

A stylized tree with a dark brown trunk and branches. The left side of the canopy features autumn-colored leaves in shades of yellow, orange, and red. The right side features winter-colored leaves in shades of blue and purple. The background is a light blue sky above a dark blue wavy ground line.

Annual Comprehensive Financial Report

For the Year Ended December 31, 2023

City of Thornton, Colorado

Annual Comprehensive Financial Report
For the fiscal year ended
December 31, 2023

Prepared by the Finance Department

City of Thornton, Colorado

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Thornton City Hall | 9500 Civic Center Drive | Thornton, CO 80229
303-538-7002 | FinanceDept@thorntonco.gov | ThorntonCO.gov

June , 2024

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, 2023. 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, 2023, 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, 2023, 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 1,112 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.



Profile of the Government (Continued)

The City is located in Adams County in the northeast Denver Metropolitan area and encompasses 38 square miles. It is a suburban community of 154,061 residents with a retail-oriented business sector and some light industrial businesses.

The City prepares annual budgets and maintains budgetary controls for all funds, apart from funds in which expenditures are not anticipated for the given year, to ensure compliance with the annual appropriation ordinance as approved by City Council. The legal level of budgetary control for all funds is at the individual fund level.

After the budget has been adopted, the approved budget may be changed through a budget amendment. The process for a budget amendment generally begins with a request from the affected division or department to the Management and Budget Office. The Management and Budget Office reviews the request for consistency with City Council goals and is weighed against other City needs and the availability of funding. Upon Management and Budget Office approval, the request and justification are presented to City Council at a public meeting for final approval.

Additional information on the City's budget process is presented in Note A of the notes to the financial statements.

Major Initiatives

In response to the growing needs of the community, City Council initiated and continued multiple projects and programs during 2023, including the following:

- Thornton Development Authority (TDA) gained control of the Thornton Shopping Center, in 2023 work continued toward demolition and environmental cleanup with re-locating remaining tenants. Almost \$16.7M is estimated for environmental remediation, demolition, and relocation of tenants.
- Construction of phase II started on the Police Training Facility which previously opened in 2022. Phase II of the facility includes a shooting range for officer trainings. Constructions started in 2023 with anticipated completion in 2024.
- Design and construction of Americans with Disabilities Act (ADA) improvements continued in 2023 throughout the City as part of a comprehensive Citywide evaluation and effort to improve accessibility.
- The City, in partnership with Anythink Libraries, is rebuilding the Thornton Community Center at 2211 Eppinger Boulevard. In 2023 significant construction progress was made and the expected reopening to 2024 remains on schedule.
- Design and construction of improvements to the Niver Creek Open Space Park, which includes a trailhead and trail improvements, habitat restoration, two nature play areas, a heritage trail with three story nodes, and a dam incline began in 2023 with a planned opening in 2024
- Work continued on implementation of several large transportation and utility projects throughout the City. These projects include the pipeline rehabilitation program, sewer main rehabilitation program, and 100th Avenue Multimodal Path.
- Work continued on the City's long-term water supply project, the Thornton Water Project. Activities in 2023 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 \$5.4 million in various grants to support capital projects and planning efforts, including \$1.5M bicycle/pedestrian infrastructure study, \$1.5M for Trail Winds artificial turf replacement, \$1.2M for playground and nature play rehab, and \$1.1M for various trail renovations.



Major Initiatives (Continued)

- As a result of new environmental protection agency (EPA) regulations, the City looked for and secured \$200k in grants to support per-and polyfluoroalkyl substances (PFAS), “forever” chemicals, detection and monitoring.
- The City continued the Thornton COVID-19 Recovery Grant centered around providing financial assistance to businesses and nonprofits that serve Thornton residents and awarded over \$894k. The City continued the Thornton Start Up Grant, and the City awarded \$80k in grants to new startup businesses.

Factors Affecting Financial Condition

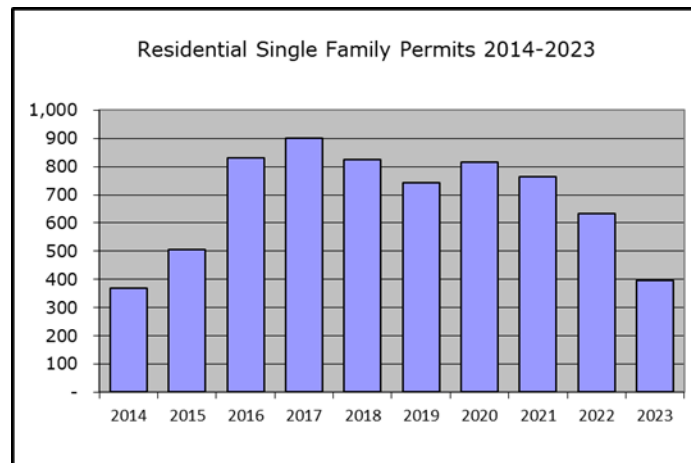
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City has experienced some contraction in single-family permits however there continues to be strong commercial growth, for both retail and primary employers. The City had several significant commercial openings in 2023 including; King Soopers Marketplace, Meati, Ross Dress For Less, QuickTrip, Crumbl on Washington, Wapos Cantina, Hot Pot Spot, two Dutch Bros Coffee locations, Ziggis Coffee, Advanced Urgent Care, and Living Spaces. Primary employment continues to see growth, Thornton added 8 new primary employers including Amann USA, PuroClean, Solid Power, DG Metal and others adding 400 new jobs. Also, 25 North Business Park completed phase 2 of their project, allowing for even more options for new primary employers to locate and grow.

Local Economy (continued)

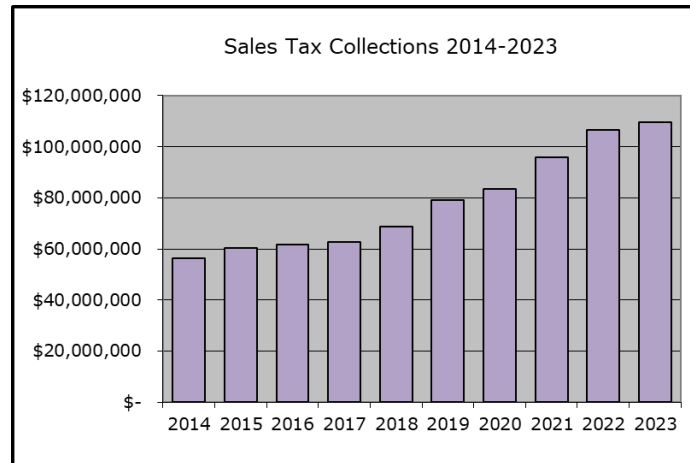
The City issued 397 single-family permits (attached and detached) for residential construction with an estimated value of \$206 million. The City issued 16 commercial building permits with an estimated value of \$164 million.



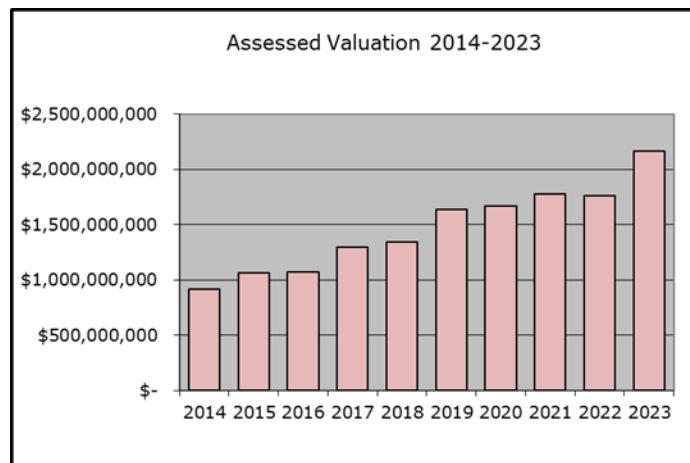


Local Economy (Continued)

Sales tax collections in 2023, the largest single revenue stream received by the general government, totaled \$109.7 million, an increase of 2.9% over 2022.



Property values increased 22.7% from 2022, totaling \$2.16 billion in assessed value for 2023. The property taxes associated with this assessed valuation will be collected in 2024.



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 Enterprise Revenue Refunding Bonds S2013	Aa2	AA
Water Enterprise Revenue Bonds S2020	Aa2	AA
Thornton Development Authority 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, 2022. This is the thirty-eighth 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 unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Sincerely,

Brett Henry
Interim City Manager

Kimberly Newhart
Finance Director

Thornton City Officials

December 31, 2023

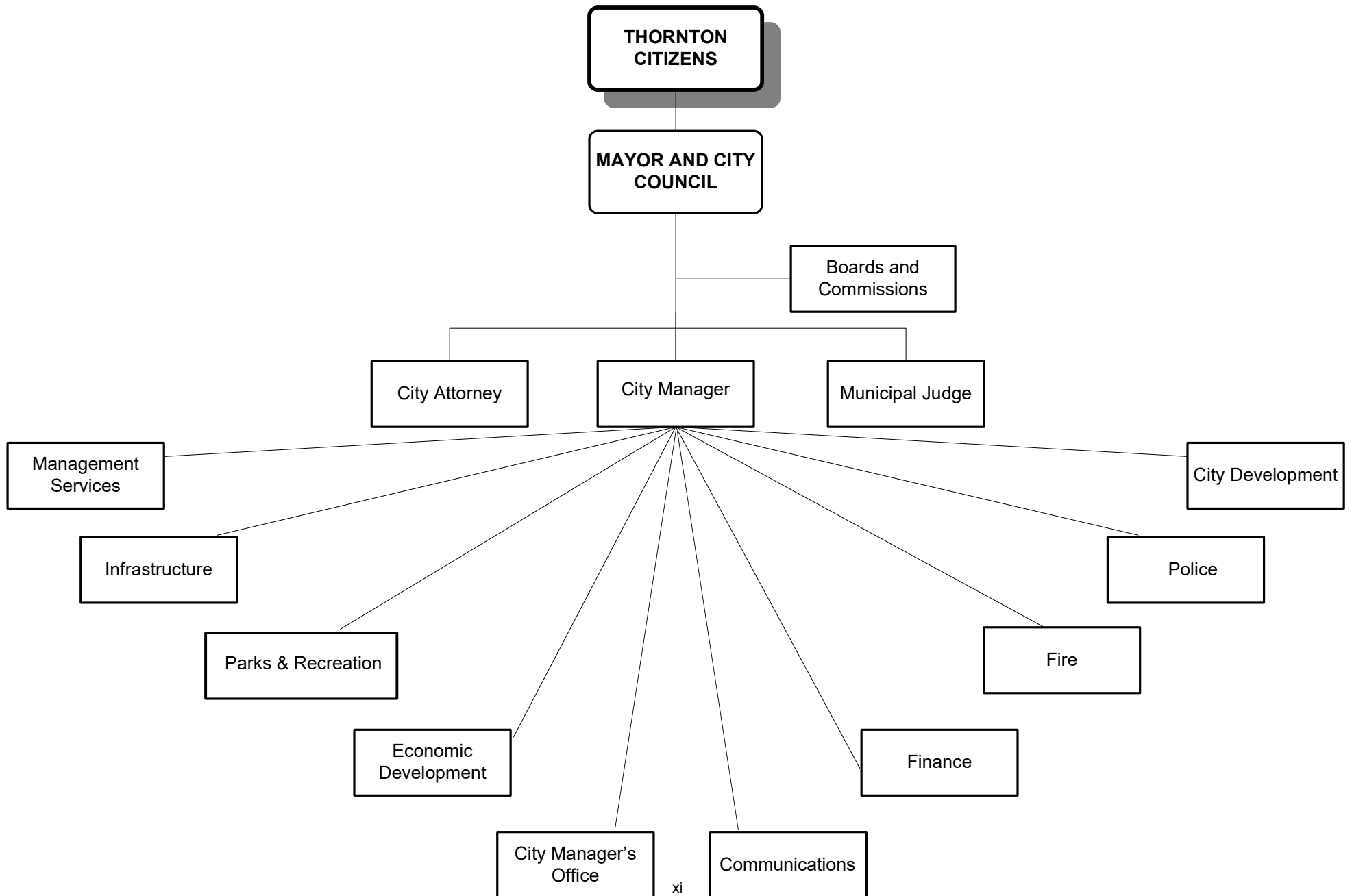
Mayor and City Council

Mayor	Jan Kulmann
Council Members	
Ward 1	Kathy Henson
Ward 1	Justin Martinez
Ward 2	Roberta Ayala
Ward 2	Jessica Sandgren
Ward 3	Tony Unrein
Ward 3	David Acunto
Ward 4	Karen Bigelow
Ward 4	Chris Russell

Administrative

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

2023 City of Thornton 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, 2022

Christopher P. Morill

Executive Director/CEO

Independent Auditor's Report

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.22 of the basic financial statements, as a result of the adoption of the Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, the City restated beginning capital assets and subscription liability balances. There was no impact to beginning net position or fund balance. 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 the General Fund budgetary comparison information, 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 6, 2024 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 6, 2024

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City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2023

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, 2023. 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 \$1,764,626,191. This total is divided between Governmental Activities of \$599,619,859 and Business-type Activities of \$1,165,006,332.
- The City's total net position increased by \$109,803,103. This total is divided between an increase in Governmental Activities of \$47,225,661 and an increase in Business-type Activities of \$62,577,442.
- The City's deferred outflows of resources increased \$12,149,286 primarily related to an increase in deferred outflows related to pensions. More details on pensions are provided in Note I, following the Basic Financial Statements.
- The City's deferred inflows of resources decreased \$9,177,172 primarily related to a reduction in deferred inflows related to pensions. More details on pensions are provided in Note I, following the Basic Financial Statements.
- The City's Governmental Activities show revenues of \$280,848,307. The largest revenue source is sales and use taxes (\$149,967,660) followed by charges for services (\$34,771,692), grants and contributions (\$33,237,388), and property taxes (\$32,077,972). Charges for services consists of the administrative fee charged to the enterprise funds (\$9,625,920, 27.7%), license, permits and inspection fees (\$8,793,297, 25.3%), recreation and related charges (\$8,634,120, 24.8%), ambulance charges (\$4,794,415, 13.8%), fines and forfeitures (\$1,416,230, 4.1%), and other miscellaneous charges (\$1,507,710, 4.3%). The Governmental expenses were \$233,622,646. More details are provided in the Government-wide Financial Analysis section.
- The City's Business-type Activities show revenues of \$149,586,693. The largest revenue source is charges for services (\$78,830,078) followed by capital grants and contributions (\$36,611,488). Capital grants and contributions consists of payments for connections to the City's water and sewer systems (\$33,252,969, 90.8%), infrastructure donated to the City by developers (\$2,511,246, 6.9%) and grants (\$847,273, 2.3%). The Business-type expenses were \$87,009,251. More details are provided in the Government-wide Financial Analysis section.
- The total fund balance for the General Fund decreased by \$14,191,173, (17.8%) 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 \$65,484,912, or 35.14% 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 are comprised of 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, 2023

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 16-17 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 funds balance sheet and the governmental funds 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 2023, 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 76 of this report.

The basic governmental fund financial statements can be found on pages 20-23 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 24-29 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 30-74 of this report.

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Table 1
Net Position
As of December 31,

	Governmental activities		Business-type activities		Total	
	2023	2022 (restated)	2023	2022 (restated)	2023	2022 (restated)
Current and other assets	\$ 342,645,723	\$ 328,434,047	\$ 383,558,346	\$ 340,720,266	\$ 726,204,069	\$ 669,154,313
Capital assets, net	484,321,713	463,856,309	907,417,250	889,442,433	1,391,738,963	1,353,298,742
Total assets	826,967,436	792,290,356	1,290,975,596	1,230,162,699	2,117,943,032	2,022,453,055
Deferred outflows of resources	25,823,208	13,572,456	1,558,637	1,660,103	27,381,845	15,232,559
Long-term liabilities outstanding						
Due within one year	11,507,572	10,513,425	3,954,740	3,646,674	15,462,312	14,160,099
Due in more than one year	136,172,742	134,989,547	112,601,973	116,266,982	248,774,715	251,256,529
Other liabilities	62,141,039	56,454,293	9,716,183	7,209,996	71,857,222	63,664,289
Total liabilities	209,821,353	201,957,265	126,272,896	127,123,652	336,094,249	329,080,917
Deferred inflows of resources	43,349,432	51,511,349	1,255,005	2,270,260	44,604,437	53,781,609
Net position:						
Net investment in capital assets	365,255,619	339,247,183	794,579,310	773,566,597	1,159,834,929	1,112,813,780
Restricted	52,783,491	77,014,753	-	-	52,783,491	77,014,753
Unrestricted	181,580,749	136,132,262	370,427,022	328,862,293	552,007,771	464,994,555
Total net position	\$ 599,619,859	\$ 552,394,198	\$ 1,165,006,332	\$ 1,102,428,890	\$ 1,764,626,191	\$ 1,654,823,088

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 87-123 of this report. The Local Highway Finance Report can be found in other schedules on pages 126-127 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 \$1,764,626,191 at the close of the most recent fiscal year (see Table 1).

By far the largest portion of the City's net position (65.7%) 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 (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$552,007,771) 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.

The government's net position increased by \$109,803,103 during the current fiscal year. This increase is the result of revenues exceeding expenses (120.2%) for Governmental activities and (171.9%) for Business-type activities, which are explained below.

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

- Governmental activities increased the City's net position by \$47,225,661. The two primary factors to this increase were the year over year increases in earnings on investments (\$20,171,741) and charges for services (\$5,723,415).
- Governmental revenues increased by \$16,116,610 (6.1%) in 2023 compared to 2022, this increase is primarily related to earnings on investments and charges for services. The short-term earnings on investments has been spurred by the maintaining of high interest rates by the Federal Reserve, while the majority of the increase is a result of an accounting entry to mark to market the City's outstanding investments. The increase in charges for services was the result of an increase to the administrative fee charged to the enterprise funds.
- Governmental expenses increased by \$33,006,278 (16.5%) in 2023 compared to 2022. The majority of this increase was related to Police (\$10,653,900) primarily related to increases in personnel salaries and benefits and capital outlay on fleet for the patrol division.

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

- Business-type activities increased the City's net position by \$62,577,442, accounting for 57.3% of the total growth in the government's net position.
- Revenues decreased by \$19,277,938 (11.4%) in 2023 compared to 2022. Charges for services (\$78,830,078, 52.7% of total revenues), tap fees (\$33,252,969, 22.2% of total revenues, which is included in the grants and contributions total), and oil and gas revenue received on property owned by the City (\$13,867,823, 9.3% of total revenues, royalties), represent the three largest inflows to business-type activities. The primary factor in the revenue decrease for 2023 was because of a one-time revenue related to the special item – sale of mineral rights of \$30,691,245 in 2022.
- Expenses increased \$7,487,183 (9.4%) in 2023 compared to 2022. The Water Fund increased (\$5,087,765), the Sewer Fund increased (\$1,114,263), the Environmental Services Fund increased (\$907,929) and the Stormwater Fund increased (\$377,226). In 2023, the primary factors causing the increase in the Water fund was the increased capital outlay related to a WSSC improvement project (\$1,362,441) and increase in personnel salaries and benefits (\$1,133,352) as a result of the cost of living increase approved by City council for 2023. The primary factor causing the increase in the Sewer Fund was the sewage treatment (\$1,552,699) costs by Metro Wastewater.

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Table 2
Changes in Net Position
As of December 31,

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 34,771,692	\$ 29,048,277	\$ 78,830,078	\$ 82,008,541	\$ 113,601,770	\$ 111,056,818
Operating grants and contributions	10,123,191	10,135,553	-	-	10,123,191	10,135,553
Capital grants and contributions	23,114,197	33,432,417	36,611,488	46,406,812	59,725,685	79,839,229
General revenues:						
Sales and use taxes	149,967,660	147,877,508	-	-	149,967,660	147,877,508
Property taxes	32,077,972	32,544,945	-	-	32,077,972	32,544,945
Franchise taxes	7,235,791	7,288,978	-	-	7,235,791	7,288,978
E911 taxes	3,710,005	3,282,279	-	-	3,710,005	3,282,279
Other taxes	3,317,423	3,501,442	-	-	3,317,423	3,501,442
Earnings/(loss) on investments	12,540,337	(7,631,404)	15,875,831	(9,722,992)	28,416,168	(17,354,396)
Gain on sale of capital assets	-	-	47,715	32,816	47,715	32,816
Royalties	-	-	13,867,823	12,497,787	13,867,823	12,497,787
Miscellaneous	3,990,039	2,401,016	4,353,758	6,950,422	8,343,797	9,351,438
<i>Special item - sale of mineral rights</i>	-	2,850,686	-	30,691,245	-	33,541,931
Total revenues	280,848,307	264,731,697	149,586,693	168,864,631	430,435,000	433,596,328
Expenses:						
General government	45,558,084	37,954,100	-	-	45,558,084	37,954,100
Police	54,312,073	43,658,172	-	-	54,312,073	43,658,172
Fire and ambulance	33,842,552	26,946,828	-	-	33,842,552	26,946,828
City development	16,689,404	13,235,902	-	-	16,689,404	13,235,902
Streets, traffic & engineering	38,632,219	36,323,712	-	-	38,632,219	36,323,712
Community services	40,283,538	37,857,779	-	-	40,283,538	37,857,779
Interest on long-term debt	4,304,776	4,639,875	-	-	4,304,776	4,639,875
Water	-	-	54,937,330	49,849,565	54,937,330	49,849,565
Sewer	-	-	19,954,172	18,839,909	19,954,172	18,839,909
Environmental Services	-	-	7,345,076	6,437,147	7,345,076	6,437,147
Stormwater	-	-	4,772,673	4,395,447	4,772,673	4,395,447
Total expenses	233,622,646	200,616,368	87,009,251	79,522,068	320,631,897	280,138,436
Increase in net position before transfers	47,225,661	64,115,329	62,577,442	89,342,563	109,803,103	153,457,892
Net position, Jan 1	552,394,198	488,278,869	1,102,428,890	1,013,086,327	1,654,823,088	1,501,365,196
Net position, Dec 31, restated	\$ 599,619,859	\$ 552,394,198	\$ 1,165,006,332	\$ 1,102,428,890	\$ 1,764,626,191	\$ 1,654,823,088

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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 \$217,619,835, an increase of \$21,090,910.
- The increase in fund balance is primarily related the increase in earnings on investments: the short-term earnings on investments being spurred by the maintaining of high interest rates by the Federal Reserve, while the majority of the increase is a result of an accounting entry to mark to market the City's outstanding investments. Earnings of investments increased \$20,171,741 from 2022, while the majority of the increase is a result of an accounting entry to mark to market the City's outstanding investments; the City does recognize earnings when an outstanding investment matures and the resulting funds can be used on operational and capital expenses for the City or reinvested.

Approximately 59% of year-end fund balance (\$128,496,108) is available for spending at the government's discretion. The remainder of fund balance (\$89,123,727) is nonspendable, restricted, or committed to indicate that it is not available for new spending. The largest component is restricted (\$55,555,673, 62.3%). The restricted balance year over year decreased slightly year over year as a result of sales and use tax collected in the Parks and Open Space fund coming in very close to prior year collections and the City using a portion its 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 35.2% (\$23,045,660) of total fund balance (\$65,484,912). 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 (\$183,703,541). Unassigned fund balance represents 12.5% of total actual General Fund expenditures, while total fund balance represents 35.6% of that same amount. The total fund balance year over year did decrease (\$14,191,173) as a result of more sales and use taxes collected being applied toward the Governmental Capital Fund and an increase in overall governmental expenditures primarily driven by increased personnel salaries and benefits; but the unassigned fund balance decreased further as a result of the City's policy to reserve for emergencies, which increased the committed balance by \$2,603,000.

The Thornton Development Authority North Capital Fund is funded primarily with property taxes and 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 increased (\$10,465,564). The primary factor for the increase was revenue year over year remained consistent while capital outlay expenditures year over year decreased (\$10,041,495) within the authority. At the end of the current fiscal year, the assigned fund balance was \$25,875,547, and the restricted fund balance was \$1,390,000 for a total fund balance of \$27,265,547.

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 (\$32,116,100). The primary factors for the growth were increased split of sales and use taxes collections and increase of earnings from investments. At the end of the current fiscal year, the assigned fund balance was \$72,789,209, and the restricted fund balance was \$1,233,146 for a total fund balance of \$74,022,355.

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 \$351,736,249, \$13,523,163, \$4,598,123, and \$569,487 respectively. The change in net position for the funds was an increase in Water of \$60,378,263, an increase in Sewer of \$2,236,392, a decrease in Environmental Services of \$958,618 and an increase in Stormwater of \$921,405. Increase in Water proprietary fund is primarily attributed to cash and investments in current assets, while increases in Sewer and Stormwater proprietary funds is primarily attributed to the Net investment in capital assets.

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General Fund Budgetary Highlights

General Fund revenues were greater than budgetary estimates and General Fund expenditures were less than appropriations. Fund revenues, including the sale of capital assets, were over budget by \$9,594,801 in 2023 primarily related to earnings on investments. Fund expenditures were under budget by \$1,505,906 in 2023 primarily related to a reduction in actual expenditures related to insurance (worker's compensation, property, and health). The majority of governmental sales and use tax, 56.5% (\$84,805,591) is available for General Fund operations and capital outlay.

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, 2023 amounts to \$1,391,738,963 (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 \$20,465,404 net of accumulated depreciation. The majority of this increase is related to costs associated with the Fire Station #7 (\$8,086,535), the fire engine (\$1,750,303) completed in 2023, and overall City fleet replacement (\$2,838,277). The fire station is addressing the need for service resulting from the City growing in the northern sections around E470 and most of the fleet replacement is related to replacement of police patrol fleet that was ordered in 2022 but delivered in 2023 as a result of supply chain delays. Spending in 2023 carried in construction in progress is related to the construction of the new community center (\$12,653,081) and phase II of the police training facility (\$4,200,701).
- Proprietary capital assets increased by \$17,974,817 net of accumulated depreciation. The majority of the increase was related to costs associated with the purchase of vacant land for potential use for a treatment plant for northern Thornton (\$3,500,250) and citywide sewer line rehabilitation (\$932,412). Purchase of the land will enable the City to serve the northern residents as Thornton looks to support growth. A majority of the construction in process balance is related to the building of the new Thornton water pipeline (\$4,309,587), removal of the sewer Remington lift station and replacement with the Riverdale lift station (\$2,556,390), and stormwater improvements between 88th and 90th (\$2,806,966). The water project is expected to deliver water to meet the growing demand fueled by Thornton's continued development. The sewer project is to update aging infrastructure along Riverdale with a new gravity main lift station. The stormwater project is expected to remove old infrastructure and improve with larger capacity and culvert boxes to redirect storm runoff.

Additional information on the City's capital assets can be found in note E on pages 43-44 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$207,585,000 (see Table 4). The City's debt represents certificates of participation of \$78,820,000 and revenue bonds of \$128,765,000. The revenue bonds outstanding are comprised of four issues: \$6,280,000 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; \$22,150,000 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; \$26,045,000 related to Water Enterprise Revenue Refunding Bonds S2013; and \$74,290,000 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 \$8,565,000 (4%) during the current fiscal year.

In 2023, 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 2023, 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.

Additional information on the City's long-term debt activity can be found on pages 45-52 of this report.

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

	Governmental activities		Business-type activities		Total	
	2023	2022 (restated)	2023	2022 (restated)	2023	2022 (restated)
Land, water and land rights	\$ 53,572,530	\$ 53,572,530	\$ 219,469,857	\$ 215,328,723	\$ 273,042,387	\$ 268,901,253
Source of supply	-	-	129,350,266	129,350,266	129,350,266	129,350,266
Water treatment plant	-	-	133,533,843	137,229,421	133,533,843	137,229,421
Collection, transmission, & distribution	-	-	293,868,209	294,749,935	293,868,209	294,749,935
Streets, traffic, and engineering	146,417,079	156,623,674	-	-	146,417,079	156,623,674
Buildings, structures and improvements	147,592,882	144,018,385	12,953,411	13,363,083	160,546,293	157,381,468
Leisure areas and improvements	45,894,892	49,312,398	-	-	45,894,892	49,312,398
General equipment	22,527,416	20,876,731	9,535,104	9,891,624	32,062,520	30,768,355
Construction in progress	66,191,281	38,079,689	108,397,575	89,470,404	174,588,856	127,550,093
Right to use assets being amortized:						
Buildings and improvements	82,396	196,144	-	-	82,396	196,144
General equipment	1,044,721	942,801	31,068	46,608	1,075,789	989,409
Subscription arrangements	998,516	233,957	277,917	12,369	1,276,433	246,326
Total	\$ 484,321,713	\$ 463,856,309	\$ 907,417,250	\$ 889,442,433	\$ 1,391,738,963	\$ 1,353,298,742

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

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ 28,430,000	\$ 30,275,000	\$ 100,335,000	\$ 103,685,000	\$ 128,765,000	\$ 133,960,000
Certificates of participation	78,820,000	82,190,000	-	-	78,820,000	82,190,000
Total	\$ 107,250,000	\$ 112,465,000	\$ 100,335,000	\$ 103,685,000	\$ 207,585,000	\$ 216,150,000

**City of Thornton, Colorado
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Economic Factors and Next Year's Budgets and Rates

- The December 31, 2023 unemployment rate for the City was 3.2%, which is higher than last year. The City has a lower unemployment rate than the state (3.3%), lower than the county's (Adams) rate of 3.6%, and lower than the national rate of 3.5%.
- The national inflation rate increased in 2023 to 3.07% from 2.97% in 2022. The Consumer Price Index for the Denver area increased in 2023 to 3.2% from 3.04% in 2022.
- In 2023, the City's occupancy rate is approximately 93.7% for retail space, 89% for office space and 84.5% for industrial space.
- The City's population has increased by 5,438 people.
- The City's yield on cash and investments increased to 3.08% in 2023. The current projection for 2024'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 2024 fiscal year.

Ending unassigned fund balance in the General Fund was \$23,045,660. 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.

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BASIC FINANCIAL STATEMENTS

City of Thornton, Colorado

Statement of Net Position December 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 265,098,932	\$ 361,868,098	\$ 626,967,030
Receivables, net			
Taxes	57,484,071	-	57,484,071
Accounts	10,614,745	18,354,574	28,969,319
Leases	632,738	1,084,791	1,717,529
Interest and other	1,304,480	1,803,298	3,107,778
Inventory of supplies	106,326	-	106,326
Prepays and other assets	17,320	-	17,320
Internal Balances	3,000,000	(3,000,000)	-
Land held for resale	543,099	-	543,099
Net pension asset	121,353	-	121,353
Restricted assets			
Equity in pooled cash and investments	3,722,659	3,447,585	7,170,244
Capital assets			
Land, water rights, and construction in progress	119,763,811	457,217,698	576,981,509
Depreciable buildings, property, and equipment, net	362,432,269	449,890,567	812,322,836
Right to use assets			
Leases: buildings and general equipments, net	1,127,117	31,068	1,158,185
Subscription-based IT arrangements, net	998,516	277,917	1,276,433
Total assets	<u>826,967,436</u>	<u>1,290,975,596</u>	<u>2,117,943,032</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,258,572	1,258,572
Deferred outflow related to ARO	244,410	25,000	269,410
Deferred outflow related to OPEB	1,644,127	275,065	1,919,192
Deferred outflow related to pension	23,934,671	-	23,934,671
Total deferred outflows of resources	<u>25,823,208</u>	<u>1,558,637</u>	<u>27,381,845</u>
LIABILITIES			
Accounts payable	21,661,313	8,003,753	29,665,066
Retainage payable	1,875,761	813,256	2,689,017
Accrued interest payable	404,399	295,426	699,825
Third party development advances	16,144,025	-	16,144,025
Unearned revenue	14,369,284	394,998	14,764,282
Other	7,686,257	208,750	7,895,007
Noncurrent liabilities			
Due within one year	11,507,572	3,954,740	15,462,312
Due in more than one year			
Due in more than one year - other	121,438,487	111,426,893	232,865,380
Due in more than one year - Total OPEB liability	7,079,017	1,175,080	8,254,097
Due in more than one year - Net pension liability	7,655,238	-	7,655,238
Total liabilities	<u>209,821,353</u>	<u>126,272,896</u>	<u>336,094,249</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow - property tax	39,796,519	-	39,796,519
Deferred inflow - leases	601,491	986,540	1,588,031
Deferred gain on refunding	18,564	-	18,564
Deferred inflows related to OPEB	1,582,946	268,465	1,851,411
Deferred inflows related to pensions	1,349,912	-	1,349,912
Total deferred inflows of resources	<u>43,349,432</u>	<u>1,255,005</u>	<u>44,604,437</u>
NET POSITION			
Net investment in capital assets	365,255,619	794,579,310	1,159,834,929
Restricted for			
Capital projects	7,361,119	-	7,361,119
Communications	1,052,663	-	1,052,663
Emergencies	7,464,859	-	7,464,859
Pensions	121,353	-	121,353
Parks and open space	33,388,999	-	33,388,999
Public safety	1,562,584	-	1,562,584
Other purposes	1,831,914	-	1,831,914
Unrestricted	181,580,749	370,427,022	552,007,771
Total net position	<u>\$ 599,619,859</u>	<u>\$ 1,165,006,332</u>	<u>\$ 1,764,626,191</u>

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

City of Thornton, Colorado

Statement of Activities For the year ended December 31, 2023

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	\$ 45,558,084	\$ 10,642,693	\$ 1,034,418	\$ 6,620	\$ (33,874,353)		\$ (33,874,353)
Police	54,312,073	1,883,755	2,072,105	3,295,962	(47,060,251)		(47,060,251)
Fire and ambulance	33,842,552	4,957,936	314,408	28,537	(28,541,671)		(28,541,671)
City development	16,689,404	8,653,188	324,110	-	(7,712,106)		(7,712,106)
Streets, traffic & engineering	38,632,219	-	5,634,513	11,865,857	(21,131,849)		(21,131,849)
Community services	40,283,538	8,634,120	743,637	7,917,221	(22,988,560)		(22,988,560)
Interest on long-term debt	4,304,776	-	-	-	(4,304,776)		(4,304,776)
Total governmental activities	233,622,646	34,771,692	10,123,191	23,114,197	(165,613,566)		(165,613,566)
Business-type:							
Water	54,937,330	49,369,788	-	32,929,196		27,361,654	27,361,654
Sewer	19,954,172	18,899,137	-	2,577,845		1,522,810	1,522,810
Environmental Services	7,345,076	6,068,005	-	-		(1,277,071)	(1,277,071)
Stormwater	4,772,673	4,493,148	-	1,104,447		824,922	824,922
Total business-type activities	87,009,251	78,830,078	-	36,611,488		28,432,315	28,432,315
Total City of Thornton	\$ 320,631,897	\$ 113,601,770	\$ 10,123,191	\$ 59,725,685	(165,613,566)	28,432,315	(137,181,251)
General revenues:							
Sales and use taxes					149,967,660	-	149,967,660
Property taxes					32,077,972	-	32,077,972
Franchise taxes					7,235,791	-	7,235,791
E911 taxes					3,710,005	-	3,710,005
Other taxes					3,317,423	-	3,317,423
Earnings on investments					12,540,337	15,875,831	28,416,168
Gain on sale of capital assets					-	47,715	47,715
Royalties					-	13,867,823	13,867,823
Miscellaneous					3,990,039	4,353,758	8,343,797
Total general revenues and special items					212,839,227	34,145,127	246,984,354
Change in net position					47,225,661	62,577,442	109,803,103
Net position, January 1					552,394,198	1,102,428,890	1,654,823,088
Net position, December 31					\$ 599,619,859	\$ 1,165,006,332	\$ 1,764,626,191

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, 2023

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments					
Unrestricted	\$ 69,640,330	\$ 25,940,793	\$ 101,170,106	\$ 54,076,495	\$ 250,827,724
Restricted	-	1,418,845	-	2,303,814	3,722,659
Receivables, net					
Taxes	31,608,035	14,684,044	4,387,976	6,804,016	57,484,071
Accounts	3,618,630	-	5,420,754	1,000,361	10,039,745
Leases	632,738	-	-	-	632,738
Interest and other	348,531	128,438	492,574	266,060	1,235,603
Inventory of supplies	106,326	-	-	-	106,326
Prepaid items and other assets	17,320	-	-	-	17,320
Advance to other funds	-	-	3,000,000	-	3,000,000
Land held for resale	-	-	-	543,099	543,099
Total assets	<u>\$ 105,971,910</u>	<u>\$ 42,172,120</u>	<u>\$ 114,471,410</u>	<u>\$ 64,993,845</u>	<u>\$ 327,609,285</u>
LIABILITIES					
Accounts payable	10,730,134	803,167	2,810,978	7,010,129	21,354,408
Retainage payable	-	-	1,150,393	725,368	1,875,761
Third party development advances	-	-	15,055,593	1,088,432	16,144,025
Unearned revenue	1,253,166	-	13,106,518	9,600	14,369,284
Other	3,424,089	115,574	3,252,458	894,136	7,686,257
Total liabilities	<u>15,407,389</u>	<u>918,741</u>	<u>35,375,940</u>	<u>9,727,665</u>	<u>61,429,735</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	22,486,318	13,987,832	-	3,322,369	39,796,519
Unavailable revenue - intergovernmental	-	-	4,279,777	1,000,932	5,280,709
Unavailable revenue - grants	1,991,800	-	218,323	95,858	2,305,981
Unavailable revenue - lease	601,491	-	-	-	601,491
Unavailable revenue - opioid	-	-	575,015	-	575,015
Total deferred inflows of resources	<u>25,079,609</u>	<u>13,987,832</u>	<u>5,073,115</u>	<u>4,419,159</u>	<u>48,559,715</u>
FUND BALANCES					
Nonspendable					
Inventories	106,326	-	-	-	106,326
Prepays	17,320	-	-	-	17,320
Restricted					
Parks and open space	-	-	-	33,388,999	33,388,999
Capital projects	-	-	-	7,361,119	7,361,119
Communications	1,052,663	-	-	-	1,052,663
Debt service	-	1,390,000	-	2,258,550	3,648,550
Emergencies - TABOR	7,464,859	-	-	-	7,464,859
Public safety	353,676	-	-	1,028,908	1,382,584
Other purposes	-	-	1,233,146	23,753	1,256,899
Committed					
Emergencies	33,354,000	-	-	-	33,354,000
Other purposes	90,408	-	-	-	90,408
Assigned					
Capital projects	-	25,875,547	72,789,209	5,551,932	104,216,688
Land held for resale	-	-	-	543,099	543,099
Parks and open space	-	-	-	502,447	502,447
Other purposes	-	-	-	188,214	188,214
Unassigned	23,045,660	-	-	-	23,045,660
Total fund balances	<u>65,484,912</u>	<u>27,265,547</u>	<u>74,022,355</u>	<u>50,847,021</u>	<u>217,619,835</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 105,971,910</u>	<u>\$ 42,172,120</u>	<u>\$ 114,471,410</u>	<u>\$ 64,993,845</u>	<u>\$ 327,609,285</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, 2023

Total fund balances for governmental funds (page 20) \$ 217,619,835

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	66,191,281	
Streets, Traffic & Engineering, net of \$280,548,569 accumulated depreciation	146,417,079	
Buildings and improvements, net of \$48,257,099 accumulated depreciation	147,592,882	
Leisure areas & improvements, net of \$63,977,908 accumulated depreciation	45,894,892	
General equipment, net of \$45,154,387 accumulated depreciation	22,527,416	
Total capital assets		482,196,080

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 \$227,496 accumulated amortization	82,396	
General equipment, net of \$931,965 accumulated amortization	1,044,721	
Subscription IT Assets, net of \$272,254 accumulated amortization	998,516	
Total right to use leased/subscription based assets		2,125,633

Net Pension Asset 121,353

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.

9,260,209

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

(18,564)

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, 2023 are:

Accrued interest on bonds and certificates of participation	(383,251)	
Bonds payable, net of unamortized premium	(30,128,736)	
Obligation under certificates of participation	(85,012,020)	
Accrued interest on leases	(2,780)	
Accrued interest on subscription-based assets	(18,368)	
Obligation under leases	(1,053,877)	
Obligation under subscription agreements	(977,136)	
Total OPEB liability	(7,046,195)	
Compensated absences	(10,083,367)	
Net pension liability	(7,655,238)	
Asset retirement obligation	(375,000)	
Total long-term liabilities		(142,735,968)

Deferred outflows related to asset retirement obligation 244,410

Deferred inflows related to unearned revenues are not available for current expenditures

Deferred inflows related to intergovernmental	5,280,709	
Deferred inflows related to grants	2,305,981	
Deferred inflows related to opioid	575,015	
		8,161,705

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	1,636,136	
Deferred outflows relating to pensions	23,934,671	
Deferred inflows relating to OPEB	(1,575,729)	
Deferred inflows relating to pensions	(1,349,912)	
Total deferred items		22,645,166

Total net position governmental activities (page 16) \$ 599,619,859

City of Thornton, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the year ended December 31, 2023

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Sales and use	\$ 84,805,591	\$ 7,312,847	\$ 45,691,773	\$ 12,157,449	\$ 149,967,660
Property	17,808,761	11,592,037	-	2,677,174	32,077,972
Franchise	7,235,791	-	-	-	7,235,791
E911	-	-	-	3,710,005	3,710,005
Other	3,310,913	-	-	6,510	3,317,423
Licenses and permits	8,793,297	-	-	-	8,793,297
Intergovernmental	8,243,298	-	4,265,362	11,451,583	23,960,243
Governmental grants	1,361,343	-	5,879,926	1,066,867	8,308,136
Charges for services	23,775,721	-	-	-	23,775,721
Fines and forfeitures	1,416,230	-	-	-	1,416,230
Leases	45,108	-	-	-	45,108
Investment earnings	5,114,605	981,095	3,558,169	2,886,468	12,540,337
Miscellaneous	1,392,286	169,081	631,336	721,166	2,913,869
Total revenues	<u>163,302,944</u>	<u>20,055,060</u>	<u>60,026,566</u>	<u>34,677,222</u>	<u>278,061,792</u>
EXPENDITURES					
Current					
General government	39,709,166	-	-	-	39,709,166
Police	51,134,871	-	-	-	51,134,871
Fire and ambulance	31,525,668	-	-	-	31,525,668
City development	11,098,497	-	-	-	11,098,497
Streets, traffic and engineering	13,659,016	-	3,367,523	894,137	17,920,676
Community services	29,420,562	-	-	48,153	29,468,715
Capital outlay	6,277,554	3,809,756	26,198,034	30,558,221	66,843,565
Debt service					
Principal retirement	845,862	1,090,000	675,145	3,560,244	6,171,251
Interest and bond fees	32,345	324,263	628,417	3,922,220	4,907,245
Total expenditures	<u>183,703,541</u>	<u>5,224,019</u>	<u>30,869,119</u>	<u>38,982,975</u>	<u>258,779,654</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,400,597)</u>	<u>14,831,041</u>	<u>29,157,447</u>	<u>(4,305,753)</u>	<u>19,282,138</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	6,949,168	-	2,921,781	2,476,163	12,347,112
Transfers out	(2,476,163)	(4,365,477)	-	(5,505,472)	(12,347,112)
Lease acquisition	616,223	-	-	-	616,223
Subscription	1,036,813	-	-	-	1,036,813
Sale of general capital assets	83,383	-	36,872	35,481	155,736
Total other financing sources (uses)	<u>6,209,424</u>	<u>(4,365,477)</u>	<u>2,958,653</u>	<u>(2,993,828)</u>	<u>1,808,772</u>
Net change in fund balances	(14,191,173)	10,465,564	32,116,100	(7,299,581)	21,090,910
Fund balances, January 1	<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>
Fund balances, December 31	<u>\$ 65,484,912</u>	<u>\$ 27,265,547</u>	<u>\$ 74,022,355</u>	<u>\$ 50,847,021</u>	<u>\$ 217,619,835</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, 2023

Net change in fund balances - total governmental funds (page 22)	\$ 21,090,910
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 (\$44,900,151) less work in progress deletions (\$46,932), exceeded depreciation (\$24,774,401) RTU asset amortization (\$900,305) in the current period.	19,178,513
The net effect of various miscellaneous transactions involving capital assets is to increase net position (contributions of \$1,477,205 less the loss of \$34,578 less the revenue recognized at the fund level of \$155,735 on the sale of capital assets)	1,286,892
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	1,845,000
To Capital Asset Finance Corporation for certificates of participation	3,370,000
Obligation under leases	662,617
Obligation under subscription-based IT arrangements	293,634
Net adjustment	6,171,251
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.	(1,056,093)
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	(1,142,339)
Accrued interest on bonds	21,729
Accrued interest on leases	2,165
Accrued interest on subscription-based IT arrangements	(18,368)
Asset Retirement Obligation Expense	(26,118)
Combined adjustment	(1,162,931)
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	84,554
Grant revenues	494,006
Opioid revenues	575,015
Combined adjustment	1,153,575
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	(914,420)
Pension Expense	(32,367)
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.	1,510,331
Change in net position governmental activities (page 17)	<u>\$ 47,225,661</u>

City of Thornton, Colorado

Statement of Net Position Proprietary Funds December 31, 2023

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Sewer	Other Enterprise Funds	Total	Internal Service Risk Fund
ASSETS					
Current assets					
Equity in pooled cash and investments - unrestricted	\$ 339,814,346	\$ 13,400,701	\$ 8,653,051	\$ 361,868,098	\$ 14,271,208
Equity in pooled cash and investments - restricted	3,447,585	-	-	3,447,585	-
Receivables, net					
Accounts	14,864,240	2,517,465	972,869	18,354,574	575,000
Leases	872,917	-	-	872,917	-
Interest and other	1,679,309	68,585	36,224	1,784,118	68,877
Total current assets	360,678,397	15,986,751	9,662,144	386,327,292	14,915,085
Noncurrent assets					
Lease receivable	211,874	-	-	211,874	-
Loan receivable, net of current portion	19,180	-	-	19,180	-
Capital assets					
Land and water rights	219,052,450	417,407	-	219,469,857	-
Source of supply	129,350,266	-	-	129,350,266	-
Water treatment plant	176,791,898	-	-	176,791,898	-
Collection, transmission, and distribution	267,935,873	121,493,647	82,897,953	472,327,473	-
Streets, traffic and engineering	-	-	-	-	-
Transportation equipment	2,215,296	1,814,129	8,229,321	12,258,746	-
General equipment	11,862,198	1,048,027	1,587,512	14,497,737	-
Buildings and improvements	21,616,867	2,428,376	684,752	24,729,995	-
Less accumulated depreciation	(165,509,300)	(55,857,716)	(29,348,266)	(250,715,282)	-
Construction in progress	98,160,748	4,379,425	5,857,402	108,397,575	-
Right to use assets					
General equipment	62,148	-	-	62,148	-
Less leases accumulated amortization	(31,080)	-	-	(31,080)	-
SBITAs	328,219	-	-	328,219	-
Less SBITAs accumulated amortization	(50,302)	-	-	(50,302)	-
Total noncurrent assets	762,016,335	75,723,295	69,908,674	907,648,304	-
Total assets	1,122,694,732	91,710,046	79,570,818	1,293,975,596	14,915,085
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to OPEB	176,628	26,762	71,675	275,065	7,991
Deferred outflow related to ARO	25,000	-	-	25,000	-
Deferred charge on refunding	1,258,572	-	-	1,258,572	-
Total deferred outflows of resources	1,460,200	26,762	71,675	1,558,637	7,991

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	\$ 4,736,925	\$ 2,338,375	\$ 928,453	\$ 8,003,753	\$ 306,905
Retainage payable	518,556	163,240	131,460	813,256	-
Other	208,750	-	-	208,750	-
Unearned revenue	394,998	-	-	394,998	-
Payable from restricted assets					
Accrued bond interest payable	295,274	-	-	295,274	-
Accrued note and other obligations interest payable	152	-	-	152	-
Revenue bonds payable	3,515,000	-	-	3,515,000	-
Lease payable	15,588	-	-	15,588	-
SBITAs payable	64,618	-	-	64,618	-
Compensated absences	335,098	310	24,126	359,534	19,275
Outstanding reserves and incurred but not reported claims	-	-	-	-	2,736,379
Total current liabilities	10,084,959	2,501,925	1,084,039	13,670,923	3,062,559
Long-term liabilities					
Revenue bonds payable, excluding current portion, net of other unamortized costs	109,472,807	-	-	109,472,807	-
Total OPEB liability	757,726	109,818	307,536	1,175,080	32,822
Compensated absences	570,127	23,406	234,084	827,617	33,171
Advance from other fund	-	-	3,000,000	3,000,000	-
Leases	15,712	-	-	15,712	-
SBITAs	199,531	-	-	199,531	-
Other obligations	911,226	-	-	911,226	-
Outstanding reserves and incurred but not reported claims	-	-	-	-	2,527,098
Total long-term liabilities	111,927,129	133,224	3,541,620	115,601,973	2,593,091
Total liabilities	122,012,088	2,635,149	4,625,659	129,272,896	5,655,650
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	178,014	18,441	72,010	268,465	7,217
Deferred inflows related to leases	986,540	-	-	986,540	-
Total deferred inflows of resources	1,164,554	18,441	72,010	1,255,005	7,217
NET POSITION					
Net investment in capital assets	649,242,041	75,560,055	69,777,214	794,579,310	-
Restricted - Public Safety	-	-	-	-	180,000
Unrestricted	351,736,249	13,523,163	5,167,610	370,427,022	9,080,209
Total net position	\$ 1,000,978,290	\$ 89,083,218	\$ 74,944,824	\$ 1,165,006,332	\$ 9,260,209

City of Thornton, Colorado

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the year ended December 31, 2023

	Business-type Activities Enterprise Funds			Governmental Activities
	Water	Sewer	Other Enterprise Funds	Internal Service Risk Fund
OPERATING REVENUES				
Charges for services pledged for debt	\$ 49,369,788	\$ -	\$ -	\$ 49,369,788
Charges for services	-	18,899,137	10,561,153	29,460,290
Miscellaneous revenue	149,152	-	51,071	200,223
Interfund services	-	-	-	-
				16,446,765
Total operating revenues	49,518,940	18,899,137	10,612,224	79,030,301
OPERATING EXPENSES				
Source of supply	8,674,145	-	-	8,674,145
Water treatment	13,091,854	-	-	13,091,854
Collection, transmission, distribution, and trash removal	5,468,113	2,078,832	6,398,494	13,945,439
Sewage treatment-Metro Wastewater	-	13,480,965	-	13,480,965
Insurance premiums	-	-	-	-
Claims and reserves for claims	-	-	-	-
Other operating expenses	2,096,094	105,424	1,356,376	3,557,894
Administration	12,259,030	1,666,434	1,699,771	15,625,235
Depreciation/Amortization	10,105,345	2,622,517	2,663,108	15,390,970
				746,221
Total operating expenses	51,694,581	19,954,172	12,117,749	83,766,502
Operating income (loss)	(2,175,641)	(1,055,035)	(1,505,525)	(4,736,201)
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on sale (disposal) of capital assets	49,028	23,750	(25,063)	47,715
Investment earnings	14,773,791	713,112	388,928	15,875,831
Interest and bond amortization expense	(3,242,749)	-	-	(3,242,749)
Royalties	13,867,823	-	-	13,867,823
Miscellaneous, net	4,176,815	(23,280)	-	4,153,535
				18,516
Total nonoperating revenues	29,624,708	713,582	363,865	30,702,155
Income (Loss) before capital contributions	27,449,067	(341,453)	(1,141,660)	25,965,954
Grants and capital contributions	32,929,196	2,577,845	1,104,447	36,611,488
Change in net position	60,378,263	2,236,392	(37,213)	62,577,442
Net position, January 1	940,600,027	86,846,826	74,982,037	1,102,428,890
Net position, December 31	\$ 1,000,978,290	\$ 89,083,218	\$ 74,944,824	\$ 1,165,006,332
				\$ 9,260,209

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, 2023**

	Business-type Activities Enterprise Funds			Governmental Activities
		Other Enterprise Funds		Internal Service Risk Fund
	Water	Sewer	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and others	\$ 44,038,705	\$ 18,183,249	\$ 10,529,826	\$ 72,751,780
Receipts from interfund services	-	-	-	16,465,281
Payments to suppliers	(26,435,368)	(16,192,823)	(4,428,855)	(14,907,519)
Payments to employees	(13,046,384)	(1,402,131)	(4,318,186)	(661,304)
Net cash provided by operating activities	<u>4,556,953</u>	<u>588,295</u>	<u>1,782,785</u>	<u>896,458</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant	1,222,039	-	-	1,222,039
Receipts from leases	15,445,578	-	-	15,445,578
Net cash provided by noncapital financing activities	<u>16,667,617</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases and construction of capital assets	(22,720,799)	(4,060,426)	(4,115,120)	(30,896,345)
Proceeds from sale of capital assets	49,028	23,750	-	72,778
Advance from other funds	-	-	3,000,000	3,000,000
Principal paid on bonds and other obligations	(3,350,000)	-	-	(3,350,000)
Interest and fees paid on capital debt	(3,711,428)	-	-	(3,711,428)
Lease/SBITAs Principal	248,684	-	-	248,684
Lease/SBITAs Interest	(6,220)	-	-	(6,220)
Capital contributions	31,060,314	2,192,655	-	33,252,969
Net cash provided by (used in) capital and related financing activities	<u>1,569,579</u>	<u>(1,844,021)</u>	<u>(1,115,120)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	90,554,393	5,277,725	2,139,488	97,971,606
Purchases of investments	(125,924,342)	(4,925,966)	(3,191,471)	(134,041,779)
Interest on investments	9,927,590	420,988	346,141	10,694,719
Net cash provided by (used in) investing activities	<u>(25,442,359)</u>	<u>772,747</u>	<u>(705,842)</u>	<u>(1,020,583)</u>
Net decrease in cash and cash equivalents	(2,648,210)	(482,979)	(38,177)	(3,169,366)
Cash and cash equivalents, Jan. 1	<u>58,284,895</u>	<u>2,658,930</u>	<u>1,447,444</u>	<u>62,391,269</u>
Cash and cash equivalents, Dec. 31	<u>\$ 55,636,685</u>	<u>\$ 2,175,951</u>	<u>\$ 1,409,267</u>	<u>\$ 59,221,903</u>
Cash and cash equivalents	\$ 55,636,685	\$ 2,175,951	\$ 1,409,267	\$ 59,221,903
Investments	287,625,246	11,224,750	7,243,784	306,093,780
Total cash and investments	<u>\$ 343,261,931</u>	<u>\$ 13,400,701</u>	<u>\$ 8,653,051</u>	<u>\$ 365,315,683</u>
Equity in pooled cash and investments	\$ 339,814,346	\$ 13,400,701	\$ 8,653,051	\$ 361,868,098
Restricted cash and investments	3,447,585	-	-	3,447,585
Total cash and investments	<u>\$ 343,261,931</u>	<u>\$ 13,400,701</u>	<u>\$ 8,653,051</u>	<u>\$ 365,315,683</u>

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 (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (2,175,641)	\$ (1,055,035)	\$ (1,505,525)	\$ (4,736,201)	\$ 871,860
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization expense	10,105,345	2,622,517	2,663,108	15,390,970	-
Miscellaneous receipts	2,562,244	-	-	2,562,244	18,516
Other expenses	(5,000)	(23,280)	-	(28,280)	-
Change in assets and liabilities:					
Increase in accounts receivable, net	(8,564,374)	(715,888)	(82,398)	(9,362,660)	-
Decrease in loans receivable	18,951	-	-	18,951	-
Decrease in other assets	62,035	1,000	16,090	79,125	-
Decrease in deferred outflows of resources					
Other	5,000	-	-	5,000	-
(Increase) in deferred outflows of resources					
OPEB Related	(12,489)	(1,195)	(5,139)	(18,823)	(478)
Increase (decrease) in accounts payable	1,892,280	(239,962)	614,935	2,267,253	(85,161)
Increase in OPEB	154,752	14,826	63,753	233,331	5,931
Increase (decrease) in other liabilities	53,092	(10,651)	35,319	77,760	87,405
Increase in unearned revenue	502,944	-	-	502,944	-
Decrease in deferred inflows of resources					
OPEB Related	(42,186)	(4,037)	(17,358)	(63,581)	(1,615)
Net cash provided by operating activities	<u>\$ 4,556,953</u>	<u>\$ 588,295</u>	<u>\$ 1,782,785</u>	<u>\$ 6,928,033</u>	<u>\$ 896,458</u>

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

Investing Activities					
Increase in the fair value of investments	\$ 4,202,102	\$ 275,092	\$ 157,583	\$ 4,634,777	\$ 180,078
Financing Activities					
Bond amortization premiums	(454,720)	-	-	(454,720)	-
Capital Activities					
Loss on disposal of capital assets	-	-	(25,063)	(25,063)	-
Water, sewer, and stormwater lines contributed by developers	1,021,609	385,190	1,104,477	2,511,276	-
RTU - Lease/SBITA Assets	79,535	-	-	79,535	-

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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.

With oversight from the City Council as the governing board, 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, 2023

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, 2023

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, 2023

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 2023, 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 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 2023, five budget amendments were approved by ordinance or resolution. The effect of these amendments was an overall increase in appropriations of \$18,769,945, broken down by fund type as follows:

General Fund	\$ 5,467,901
Special Revenue Funds	2,578,641
Capital Projects Funds	10,186,231
Enterprise Funds	537,172
	<u>\$ 18,769,945</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 Statement No. 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, 2023

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, an asphalt milling machine, and golf carts for the Thorncreek Golf Course 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 77 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 multiplied by 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, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Subscription-Based Information Technology Arrangements (SBITA)

The City has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the government-wide financial statements and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual present value of \$10,000 or more with a subscription term greater than one year. Variable payments based on future performance of the City, usage of the underlying IT asset, or number of user seats are not included in the measurement of the subscription liability, rather, those variable payments are recognized as outflows of resources (expenses) in the period the obligation for those payments is incurred.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

Costs associated with a SBITA, other than the subscription payments, are accounted for as follows:

Preliminary Project Stage: Outlays are expensed as incurred.

Initial Implementation Stage: Outlays are capitalized as an addition to the subscription asset.

Operation and Additional Implementation Stage: Outlays are expensed as incurred unless they meet specific capitalization criteria.

Upon adoption, the City elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of January 1, 2023.

Subscription assets are reported in capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

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

The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City calculates the discount rate by taking the treasury rate multiplied by the City's estimated incremental borrowing rate for the SBITA.

The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription 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 subscription liability and will remeasure if certain changes occur that are expected to significantly affect the amount of the subscription liability.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. 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 regular service, 100% of the compensable unused sick leave over 384 hours plus accumulated vacation leave are paid upon termination, retirement or death. Union employees are per their respective Collective Bargaining Agreements. 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 liabilities are transferred between funds in the event of an employee transfer and are liquidated from the fund where the liability balance was held at the time of payout.

13. 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 Statement No. 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 estimate needed for clean-up which started in 2023 is \$12,745,000 of which \$636,269 was spent in 2023. The City voluntarily monitors owned property, prior years spend was a total of \$225,904 and \$21,950 was spent in 2023.

14. Fund Balance

In the fund financial statements, fund balance 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, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. Sales Tax

As a home rule city, Thornton collects its own sales taxes. Within the general government, the ten largest retailers remit approximately 44.9% of the sales tax collected.

21. 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, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

22. Implementation of New GASB Statements

Beginning in fiscal year 2023, the City implemented the following statements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 96, Subscription-Based Information Technology Arrangements - In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for The City's fiscal year ending December 31, 2023.

The result of implementing GASB 96, related to agreements the reporting entity was a subscriber on, for the period beginning January 1, 2023; governmental activities capital assets increased \$233,957; liabilities due within one year increased \$54,500 and liabilities due in more than one year increased \$179,457. The implementation resulted in no change to the beginning net position of governmental activities. As of January 1, 2023 Business-type activities capital assets increased \$12,369; liabilities due within a year increased \$6,300 and liabilities due in more than one year increased \$6,069.

GASB Statement No. 100, Accounting Changes and Error Corrections – This statement was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This GASB did not require a change to reporting of current or prior periods.

23. Future Accounting Pronouncements

This report does not incorporate GASB Statement No. 101, *Compensated Absences* and Statement No. 102, *Certain Risk Disclosures*.

City's management is still evaluating GASB Statement Nos. 101 and 102 for impact to the financial statements.

24. 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.

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.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2023, the City's deposits had a carrying amount of \$11,452,716 and a bank balance of \$9,118,373. Of the bank balance, \$764,794 was covered by federal depository insurance. The remainder of the bank balance, \$8,353,579, 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, 2023, the City had the following investments and maturities:

Investment Type	Fair Value	< 1 Year	2-3 Years	4-5 Years
U.S. Government Treasuries	\$ 35,767,209	\$ 24,288,225	\$ 11,478,984	\$ -
Corp Bonds	178,692,441	62,305,698	86,747,016	29,639,727
U.S. Government Agencies	251,415,146	55,133,900	139,090,795	57,190,451
State & Local Government Bonds	51,774,807	6,133,447	33,635,148	12,006,212
Asset Backed Securities	11,607,065	1,645,423	5,982,869	3,978,773
Certificate of Deposit	2,152,828	2,152,828	-	-
Local Gov't Investment Pools	66,109,127	66,109,127	-	-
Money Market	21,449,884	21,449,884	-	-
Total	\$ 622,684,558	\$ 242,934,583	\$ 276,934,812	\$ 102,815,163

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, 2023

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, 2023. 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, 2023, U.S. Government Treasuries, Corporate Bonds, State and Local Government bonds, U.S. Government Agencies, Asset Backed Securities 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. Money market funds are recorded at amortized cost. 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 repurchase 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, 2023, the weighted-average maturity of the City's portfolio was 18.90 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, 2023, 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, 2023, 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 & Poor's 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, 2023, 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, 2023, the City's investment in U.S. Treasuries were 5.7%, FHLB were 18.6%, FFCB was 8.5%, and FHLMC was 5.8%. The City's investment in Local Government Investment Pools are excluded from this disclosure requirement.

Local Government Investment Pools – As of December 31, 2023, the City had \$25,337,132 invested in Colotrust and \$40,771,995 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 is rated AAAM by Standard & Poor's. CSAFE is rated AAAmmf by Fitch Ratings.

Money Market Mutual Funds - Shares of any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended. At the time of purchase, the investment policies of the fund must include the following: seeking to maintain a constant share price; no sales or load fee is added to the purchase price or deducted from the redemption price of the investments in the fund and no fee may be charged unless authorized at the time of the initial purchase; Up to 75% of the portfolio may be invested in securities purchased under a money market fund. No more than 50% of the portfolio may be invested in the securities of any single money market fund provided the MMF carries an AAAM or equivalent credit rating. No more than 25% of the portfolio may be invested in unrated MMFs.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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, revenue is not recognized until the subsequent year since that is the period in which the levy is budgeted to use.

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, 2023, total accounts receivable was \$1,301,618 with an allowance for bad debt of \$1,030,134. Write-offs, which include contractual allowances and uncollectible amounts related to the current period, are \$4,527,292.

3. Lease Receivables

Lease Receivables Governmental Activities –

Cell Tower - In 2023, 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 \$45,108 in lease revenue and \$19,400 in interest revenue during the current fiscal year related to this lease. As of December 31, 2023, the City's receivable for lease payments is \$632,738. 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, 2023, the balance of the deferred inflow of resources is \$601,491.

Lease Receivables Business Type Activities –

Farmland - 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 adjusted 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 \$1,119,244 in lease revenue and \$10,194 in interest revenue during the current fiscal year related to these leases. As of December 31, 2023, the City's receivable for lease payments is \$1,084,791. 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, 2023, the balance of the deferred inflow of resources is \$986,540.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 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	\$ 53,572,530	\$ -	\$ -	\$ 53,572,530
Construction in progress	38,079,689	37,803,095	(9,691,503)	66,191,281
Total capital assets not being depreciated	91,652,219	37,803,095	(9,691,503)	119,763,811
Capital assets being depreciated:				
Streets, traffic, and engineering	425,503,881	1,522,201	(60,434)	426,965,648
Buildings and improvements	189,505,012	7,999,324	(1,654,355)	195,849,981
Leisure areas and improvements	109,204,972	667,828	-	109,872,800
General equipment	61,971,611	6,377,730	(667,538)	67,681,803
Right to use assets being amortized:				
Buildings and improvements	309,892	-	-	309,892
General Equipment	1,398,441	616,223	(37,978)	1,976,686
Subscription Arrangements (Restated)	233,957	1,036,813	-	1,270,770
Total capital & RTU assets being depreciated	788,127,766	18,220,119	(2,420,305)	803,927,580
Less accumulated depreciation for:				
Streets, traffic, and engineering	268,880,207	11,715,104	(46,742)	280,548,569
Buildings and improvements	45,486,627	4,299,317	(1,528,845)	48,257,099
Leisure areas and improvements	59,892,574	4,085,334	-	63,977,908
General equipment	41,094,880	4,674,646	(615,139)	45,154,387
Less accumulated amortization for:				
Buildings and improvements	113,748	113,748	-	227,496
General Equipment	455,640	514,303	(37,978)	931,965
Subscription Arrangements	-	272,254	-	272,254
Total accumulated depreciation/amortization	415,923,676	25,674,706	(2,228,704)	439,369,678
Total capital & RTU assets being depreciated, net	372,204,090	(7,454,587)	(191,601)	364,557,902
Governmental activity capital & RTU assets, net	\$ 463,856,309	\$ 30,348,508	\$ (9,883,104)	\$ 484,321,713
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land and water rights	\$ 215,328,723	\$ 4,141,134	\$ -	\$ 219,469,857
Source of supply	129,350,266	-	-	129,350,266
Construction in progress	89,470,404	22,181,242	(3,254,071)	108,397,575
Total capital assets not being depreciated	434,149,393	26,322,376	(3,254,071)	457,217,698
Capital assets being depreciated:				
Water treatment plant	176,791,898	-	-	176,791,898
Collection, transmission, and distribution	464,261,679	8,145,272	(79,478)	472,327,473
Transportation equipment	12,168,335	945,915	(855,504)	12,258,746
General equipment	13,596,977	915,507	(14,747)	14,497,737
Buildings and improvements	24,729,995	-	-	24,729,995
Right to use assets being amortized:				
General equipment	62,148	-	-	62,148
Subscription Arrangements (Restated)	12,369	315,850	-	328,219
Total capital & RTU assets being depreciated	691,623,401	10,322,544	(949,729)	700,996,216
Less accumulated depreciation for:				
Water treatment plant	39,562,476	3,695,579	-	43,258,055
Collection, transmission, and distribution	169,511,744	9,026,997	(79,477)	178,459,264
Transportation equipment	6,547,877	1,231,588	(830,442)	6,949,023
General equipment	9,325,811	961,292	(14,747)	10,272,356
Buildings and improvements	11,366,912	409,672	-	11,776,584
Less accumulated amortization for:				
General equipment	15,540	15,540	-	31,080
Subscription Arrangements	-	50,302	-	50,302
Total accumulated depreciation/amortization	236,330,360	15,390,970	(924,666)	250,796,664
Total capital & RTU assets being depreciated, net	455,293,041	(5,068,426)	(25,063)	450,199,552
Business-type capital & RTU assets, net	\$ 889,442,434	\$ 21,253,950	\$ (3,279,134)	\$ 907,417,250

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE E - CAPITAL ASSETS (CONTINUED)

As a result of the adoption of GASB Statement No. 96, the beginning balances for capital assets being depreciated: subscription arrangements has been restated.

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

<u>Governmental activities:</u>	
Capital Assets:	
General government	\$ 1,641,408
Police	2,012,602
Fire	1,805,634
City development	270,055
Streets, traffic & engineering	12,343,586
Community services	6,701,116
Capital asset depreciation	<u>24,774,401</u>
Right to use assets:	
General government	415,782
Police	149,916
Fire	46,841
City development	49,512
Streets, traffic & engineering	112,860
Community services	125,394
Right to use asset amortization	<u>900,305</u>
Additions and transfers per Note E for accumulated depreciation & amortization for government activities	<u><u>\$ 25,674,706</u></u>
<u>Business-type activities:</u>	
Capital Assets:	
Water	\$ 10,039,503
Sewer	2,622,517
Environmental Services	787,789
Stormwater	1,875,319
Capital asset depreciation	<u>15,325,128</u>
Right to use assets:	
Water	<u>65,842</u>
Right to use asset amortization	<u>65,842</u>
Additions and transfers per Note E for accumulated depreciation & amortization for business-type activities	<u><u>\$ 15,390,970</u></u>

NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The outstanding interfund balance consists of a payable in the amount of \$3,000,000 in the Stormwater Fund due to the Governmental Capital Fund, to be repaid in three annual installments beginning in 2025, related to a long-term advance recorded during the year ended December 31, 2023. The outstanding interfund receivable and payable balances at December 31, 2023 are as follows:

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Capital	Stormwater	\$ 3,000,000

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

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, 2023 is as follows:

Transfers out:	Transfers in:			Total
	General	Governmental Capital	Governmental Non Major	
General	\$ -	\$ -	\$ 2,476,163	\$ 2,476,163
TDA North Capital Fund	1,443,696	2,921,781	-	4,365,477
Governmental Non-Major	5,505,472	-	-	5,505,472
	<u>\$ 6,949,168</u>	<u>\$ 2,921,781</u>	<u>\$ 2,476,163</u>	<u>\$ 12,347,112</u>

NOTE G - LONG-TERM DEBT

1. Bonds Payable

Bonds payable at December 31, 2023 are comprised of:

Revenue Bonds

\$39,380,000, April 29, 2013 Water Enterprise Revenue Refunding Bonds, Series 2013, annual installments of \$1,970,000 to \$2,765,000 through December 1, 2034, interest at 3.00% to 4.00% \$ 26,045,000

\$78,255,000, October 29, 2020 Water Enterprise Revenue Bonds, Series 2020, annual installments of \$1,545,000 to \$4,080,000 through December 1, 2050, interest at 3.00% to 5.00% 74,290,000

Plus unamortized premium 12,652,807

\$ 112,987,807

At December 31, 2023, deferred charges were \$1,258,572 for the Water Enterprise Revenue Refunding Bonds.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE G - LONG-TERM DEBT (CONTINUED)

1. Bonds Payable (Continued)

Tax Increment Bonds

\$13,900,000, September 22, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Refunding Bonds, Series 2015, annual installments of \$1,140,000 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, 2023, pledged sales and property taxes were \$13,108,866. Principal and interest paid were \$1,090,000 and \$321,513, respectively. \$ 6,280,000

\$27,580,000, December 2, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Bonds, Series 2015B, annual installments of \$790,000 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 Avenue 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, 2023, pledged sales and property taxes were \$3,751,395. Principal and interest paid were \$755,000 and \$1,055,594, respectively. 22,150,000

Plus unamortized premium 1,698,736
\$ 30,128,736

At December 31, 2023, the deferred gain was \$18,564 for the Tax Increment Revenue Refunding Bonds.

There are limitations and restrictions in the various bond indentures. As of December 31, 2023 the City believes it is in compliance with all significant limitations and restrictions.

2. Certificates of Participation

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 Margaret W. Carpenter Recreation Center back from the Trustee.

The City issued 2018 Certificates of Participation (COPs) 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 \$2,395,000 to \$4,610,000 through December 1, 2039 with interest at 4.00% to 5.00% and currently amounts to \$55,145,000. The 2018 Lease Purchase Agreement unamortized premium was \$3,209,532 at December 31, 2023.

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 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 COPs totaling \$26,785,000, evidencing proportionate interests in the base rentals under the 2020 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 \$1,140,000 to \$1,995,000 through December 1, 2038 with interest at 3.00% to 5.00% and currently amounts to \$23,675,000. The 2020 Amended Lease Purchase Agreement unamortized premium was \$2,982,488 at December 31, 2023.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE G - LONG-TERM DEBT (CONTINUED)

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, 2023, 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.

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, 2023:

In the governmental activities, a liability of \$375,000 is 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 8 years. The estimated remaining life of the two aboveground tanks is 14 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 5 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, 2023, the lease liability is \$29,692. The City was required to make monthly principal and interest payments of \$4,095 (Jan. '22 – July '22), \$4,176 (Aug. '22 – July '23), and \$4,259 (Aug. '23 – July '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, 2023 is \$28,869 with accumulated amortization of \$99,024, which is included in buildings and improvements in governmental activities in Note 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, 2023, the lease liability is \$54,132. 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, 2023 is \$53,527 with accumulated amortization of \$128,472, which is included in buildings and improvements in governmental activities in Note E.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE G - LONG-TERM DEBT (CONTINUED)

4. Lease Obligations (Continued)

Lease Obligations Governmental Activities General Equipment –

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, 2023, the lease liability is \$225,701. 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, 2023 is \$225,727 with accumulated amortization of \$225,720, which is included in general equipment in governmental activities in Note 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. During the year ended December 31, 2023, all lease obligations were met. Accordingly, there is no related lease liability as of December 31, 2023. The City was required to make annual principal and interest payments of \$188,352. The lease had 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, 2023 is \$74,943 with accumulated amortization of \$299,832, which is included in general equipment in governmental activities in Note 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, 2023, the lease liability is \$204,482. 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, 2023 is \$205,489 with accumulated amortization of \$328,752, which is included in general equipment in governmental activities in Note E. This lease includes a variable usage payment covering the five-year lease agreement. As of December 31, 2023, this variable payment not included in the liability above is \$79,215.

Golf Carts – In April 2023, the City entered into a five-year lease agreement on 77 club cars. The City recorded an initial lease liability of \$485,272. As of December 31, 2023, the lease liability is \$425,527. The City is required to make monthly principal and interest payments of \$9,109. The lease has an interest rate of 4.95%. The equipment has a useful life of five years. The net book value of the right to use asset as of December 31, 2023 is \$424,114 with accumulated amortization of \$61,158, which is included in general equipment in governmental activities in Note E.

Konica Minolta Copiers – In April 2023, the City entered into a five-year lease agreement on two reprographics copiers. The City recorded an initial lease liability of \$130,951. As of December 31, 2023, the lease liability is \$114,343. The City is required to make monthly principal and interest payments of \$2,352. The lease has an interest rate of 3.09%. The equipment has a useful life of five years. The net book value of the right to use asset as of December 31, 2023 is \$114,448 with accumulated amortization of \$16,503, which is included in general equipment in governmental activities in Note E. This lease includes a variable usage payment covering the five-year lease agreement. As of December 31, 2023, this variable payment not included in the liability above is \$833.

Obligations under leases at December 31, 2023 are as follows:

<u>Governmental Activities</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 477,476	\$ 27,550	\$ 505,026
2025	272,526	18,616	291,142
2026	126,286	11,246	137,532
2027	132,168	5,364	137,532
2028	45,421	423	45,844
Totals	<u>\$ 1,053,877</u>	<u>\$ 63,199</u>	<u>\$ 1,117,076</u>

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 tank 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, 2023, the lease liability is \$31,300. 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, 2023 is \$31,068 with accumulated amortization of \$31,080, which is included in general equipment in business type activities in Note E. This lease includes a variable monthly maintenance payment covering the five-year lease agreement. As of December 31, 2023, this variable payment not included in the liability above is \$50,495.

Obligations under lease at December 31, 2023 are as follows:

<u>Business Type Activities</u>			
Year	Principal	Interest	Total
2024	\$ 15,588	\$ 192	\$ 15,780
2025	15,712	68	15,780
Totals	<u>\$ 31,300</u>	<u>\$ 260</u>	<u>\$ 31,560</u>

5. Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into subscription-based information technology arrangements (SBITA) for various administrative and operational purposes. These subscriptions include services related to cloud-based software applications, data storage, and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 1 to 7 years. The calculated interest rate will vary depending on the length of the term.

As of December 31, 2023, the capitalized right-to-use assets related to SBITA for Governmental Activities was \$1,270,770 and the total subscription liability was \$977,136, of which \$275,985 is due within the next fiscal year. For the year ended December 31, 2023, the City recognized \$9,510 of interest expense related to these arrangements for Governmental Activities.

SBITAs at December 31, 2023, consisted of the following:

<u>Governmental Activities</u>			
Year	Principal	Interest	Total
2024	\$ 275,985	\$ 30,933	\$ 306,918
2025	286,031	21,864	307,895
2026	149,162	12,436	161,598
2027	155,067	7,599	162,666
2028	62,532	3,715	66,247
2029	48,359	1,656	50,015
Totals	<u>\$ 977,136</u>	<u>\$ 78,203</u>	<u>\$ 1,055,339</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE G - LONG-TERM DEBT (CONTINUED)

5. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

As of December 31, 2023, the capitalized right-to-use assets related to SBITA for Business-type Activities was \$328,219 and the total subscription liability was \$264,149, of which \$64,618 classified as current liability representing the portion due within the next fiscal year. For the year ended December 31, 2023, the City recognized \$6,057 of interest expense related to these arrangements for Business-type Activities.

In addition, the City recognized \$163,071 in subscription expenses for variable payments not previously included in the measurement of the subscription liability.

SBITAs at December 31, 2023, consisted of the following:

Year	<u>Business Type Activities</u>		Total
	Principal	Interest	
2024	\$ 64,618	\$ 7,382	\$ 72,000
2025	62,441	5,287	67,728
2026	66,468	3,300	69,768
2027	70,622	1,186	71,808
Totals	<u>\$ 264,149</u>	<u>\$ 17,155</u>	<u>\$ 281,304</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE G - LONG-TERM DEBT (CONTINUED)

6. Long-Term Obligation Activity

As a result of the adoption of GASB Statement No. 96, the beginning balance for Governmental activities: Subscription leases and Business-type activities: Subscription leases has been restated. For net impact on beginning net position reference Note A21.

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balances (As Restated)	Increases	Decreases	Ending Balances	Due Within One Year
Governmental activities:					
Tax increment bonds	\$ 30,275,000	\$ -	\$ 1,845,000	\$ 28,430,000	\$ 1,930,000
Add unamortized premium	1,880,984	-	182,248	1,698,736	-
Total bonds payable	32,155,984	-	2,027,248	30,128,736	1,930,000
Certificates of participation	82,190,000	-	3,370,000	78,820,000	3,535,000
Add unamortized premium	6,602,808	-	410,788	6,192,020	-
Total certificate of participation payable	88,792,808	-	3,780,788	85,012,020	3,535,000
Leases	1,100,271	616,223	662,617	1,053,877	477,476
Subscription leases	233,957	1,036,813	293,634	977,136	275,985
Compensated absences	8,995,437	8,079,314	6,938,938	10,135,813	2,552,732
Risk - claims liability	5,174,108	11,059,140	10,969,771	5,263,477	2,736,379
Other - asset retirement obligation	375,000	-	-	375,000	-
Governmental activities:					
Total long-term liabilities	<u>\$136,827,565</u>	<u>\$ 20,791,490</u>	<u>\$ 24,672,996</u>	<u>\$132,946,059</u>	<u>\$ 11,507,572</u>
Business-type activities:					
Revenue bonds	\$103,685,000	\$ -	\$ 3,350,000	\$100,335,000	\$ 3,515,000
Add unamortized premium	13,222,816	-	570,009	12,652,807	-
Total bonds payable	116,907,816	-	3,920,009	112,987,807	3,515,000
Leases	46,765	-	15,465	31,300	15,588
Subscription leases	12,369	315,850	64,070	264,149	64,618
Compensated absences	1,093,731	1,216,291	1,122,871	1,187,151	359,534
Other	911,226	-	-	911,226	-
Business-type activities:					
Total long-term liabilities	<u>\$118,971,907</u>	<u>\$ 1,532,141</u>	<u>\$ 5,122,415</u>	<u>\$115,381,633</u>	<u>\$ 3,954,740</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, 2023

NOTE G - LONG-TERM DEBT (CONTINUED)

7. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2023 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
2024	\$ 1,930,000	\$ 1,284,857	\$ 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	958,104	4,090,000	2,756,650	4,005,000	3,053,544
2028	2,820,000	845,957	4,300,000	2,552,150	4,185,000	2,875,443
2029-2033	8,290,000	2,993,188	24,735,000	9,514,450	23,380,000	11,912,581
2034-2038	8,080,000	947,700	29,935,000	4,312,800	15,890,000	7,983,363
2039-2043	-	-	4,610,000	184,400	15,655,000	5,365,950
2044-2048	-	-	-	-	18,150,000	2,872,500
2049-2050	-	-	-	-	8,045,000	363,750
	<u>\$ 28,430,000</u>	<u>\$ 9,305,020</u>	<u>\$ 78,820,000</u>	<u>\$ 28,723,650</u>	<u>\$ 100,335,000</u>	<u>\$ 44,581,863</u>

8. 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 11% of net revenues. The total principal and interest remaining to be paid on the bonds is \$145 million. For the year ended December 31, 2023 net available revenues were \$65,544,815, principal and interest paid were \$3,350,000, and \$3,710,794, respectively.

NOTE H - UNEARNED REVENUE

The General Fund includes unearned revenue of \$1,253,166, which is related to funds received for prefunded permit fees, grants, and prepayment of a tax assessment under protest. The Governmental Capital Fund has \$13,106,518 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 \$394,998 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.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

At December 31, 2023, the City reported the following aggregate amounts related to the FPPA plans to which it contributes:

Statement of Net Position and Statement of Activities	FPPA Old Hire	FPPA SWBD	FPPA Hybrid	Governmental Activities
Net pension liability	\$ 4,511,390	\$ 3,143,848	\$ -	\$ 7,655,238
Net pension asset	-	-	121,353	121,353
Deferred outflows of resources	1,649,725	20,955,870	1,329,076	23,934,671
Deferred inflows of resources	-	1,199,685	150,227	1,349,912
Pension income (expense)	70,612	1,338,481	(1,441,460)	(32,367)

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 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: 20% per year after the first year of service to be 100% vested after 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 2023 were \$5,656,241 (which includes the City's match for voluntary contributions, which is further explained on Note J). City employees' contributions for 2023 were \$8,539,543. The City's contributions were offset by \$94,453 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 2023 were \$59,756 and \$69,157 respectively.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 9.5% of base pay. The City's contribution is 9.5% of base pay. Vesting of employer contributions is as follows: 20% per year after the first year of service to be 100% vested after 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 2023 were \$305,830. The City firefighters' mandatory contributions for 2023 were \$305,830.

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: 20% per year after the first year of service to be 100% vested after 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 2023 were \$206,102. The City police employees' mandatory contributions for 2023 were \$206,102.

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 FPPA of Colorado. The FPPA 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 9.5% 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, 2023, City and employee contributions were both \$39,641.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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.

The FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Funding Policy. Contributions are funded from the General Fund, the City's contributions for 2023 were \$1,401,259.

As of December 31, 2023, there are no active participants and 18 inactive employees or beneficiaries currently receiving benefits. In 2023, there were no contributions made by participants.

Pension Liability. At December 31, 2023, the City reported a net pension liability of \$4,511,390 related to the Old Hire Plan. The net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

Actuarial Assumptions. The significant actuarial assumptions used to determine the total pension liability are as follows:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
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.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

Long-Term Expected Rate of Return on Pension Plan Investments. 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Public Equity	17.0%	8.7%
Long/Short	6.0%	6.7%
Private Capital	30.0%	10.2%
Fixed Income - Rates	30.0%	4.9%
Fixed Income - Credit	6.0%	6.6%
Absolute Return	6.0%	6.9%
Cash	5.0%	4.4%
Total	100.0%	

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

For the purpose of the valuation, the long-term expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 6.50%.

Changes in the Net Pension Liability.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2022	\$ 7,353,425	\$ 4,339,507	\$ 3,013,918
Changes for the year:			
Interest on total pension liability	519,004	-	519,004
Benefit changes	1,006,495	-	1,006,495
Contributions - employer	-	359,717	(359,717)
Net investment income	-	(323,251)	323,251
Benefit payments, including refunds of employee contributions	(762,480)	(762,480)	-
Administrative expense	-	(8,439)	8,439
Net changes	763,019	(734,453)	1,497,472
Balances at December 31, 2023	\$ 8,116,444	\$ 3,605,054	\$ 4,511,390

At December 31, 2023, the Old Hire Plan fiduciary net position as a percentage of the total pension liability was 44.42%.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate. The following presents the Old Hire Plan's net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the Old Hire 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:

	1% Decrease 5.50%	Single Discount Rate Assumption 6.50%	1% Increase 7.50%
City's net pension liability	\$ 5,031,860	\$ 4,511,390	\$ 4,056,121

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

Pension Income. For the year ended December 31, 2023, the City recognized pension income of \$70,612 for the Old Hire Plan.

Pension Deferred Outflows/Inflows of Resources. At December 31, 2023, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings	\$ 248,466
City contributions subsequent to the measurement date	1,401,259
Total	<u>\$ 1,649,725</u>

The \$1,401,259 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, 2024. Other amounts reported as deferred outflows of resources related to the Old Hire Plan will be recognized in pension expense as follows:

Year Ending December 31	Amount
2024	\$ 4,167
2025	48,845
2026	77,021
2027	118,433
2028	-
Thereafter	-
Total	<u>\$ 248,466</u>

b. Fire and Police Pension Statewide Defined Benefit Plan

Plan Description. The Statewide Defined Benefit Plan (SWDB Plan) 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 SWDB Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The SWDB Plan became effective January 1, 1980. As of January 1, 2023, the SWDB Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the SWDB Plan became the Defined Benefit Component of the SRP.

The SWDB Plan assets are included in the Fire & Police Members' Benefit Investment Fund and assets. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

The SWDB Plan is administered by the 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).

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 the Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the SWDB 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 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 SWDB 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. 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 9.5% for all firefighters, regardless of hire date, and 9.5% for all police hired after July 10, 2017. For police hired before July 10, 2017, the statutory required employer contribution is 9.5%, 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 the SWDB Plan 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, 2022, 11 active participants in this plan had elected a DROP.

The City's contributions to the SWDB Plan for the year ending December 31, 2023 were \$3,394,288.

Pension Liability. At December 31, 2023, the City reported a net pension liability of \$3,143,848 for its proportionate share of the SWDB Plan net pension liability. The net pension liability was measured as of December 31, 2022. The collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

The City's reported liability at December 31, 2023, increased to \$3,143,848 from the City's prior year asset of \$18,853,591 because of changes in the SWDB Plan net pension liability/(asset) and the City's proportionate share of that liability/(asset). The SWDB Plan's publicly available financial report and related memo provides details on the change in the net pension liability/(asset), and in particular, to the combining of the assets and liabilities of the SWDB Plan and Statewide Hybrid Plan to form the SRP effective January 1, 2023. The SWDB Plan became the Defined Benefit Component of the SRP.

The City's proportion of the net pension liability was based on City contributions to the SWDB Plan for the calendar year 2022 relative to the total contributions of participating employers to the SWDB Plan. The City's proportion measured as of December 31, 2022, was 3.541925%, which was a decrease of 0.062977% from its proportion measured as of December 31, 2021.

Pension Income and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2023, the City recognized a pension income for the SWDB Plan of \$1,338,481. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the SWDB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,419,453	\$ -
Changes of assumptions	4,027,695	-
Net difference between projected and actual investment earnings	7,114,434	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	1,199,685
City contributions subsequent to the measurement date	3,394,288	-
Total	<u>\$ 20,955,870</u>	<u>\$ 1,199,685</u>

The \$3,394,288 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, 2024. Other amounts reported as deferred outflows of resources related to the SWDB Plan will be recognized in pension expense as follows:

Year Ending December 31	Amount
2024	\$ 1,222,078
2025	2,564,153
2026	3,788,196
2027	5,643,384
2028	1,349,084
Thereafter	1,795,002
Total	<u>\$ 16,361,897</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

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

	Total Pension Liability
Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return, net*	7.0%
Projected Salary Increases*	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by 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, 2023. 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	35.0%	8.9%
Equity Long/Short	6.0%	7.5%
Private Markets	34.0%	10.3%
Fixed Income - Rates	10.0%	5.5%
Fixed Income - Credit	5.0%	6.9%
Absolute Return	9.0%	6.5%
Cash	1.0%	3.9%
Total	100.0%	

Discount Rate. The discount rate used to measure the total pension liability was 7%. 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.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the SWDB Plan's net pension liability, calculated using a Single Discount Rate of 7%, as well as what the SWDB Plan's net pension liability/(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 liability (asset)	\$ 21,673,273	\$ 3,143,848	\$ (12,204,516)

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

Statewide Retirement Plan. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the SWDB Plan and Statewide Hybrid Plan to form the SRP effective January 1, 2023. The SWDB Plan became the Defined Benefit Component of the SRP.

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

Plan Description. The Statewide Hybrid Plan (SWH Plan) 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 Plan is comprised of two components: Defined Benefit and Money Purchase. The SWH Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the SWH 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 Fund.

The SWH Plan is administered by the FPPA. FPPA issues a publicly available Annual Comprehensive Financial Report which can be obtained on FPPA's website at www.fppaco.org.

Through December 31, 2022 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. Effective January 1, 2023, any member may qualify for normal retirement if the member's combined years of service and age equal at least 80, with a minimum age of 50 (Rule of 80).

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. For service credit granted through December 31, 2022, the benefit factor used to calculate the member's retirement benefit is 1.9% of the average of the member's highest three years' pensionable earnings. This change in benefit factor was also applied to retired members effective January 1, 2023 as part of the formation of the SRP. 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.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

A member is eligible for early retirement within the Defined Benefit Component after 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 SWH 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 SWH 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 the minimum rate for both employer and members to be at least 8% of the member's pensionable earnings. Effective January 1, 2023, the minimum required contribution rate for both employers and members will increase 0.125% annually through 2030 to reach a final minimum required contribution rate of 9% for both employers and members.

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 SWH Plan. Firefighters have a mandatory 9.5% member contribution rate and Police Officers have a mandatory 10% contribution rate, both matched equally by the City.

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.

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, 2022, no active participants in this plan had elected a DROP.

The City's contributions to the SWH Plan for the year ending December 31, 2023 were \$161,225.

Pension Asset. At December 31, 2023, the City reported a net pension asset of \$121,353 for its proportionate share of the SWH Plan's net pension asset. The net pension asset was measured as of December 31, 2022. The collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

The SWH Plan publicly available financial report and related memo provides details on the change in the net pension asset, and in particular, to the combining of the assets and liabilities of the SWDB Plan and SWH Plan to form the SRP effective January 1, 2023. The Statewide Hybrid Plan became the Hybrid Defined Benefit Component of the SRP.

The City's proportion of the net pension liability was based on City contributions to the SWH Plan for the calendar year 2022 relative to the total contributions of participating employers to the SWH Plan. The City's proportion measured as of December 31, 2022, was 8.320595%, which was a decrease of 0.447181% from its proportion measured as of December 31, 2021.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2023, the City recognized a pension expense for the SWH Plan of \$1,441,460. At December 31, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to the SWH Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 533,816	\$ -
Changes of assumptions	138,773	-
Net difference between projected and actual investment earnings	495,262	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	150,227
City contributions subsequent to the measurement date	161,225	-
Total	<u>\$ 1,329,076</u>	<u>\$ 150,227</u>

The \$161,225 reported as a deferred outflow of resources related to the SWH Plan resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources related to the SWH Plan will be recognized in pension expense as follows:

Year Ending December 31	Amount
2024	\$ 30,702
2025	255,992
2026	285,835
2027	362,850
2028	64,627
Thereafter	17,618
Total	<u>\$ 1,017,624</u>

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

	Total Pension Liability
Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Long-term Investment Rate of Return, net*	7.0%
Projected Salary Increases*	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees used the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projections scale. The pre-retirement off duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

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 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by 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, 2023. 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	35.0%	8.9%
Equity Long/Short	6.0%	7.5%
Private Markets	34.0%	10.3%
Fixed Income - Rates	10.0%	5.5%
Fixed Income - Credit	5.0%	6.9%
Absolute Return	9.0%	6.5%
Cash	1.0%	3.9%
Total	100.0%	

Discount Rate. The discount rate used to measure the total pension liability was 7%. 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 Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the SWH Plan's net pension liability, calculated using a Single Discount Rate of 7%, as well as what the SWH Plan's net pension liability/(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 liability (asset)	\$ 916,330	\$ (121,353)	\$ (991,877)

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

Statewide Retirement Plan. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the SWDB Plan and SWH Plan to form the SRP effective January 1, 2023. The Statewide Hybrid Plan became the Hybrid Defined Benefit Component of the SRP. The impact of the changes due to this merger effective January 1, 2023, as it relates to the SWH Plan component are reflected in the notes above.

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 \$22,500 per year (\$30,000 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 2023, the general employees' voluntary contributions were \$2,883,079, the police employees' voluntary contributions were \$1,094,772 and the fire employees' voluntary contributions were \$919,677 for a total of \$4,897,528. 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 2023 monthly premiums for retirees are shown in the table below.

Coverage Category	2023 Monthly Premium Rate						
	CIGNA	CIGNA HDHP	Kaiser HMO	Kaiser HDHP	Dental EPO	Dental Premier	Vision
Retiree	\$ 1,042.02	\$ 806.37	\$ 672.43	\$ 520.60	\$ 27.35	\$ 46.54	\$ 8.60
Retiree + 1	2,073.64	1,600.36	1,357.63	1,041.36	51.14	86.59	14.61
Retiree + Family	2,938.51	2,266.00	1,941.77	1,504.44	94.36	153.82	26.10

Employees Covered by Benefit Terms. In 2023, there were 955 active and 33 inactive employees covered by the plan.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Total OPEB Liability. The City's total OPEB liability is \$8,254,097 as of December 31, 2023 and was determined by an actuarial valuation as of that date.

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, 2023
Census Data	All data was provided by the City. The census data was provided in January 2023.
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	4.00% Source: S&P Municipal Bond 20 Year High Grade Rate Index as of December 29, 2023
Payroll Growth	3.0% Source: Colorado PERA Local Government Division 12/31/2022 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 12/31/2022 Actuarial Valuation
Disability Rate	Source: Colorado PERA Local Government Division 12/31/2022 Actuarial Valuation
Retirement Rate	Source: Colorado PERA Local Government Division 12/31/2022 Actuarial Valuation
Participation Rate	45% of active employees are assumed to elect the City's healthcare coverage in retirement. Source: Study of 2020 through 2023 retirements
Spousal Coverage	45% 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 – 2023 retirements
Medical Trend Rate	The medical claims and premiums are assumed to increase at the following rates. Source: Deloitte 2023 Study of Economic Assumptions. 6.26% in 2023 down 1.64% to 4.62% in 2030
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, 2022	\$ 6,603,237
Changes for the year:	
Service cost	422,931
Interest	256,129
Change of benefit terms	288,896
Difference between expected and actual experience	513,616
Changes in assumptions or other inputs	312,366
Benefit payments	(143,078)
Net changes	1,650,860
Balance as of December 31, 2023	\$ 8,254,097

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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	Decreased from 4.31% to 4.00%	S&P Municipal Bond 20-Year High Grade Rate Index as of 12/29/2023	\$195,694
Participation Rate	Spouse participation rate decreased from 46% to 45%	Historical average 2020 through 2023	(\$20,550)
Termination Rate	Small correction to table	CO PERA Local Government Division valuation assumptions 12/31/22	\$10,861
Medical Trend	Slight upward adjustment to trend	Deloitte 2023 Study of Economic Assumptions	\$126,360

Change in Benefit Terms. Effective January 2024, the City changed the retirement eligibility rules for Fire and Police employees as follows:

Former: At least age 55 with at least 25 years of continuous service, or at least age 50 with at least 30 years of continuous service

Revised: At least age 55 with at least 20 years of continue service, or any age with at least 30 years of continuous service

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 (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ 9,131,957	\$ 8,254,097	\$ 7,477,032

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 (5.26% graded)	Trend Rates (6.26% graded)	1% Increase (7.26% graded)
Total OPEB Liability	\$ 7,306,741	\$ 8,254,097	\$ 9,380,088

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, 2023 is 7.14 years.

Amounts reported as Deferred Outflows of Resources related to OPEB as of December 31, 2023 will be recognized in OPEB Expense as follows:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,192,892	\$ 324,985
Changes in assumptions or other inputs	726,300	1,526,426
Total	<u>\$ 1,919,192</u>	<u>\$ 1,851,411</u>

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

Year Ending December 31	
2024	\$ 94,732
2025	119,829
2026	(28,596)
2027	(38,071)
2028	(91,789)
2029	(4,517)
2030	<u>16,194</u>
Total	<u>\$ 67,782</u>

For the year ended December 31, 2023 the City recognized \$1,069,183 in OPEB expense.

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 2023 the plan had 1,258 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 2023, the amount contributed was \$193,200.

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.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 2023, 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 2023, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for property/casualty claims of \$1,202,950. 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.

	<u>2023</u>	<u>2022</u>
Reserve for unpaid claims, January 1,	\$ 1,548,507	\$ 1,617,023
Incurred claims (including IBNRs)	1,050,616	1,083,260
Claim payments	<u>(1,396,173)</u>	<u>(1,151,776)</u>
Reserve for unpaid claims, December 31,	<u>\$ 1,202,950</u>	<u>\$ 1,548,507</u>
Unpaid claims to be paid in 1 year	<u>\$ 651,535</u>	<u>\$ 862,855</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2022 **	City of Thornton's contribution ratio	City of Thornton's share of surplus as of December 31, 2022
1996	Loss Fund	\$ 51,222	0.000%	\$ -
1997	Loss Fund	36,256	0.000%	-
1999	Loss Fund	1,828	0.000%	-
2000	Loss Fund	(12)	0.000%	-
2001	Loss Fund	804	0.000%	-
2003	Loss Fund	330,779	0.000%	-
2004	Loss Fund	1,243,488	0.768%	9,546
2006	Loss Fund	2,426,500	0.349%	8,459
2007	Loss Fund	7,428	0.000%	-
2008	Loss Fund	2,269,791	0.000%	-
2009	Loss Fund	2,036,415	0.000%	-
2010	Loss Fund	10,055	0.000%	-
2011	Loss Fund	182,215	0.000%	-
2012	Loss Fund	1,577,712	0.000%	-
2013	Loss Fund	1,776,354	0.000%	-
2014	Loss Fund	2,071,069	0.000%	-
2015	Loss Fund	811,997	0.000%	-
2016	Loss Fund	1,886,619	0.000%	-
2017	Loss Fund	844,902	0.000%	-
2018	Loss Fund	6,333,734	0.000%	-
2019	Loss Fund	96,861	0.000%	-
2020	Loss Fund	5,370,216	0.000%	-
2021	Loss Fund	1,615,112	0.000%	-
2022	Loss Fund	(7,830,116)	0.000%	-
ALL	Operating fund	16,566,481	3.556%	589,052
ALL	Excess fund	(23,959,571)	6.394%	(1,532,089)
ALL	Reserve fund	8,275,673	0.196%	16,187
		<u>\$ 24,033,812</u>		<u>\$ (908,845)</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, 2023

NOTE L - RISK MANAGEMENT (CONTINUED)

1. General Liability Insurance Pool (Continued)

Summary of the most recently available financial information for CIRSA (December 31, 2022) is as follows:

Assets	<u>\$ 62,951,093</u>
Liabilities, including incurred but not reported claims	\$ 38,917,278
Members' fund balance	
Accumulated members' equity	<u>24,033,815</u>
Total liabilities and fund balance	<u>\$ 62,951,093</u>
Revenues	\$ 29,871,511
Expenses	<u>38,090,337</u>
Net decrease in members' fund balance	<u>\$ (8,218,826)</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 2023, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for workers' compensation of \$3,435,527. 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>2023</u>	<u>2022</u>
Reserve for unpaid claims, January 1,	\$ 3,191,601	\$ 4,174,051
Incurred claims (including IBNRs)	1,837,073	992,308
Claim payments	<u>(1,593,147)</u>	<u>(1,974,758)</u>
Reserve for unpaid claims, December 31,	<u>\$ 3,435,527</u>	<u>\$ 3,191,601</u>
Unpaid claims to be paid in 1 year	<u>\$ 1,459,844</u>	<u>\$ 1,295,123</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 \$27,000 for open and estimated claims not yet reported at December 31, 2023.

	2023	2022
Reserve for unpaid claims, January 1,	\$ 25,000	\$ 20,000
Incurring claims (including IBNRs)	767,758	701,631
Claim payments	<u>(765,758)</u>	<u>(696,631)</u>
Reserve for unpaid claims, December 31,	<u>\$ 27,000</u>	<u>\$ 25,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 27,000</u>	<u>\$ 25,000</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 \$6,000 for open and estimated claims not yet reported at December 31, 2023.

	2023	2022
Reserve for unpaid claims, January 1,	\$ 9,000	\$ 7,000
Incurring claims (including IBNRs)	113,719	120,396
Claim payments	<u>(116,719)</u>	<u>(118,396)</u>
Reserve for unpaid claims, December 31,	<u>\$ 6,000</u>	<u>\$ 9,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 6,000</u>	<u>\$ 9,000</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 \$592,000 for open and estimated claims not yet reported at December 31, 2023.

	2023	2022
Reserve for unpaid claims, January 1,	\$ 400,000	\$ -
Incurring claims (including IBNRs)	7,289,974	5,942,419
Claim payments	<u>(7,097,974)</u>	<u>(5,542,419)</u>
Reserve for unpaid claims, December 31,	<u>\$ 592,000</u>	<u>\$ 400,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 592,000</u>	<u>\$ 400,000</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 2023, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled \$7,464,859. 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 \$1,202,950 for general liability and \$3,435,527 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 \$11,781,915 and \$22,439,708, in outstanding contracts with various contractors for the Governmental Capital Fund and all other governmental funds, respectively. The City has \$92,571,039, \$1,207,458, and \$2,324,328 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, with a subsequent two-year agreement that expires December 31, 2025.

Certain City employees have contracts through the fiscal year 2023. 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, 2023

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 2023, the City's expenditures include \$1,437,802 in tax abatements.

NOTE P – SUBSEQUENT EVENTS

On April 23, 2024, through a filing with Adams County Court the City received final costs for the Thornton Shopping Center property, which is generally located between Washington St East to Corona St and 88th Ave North to Russell Blvd. \$3,372,905 was recognized as a capital outlay within the Thornton Development Authority with \$3,065,067 carried in construction in progress until the City receives its official conveyance in 2024 for the final asset, land.

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, 2023

	Budgeted Amounts		Actual	Positive (Negative) Variance - Actual From Final
	Original	Final	Amounts	Final
REVENUES				
Taxes				
Sales and use	\$ 84,475,601	\$ 84,475,601	\$ 84,805,591	\$ 329,990
Property	17,725,960	17,725,960	17,808,761	82,801
Franchise	7,370,918	7,370,918	7,235,791	(135,127)
Other	3,636,600	3,636,600	3,310,913	(325,687)
Licenses and permits	6,370,500	6,370,500	8,793,297	2,422,797
Intergovernmental	8,221,600	8,221,600	8,243,298	21,698
Governmental grants	228,435	228,435	1,361,343	1,132,908
Charges for services	22,622,612	22,622,612	23,775,721	1,153,109
Fines and forfeitures	1,214,400	1,214,400	1,416,230	201,830
Leases	-	-	45,108	45,108
Investment earnings	1,005,000	1,005,000	5,114,605	4,109,605
Miscellaneous	919,900	919,900	1,392,286	472,386
Total revenues	153,791,526	153,791,526	163,302,944	9,511,418
EXPENDITURES				
Current				
General government				
Legislative	3,611,835	3,611,835	3,327,599	284,236
City manager	5,157,391	5,157,391	5,004,011	153,380
General services	25,863,779	25,888,779	25,760,142	128,637
Miscellaneous	8,693,179	8,693,179	5,607,088	3,086,091
Police	47,773,999	49,421,647	51,124,683	(1,703,036)
Fire and ambulance	28,848,601	29,801,633	31,509,080	(1,707,447)
City development	11,062,254	11,062,254	11,092,907	(30,653)
Streets, traffic and engineering	13,714,390	13,714,390	13,655,767	58,623
Community services	29,809,147	29,809,147	29,415,937	393,210
Capital outlay	6,345,590	6,345,590	4,624,518	1,721,072
Debt service				
Principal retirement	-	-	845,862	(845,862)
Interest and bond fees	-	-	32,345	(32,345)
Total expenditures	180,880,165	183,505,845	181,999,939	1,505,906
Deficiency of revenues under expenditures	(27,088,639)	(29,714,319)	(18,696,995)	11,017,324
OTHER FINANCING SOURCES (USES)				
Transfers in	6,939,168	6,939,168	6,949,168	10,000
Transfers out	(10,000)	(2,852,221)	(2,476,163)	376,058
Sale of general capital assets	-	-	83,383	83,383
Total other financing sources	6,929,168	4,086,947	4,556,388	469,441
Deficiency of revenues and other sources under expenditures and other uses before reconciling items	<u>\$ (20,159,471)</u>	<u>\$ (25,627,372)</u>	(14,140,607)	<u>\$ 11,486,765</u>
RECONCILIATION TO US GAAP BASIS				
Lease acquisition			616,223	
Leased asset - right to use			(616,223)	
Subscription-based IT arrangement (SBITA) acquisition			1,036,813	
Subscription asset - right to use			(1,036,813)	
RHS & sick payout			(50,566)	
Total reconciling items			(50,566)	
Net change in fund balances			(14,191,173)	
Fund balances, January 1			79,676,085	
Fund balances, December 31			<u>\$ 65,484,912</u>	

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Defined Benefit Plan (SWDB)

	2015	2016	2017 (1)	2018	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 54,522	\$ 31,646	\$ 486,813	\$ 2,063,822	\$ 2,239,975	\$ 2,478,812	\$ 2,538,034	\$ 2,865,576	\$ 3,394,288
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	3,394,288
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 13,173,663
Covered payroll police new hire	-	-	309,775	2,132,838	3,279,363	4,566,300	5,170,882	7,035,044	9,981,126
Covered payroll police reentry	-	-	2,998,270	12,986,550	12,986,190	13,361,270	11,957,410	11,539,380	11,945,840
Contributions as a percentage of covered payroll									
Firefighters	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.50%	9.00%	9.50%
Police new hire	-	-	8.00%	8.00%	8.00%	8.00%	8.50%	9.00%	9.50%
Police reentry	-	-	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

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 (1)	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.221023%	0.140685%	0.077294%	4.001789%	3.833744%	3.798771%	3.857703%	3.478948%	3.541925%
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)	\$ 3,143,848
Covered payroll firefighters	\$ 993,945	\$ 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
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%	10.29%
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%	97.60%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Other information:

(1) 2018 percentage for City's proportion of the net pension liability was updated to reflect correct percentage after restatement.

City of Thornton, Colorado

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

	2018 (1)	2019	2020	2021	2022	2023
City's proportion of the net pension liability	8.867137%	8.541335%	8.732019%	8.417390%	8.767776%	8.320595%
City's proportionate share of the net pension asset	\$ (1,097,401)	\$ (1,178,999)	\$ (1,700,476)	\$ (2,315,210)	\$ (3,324,712)	\$ (121,353)
Covered payroll firefighters	\$ 143,551	\$ 603,713	\$ 635,675	\$ 567,338	\$ 589,471	\$ 544,100
Covered payroll police	198,039	878,330	884,970	975,790	983,380	1,042,020
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%	-7.65%
Plan fiduciary net position as a percentage of the total pension liability	138.86%	123.46%	130.06%	137.99%	149.01%	101.38%

Note: Information is not available prior to 2018. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Other information:

(1) 2018 percentage for City's proportion of the net pension liability was updated to reflect correct percentage after restatement.

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Hybrid Plan (SWH)

	2018	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 136,129	\$ 139,351	\$ 143,275	\$ 148,443	\$ 153,171	\$ 161,225
Contributions in relation to the statutorily required contribution	136,129	139,351	143,275	148,443	153,171	161,225
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll firefighters	\$ 603,713	\$ 635,675	\$ 567,338	\$ 589,471	\$ 544,100	\$ 641,832
Covered payroll police	878,330	884,970	975,790	983,380	1,042,020	1,002,500
Contributions as a percentage of covered payroll						
Firefighters	8.00%	8.00%	8.00%	8.50%	9.00%	9.50%
Police reentry	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Note: Information is not available prior to 2018. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017. In future reports, additional years will be added until 10 years of historical data are presented.

City of Thornton, Colorado

**Schedule of Changes in Net Pension Liability and Related Ratios
Old Hire Plan (Thornton Fire Department)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability									
Interest on total pension liability	\$ 566,974	\$ 549,907	\$ 427,182	\$ 393,042	\$ 535,048	\$ 516,740	\$ 484,628	\$ 466,116	\$ 519,004
Benefit changes	-	-	-	281,477	-	-	337,920	-	1,006,495
Differences between expected and actual experience of the total pension liability	-	(305,110)	-	389,958	-	2,990	-	107,012	-
Changes of assumptions	-	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)	(762,480)
Net change in total pension liability	(239,330)	1,781,885	(9,822)	(1,967,182)	(253,390)	228,926	53,031	(196,204)	763,019
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	7,353,425
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>	<u>\$ 8,116,444</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ -	\$ 239,804	\$ -	\$ 551,130	\$ 269,653	\$ 337,419	\$ 337,419	\$ 697,637	\$ 359,717
Net investment income	352,452	90,586	220,309	607,804	7,900	502,911	387,301	461,655	(323,251)
Benefit payments, including refunds of employee contributions	(806,304)	(782,322)	(749,075)	(788,438)	(788,438)	(769,517)	(769,517)	(769,332)	(762,480)
Pension plan administrative expense	(11,060)	(9,397)	(10,095)	(4,259)	(8,772)	(5,154)	(7,867)	(5,202)	(8,439)
Net change in plan fiduciary net position	(464,912)	(461,329)	(538,861)	366,237	(519,657)	65,659	(52,664)	384,758	(734,453)
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	4,339,507
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>	<u>\$ 3,605,054</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	4,511,390
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%	44.42%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	N/A

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

City of Thornton, Colorado

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

	2014	2015	2016	2017 (2)	2018	2019	2020	2021 (3)	2022	2023 (4)
Actuarially determined contribution (1)	\$ 192,152	\$ 239,804	\$ 269,653	\$ 269,653	\$ 269,653	\$ 337,419	\$ 337,419	\$ 359,717	\$ 359,717	\$ 394,764
Contributions in relation to the actuarial determined contribution (1)	-	239,804	-	551,130	269,653	337,419	337,419	697,637	359,717	1,401,259
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>	<u>\$ (1,006,495)</u>
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	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	2.50%
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 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.

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

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

(3) 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 (COLA) effective January 1, 2021 to all current retired members and beneficiaries.

(4) 2023 includes a one time contribution of \$1,006,495 to cover the difference in the unfunded accrued liability for 2023 and 2024 that resulted from a plan amendment that benefits paid to all current retired members and beneficiaries be increased by \$250 per month as a one-time COLA effective January 1, 2023.

City of Thornton, Colorado

Schedule of Changes in Total OPEB and Related Ratios

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 225,863	\$ 208,610	\$ 300,857	\$ 466,575	\$ 292,781	\$ 422,931
Interest	290,800	144,867	86,468	129,695	331,437	256,129
Benefit changes	(5,134,249)	-	-	792,031	200,000	288,896
Differences between expected and actual experience	1,425,291	(93,021)	(389,508)	1,265,741	(244,733)	513,616
Assumption changes	(222,345)	(85,101)	1,346,383	(626,331)	(1,558,240)	312,366
Benefit payments	(130,583)	(138,940)	(60,154)	(102,005)	(107,952)	(143,078)
Net change in total OPEB liability	(3,545,223)	36,415	1,284,046	1,925,706	(1,086,707)	1,650,860
Total OPEB liability - beginning	7,989,000	4,443,777	4,480,192	5,764,238	7,689,944	6,603,237
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>	<u>\$ 8,254,097</u>
Covered-employee payroll	\$ 80,735,374	\$ 87,662,142	\$ 93,230,794	\$ 97,311,878	\$ 102,955,832	\$ 118,561,794
Total OPEB liability as a percentage of covered-employee payroll	5.50%	5.11%	6.18%	7.90%	6.41%	6.96%
Notes to Schedule:						
Major Assumptions						
Discount Rate	3.64%	3.26%	1.93%	2.25%	4.31%	4.00%
Medical Trend Rate	6.60%	6.40%	6.30%	5.80%	5.83%	6.26%

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 highest priced HDHP plan offered to City Employees

Information for Fiscal Year 2014 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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Sales and use	\$ 8,212,813	\$ 7,312,847	\$ (899,966)
Property	11,000,000	11,592,037	592,037
Investments			
Investment earnings	262,760	981,095	718,335
Miscellaneous			
Other	-	169,081	169,081
	<u>19,475,573</u>	<u>20,055,060</u>	<u>579,487</u>
EXPENDITURES			
Capital outlay	7,869,535	3,809,756	4,059,779
Debt service			
Principal retirement	1,090,000	1,090,000	-
Interest	321,513	321,513	-
Bond fees	2,750	2,750	-
	<u>9,283,798</u>	<u>5,224,019</u>	<u>4,059,779</u>
Excess of revenues over expenditures	<u>10,191,775</u>	<u>14,831,041</u>	<u>4,639,266</u>
OTHER FINANCING USES			
Transfers out	<u>(4,365,477)</u>	<u>(4,365,477)</u>	<u>-</u>
	<u>(4,365,477)</u>	<u>(4,365,477)</u>	<u>-</u>
Net change in fund balance	<u>\$ 5,826,298</u>	10,465,564	<u>\$ 4,639,266</u>
Fund balance, January 1		<u>16,799,983</u>	
Fund balance, December 31		<u>\$ 27,265,547</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, 2023

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes - sales and use	\$ 41,064,578	\$ 45,691,773	\$ 4,627,195
Intergovernmental	4,248,000	4,265,362	17,362
Governmental grants	7,866,257	5,879,926	(1,986,331)
Investments			
Investment earnings	744,000	3,558,169	2,814,169
Miscellaneous			
Developers' contributions	4,127,616	583,040	(3,544,576)
Other	-	48,296	48,296
Total revenues	<u>58,050,451</u>	<u>60,026,566</u>	<u>1,976,115</u>
EXPENDITURES			
Streets, traffic and engineering	3,496,690	3,367,523	129,167
Capital outlay	70,118,011	26,198,034	43,919,977
Debt service			
Principal retirement	564,756	675,145	(110,389)
Interest	622,904	627,872	(4,968)
Bond fees	545	545	-
Total expenditures	<u>74,802,906</u>	<u>30,869,119</u>	<u>43,933,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,752,455)</u>	<u>29,157,447</u>	<u>45,909,902</u>
OTHER FINANCING SOURCES			
Transfers in	2,921,781	2,921,781	-
Sales of general capital assets	-	36,872	36,872
Total other financing sources	<u>2,921,781</u>	<u>2,958,653</u>	<u>36,872</u>
Net change in fund balance	<u>\$ (13,830,674)</u>	32,116,100	<u>\$ 45,946,774</u>
Net change in fund balance	<u>\$ (13,830,674)</u>	32,116,100	<u>\$ 45,946,774</u>
Fund balance, January 1		<u>41,906,255</u>	
Fund balance, December 31		<u>\$ 74,022,355</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, 2023

	Special Revenue Funds					
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space	Parks & Open Space
ASSETS						
Equity in pooled cash and investments						
Unrestricted	\$ 212,711	\$ 1,573,022	\$ 4,528,867	\$ 1,899,532	\$ 2,413,929	\$ 21,437,458
Restricted	-	-	-	-	-	-
Receivables, net						
Taxes	-	-	-	-	-	977,601
Accounts	-	-	22,332	-	925,108	52,921
Interest	1,044	7,608	21,247	9,185	12,704	101,575
Land held for resale	-	-	-	-	-	-
Total assets	<u>\$ 213,755</u>	<u>\$ 1,580,630</u>	<u>\$ 4,572,446</u>	<u>\$ 1,908,717</u>	<u>\$ 3,351,741</u>	<u>\$ 22,569,555</u>
LIABILITIES						
Accounts payable	1,788	3,251	364,073	-	165,673	4,845,035
Retainage payable	-	-	11,672	-	37,806	550,438
Third party advances	-	1,074,932	-	-	-	-
Unearned revenue	-	-	-	-	9,600	-
Other	-	-	-	-	-	-
Total liabilities	<u>1,788</u>	<u>1,078,183</u>	<u>375,745</u>	<u>-</u>	<u>213,079</u>	<u>5,395,473</u>
DEFERRED INFLOWS						
Unavailable revenue -						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants	-	-	-	-	95,858	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,858</u>	<u>-</u>
FUND BALANCES						
Restricted						
Parks and open space	-	-	4,196,701	1,908,717	3,042,804	17,174,082
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Other purposes	23,753	-	-	-	-	-
Assigned						
Capital projects	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Parks and open space	-	502,447	-	-	-	-
Other purposes	188,214	-	-	-	-	-
Total fund balances	<u>211,967</u>	<u>502,447</u>	<u>4,196,701</u>	<u>1,908,717</u>	<u>3,042,804</u>	<u>17,174,082</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 213,755</u>	<u>\$ 1,580,630</u>	<u>\$ 4,572,446</u>	<u>\$ 1,908,717</u>	<u>\$ 3,351,741</u>	<u>\$ 22,569,555</u>

Special Revenue Funds				
Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
\$ 7,283,034	\$ 6,748,564	\$ 55,573	\$ 702,824	\$ 46,855,514
-	-	-	-	-
1,000,933	952,362	212,635	318,935	3,462,466
-	-	-	-	1,000,361
36,667	32,582	489	7,149	230,250
-	-	-	-	-
<u>\$ 8,320,634</u>	<u>\$ 7,733,508</u>	<u>\$ 268,697</u>	<u>\$ 1,028,908</u>	<u>\$ 51,548,591</u>
205,082	294,862	-	-	5,879,764
47,925	77,527	-	-	725,368
-	-	-	-	1,074,932
-	-	-	-	9,600
-	-	-	-	-
<u>253,007</u>	<u>372,389</u>	<u>-</u>	<u>-</u>	<u>7,689,664</u>
-	-	211,697	-	211,697
1,000,932	-	-	-	1,000,932
-	-	-	-	95,858
<u>1,000,932</u>	<u>-</u>	<u>211,697</u>	<u>-</u>	<u>1,308,487</u>
7,066,695	-	-	-	33,388,999
-	7,361,119	-	-	7,361,119
-	-	-	-	-
-	-	-	1,028,908	1,028,908
-	-	-	-	23,753
-	-	57,000	-	57,000
-	-	-	-	-
-	-	-	-	502,447
-	-	-	-	188,214
<u>7,066,695</u>	<u>7,361,119</u>	<u>57,000</u>	<u>1,028,908</u>	<u>42,550,440</u>
<u>\$ 8,320,634</u>	<u>\$ 7,733,508</u>	<u>\$ 268,697</u>	<u>\$ 1,028,908</u>	<u>\$ 51,548,591</u>

City of Thornton, Colorado

Combining Balance Sheet Non-Major Governmental Funds December 31, 2023

	Capital Funds			Total Non-major Governmental Funds
	TDA South Capital	TDA 144th Capital	Total Capital Projects	
ASSETS				
Equity in pooled cash and investments				
Unrestricted	\$ 6,380,234	\$ 840,747	\$ 7,220,981	\$ 54,076,495
Restricted	-	2,303,814	2,303,814	2,303,814
Receivables, net				
Taxes	822,556	2,518,994	3,341,550	6,804,016
Accounts	-	-	-	1,000,361
Interest	31,605	4,205	35,810	266,060
Land held for resale	543,099	-	543,099	543,099
Total assets	<u>\$ 7,777,494</u>	<u>\$ 5,667,760</u>	<u>\$ 13,445,254</u>	<u>\$ 64,993,845</u>
LIABILITIES				
Accounts payable	1,130,365	-	1,130,365	7,010,129
Retainage payable	-	-	-	725,368
Third party advances	13,500	-	13,500	1,088,432
Unearned revenue	-	-	-	9,600
Other	-	894,136	894,136	894,136
Total liabilities	<u>1,143,865</u>	<u>894,136</u>	<u>2,038,001</u>	<u>9,727,665</u>
DEFERRED INFLOWS				
Unavailable revenue - property taxes	822,309	2,288,363	3,110,672	3,322,369
Intergovernmental	-	-	-	1,000,932
Grants	-	-	-	95,858
Total deferred inflows of resources	<u>822,309</u>	<u>2,288,363</u>	<u>3,110,672</u>	<u>4,419,159</u>
FUND BALANCES				
Restricted				
Parks and open space	-	-	-	33,388,999
Capital projects	-	-	-	7,361,119
Debt service	-	2,258,550	2,258,550	2,258,550
Public safety	-	-	-	1,028,908
Other purposes	-	-	-	23,753
Assigned				
Capital projects	5,268,221	226,711	5,494,932	5,551,932
Land held for resale	543,099	-	543,099	543,099
Parks and open space	-	-	-	502,447
Other purposes	-	-	-	188,214
Total fund balances	<u>5,811,320</u>	<u>2,485,261</u>	<u>8,296,581</u>	<u>50,847,021</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,777,494</u>	<u>\$ 5,667,760</u>	<u>\$ 13,445,254</u>	<u>\$ 64,993,845</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, 2023

	Special Revenue Funds					
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space	Parks & Open Space
REVENUES						
Taxes						
Sales and use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,063,760
Property	-	-	-	-	-	-
E911	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	1,891,835	-	-	2,439,528
Governmental grants	23,753	-	75,000	-	918,114	50,000
Investments						
Investment earnings	11,105	81,763	183,527	28,455	192,521	1,109,839
Miscellaneous						
Developers' contributions	-	79,201	25,000	-	-	-
Other	1,891	-	22,332	195,550	77,291	-
Total revenues	36,749	160,964	2,197,694	224,005	1,187,926	13,663,127
EXPENDITURES						
Current						
Streets, traffic and engineering	-	-	-	-	-	-
Community services	48,153	-	-	-	-	-
Capital outlay	-	79,201	1,602,010	5,197	2,453,599	15,350,589
Debt service						
Principal retirement	-	-	-	-	-	2,805,244
Interest	-	-	-	-	-	2,859,746
Bond fees	-	-	-	-	-	4,130
Total expenditures	48,153	79,201	1,602,010	5,197	2,453,599	21,019,709
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	(11,404)	81,763	595,684	218,808	(1,265,673)	(7,356,582)
OTHER FINANCING SOURCES (USES)						
Transfers in	10,000	-	-	1,282,405	443,909	-
Transfers out	-	-	-	-	-	-
Sale of general capital assets	-	-	35,481	-	-	-
Total other financing sources (uses)	10,000	-	35,481	1,282,405	443,909	-
Net change in fund balances	(1,404)	81,763	631,165	1,501,213	(821,764)	(7,356,582)
Fund balances, January 1	213,371	420,684	3,565,536	407,504	3,864,568	24,530,664
Fund balances, December 31	\$ 211,967	\$ 502,447	\$ 4,196,701	\$ 1,908,717	\$ 3,042,804	\$ 17,174,082

Special Revenue Funds				
Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ 10,063,760
-	-	163,674	-	163,674
-	-	-	3,710,005	3,710,005
-	-	6,510	-	6,510
1,920,688	5,199,532	-	-	11,451,583
-	-	-	-	1,066,867
296,273	349,894	4,876	63,986	2,322,239
-	-	-	-	104,201
112,818	-	-	-	409,882
2,329,779	5,549,426	175,060	3,773,991	29,298,721
-	-	-	-	-
-	-	-	-	48,153
1,620,760	4,443,145	-	-	25,554,501
-	-	-	-	2,805,244
-	-	-	-	2,859,746
-	-	-	-	4,130
1,620,760	4,443,145	-	-	31,271,774
709,019	1,106,281	175,060	3,773,991	(1,973,053)
739,849	-	-	-	2,476,163
-	-	(180,000)	(3,687,000)	(3,867,000)
-	-	-	-	35,481
739,849	-	(180,000)	(3,687,000)	(1,355,356)
1,448,868	1,106,281	(4,940)	86,991	(3,328,409)
5,617,827	6,254,838	61,940	941,917	45,878,849
\$ 7,066,695	\$ 7,361,119	\$ 57,000	\$ 1,028,908	\$ 42,550,440

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, 2023

	Capital Funds			Total Non-major Governmental Funds
	TDA South Capital	TDA 144th Capital	Total Capital Projects	
REVENUES				
Taxes				
Sales and use	\$ -	\$ 2,093,689	\$ 2,093,689	\$ 12,157,449
Property	718,222	1,795,278	2,513,500	2,677,174
E911	-	-	-	3,710,005
Other	-	-	-	6,510
Intergovernmental	-	-	-	11,451,583
Governmental grants	-	-	-	1,066,867
Investments				
Investment earnings	392,906	171,323	564,229	2,886,468
Miscellaneous				
Developers' contributions	-	-	-	104,201
Other	207,083	-	207,083	616,965
Total revenues	<u>1,318,211</u>	<u>4,060,290</u>	<u>5,378,501</u>	<u>34,677,222</u>
EXPENDITURES				
Current				
Streets, traffic and engineering	-	894,137	894,137	894,137
Community services	-	-	-	48,153
Capital outlay	5,003,720	-	5,003,720	30,558,221
Debt service				
Principal retirement	-	755,000	755,000	3,560,244
Interest	-	1,055,594	1,055,594	3,915,340
Bond fees	-	2,750	2,750	6,880
Total expenditures	<u>5,003,720</u>	<u>2,707,481</u>	<u>7,711,201</u>	<u>38,982,975</u>
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	<u>(3,685,509)</u>	<u>1,352,809</u>	<u>(2,332,700)</u>	<u>(4,305,753)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	2,476,163
Transfers out	(231,852)	(1,406,620)	(1,638,472)	(5,505,472)
Sale of general capital assets	-	-	-	35,481
Total other financing sources (uses)	<u>(231,852)</u>	<u>(1,406,620)</u>	<u>(1,638,472)</u>	<u>(2,993,828)</u>
Net change in fund balances	<u>(3,917,361)</u>	<u>(53,811)</u>	<u>(3,971,172)</u>	<u>(7,299,581)</u>
Fund balances, January 1	<u>9,728,681</u>	<u>2,539,072</u>	<u>12,267,753</u>	<u>58,146,602</u>
Fund balances, December 31	<u>\$ 5,811,320</u>	<u>\$ 2,485,261</u>	<u>\$ 8,296,581</u>	<u>\$ 50,847,021</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Governmental grants	\$ 90,000	\$ 23,753	\$ (66,247)
Investments			
Investment earnings	2,500	11,105	8,605
Miscellaneous			
Other	<u>1,800</u>	<u>1,891</u>	<u>91</u>
Total revenues	<u>94,300</u>	<u>36,749</u>	<u>(57,551)</u>
EXPENDITURES			
Community services	56,169	48,153	8,016
Capital outlay	<u>146,500</u>	<u>-</u>	<u>146,500</u>
Total expenditures	<u>202,669</u>	<u>48,153</u>	<u>154,516</u>
Deficiency of revenues under expenditures	<u>(108,369)</u>	<u>(11,404)</u>	<u>96,965</u>
OTHER FINANCING SOURCES			
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (98,369)</u></u>	<u>(1,404)</u>	<u><u>\$ 96,965</u></u>
Fund balance, January 1		<u>213,371</u>	
Fund balance, December 31		<u><u>\$ 211,967</u></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, 2023

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Investments			
Investment earnings	\$ 19,000	\$ 81,763	\$ 62,763
Miscellaneous			
Developers' contributions	860,142	79,201	(780,941)
Total revenues	879,142	160,964	(718,178)
EXPENDITURES			
Capital outlay	1,006,653	79,201	927,452
Total expenditures	1,006,653	79,201	927,452
Net change in fund balance	\$ (127,511)	81,763	\$ 209,274
Fund balance, January 1		420,684	
Fund balance, December 31		\$ 502,447	

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, 2023

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Intergovernmental - State lottery	\$ 1,612,000	\$ 1,891,835	\$ 279,835
Governmental grants	-	75,000	75,000
Investments			
Investment earnings	37,000	183,527	146,527
Miscellaneous			
Developers' contributions	-	25,000	25,000
Other	-	22,332	22,332
Total revenues	<u>1,649,000</u>	<u>2,197,694</u>	<u>548,694</u>
EXPENDITURES			
Capital outlay	<u>4,392,167</u>	<u>1,602,010</u>	<u>2,790,157</u>
Total expenditures	<u>4,392,167</u>	<u>1,602,010</u>	<u>2,790,157</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,743,167)</u>	<u>595,684</u>	<u>3,338,851</u>
OTHER FINANCING SOURCES			
Sales of general capital assets	<u>-</u>	<u>35,481</u>	<u>35,481</u>
Total other financing sources	<u>-</u>	<u>35,481</u>	<u>35,481</u>
Net change in fund balance	<u>\$ (2,743,167)</u>	<u>631,165</u>	<u>\$ 3,374,332</u>
Fund balance, January 1		<u>3,565,536</u>	
Fund balance, December 31		<u>\$ 4,196,701</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, 2023

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Investments			
Investment earnings	\$ 4,500	\$ 28,455	\$ 23,955
Miscellaneous			
Other	-	195,550	195,550
Total revenues	4,500	224,005	219,505
EXPENDITURES			
Capital outlay	419,501	5,197	414,304
Total expenditures	419,501	5,197	414,304
Excess (deficiency) of revenues over (under) expenditures	(415,001)	218,808	633,809
OTHER FINANCING SOURCES			
Transfers in	-	1,282,405	1,282,405
Total other financing sources	-	1,282,405	1,282,405
Net change in fund balance	\$ (415,001)	1,501,213	\$ 1,916,214
Fund balance, January 1		407,504	
Fund balance, December 31		\$ 1,908,717	

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, 2023

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Intergovernmental	\$ 1,320,696	\$ -	\$ (1,320,696)
Governmental grants	5,717,167	918,114	(4,799,053)
Investments			
Investment earnings	71,000	192,521	121,521
Miscellaneous			
Other	-	77,291	77,291
Total revenues	<u>7,108,863</u>	<u>1,187,926</u>	<u>(5,920,937)</u>
EXPENDITURES			
Capital outlay	<u>11,726,215</u>	<u>2,453,599</u>	<u>9,272,616</u>
Total expenditures	<u>11,726,215</u>	<u>2,453,599</u>	<u>9,272,616</u>
Deficiency of revenues under expenditures	<u>(4,617,352)</u>	<u>(1,265,673)</u>	<u>3,351,679</u>
OTHER FINANCING SOURCES			
Transfers in	-	443,909	443,909
Total other financing sources	-	443,909	443,909
Net change in fund balance	<u>\$ (4,617,352)</u>	<u>(821,764)</u>	<u>\$ 3,795,588</u>
Fund balance, January 1		<u>3,864,568</u>	
Fund balance, December 31		<u>\$ 3,042,804</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, 2023

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes - sales and use	\$ 9,628,837	\$ 10,063,760	\$ 434,923
Intergovernmental	8,500,000	2,439,528	(6,060,472)
Governmental grants	1,329,978	50,000	(1,279,978)
Investments			
Investment earnings	225,000	1,109,839	884,839
Total revenues	19,683,815	13,663,127	(6,020,688)
EXPENDITURES			
Capital outlay	39,211,126	15,350,589	23,860,537
Debt service			
Principal retirement	2,805,244	2,805,244	-
Interest	2,859,746	2,859,746	-
Bond fees	4,131	4,130	1
Total expenditures	44,880,247	21,019,709	23,860,538
Deficiency of revenues under expenditures	(25,196,432)	(7,356,582)	17,839,850
Net change in fund balance	<u>\$ (25,196,432)</u>	<u>(7,356,582)</u>	<u>\$ 17,839,850</u>
Fund balance, January 1		24,530,664	
Fund balance, December 31		<u>\$ 17,174,082</u>	

City of Thornton, Colorado

Adams County Open Space Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2023

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Intergovernmental	\$ 1,956,504	\$ 1,920,688	\$ (35,816)
Governmental grants	1,035,489	-	(1,035,489)
Investments			
Investment earnings	57,000	296,273	\$ 239,273
Miscellaneous			
Other	-	112,818	\$ 112,818
Total revenues	<u>3,048,993</u>	<u>2,329,779</u>	<u>(719,214)</u>
EXPENDITURES			
Capital outlay	5,794,132	1,620,760	4,173,372
Total expenditures	<u>5,794,132</u>	<u>1,620,760</u>	<u>4,173,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,745,139)</u>	<u>709,019</u>	<u>3,454,158</u>
OTHER FINANCING SOURCES			
Transfers in	-	739,849	739,849
Total other financing sources	<u>-</u>	<u>739,849</u>	<u>739,849</u>
Net change in fund balance	<u>\$ (2,745,139)</u>	1,448,868	<u>\$ 4,194,007</u>
Fund balance, January 1		<u>5,617,827</u>	
Fund balance, December 31		<u>\$ 7,066,695</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Intergovernmental	\$ 5,177,000	\$ 5,199,532	\$ 22,532
Investments			
Investment earnings	<u>70,000</u>	<u>349,894</u>	<u>279,894</u>
Total revenues	<u>5,247,000</u>	<u>5,549,426</u>	<u>302,426</u>
EXPENDITURES			
Capital outlay	<u>6,584,697</u>	<u>4,443,145</u>	<u>2,141,552</u>
Total expenditures	<u>6,584,697</u>	<u>4,443,145</u>	<u>2,141,552</u>
Net change in fund balance	<u>\$ (1,337,697)</u>	1,106,281	<u>\$ 2,443,978</u>
Fund balance, January 1		<u>6,254,838</u>	
Fund balance, December 31		<u>\$ 7,361,119</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Property	\$ 164,200	\$ 163,674	\$ (526)
Other	-	6,510	6,510
Investments			
Investment earnings	800	4,876	4,076
Total revenues	<u>165,000</u>	<u>175,060</u>	<u>10,060</u>
OTHER FINANCING USES			
Transfers out	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>
Total other financing uses	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (15,000)</u>	(4,940)	<u>\$ 10,060</u>
Fund balance, January 1		<u>61,940</u>	
Fund balance, December 31		<u>\$ 57,000</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes - E911	\$ 3,292,000	\$ 3,710,005	\$ 418,005
Investments			
Investment earnings	<u>6,000</u>	<u>63,986</u>	<u>57,986</u>
Total revenues	<u>3,298,000</u>	<u>3,773,991</u>	<u>475,991</u>
OTHER FINANCING USES			
Transfers out	<u>(3,687,000)</u>	<u>(3,687,000)</u>	<u>-</u>
Total other financing uses	<u>(3,687,000)</u>	<u>(3,687,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (389,000)</u>	86,991	<u>\$ 475,991</u>
Fund balance, January 1		<u>941,917</u>	
Fund balance, December 31		<u>\$ 1,028,908</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, 2023

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes - property	\$ 903,538	\$ 718,222	\$ (185,316)
Investments			
Investment earnings	103,000	392,906	289,906
Miscellaneous			
Other	-	207,083	207,083
Total revenues	<u>1,006,538</u>	<u>1,318,211</u>	<u>311,673</u>
EXPENDITURES			
Capital outlay	<u>6,867,616</u>	<u>5,003,720</u>	<u>1,863,896</u>
Total expenditures	<u>6,867,616</u>	<u>5,003,720</u>	<u>1,863,896</u>
Deficiency of revenues under expenditures	<u>(5,861,078)</u>	<u>(3,685,509)</u>	<u>2,175,569</u>
OTHER FINANCING USES			
Transfers out	<u>(231,852)</u>	<u>(231,852)</u>	<u>-</u>
Total other financing uses	<u>(231,852)</u>	<u>(231,852)</u>	<u>-</u>
Net change in fund balance	<u>\$ (6,092,930)</u>	(3,917,361)	<u>\$ 2,175,569</u>
Net change in fund balance		(3,917,361)	
Fund balance, January 1		<u>9,728,681</u>	
Fund balance, December 31		<u>\$ 5,811,320</u>	

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Sales and use	\$ 2,503,918	\$ 2,093,689	\$ (410,229)
Property	1,784,118	1,795,278	11,160
Investments			
Investment earnings	<u>38,872</u>	<u>171,323</u>	<u>132,451</u>
Total revenues	<u>4,326,908</u>	<u>4,060,290</u>	<u>(266,618)</u>
EXPENDITURES			
Streets, traffic and engineering	1,178,000	894,137	283,863
Debt Service			
Principal Retirement	755,000	755,000	-
Interest	1,055,594	1,055,594	-
Bond fees	<u>2,750</u>	<u>2,750</u>	<u>-</u>
Total expenditures	<u>2,991,344</u>	<u>2,707,481</u>	<u>283,863</u>
Excess of revenues over expenditures	<u>1,335,564</u>	<u>1,352,809</u>	<u>17,245</u>
OTHER FINANCING USES			
Transfers out	<u>(1,406,620)</u>	<u>(1,406,620)</u>	<u>-</u>
Total other financing uses	<u>(1,406,620)</u>	<u>(1,406,620)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (71,056)</u></u>	<u>(53,811)</u>	<u><u>\$ 17,245</u></u>
Net position, January 1		<u>2,539,072</u>	
Net position, December 31		<u><u>\$ 2,485,261</u></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, 2023

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services pledged for debt	\$ 55,206,423	\$ 49,369,788	\$ (5,836,635)
Miscellaneous revenue	149,000	149,152	152
Total operating revenues	55,355,423	49,518,940	(5,836,483)
OPERATING EXPENSES			
Source of supply	9,239,538	8,674,145	565,393
Water treatment	14,369,682	13,091,854	1,277,828
Collection, transmission, and distribution	5,514,973	5,468,113	46,860
Other operating expenses	2,487,383	2,096,094	391,289
Administration	12,627,935	12,090,201	537,734
Total operating expenses	44,239,511	41,420,407	2,819,104
Operating income	11,115,912	8,098,533	(3,017,379)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	2,824,900	14,773,791	11,948,891
Capital outlay	(357,508,052)	(22,392,580)	335,115,472
Debt service			
Principal payment	(3,350,000)	(3,350,000)	-
Interest	(3,710,794)	(3,710,794)	-
Bond fees	(633)	(633)	-
Bond Issuance Expense	(1,725,000)	-	1,725,000
Other Principal (leases & SBITAs)	-	(79,535)	(79,535)
Other Interest (leases & SBITAs)	-	(6,372)	(6,372)
Royalties	6,000,000	13,867,823	7,867,823
Miscellaneous revenue	2,596,300	4,188,187	1,591,887
Total nonoperating revenues (expenses)	(354,873,279)	3,289,887	358,163,166
Income (loss) before capital contributions and transfers	(343,757,367)	11,388,420	355,145,786
Grants and capital contributions	34,974,377	31,907,587	(3,066,790)
Excess (deficiency) of revenues over (under) expenditures before reconciling items	\$ (308,782,990)	43,296,007	\$ 352,078,997
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments (administrative)		(168,829)	
Miscellaneous non-cash adjustments (ARO)		(5,000)	
Add back principal payment (debt)		3,350,000	
Add back principal payment (leases/SBITAs)		79,535	
Change in accrued interest payable		13,958	
Gain on sale of capital assets		49,028	
Depreciation		(10,039,503)	
Amortization (leases/SBITAs)		(65,842)	
Capital asset additions (from the City's capital projects)		22,392,580	
Contributed capital assets		1,021,609	
Bond deferred premiums amortized		454,720	
Total reconciling items		17,082,256	
Change in net position		60,378,263	
Net position, January 1		940,600,027	
Net position, December 31		\$ 1,000,978,290	

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, 2023

	Budget	Actual	Positive (Negative) Variance From Actual
OPERATING REVENUES			
Charges for services	\$ 18,875,000	\$ 18,899,137	\$ 24,137
Total operating revenues	18,875,000	18,899,137	24,137
OPERATING EXPENSES			
Collection, transmission, and distribution	2,278,094	2,078,832	199,262
Sewage treatment-Metro Wastewater	13,480,965	13,480,965	-
Other operating expenses	139,447	105,424	34,023
Administration	1,667,492	1,667,492	-
Total operating expenses	17,565,998	17,332,713	233,285
Operating income	1,309,002	1,566,424	257,422
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	154,000	713,112	559,112
Capital outlay	(14,381,876)	(4,060,425)	10,321,451
Miscellaneous expense	-	(23,280)	(23,280)
Total nonoperating expenses	(14,227,876)	(3,370,593)	10,857,283
Loss before capital contributions and transfers	(12,918,874)	(1,804,169)	11,114,705
Capital contributions	2,371,300	2,192,655	(178,645)
Transfers in	702,260	-	(702,260)
Excess (deficiency) of revenues over (under) expenditures before reconciling items	\$ (9,845,314)	388,486	\$ 10,233,800
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		1,058	
Gain on sale of capital assets		23,750	
Depreciation		(2,622,517)	
Capital asset additions (from the City's capital projects)		4,060,425	
Contributed capital assets		385,190	
Total reconciling items		1,847,906	
Change in net position		2,236,392	
Net position, January 1		86,846,826	
Net position, December 31		\$ 89,083,218	

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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, 2023

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
ASSETS			
Current assets			
Equity in pooled cash and investments - unrestricted	\$ 4,389,127	\$ 4,263,924	\$ 8,653,051
Receivables, net			
Accounts	723,480	249,389	972,869
Interest and other receivables	22,639	13,585	36,224
Total current assets	5,135,246	4,526,898	9,662,144
Collection, transmission, and distribution	-	82,897,953	82,897,953
Streets, traffic and engineering			
Transportation equipment	6,415,807	1,813,514	8,229,321
General equipment	403,212	1,184,300	1,587,512
Buildings and improvements	684,752	-	684,752
Less accumulated depreciation	(4,011,898)	(25,336,368)	(29,348,266)
Construction in progress	-	5,857,402	5,857,402
Total noncurrent assets	3,491,873	66,416,801	69,908,674
Total assets	8,627,119	70,943,699	79,570,818
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to OPEB	46,543	25,132	71,675
Total deferred outflows of resources	46,543	25,132	71,675

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 200,638	\$ 727,815	\$ 928,453
Retainage payable	-	131,460	131,460
Compensated absences	17,711	6,415	24,126
Total current liabilities	218,349	865,690	1,084,039
Long-term liabilities			
Total OPEB liability	199,105	108,431	307,536
Compensated absences	119,186	114,898	234,084
Advances from other funds	-	3,000,000	3,000,000
Total long-term liabilities	318,291	3,223,329	3,541,620
Total liabilities	536,640	4,089,019	4,625,659
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	47,026	24,984	72,010
Total deferred inflows of resources	47,026	24,984	72,010
NET POSITION			
Net investment in capital assets	3,491,873	66,285,341	69,777,214
Unrestricted	4,598,123	569,487	5,167,610
Total net position	\$ 8,089,996	\$ 66,854,828	\$ 74,944,824

City of Thornton, Colorado

Statement of Revenues, Expenses and Changes in Net Position Non-Major Proprietary Funds For the year ended December 31, 2023

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
OPERATING REVENUES			
Charges for services	\$ 6,068,005	\$ 4,493,148	\$ 10,561,153
Miscellaneous revenue	51,071	-	51,071
Total operating revenues	6,119,076	4,493,148	10,612,224
OPERATING EXPENSES			
Collection, transmission distribution, and trash removal	4,358,241	2,040,253	6,398,494
Other operating expenses	1,313,160	43,216	1,356,376
Administration	885,886	813,885	1,699,771
Depreciation	787,789	1,875,319	2,663,108
Total operating expenses	7,345,076	4,772,673	12,117,749
Operating loss	(1,226,000)	(279,525)	(1,505,525)
NONOPERATING REVENUES (EXPENSES)			
Loss on disposal of capital assets	-	(25,063)	(25,063)
Investment earnings	267,382	121,546	388,928
Total nonoperating revenues	267,382	96,483	363,865
Loss before capital contributions and transfers	(958,618)	(183,042)	(1,141,660)
Grants and capital contributions	-	1,104,447	1,104,447
Change in net position	(958,618)	921,405	(37,213)
Net position, January 1	9,048,614	65,933,423	74,982,037
Net position, December 31	\$ 8,089,996	\$ 66,854,828	\$ 74,944,824

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City of Thornton, Colorado

Statement of Cash Flows Non-Major Proprietary Funds For the year ended December 31, 2023

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and others	\$ 6,069,983	\$ 4,459,843	\$ 10,529,826
Payments to suppliers	(3,800,997)	(627,858)	(4,428,855)
Payments to employees	(2,702,261)	(1,615,925)	(4,318,186)
Net cash provided by (used in) operating activities	(433,275)	2,216,060	1,782,785
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases and construction of capital assets	(706,971)	(3,408,149)	(4,115,120)
Advance from other funds	-	3,000,000	3,000,000
Net cash used in capital and related financing activities	(706,971)	(408,149)	(1,115,120)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds (loss) from sale of investments	2,212,251	(72,763)	2,139,488
Purchases of investments	(1,618,862)	(1,572,609)	(3,191,471)
Interest on investments	264,349	81,792	346,141
Net cash provided by (used in) investing activities	857,738	(1,563,580)	(705,842)
Net increase (decrease) in cash and cash equivalents	(282,508)	244,331	(38,177)
Cash and cash equivalents, Jan. 1	997,352	450,092	1,447,444
Cash and cash equivalents, Dec. 31	\$ 714,844	\$ 694,423	\$ 1,409,267
Cash and cash equivalents	\$ 714,844	\$ 694,423	\$ 1,409,267
Investments	3,674,283	3,569,501	7,243,784
Total cash and investments	\$ 4,389,127	\$ 4,263,924	\$ 8,653,051
Equity in pooled cash and investments	\$ 4,389,127	\$ 4,263,924	\$ 8,653,051
Total cash and investments	\$ 4,389,127	\$ 4,263,924	\$ 8,653,051

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating loss	\$ (1,226,000)	\$ (279,525)	\$ (1,505,525)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	787,789	1,875,319	2,663,108
Change in assets and liabilities:			
Increase in accounts receivable, net	(49,093)	(33,305)	(82,398)
Decrease in other assets	10,045	6,045	16,090
(Increase) in deferred outflows of resources			
OPEB Related	(3,347)	(1,792)	(5,139)
Increase in accounts payable	10,215	604,720	614,935
Increase in OPEB	41,514	22,239	63,753
Increase in other liabilities	6,905	28,414	35,319
Decrease in deferred inflows of resources			
OPEB Related	(11,303)	(6,055)	(17,358)
Net cash provided by (used in) operating activities	<u>\$ (433,275)</u>	<u>\$ 2,216,060</u>	<u>\$ 1,782,785</u>

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

Investing Activities			
Increase in the fair value of investments	\$ 122,798	\$ 34,785	\$ 157,583
Capital Activities			
Loss on disposal of capital assets	-	(25,063)	(25,063)
Stormwater lines contributed by developers	-	1,104,477	1,104,477

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, 2023

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 6,064,637	\$ 6,068,005	\$ 3,368
Miscellaneous revenue	5,000	51,071	46,071
Total operating revenues	6,069,637	6,119,076	49,439
OPERATING EXPENSES			
Trash removal	4,405,890	4,358,241	47,649
Other operating expenses	1,283,062	1,313,160	(30,098)
Administration	962,523	852,116	110,407
Total operating expenses	6,651,475	6,523,517	127,958
Operating loss	(581,838)	(404,441)	177,397
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	60,000	267,382	207,382
Capital outlay	(2,262,040)	(706,972)	1,555,068
Total nonoperating expenses	(2,202,040)	(439,590)	1,762,450
Deficiency of revenues under expenditures before reconciling items	<u>\$ (2,783,878)</u>	(844,031)	<u>\$ 1,939,847</u>
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(33,770)	
Depreciation		(787,789)	
Capital asset additions		706,972	
Total reconciling items		<u>(114,587)</u>	
Change in net position		(958,618)	
Net position, January 1		<u>9,048,614</u>	
Net position, December 31		<u>\$ 8,089,996</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, 2023

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 4,469,000	\$ 4,493,148	\$ 24,148
Total operating revenues	4,469,000	4,493,148	24,148
OPERATING EXPENSES			
Collection, transmission, and distribution	2,057,162	2,040,253	16,909
Other operating expenses	110,182	43,216	66,966
Administration	771,080	771,080	-
Total operating expenses	2,938,424	2,854,549	83,875
Operating income	1,530,576	1,638,599	108,023
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	20,000	121,546	101,546
Capital outlay	(6,303,334)	(3,408,148)	2,895,186
Total nonoperating expenses	(6,283,334)	(3,286,602)	2,996,732
Loss before capital contributions and transfers	(4,752,758)	(1,648,003)	3,104,755
Deficiency of revenues under expenditures before reconciling items	<u>\$ (4,752,758)</u>	(1,648,003)	<u>\$ 3,104,755</u>
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(42,805)	
Loss on disposal of capital assets		(25,063)	
Depreciation		(1,875,319)	
Capital asset additions (from the City's capital projects)		3,408,148	
Contributed capital assets		1,104,447	
Total reconciling items		2,569,408	
Change in net position		921,405	
Net position, January 1		65,933,423	
Net position, December 31		<u>\$ 66,854,828</u>	

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, 2023

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Interfund services	\$ 18,164,706	\$ 16,446,765	\$ (1,717,941)
Total operating revenues	18,164,706	16,446,765	(1,717,941)
OPERATING EXPENSES			
Insurance and related expenses	3,812,763	3,769,544	43,219
Claims and reserves for claims	13,412,012	12,226,941	1,185,071
Administration	780,917	744,347	36,570
Total operating expenses	18,005,692	16,740,832	1,264,860
Operating income (loss)	159,014	(294,067)	(453,081)
NONOPERATING REVENUES			
Investment earnings	124,000	619,955	495,955
Miscellaneous revenue	20,000	18,516	(1,484)
Total nonoperating revenues	144,000	638,471	494,471
Excess of revenues over expenditures before reconciling items	<u>\$ 303,014</u>	344,404	<u>\$ 41,390</u>
RECONCILIATION TO US GAAP BASIS			
Incurred but not reported adjustment - property casualty		56,825	
Incurred but not reported adjustment - worker's compensation		1,120,781	
Incurred but not reported adjustment - dental		(26,548)	
Incurred but not reported adjustment - vision		16,743	
OPEB liability adjustment		(3,838)	
Miscellaneous non-cash adjustments		1,964	
Total reconciling items		<u>1,165,927</u>	
Change in net position		1,510,331	
Net position, January 1,		<u>7,749,878</u>	
Net position, December 31		<u>\$ 9,260,209</u>	

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OTHER SCHEDULES

LOCAL HIGHWAY FINANCE REPORT

City or County:

City of Thornton, Colorado

YEAR ENDING :

December 2023

This Information From The Records Of:
City of Thornton, ColoradoPrepared By: Nicole Campbell, 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	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. 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)	23,047,554
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,697,856
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,606,653
2. General fund appropriations	0	b. Snow and ice removal	1,012,087
3. Other local imposts (from page 2)	32,533,151	c. Other	2,372,432
4. Miscellaneous local receipts (from page 2)	5,679,539	d. Total (a. through c.)	5,991,172
5. Transfers from toll facilities	0	4. General administration & miscellaneous	720,429
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	10,953,464
a. Bonds - Original Issues	0	6. Total (1 through 5)	45,410,475
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	38,212,690	b. Redemption	0
B. Private Contributions	583,040	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	5,610,691	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	(1,004,054)	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	43,402,367	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	45,410,475

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	43,402,367	45,410,475	(2,008,108)	0

Notes and Comments:

0
0
0

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING: December 2023	
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	24,878,795	a. Interest on investments	349,894
b. Other local imposts:		b. Traffic Fines & Penalties	1,135,386
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	7,654,356	g. Other Misc. Receipts	0
6. Total (1. through 5.)	7,654,356	h. Other	4,194,259
c. Total (a. + b.)	32,533,151	i. Total (a. through h.)	5,679,539
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,313,683	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	702,432	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	594,576	f. Other Federal	(1,004,054)
f. Total (a. through e.)	1,297,008	g. Total (a. through f.)	(1,004,054)
4. Total (1. + 2. + 3.f)	5,610,691	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	313,402
b. Engineering Costs		1,104,445	1,663,395
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	5,270,416
(3). System Preservation		0	11,111,555
(4). System Enhancement & Operation		0	3,584,341
(5). Total Construction (1)+(2)+(3)+(4)		0	19,966,312
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		1,104,445	21,943,109
			(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	131
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	134
These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax.	
Debt Capacity	140
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	145
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	146
The number of employees per business is confidential therefore the City is providing employee totals by sector.	
Operating Information	148
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									
	2014-restated	2015	2016	2017-restated	2018	2019	2020	2021-restated	2022-restated	2023
Governmental activities										
Net investment in capital assets	\$ 268,904,561	\$ 247,691,323	\$ 259,179,659	\$ 289,933,156	\$ 297,988,545	\$ 288,245,136	\$ 287,482,862	\$ 301,540,850	\$ 339,247,183	\$ 365,255,619
Restricted	5,528,730	8,062,689	8,241,309	40,196,389	70,807,361	37,653,387	63,312,275	60,665,189	77,014,753	52,783,491
Unrestricted	89,976,356	123,804,451	125,530,515	80,883,896	74,950,117	109,771,204	99,655,069	126,072,830	136,132,262	181,580,749
Total governmental activities net position	<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>	<u>\$ 599,619,859</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 794,579,310
Restricted	5,665,074	2,976,894	2,980,644	3,097,447	-	-	-	-	-	-
Unrestricted	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	370,427,022
Total business-type activities net position	<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>	<u>\$ 1,165,006,332</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 1,112,813,780	\$ 1,159,834,929
Restricted	11,193,804	11,039,583	11,221,953	43,293,836	70,807,361	37,653,387	63,312,275	60,665,189	77,014,753	52,783,491
Unrestricted	188,322,953	237,201,592	265,457,846	247,671,724	265,124,876	299,037,864	362,012,842	387,918,661	464,994,555	552,007,771
Total primary government net position	<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>	<u>\$ 1,764,626,191</u>

Source: Current and prior year's financial statements.

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

	Fiscal Year									
Expenses	2014-restated	2015	2016	2017-restated	2018	2019	2020	2021-restated	2022	2023
Governmental activities:										
General government	\$ 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	\$ 45,558,084
Police	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	54,312,073
Fire and ambulance	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	33,842,552
City development	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	16,689,404
Streets, traffic & engineering	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	38,632,219
Community services	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	40,283,538
Interest on long-term debt	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	4,304,776
Total governmental activities expenses	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	233,622,646
Business-type activities:										
Water	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	54,937,330
Sewer	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	19,954,172
Environmental services	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	7,345,076
Golf	1,653,285	-	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	3,074,617	3,698,035	4,251,908	4,395,447	4,772,673
Total business-type activities expenses	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	87,009,251
Total primary government expenses	\$ 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	\$ 320,631,897
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 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	\$ 10,642,693
Police	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	1,883,755
Fire and ambulance	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	4,957,936
City development	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	8,653,188
Community services	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	8,634,120
Operating grants/contrib.	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	10,123,191
Capital grants/contrib.	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	23,114,197
Total governmental activities program revenues	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	68,009,080
Business-type activities:										
Charges for services										
Water	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	49,369,788
Sewer	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	18,899,137
Environmental services	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	6,068,005
Golf	1,368,959	-	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	3,001,616	4,181,998	4,290,048	4,398,364	4,493,148
Capital grants/contrib.	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	36,611,488
Total business-type activities program revenues	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	115,441,566
Total primary government program revenues	\$ 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	\$ 183,450,646

	Fiscal Year									
	2014-restated	2015	2016	2017-restated	2018	2019	2020	2021-restated	2022	2023
Net (expense)/revenue										
Governmental activities	\$(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)	\$(165,613,566)
Business-type activities	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	28,432,315
Total primary government net expense	<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>	<u>\$ (137,181,251)</u>
General Revenues and Special Items										
Governmental activities										
Taxes										
Sales and use taxes	\$ 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	\$ 149,967,660
Property taxes	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	32,077,972
Other taxes	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	14,263,219
Earnings (loss) on investments	960,404	1,513,417	56,183	1,748,964	3,195,518	6,391,532	2,797,470	(793,395)	(7,631,404)	12,540,337
Gain on sale of capital assets	206,932	152,381	188,110	148,555	-	31,958	-	-	-	-
Miscellaneous	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	3,990,039
Special item	-	-	-	-	-	-	-	-	2,850,686	-
Transfers	(411,253)	1,766,411	-	-	-	(39,130,995)	(2,238,267)	(23,893)	-	-
Total governmental activities	<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>	<u>212,839,227</u>
Business-type activities										
Earnings (loss) on investments	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)	15,875,831
Gain on sale of capital assets	942,423	5,038,541	722,012	221,759	202,890	2,430,704	3,994,650	5,972,256	32,816	47,715
Royalties ¹	-	-	-	-	-	-	-	8,896,723	12,497,787	13,867,823
Miscellaneous	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	4,353,758
Special item	-	-	-	-	-	-	-	-	30,691,245	-
Transfers	411,253	(1,766,411)	-	-	-	39,130,995	2,238,267	23,893	-	-
Total business-type activities	<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>	<u>34,145,127</u>
Total primary government	<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>	<u>\$ 246,984,354</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 47,225,661
Business-type activities	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	62,577,442
Total primary government	<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>	<u>\$ 109,803,103</u>

Notes: In the 2014 original presentation, loss on land held for resale was netted in general government expenditures. For 2016 presentation purposes, it is netted in investment earnings.

¹ For years prior to 2021, royalties revenue was included within miscellaneous revenue. In 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 256,407	\$ 224,102	\$ 252,741	\$ 247,410	\$ 130,616	\$ 114,577	\$ 78,387	\$ 115,013	\$ 593,668	\$ 123,646
Restricted	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	8,871,198
Committed	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	33,444,408
Unassigned	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	23,045,660
Total general fund	\$ 33,115,845	\$ 24,808,070	\$ 27,335,567	\$ 37,273,471	\$ 39,278,658	\$ 51,293,137	\$ 51,835,137	\$ 77,197,667	\$ 79,676,085	\$ 65,484,912
All other governmental funds										
Nonspendable	\$ 15,220,076	\$ 1,985,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,812	\$ -
Restricted	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	46,684,475
Committed	1,137,043	1,000,000	2,659	-	-	-	-	-	-	-
Assigned	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	105,450,448
Unassigned	(25,330,792)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 71,634,982	\$ 116,835,901	\$ 118,989,936	\$ 99,788,836	\$ 143,157,347	\$ 98,409,918	\$ 122,203,756	\$ 104,508,991	\$ 116,852,840	\$ 152,134,923

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									
	2014	2015	2016	2017	2018	2019	2020	2021-restated	2022	2023
Revenues										
Taxes	\$ 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	\$ 196,308,851
Licenses and permits	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	8,793,297
Intergovernmental	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	23,960,243
Governmental grants	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	8,308,136
Charges for services	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	23,775,721
Fines and forfeitures	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	1,416,230
Lease	207,213	207,710	207,792	207,648	175,551	175,701	175,889	175,648	30,072	45,108
Investment earnings (loss)	960,404	1,513,417	56,183	1,748,964	3,195,518	6,391,532	2,797,470	(793,395)	(7,631,404)	12,540,337
Miscellaneous	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	2,913,869
Total revenues	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	278,061,792
Expenditures										
General government	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	39,709,166
Police	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	51,134,871
Fire and ambulance	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	31,525,668
City development	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	11,098,497
Streets, traffic and engineering	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	17,920,676
Community services	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	29,468,715
Capital outlay	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	66,843,565
Debt service										
Principal retirement	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	6,171,251
Interest	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	4,897,070
Bond fees	3,571	244,061	6,850	4,196	6,755	8,809	6,755	8,755	11,480	10,175
Bond issuance costs	-	168,985	-	-	541,368	-	511,526	-	-	-
Total expenditures	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	258,779,654
Excess (deficiency) of revenues over (under) expenditures	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	19,282,138
Other financing sources (uses)										
Transfers in	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	12,347,112
Transfers out	(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)	(12,347,112)
Bonds issued	-	41,480,000	-	-	69,536,852	-	26,785,000	-	-	-
Premium on bonds issued	-	3,187,135	-	-	-	-	3,745,451	-	-	-
Payments to underwriter on bonds issued	-	(15,805,000)	-	-	-	-	-	-	-	-
Lease acquisition	-	-	-	-	-	-	-	-	1,218,908	616,223
SBITA acquisition	-	-	-	-	-	-	-	-	-	1,036,813
Sale of general capital assets	295,310	297,597	230,660	255,931	217,062	189,013	104,630	391,944	99,881	155,736
Total other financing sources	1,406,671	29,382,857	230,660	255,931	69,700,127	1,222,760	28,570,164	391,944	1,318,789	1,808,772
Special item										
Proceeds from sale of mineral rights	-	-	-	-	-	-	-	-	2,850,686	-
Net change in fund balances	\$ 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	\$ 21,090,910
Debt service as a percentage of noncapital expenditures	6.6%	5.5%	6.6%	6.0%	5.4%	6.5%	7.2%	7.3%	7.3%	5.2%

Notes: In the 2014 original presentation, loss on land held for resale was netted in general government expenditures. For 2016 presentation purposes, 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
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
2023	109,737,245	1,875,929	30,875,277	17,972,435	1,334,713	7,235,791	25,781	169,057,171

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
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	42,670,495	12,041,035	4,992,838	7,258,110	8,868,275	6,551,781	15,817,791	3,778,632	4,691,137	106,670,093	3.75
2023	44,571,928	11,745,093	5,053,796	7,571,564	8,593,110	5,950,423	16,508,972	3,791,975	5,950,384	109,737,245	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	
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%
2023	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

	2014	2015	2016	2017	Fiscal Year 2018	2019	2020	2021	2022	2023
Aggregate top ten filers ¹	<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>	<u>\$ 49,242,522</u>
Aggregate all other filers	<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>	<u>60,494,723</u>
Total sales tax	<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>	<u><u>\$ 109,737,245</u></u>
Top ten filers as a percentage of total sales	46.3%	45.4%	45.1%	46.2%	43.3%	42.3%	43.9%	42.4%	43.5%	44.9%

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 Increment Bonds	Certificates of Participation	Leases	Subscription Leases	General Obligation Bonds	Revenue Bonds	Notes and Loan Payable	Leases	Subscription Leases			
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	233,957	-	116,907,816	-	46,765	12,369	239,249,970	4.6%	1,610
2023	-	30,128,736	85,012,020	1,053,857	977,136	-	112,987,807	-	31,300	264,149	230,455,005	3.8%	1,496

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

Note: Increase in subscription leases in 2022 related to the adoption of GASB 96 - Subscription-Based Information Technology Arrangements 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
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%	-
2023	-	-	-	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, 2023

Entity (1)	Assessed Valuation (2)	Debt Outstanding	Percentage Applicable to the City (3)	Estimated Share of Overlapping Debt
City of Thornton direct debt				\$ 116,194,613
Overlapping Debt				
Adams 12 Five Star School District	\$ 3,476,361,630	\$ 318,660,000	47.98	152,893,068
Adams County School District 1	1,146,337,577	137,186,257	16.26	22,306,485
Adams County School District 14	1,055,077,986	58,317,393	4.27	2,490,153
Amber Creek Metropolitan District	21,399,550	17,019,185	100.00	17,019,185
Aspen Reserve Metropolitan District	6,250,760	3,020,000	100.00	3,020,000
Brighton School District 27J	3,502,893,800	552,745,000	11.29	62,404,911
Bramming Farm Metropolitan District No. 1	6,104,890	3,760,000	100.00	3,760,000
Cherrylane Metropolitan District	5,181,410	3,700,000	100.00	3,700,000
Creekside Village Metropolitan District	4,610,330	10,409,000	100.00	10,409,000
Cundall Farms Metropolitan District	16,789,790	13,210,000	100.00	13,210,000
Fire District 6 Greater Brighton	1,803,505,520	5,010,481	1.63	81,671
Heritage Todd Creek Metropolitan District	57,850,030	31,785,000	100.00	31,785,000
Highpointe Park Metropolitan District	11,097,370	6,936,000	100.00	6,936,000
Homestead Hills Metropolitan District	3,480,250	2,922,000	100.00	2,922,000
Lambertson Lakes Metro District	25,516,450	920,000	100.00	920,000
Larkridge Metropolitan District No. 1	25,661,950	18,067,478	100.00	18,067,478
Larkridge Metropolitan District No. 2	18,032,660	28,627,319	100.00	28,627,319
Lewis Pointe Metropolitan District	19,102,340	9,547,949	100.00	9,547,949
Mayfield Metropolitan District	13,797,630	10,581,873	100.00	10,581,873
North Holly Metropolitan District	15,997,270	14,256,247	100.00	14,256,247
North Metro Fire Rescue FKA Fire Dist. 1	648,560,714	4,960,000	0.28	13,888
Orchard Farms Metropolitan District	19,151,380	14,035,000	100.00	14,035,000
PLA Metropolitan District	4,597,190	545,000	100.00	545,000
Rangeview Library District	9,095,843,599	60,480,000	25.23	15,259,104
RII-DII Business Improvement District	30,050,080	7,797,974	100.00	7,797,974
Riverdale Peaks II Metropolitan District	2,820,430	3,065,000	0.93	28,505
Riverdale Ranch Metropolitan District	5,402,120	4,523,000	100.00	4,523,000
Talon Pointe Metropolitan District	11,312,120	23,820,000	100.00	23,820,000
Timberleaf Metropolitan District	8,625,680	7,697,000	100.00	7,697,000
Village at Dry Creek Metro No 2	26,382,710	12,584,000	100.00	12,584,000
Villas at Eastlake Reservoir Metro District	4,450,800	2,505,000	100.00	2,505,000
Westwood Metropolitan District	1,419,240	8,100,000	100.00	8,100,000
Willow Bend Metropolitan District	20,527,650	16,450,000	100.00	16,450,000
Subtotal, overlapping debt				\$ 528,296,810
Total direct and overlapping debt				<u>\$ 644,491,423</u>

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

25 Commerce Park Metropolitan District	North Metro Fire Bond (FKA FD1B)
Adams County	North Washington Water and Sanitation District
Adams County Fire Protection District	Parterre Metropolitan Districts
Ash Meadows Metropolitan District	Quebec Highlands Metropolitan District
Brittany Place Metropolitan District	Regional Transportation District
Central Colorado Water Conservancy	River Valley Village Metropolitan District
City Creek Logistics Park Metro District	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
Eastlake Station North Metro District	The Village at North Creek Metropolitan District
Fallbrook Metropolitan District	Urban Drainage and Flood Control District
Fallbrook Villas Metropolitan District	Urban Drainage and Flood Control District - S. Platte
Home Place Metropolitan District	Village at Dry Creek Metro Districts No 1, 3-4
Hyland Hills Metro Park & Recreation	Wright Farms Metropolitan District
Lees Farm Metropolitan District	York Station Metropolitan District
North End Metropolitan Districts	York Street Metropolitan District

(2) Assessed values certified in 2023 are for collection of ad valorem property taxes in 2024.

(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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022 - restated ²	2023
Debt Limit ¹	\$ 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	\$ 216,354,038
Total net debt applicable to limit	-	-	-	-	-	-	-	-	1,393,362	2,326,442
Legal debt margin	\$ 91,397,034	\$ 106,189,059	\$ 107,150,843	\$ 129,656,445	\$ 133,967,394	\$ 164,035,556	\$ 166,486,507	\$ 177,525,237	\$ 177,748,539	\$ 218,680,480
Total net debt applicable as a percentage of debt limit	-	-	-	-	-	-	-	-	0.79%	1.08%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	\$ 2,163,540,375
Debt limit (10% of total assessed value) ¹	216,354,038
Debt applicable to limit	
General obligation bonds	-
Less: Amount set aside for repayment of RTU & SBITA - lease obligations	2,326,442
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>2,326,442</u>
Legal debt margin	<u>\$ 214,027,596</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.

² Increase in 2022 "total net debt applicable to limit" related to the adoption of GASB 96 - Subscription-Based Information Technology Arrangements standard

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
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
2023	105,602,129	40,057,315	65,544,814	3,350,000	3,710,794	9.28

TDA North Tax Increment Bonds				
Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
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
2023	13,108,866	1,090,000	321,513	9.29

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
2023	3,751,395	755,000	1,055,594	2.07

Sales and Use Tax Bonds				
Fiscal Year	Sales Taxes	Principal	Interest	Coverage
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	-	-	-	-
2023	-	-	-	-

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
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%
2023	154,061	5,989,275	38,876	3.2%

City of Thornton, Colorado
Schedule 15
Principal Employers

2023			
<u>Employer Type</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Retail Trade (397 Units)	7,213	1	25%
Health Care and Social Assistance (278 Units)	5,497	2	18%
Accommodation and Food Services (241 Units)	4,392	3	14%
Educational Services (84 Units)	2,856	4	9%
Other Services (277 Units)	1,911	5	6%
Public Administration (47 Units)	1,861	6	6%
Construction (206 Units)	1,327	7	4%
Professional, Service & Tech (161 Units)	1,068	8	4%
Information (52 Units)	940	9	3%
Finance and Insurance (132 Units)	723	10	2%
Total	<u>27,788</u>		<u>91%</u>

Total number of persons employed by Thornton establishments: 30,505

2014			
<u>Employer Type</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Retail Trade (547 units)	5,743	1	20%
Educational Services (119 Units)	3,720	2	13%
Health Care and Social Assistance (363 Units)	3,023	3	10%
Accommodation and Food Services (229 Units)	2,821	4	10%
Administrative and support (1321 Units)	2,685	5	9%
Construction (788 Units)	2,334	6	8%
Professional Services (863 Units)	1,899	7	7%
Other Services (519 Units)	1,495	8	5%
Manufacturing (172 Units)	981	9	3%
Real Estate, Rental & Leasing (256 Units)	874	10	3%
Total	<u>25,575</u>		<u>88%</u>

Total number of persons employed by Thornton establishments: 28,977

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government	158	165	168	175	182	191	201	196	197	197
Police										
Officers	171	178	233	244	247	243	243	242	247	248
Civilians	59	63	63	63	73	77	79	79	81	83
Fire										
Firefighters and officers	76	76	85	101	106	132	132	145	138	142
Ambulance	26	26	26	29	26	4	4	4	4	6
Civilians	3	3	3	3	3	3	3	3	10	10
City development	71	72	78	82	84	82	82	79	82	84
Streets, traffic, & engineering										
Engineering	33	33	36	35	37	40	41	38	36	35
Maintenance	32	31	31	32	33	23	23	23	25	25
Community services	96	98	99	100	106	124	129	126	131	135
Water & Sewer	86	90	92	95	97	100	102	104	104	104
Environmental Services	22	23	23	24	26	26	28	28	28	28
Stormwater	-	-	-	-	-	13	14	15	15	15
Total	833	858	937	983	1,020	1,058	1,081	1,082	1,098	1,112

**City of Thornton, Colorado
Schedule 17
Operating Indicators by Function**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Patrol calls for service	94,355	113,756	103,910	111,238	122,943	153,608	142,754	139,584	130,726	136,848
Physical arrests	2,607	2,796	2,891	5,749	6,608	7,071	4,667	4,934	6,805	6,671
Traffic violations	17,085	13,351	9,843	15,125	20,959	20,635	13,981	16,766	12,996	15,556
Fire										
Calls for service	8,868	9,387	9,976	10,538	11,028	11,898	12,220	14,070	16,736	16,748
Fire incidents	214	212	282	277	248	223	284	273	314	284
EMS and other incidents	8,654	9,175	9,694	10,261	10,780	11,675	11,936	13,797	16,422	16,464
Inspections*	1,957	1,753	-	1,469	1,275	1,244	2,564	251	1,216	1,240
Ambulance										
Number of transports	4,624	5,129	5,355	5,693	5,903	5,850	6,284	7,240	7,094	6,857
City development										
Single-family permits	370	505	832	902	824	744	816	764	632	397
Commercial permits issued	18	19	19	31	25	23	26	24	21	16
Building inspections	30,103	37,755	57,437	52,873	66,945	44,370	44,980	35,600	45,219	37,182
Code violations & inspections	18,183	15,998	14,374	12,509	11,757	13,704	6,364	7,795	6,654	9,531
Graffiti incidents removed	1,016	880	795	534	160	178	266	344	394	404
Streets, traffic, & engineering										
Lane miles of streets maintained	1,232	1,238	1,244	1,252	1,255	1,258	1,267	1,278	1,307	1,308
Community services										
Carpenter Recreation center admissions	297,279	296,429	303,658	301,024	280,912	235,816	32,040	52,640	151,264	234,492
Trail Winds Recreation center admissions**	-	-	-	-	-	47,053	114,528	218,381	273,814	310,762
Water										
New connections	301	419	559	826	922	644	652	488	745	718
Average daily consumption (in gallons) (excludes Westminster)	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	15,288,380
Environmental Services										
Solid waste customers	27,060	27,317	27,671	28,328	29,233	29,899	30,763	31,202	31,708	32,208
Tons of refuse collected	34,249	34,574	36,529	36,571	37,724	37,811	43,332	43,026	40,449	41,752
Tons of recyclables collected	5,161	5,193	5,255	5,424	5,417	5,355	5,928	5,646	5,763	5,442

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	2	2	2	2	2	2
Patrol Units	77	92	95	119	125	134	139	149	148	145
Fire										
Fire Stations	5	5	5	5	6	6	6	6	6	7
Ambulances	6	6	6	7	8	7	5	5	5	5
Streets, traffic, & engineering										
Streets (miles)	406	409	411	414	417	421	424	433	442	443
Streetlights	8,521	8,783	8,824	9,125	9,140	9,316	9,583	9,617	9,673	9,751
Community services										
Parks acreage	697	723	733	757	879	851	881	1,007	1,016	1,001
Parks	82	84	88	90	92	93	93	90	91	87
Swimming Pools	3	3	3	3	3	4	4	4	4	4
Tennis Courts	17	17	17	17	17	17	16	16	16	16
Community Centers	3	3	3	3	3	4	4	4	4	4
Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	566	577	584	593	597	602	626	650	658	667
Fire Hydrants	4,688	4,847	4,950	5,073	5,132	5,194	5,261	5,539	5,696	5,774
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)	439	445	454	462	465	485	503	506	511	515
Environmental Services										
Collection Trucks	19	21	21	21	22	22	24	24	25	25
Stormwater										
Storm sewers (miles)	150	140	144	149	151	158	160	168	172	179

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

Sources: Various city departments.

