462	465	485	503	506	511
Environmental Services										
Collection Trucks	19	19	21	21	21	22	22	24	24	25
Stormwater										
Storm sewers (miles)	149	150	140	144	149	151	158	160	168	172

Note: No capital asset indicators are available for the general government function.

Sources: Various city departments.

