

# Comprehensive Annual Financial Report

For the Year Ended December 31, 2020

 THORNTON ACTIVE  
ADULT CENTER



**City of  
Thornton**  
*Colorado*

# **City of Thornton, Colorado**

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2020

Prepared by the Finance Department





# City of Thornton, Colorado

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[www.cityofthornton.net](http://www.cityofthornton.net)

May 20, 2021

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

We are pleased to submit the Comprehensive Annual Financial Report (Annual Report) of the City of Thornton (the City) for the year ended December 31, 2020. 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, 2020, 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, 2020, 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 1,081 full-time employees. The City is a full-service municipality providing police and fire protection, ambulance services, infrastructure construction and maintenance, city planning and development, recreational facilities and services and operates the Thorncreek Golf Course. In addition, the City provides water, sanitary sewer, stormwater, and solid waste collection all of which are reported as enterprise operations.

The City is located in Adams County in the northeast Denver Metropolitan area and encompasses 38 square miles. It is a suburban community of 146,427 residents with a retail-oriented business sector and some light industrial businesses.



## **Major Initiatives**

In response to the growing needs of the community, City Council initiated and continued multiple projects and programs during 2020, including the following:

- Construction began in 2019 on the new Fire Station 1, located at Thornton Parkway and York Street. This new station will provide better access to a major arterial road, providing faster response times to emergencies and will also house Fire administration. The new station opened and began operating at the end of 2020.
- Design of the Police Training Facility kicked off in 2019. This facility, located at Riverdale Road and Colorado Boulevard, will include an area to practice defensive tactics, a training classroom, a low-speed driving track, a shoot house, and an area for canine training.
- Work continued on implementation of the Community Facilities Plan, including large transportation projects throughout the City. These projects, including widening along 112<sup>th</sup> Avenue, 128<sup>th</sup> Avenue, and 144<sup>th</sup> Avenue, add capacity to existing roads and improve connectivity in preparation for the arrival of the Regional Transportation District N line.
- Work continued on the City's long-term water supply project, the Thornton Water Project. Activities in 2020 included permitting, land acquisition, construction, and the design of multiple pipeline segments. The project, when completed in 2025, will bring water from northern Colorado into Thornton in order to provide a reliable supply of water for current and future residents and businesses.
- Completed work on the Thornton Water Treatment Plant at the intersection of Thornton Parkway and Washington Street. The plant began operating late 2020.
- Completed construction on the new Active Adult Center, which opened mid-2020 on a limited basis due to COVID-19 restrictions. The new Active Adult Center is located on the southwest corner of 112<sup>th</sup> Avenue and Colorado Boulevard and hosts a variety of classes, events, and services, as well as provide affordable weekday lunches for active adults and their guests.
- Implemented multiple programs mitigating issues created by the COVID-19 pandemic. Programs included: free COVID-19 testing services to the public, a variety of programs to assist families in need with food, housing, and mental health services, grants for local businesses, and a business assistance center, which provides ongoing support services to small businesses in the community.

## **Factors Affecting Financial Condition**

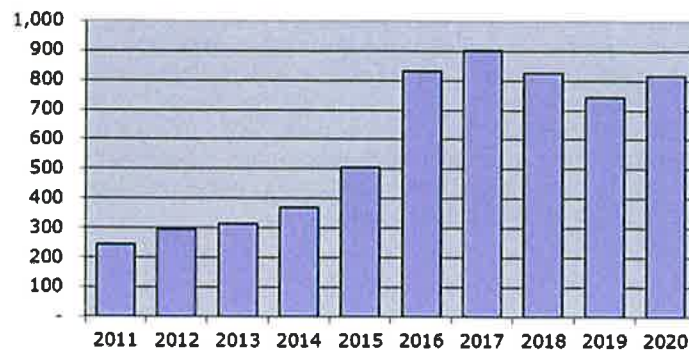
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

### **Local Economy**

The pace of new development within the City remained strong in 2020. The City issued 816 single-family permits (attached and detached) for residential construction with an estimated value of \$225 million. The City issued 25 commercial building permits with an estimated value of \$57 million. The commercial landscape of the I-25 corridor through the City continues to change with the addition of Applejacks Liquor and Staybridge Suites. The City continues address its vision of a healthy and high quality of life for citizens through the opening of the new Active Adult Center and the beginning of renovation on Margaret W Carpenter Recreation Center.

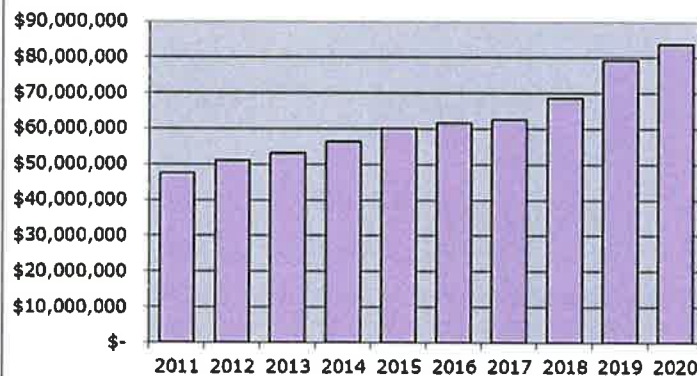
## Local Economy (Continued)

Residential Single Family Permits 2011-2020



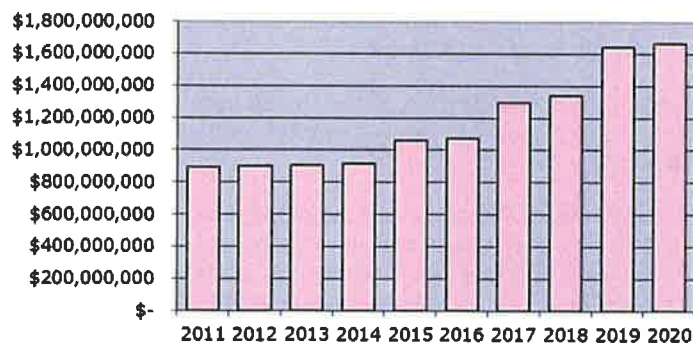
Sales tax collections in 2020, the largest single revenue stream received by the general government, totaled \$83.6 million, an increase of 5.5% over 2019.

Sales Tax Collections 2011-2020



Property values increased 1.49% from 2019, totaling \$1.6 billion in assessed value for 2020. The property taxes associated with this assessed valuation will be collected in 2021.

Assessed Valuation 2011-2020



## 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 S2007                               | Aa2     | AA-               |
| Certificates of Participation S2018                               | Aa2     | AA-               |
| Certificates of Participation S2020                               | Aa2     | AA-               |
| Water Revenue Refunding Bonds S2013                               | Aa2     | AA                |
| Water Revenue Bonds S2020   | Aa2     | AA                |
| North Washington Urban Renewal Refunding Bonds                    | NR      | A+                |
| Thornton Development Authority 144th and I-25 Urban Renewal Bonds | NR      | A+                |

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

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Report for the fiscal year ended December 31, 2019. This is the thirty-fifth 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,



Kevin S. Woods  
City Manager



Kimberly Newhart  
Finance Director

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# Thornton City Officials

December 31, 2020

## Mayor and City Council

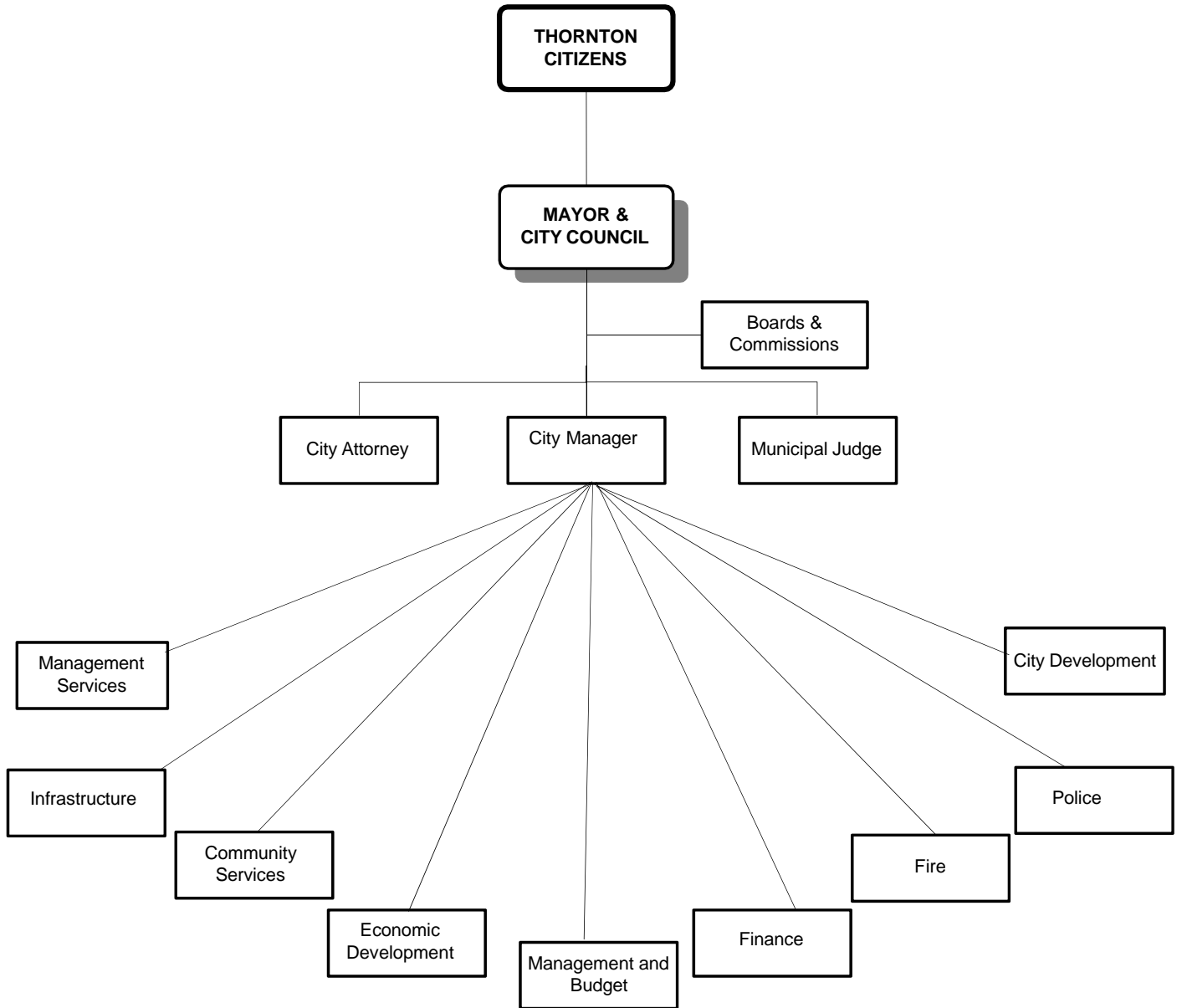
|                 |                  |
|-----------------|------------------|
| Mayor           | Jan Kulmann      |
| Council Members |                  |
| Ward 1          | Sherry Goodman   |
| Ward 1          | Jacque Phillips  |
| Ward 2          | Julia Marvin     |
| Ward 2          | Jessica Sandgren |
| Ward 3          | Sam Nizam        |
| Ward 3          | David Acunto     |
| Ward 4          | Angie Bedolla    |
| Ward 4          | Adam Matkowsky   |

## Administrative

|   |                   |
|---|-------------------|
| City Manager  | Kevin Woods       |
| City Attorney   | Luis Corchado     |
| Municipal Judge   | Charles Rose      |
| Assistant City Manager                                      | Joyce Hunt        |
| Assistant City Manager                                      | Robb Kolstad      |
| Deputy City Manager – City Development                      | Jeff Coder        |
| Executive Director – Infrastructure                         | Brett Henry       |
| Executive Director – Management Services                    | Chris Molison     |
| Executive Director – Parks, Recreation & Community Services | Seve Ghose        |
| Police Chief  | Terrence Gordon   |
| Fire Chief  | Gordie Olson      |
| Director – Economic Development                             | John Cody         |
| Director – Finance  | Kimberly Newhart  |
| City Clerk  | Kristen Rosenbaum |
| Director – Communications                                   | Todd Barnes       |



# City Government Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Thornton  
Colorado**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the 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 as of December 31, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, pension information, the schedule of changes in the City's total OPEB liability and related ratios, and budgetary comparison information, as presented in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Thornton, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules and other schedules, listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary schedules, are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory, statistical sections, and other schedules, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2021 on our consideration of the City of Thornton, Colorado'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 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 of Thornton, Colorado's internal control over financial reporting and compliance.

*RSM US LLP*

Denver, Colorado  
May 21, 2021

**City of Thornton, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2020**

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, 2020. 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 \$1,410,431,592. This total is divided between Governmental Activities of \$450,450,206 and Business-type Activities of \$959,981,386.
- The City's total net position increased by \$72,304,974. This total is divided between an increase in Governmental Activities of \$14,780,479 and an increase in Business-type Activities of \$57,524,495.
- The City's deferred outflows of resources decreased \$2,868,521 primarily related to a reduction in deferred outflows related to pensions. More details on pensions are provided in Footnote I, following the Basic Financial Statements.
- The City's deferred inflows of resources increased \$4,026,488 primarily related to an increase in deferred inflows related to pensions. More details on pensions are provided in Footnote I, following the Basic Financial Statements.
- The City's Governmental Activities show revenues of \$221,975,653. The largest revenue source is sales and use taxes (\$113,669,743) followed by property taxes (\$29,247,725) and charges for services (\$24,008,566). Charges for services consists of license, permits and inspection fees (\$6,131,257, 25.5%), the administrative fee charged to the enterprise funds (\$7,552,085, 31.5%), recreation and related charges (\$3,496,496, 14.6%), ambulance charges (\$4,182,783, 17.4%), fines and forfeitures (\$1,540,140, 6.4%), and other miscellaneous charges (\$1,105,805, 4.6%). The Governmental expenses were \$207,195,174. More details are provided in the Government-wide Financial Analysis section.
- The City's Business-type Activities show revenues of \$131,505,983 the largest revenue source is charges for services (\$79,152,283) followed by capital grants and contributions (\$37,577,921). Capital grants and contributions consists of payments for connections to the City's water and sewer systems (\$24,790,416, 66%), infrastructure donated to the City by developers (\$11,861,462, 31.6%) and grants (\$926,043, 2.5%). The Business-type expenses were \$73,981,488. More details are provided in the Government-wide Financial Analysis section.
- The total fund balance for the General Fund increased by \$542,000, (1.1%) 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 \$51,835,137, or 35% of General Fund budgeted expenditures.

**Overview of the Financial Statements**

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).



**City of Thornton, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**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 12-13 of this report.

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

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

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

The City maintained 15 individual governmental funds in 2020, of which 2 are considered major funds: the General Fund, and the Governmental Capital Fund. Information for these two 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 13 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 64 of this report.

The basic governmental fund financial statements can be found on pages 16-19 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 funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. 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, dental and vision. Because Risk Management predominately benefits governmental rather than business-type functions, 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 internal service fund is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20-25 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 26-63 of this report.

**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 75-118 of this report. The Schedule of Investments and Local Highway Finance Report can be found in other schedules on pages 119-123 of this report.

**City of Thornton, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**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 \$1,410,431,592 at the close of the most recent fiscal year (see Table 1).

By far the largest portion of the City's net position (69.8%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$362,012,842) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Table 1  
Net Position  
As of December 31,

|                                   | Governmental activities |                | Business-type activities |                | Total            |                  |
|-----------------------------------|-------------------------|----------------|--------------------------|----------------|------------------|------------------|
|                                   | 2020                    | 2019           | 2020                     | 2019           | 2020             | 2019             |
| Current and other assets          | \$ 259,517,786          | \$ 241,583,695 | \$ 276,404,164           | \$ 197,877,740 | \$ 535,921,950   | \$ 439,461,435   |
| Capital assets                    | 414,757,686             | 398,176,975    | 825,949,290              | 750,465,966    | 1,240,706,976    | 1,148,642,941    |
| Total assets                      | 674,275,472             | 639,760,670    | 1,102,353,454            | 948,343,706    | 1,776,628,926    | 1,588,104,376    |
| Deferred outflows of resources    | 17,088,315              | 19,963,413     | 1,901,984                | 1,895,406      | 18,990,299       | 21,858,819       |
| Long-term liabilities outstanding | 148,333,748             | 139,124,914    | 123,626,969              | 36,255,249     | 271,960,717      | 175,380,163      |
| Other liabilities                 | 53,530,435              | 49,869,468     | 20,568,863               | 11,485,816     | 74,099,298       | 61,355,284       |
| Total liabilities                 | 201,864,183             | 188,994,382    | 144,195,832              | 47,741,065     | 346,060,015      | 236,735,447      |
| Deferred inflows of resources     | 39,049,398              | 35,059,974     | 78,220                   | 41,156         | 39,127,618       | 35,101,130       |
| Net position:                     |                         |                |                          |                |                  |                  |
| Net investment in capital assets  | 287,482,862             | 288,245,136    | 697,623,613              | 713,190,231    | 985,106,475      | 1,001,435,367    |
| Restricted                        | 63,312,275              | 37,653,387     | -                        | -              | 63,312,275       | 37,653,387       |
| Unrestricted                      | 99,655,069              | 109,771,204    | 262,357,773              | 189,266,660    | 362,012,842      | 299,037,864      |
| Total net position                | \$ 450,450,206          | \$ 435,669,727 | \$ 959,981,386           | \$ 902,456,891 | \$ 1,410,431,592 | \$ 1,338,126,618 |

The government's net position increased by \$72,304,974 during the current fiscal year. This increase is primarily due to revenues exceeding expenses (174.7%) 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 \$14,780,479. The two primary factors to this increase were the year over year increases in sales and use taxes (\$3,196,654) and property taxes (\$8,912,525).
- Governmental revenues increased by \$3,944,841, (1.8%) from 2019, this increase is primarily related to sales and use taxes and property taxes. Overall, the City experienced minimal growth in 2020 as a result of the negative impact from coronavirus restrictions on recreation facilities throughout the City.
- Governmental expenses increased by \$17,980,794 (9.6%) from 2019. The majority of this increase was related to the General government and Community services (\$9,145,638; \$6,355,793). These increases were offset by a decrease in City development expenditures of (\$5,278,124) primarily related to delaying spending on capital outlay.

**City of Thornton, Colorado**  
**Management's Discussion and Analysis**  
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Table 2  
Changes in Net Position  
As of December 31,

|   | Governmental activities |                      | Business-type activities |                      | Total                   |                         |
|---|-------------------------|----------------------|--------------------------|----------------------|-------------------------|-------------------------|
|   | 2020                    | 2019                 | 2020                     | 2019                 | 2020                    | 2019                    |
| Revenues:                                 |                         |                      |                          |                      |                         |                         |
| Program revenues:                         |                         |                      |                          |                      |                         |                         |
| Charges for services                      | \$ 24,008,566           | \$ 26,805,010        | \$ 79,152,283            | \$ 71,025,763        | \$ 103,160,849          | \$ 97,830,773           |
| Operating grants and contributions        | 18,800,681              | 9,442,526            | -                        | -                    | 18,800,681              | 9,442,526               |
| Capital grants and contributions          | 18,800,873              | 32,388,427           | 37,577,921               | 43,034,895           | 56,378,794              | 75,423,322              |
| General revenues:                         |                         |                      |                          |                      |                         |                         |
| Sales and use taxes                       | 113,669,743             | 110,473,089          | -                        | -                    | 113,669,743             | 110,473,089             |
| Property taxes                            | 29,247,725              | 20,335,200           | -                        | -                    | 29,247,725              | 20,335,200              |
| Franchise taxes                           | 6,011,074               | 6,195,392            | -                        | -                    | 6,011,074               | 6,195,392               |
| E911 taxes                                | 1,128,533               | 1,114,583            | -                        | -                    | 1,128,533               | 1,114,583               |
| Other taxes                               | 2,604,622               | 2,939,920            | -                        | -                    | 2,604,622               | 2,939,920               |
| Earnings on investments                   | 2,797,470               | 6,391,532            | 4,502,457                | 6,384,386            | 7,299,927               | 12,775,918              |
| Gain on sale of assets                    | -                       | 31,958               | 3,994,650                | 2,430,704            | 3,994,650               | 2,462,662               |
| Miscellaneous                             | 4,906,366               | 1,913,175            | 4,040,405                | 8,754,542            | 8,946,771               | 10,667,717              |
| Total revenues                            | <u>221,975,653</u>      | <u>218,030,812</u>   | <u>129,267,716</u>       | <u>131,630,290</u>   | <u>351,243,369</u>      | <u>349,661,102</u>      |
| Expenses:                                 |                         |                      |                          |                      |                         |                         |
| General government                        | 45,830,438              | 36,684,800           | -                        | -                    | 45,830,438              | 36,684,800              |
| Police                                    | 41,367,619              | 37,984,510           | -                        | -                    | 41,367,619              | 37,984,510              |
| Fire                                      | 23,152,345              | 19,329,627           | -                        | -                    | 23,152,345              | 19,329,627              |
| City development                          | 11,029,371              | 16,307,495           | -                        | -                    | 11,029,371              | 16,307,495              |
| Streets, traffic, and engineering         | 42,049,922              | 41,806,524           | -                        | -                    | 42,049,922              | 41,806,524              |
| Community services                        | 36,564,491              | 30,208,698           | -                        | -                    | 36,564,491              | 30,208,698              |
| Interest on long-term debt                | 4,962,721               | 4,654,459            | -                        | -                    | 4,962,721               | 4,654,459               |
| Water                                     | -                       | -                    | 47,840,352               | 44,118,390           | 47,840,352              | 44,118,390              |
| Sewer                                     | -                       | -                    | 16,432,487               | 16,670,678           | 16,432,487              | 16,670,678              |
| Environmental Services                    | -                       | -                    | 6,010,614                | 5,833,459            | 6,010,614               | 5,833,459               |
| Stormwater                                | -                       | -                    | 3,698,035                | 3,074,617            | 3,698,035               | 3,074,617               |
| Total expenses                            | <u>204,956,907</u>      | <u>186,976,113</u>   | <u>73,981,488</u>        | <u>69,697,144</u>    | <u>278,938,395</u>      | <u>256,673,257</u>      |
| Increase in net position before transfers | <u>17,018,746</u>       | <u>31,054,699</u>    | <u>55,286,228</u>        | <u>61,933,146</u>    | <u>72,304,974</u>       | <u>92,987,845</u>       |
| Transfers                                 | <u>(2,238,267)</u>      | <u>(39,130,995)</u>  | <u>2,238,267</u>         | <u>39,130,995</u>    | <u>-</u>                | <u>-</u>                |
| Increase (decrease) in net position       | <u>14,780,479</u>       | <u>(8,076,296)</u>   | <u>57,524,495</u>        | <u>101,064,141</u>   | <u>72,304,974</u>       | <u>92,987,845</u>       |
| Net position, Jan 1                       | <u>435,669,727</u>      | <u>443,746,023</u>   | <u>902,456,891</u>       | <u>801,392,750</u>   | <u>1,338,126,618</u>    | <u>1,245,138,773</u>    |
| Net position, Dec 31                      | <u>\$ 450,450,206</u>   | <u>\$435,669,727</u> | <u>\$ 959,981,386</u>    | <u>\$902,456,891</u> | <u>\$ 1,410,431,592</u> | <u>\$ 1,338,126,618</u> |

**City of Thornton, Colorado**  
**Management's Discussion and Analysis**  
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**Business-type activities.** Information regarding Business-type activities (see Table 2).

- Business-type activities increased the City's net position by \$57,524,495, accounting for 79.6% of the total growth in the government's net position.
- Revenues decreased by \$2,362,574 (1.8%) in 2020 compared to 2019. Charges for services (\$79,152,283, 61.2% of total revenues), tap fees (\$24,790,416, 19.2% of total revenues, included in grants and contributions), and oil and gas revenue received on property owned by the City (\$5,081,499, 3.9% of total revenues, included in miscellaneous), represent the three largest inflows to business-type activities. The primary factors in the revenue decrease were decreases in developer contribution (\$6,990,854) and miscellaneous (\$4,714,137).
- Expenses increased \$4,284,344 (6.1%) in 2020 compared to 2019. The Sewer Fund expenses decreased (\$238,191), the Water Fund increased (\$3,721,962), the Environmental Services Fund increased (\$177,155) and the Stormwater Fund increased (\$623,418). In 2020, the primary factor causing the increase in the Water fund was the increased cost for water treatment (\$4,315,316) as a result of increased maintenance project costs at the City's Wes Brown Water Treatment facility.

**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 \$174,038,893, an increase of \$24,335,838.
- The increase in fund balance is primarily related to a new bond issuance (\$26,785,000), to be used primarily on the new City Active Adult Center and Renovation on the existing City Margaret W. Carpenter Rec Center.

Approximately 46% of year-end fund balance (\$80,106,163) is available for spending at the government's discretion. The remainder of fund balance (\$93,932,730) is nonspendable, restricted, or committed to indicate that it is not available for new spending. The largest component is restricted (\$68,668,343, 73.1%). The increase in restricted balance year over year is primarily related to the increase in the parks and open space fund due to the new issuance of bond debt for the new Active Adult Center and renovations to the existing Margaret W Carpenter Rec Center.

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 38.4% (\$19,907,001) of total fund balance (\$51,835,137). 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 (\$136,817,138). Unassigned fund balance represents 14.6% of total actual General Fund expenditures, while total fund balance represents 37.9% of that same amount. The fund balance remained stable year over year as the impacts of corona virus restrictions on revenues were met with reduction in expenses, primarily capital outlay.

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. At the end of the current fiscal year, assigned fund balance was equal to total fund balance (\$43,144,135).

**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 \$241,646,831, \$13,988,265, \$5,610,248, and \$1,112,429 respectively. The change in net position for the funds was an increase in Water of \$44,464,760, an increase in Sewer of \$6,045,390, a decrease in Environmental Services of \$220,688 and an increase in Stormwater of \$7,235,033. Increases in Sewer and Stormwater proprietary funds is primarily attributed to the Net investment in capital assets. The increase in Water proprietary fund is primarily attributed to pooled cash and investment balances.

**City of Thornton, Colorado**  
**Management's Discussion and Analysis**  
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**General Fund Budgetary Highlights**

General Fund revenues were less than budgetary estimates and General Fund expenditures were less than appropriations. Fund revenues were under budget by \$12,911,692 in 2020 primarily related to negative impacts related to coronavirus on operating capacity for recreation facilities and sales and use taxes, specifically motel taxes. Fund expenditures were under budget by \$11,519,901 in 2020 primarily related to delayed personnel savings from selective hiring freezes; fleet, equipment, and building maintenance deferrals; reduced training and travel; and reduced programming in Parks and Recreation. The majority of governmental sales and use tax, 65.4% (\$74,340,994) 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, 2020 amounts to \$1,240,706,976 (net of accumulated depreciation). This investment in capital assets includes land and water rights, building and improvements, leisure areas and improvements, general equipment, and infrastructure (see Table 3).

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

- Governmental capital assets increased in the current year by \$16,580,711 net of accumulated depreciation. The majority of this increase was related to the new Fire Station #1 (\$14,477,616) that opened in November 2020, located at Thornton Pkwy and York Street. This new fire station is a replacement to the old Fire Station #1 and places the station in a better position to assist the growing demands from the City. The City added contributed capital related to development (\$4,890,293). Spending in 2020 that was carried in construction in progress was related to the widening of 144<sup>th</sup> Ave artery (\$4,385,922), renovations at Margaret W Carpenter Recreation Center (\$1,940,395), fiber optic infrastructure throughout the City (\$1,600,374), and new Fire Engine Ladder Truck (\$1,308,391).
- Proprietary capital assets increased by \$75,483,324 net of accumulated depreciation. The majority of the increase was related to costs associated with the Thornton Water Treatment Plant replacement project (\$90,113,052). Completion of the new water treatment plant will replace the Thornton Treatment Plant, which is more than 55 years old and nearing its useful life. A majority of the construction in process balance is related to the building of the new Thornton water pipeline (\$43,042,091), which will deliver water to meet the growing demand fueled by Thornton's continued development.

Additional information on the City's capital assets can be found in note E on pages 36-37 of this report.

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

|  | Governmental activities |                       | Business-type activities |                       | Total                   |                         |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-------------------------|-------------------------|
|  | 2020                    | 2019                  | 2020                     | 2019                  | 2020                    | 2019                    |
| Land, water and land rights              | \$ 50,053,899           | \$ 49,968,248         | \$ 208,190,065           | \$ 203,738,894        | \$ 258,243,964          | \$ 253,707,142          |
| Source of supply                         | -                       | -                     | 128,847,411              | 128,513,466           | 128,847,411             | 128,513,466             |
| Water treatment plant                    | -                       | -                     | 142,063,703              | 56,000,939            | 142,063,703             | 56,000,939              |
| Collection, transmission, & distribution | -                       | -                     | 260,161,528              | 245,630,355           | 260,161,528             | 245,630,355             |
| Streets, traffic, and engineering        | 146,766,262             | 140,209,807           | -                        | -                     | 146,766,262             | 140,209,807             |
| Buildings, structures and improvements   | 133,841,219             | 108,558,910           | 14,182,427               | 14,593,216            | 148,023,646             | 123,152,126             |
| Leisure areas and improvements           | 47,891,936              | 50,184,782            | -                        | -                     | 47,891,936              | 50,184,782              |
| General equipment                        | 20,696,499              | 22,167,586            | 9,466,235                | 7,231,146             | 30,162,734              | 29,398,732              |
| Construction in progress                 | 15,507,871              | 27,087,642            | 63,037,921               | 94,757,950            | 78,545,792              | 121,845,592             |
| <b>Total</b>                             | <b>\$ 414,757,686</b>   | <b>\$ 398,176,975</b> | <b>\$ 825,949,290</b>    | <b>\$ 750,465,966</b> | <b>\$ 1,240,706,976</b> | <b>\$ 1,148,642,941</b> |



**City of Thornton, Colorado**  
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**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$238,195,000 (see Table 4). The City's debt represents certificates of participation of \$94,785,000 and revenue bonds of \$143,410,000. The revenue bonds outstanding are comprised of three issues: \$9,400,000 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, \$24,345,000 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, \$31,410,000 related to Water Enterprise Revenue Refunding Bonds, and \$78,255,000 related to Water Enterprise Revenue Bonds supported by a pledge of charges for services of the Water Fund.

The City's total debt increased by \$96,820,000 (68.5%) during the current fiscal year. The City issued Series 2020 Certificate of Participation in the amount of \$26,785,000 to fund improvement costs associated with the Active Adult Center and Margaret W Carpenter Recreation Center. The City issue Series 2020 Water Revenue Bonds in the amount of \$78,255,000 for costs associated with the new Thornton water treatment plant.

In 2020, the Standard & Poor's rating on the Water Enterprise Revenue Refunding Bonds, Series 2013 and Series 2020, was AA; on the Certificates of Participation S2007, S2018, and S2020 was AA-, and on the Tax Increment Bonds, Series 2015 and 2015B, was A+. In 2020, Moody's rated the Water Revenue Refunding Bonds Series 2013 and Series 2020, Aa2, and the Certificates of Participation (S2007, S2018, S2020), Aa2. The Tax Increment Bonds, Series 2015 and 2015B were not rated by Moody's.

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

|                               | Governmental activities |                       | Business-type activities |                      | Total                 |                       |
|-------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                               | 2020                    | 2019                  | 2020                     | 2019                 | 2020                  | 2019                  |
| Revenue bonds                 | \$ 33,745,000           | \$ 35,385,000         | \$ 109,665,000           | \$ 33,030,000        | \$ 143,410,000        | \$ 68,415,000         |
| Certificates of participation | 94,785,000              | 72,960,000            | -                        | -                    | 94,785,000            | 72,960,000            |
| Total                         | <u>\$ 128,530,000</u>   | <u>\$ 108,345,000</u> | <u>\$ 109,665,000</u>    | <u>\$ 33,030,000</u> | <u>\$ 238,195,000</u> | <u>\$ 141,375,000</u> |

Additional information on the City's long-term debt activity can be found on pages 38-42 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The December 31, 2020 unemployment rate for the City was 8.6%, which is higher than last year. The City has a higher unemployment rate than the state (6.9%), lower than the county's (Adams) rate of 9.2%, and higher than the national rate of 6.7%.
- The national inflation rate increased in 2020 to 2.62% from 2.57% in 2019. The Consumer Price Index for the Denver area increased in 2020 to 2.72% from 2.67% in 2019.
- In 2020, the City's occupancy rate is approximately 90.5% for retail space, 89.6% for office space and 87.3% for industrial space.
- The City's population has increased by 2,639 people.
- The City's yield on cash and investments decreased to 1.46% in 2020. The current projection for 2021's rate is .85%. The City invests available funds with safety as the primary goal.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included restrictions on travel, stay at home orders, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate its spread have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families, and businesses affected by the coronavirus pandemic.

The resulting economic fallout from COVID restrictions was approximately a \$9 million revenue shortfall for 2020. \$11.2 million received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act was recognized as grant revenues and most of the funds were passed-through to provide much-needed aid and funding to small local businesses, residents, and nonprofits.

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

2021 revenues will largely depend on factors such as the state of the pandemic, federal relief efforts, and the pace of economic recovery. Sales and use tax conservative estimated growth is .7%, or \$700,000; pre pandemic, a conservative estimate would have projected growth around 3.4% or \$3.4 million. This projection takes into consideration inflation and commercial growth as it covers building and consumer use tax, hotel and vehicle tax, as well as sales tax. With this uncertainty and certain segments of sales and use tax expected to face continued headwinds, projected revenues for 2021 are considerably lower than the pre-COVID projections. To maintain proper stewardship of City funds expenditures have been reduced where possible to compensate for the anticipated lowered revenues. With potential issues beginning to arise in various supply chains, this could result in a slowdown in commercial development, which would impact projected revenues from permitting and use tax.

All of these factors were considered in preparing the City's budget for the 2021 fiscal year.

Ending unassigned fund balance in the General Fund was \$19,907,001. 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](http://www.thorntonco.gov).

## **BASIC FINANCIAL STATEMENTS**

# City of Thornton, Colorado

## Statement of Net Position December 31, 2020

|   | Governmental<br>Activities | Business-type<br>Activities | Total                   |
|---|----------------------------|-----------------------------|-------------------------|
| <b>ASSETS</b>                                       |                            |                             |                         |
| Equity in pooled cash and investments               | \$ 182,544,036             | \$ 261,933,123              | \$ 444,477,159          |
| Receivables, net                                    |                            |                             |                         |
| Taxes   | 45,874,233                 | -                           | 45,874,233              |
| Accounts  | 7,718,366                  | 10,050,639                  | 17,769,005              |
| Interest and other                                  | 333,280                    | 587,390                     | 920,670                 |
| Inventory of supplies                               | 62,055                     | -                           | 62,055                  |
| Prepays and other assets                            | 16,332                     | 77,519                      | 93,851                  |
| Land held for resale                                | 543,099                    | -                           | 543,099                 |
| Restricted assets                                   |                            |                             |                         |
| Equity in pooled cash and investments               | 18,577,465                 | 3,755,493                   | 22,332,958              |
| Net pension asset                                   | 3,848,920                  | -                           | 3,848,920               |
| Capital assets                                      |                            |                             |                         |
| Land, water rights, and construction in progress    | 65,561,770                 | 400,075,397                 | 465,637,167             |
| Depreciable buildings, property, and equipment, net | 349,195,916                | 425,873,893                 | 775,069,809             |
| Total assets  | <u>674,275,472</u>         | <u>1,102,353,454</u>        | <u>1,776,628,926</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                            |                             |                         |
| Deferred charge on refunding                        | -                          | 1,604,439                   | 1,604,439               |
| Deferred outflow related to ARO                     | 322,764                    | 40,000                      | 362,764                 |
| Deferred outflow related to OPEB                    | 1,547,027                  | 257,545                     | 1,804,572               |
| Deferred outflow related to pension                 | 15,218,524                 | -                           | 15,218,524              |
| Total deferred outflows of resources                | <u>17,088,315</u>          | <u>1,901,984</u>            | <u>18,990,299</u>       |
| <b>LIABILITIES</b>                                  |                            |                             |                         |
| Accounts payable                                    | 16,198,966                 | 10,510,648                  | 26,709,614              |
| Retainage payable                                   | 1,822,948                  | 5,942,282                   | 7,765,230               |
| Accrued interest payable                            | 463,409                    | 576,730                     | 1,040,139               |
| Third party development advances                    | 17,615,354                 | -                           | 17,615,354              |
| Unearned revenue                                    | 250,650                    | 130,293                     | 380,943                 |
| Other   | 4,592,972                  | 188,282                     | 4,781,254               |
| Noncurrent liabilities                              |                            |                             |                         |
| Due within one year                                 | 12,586,136                 | 3,220,630                   | 15,806,766              |
| Due in more than one year                           |                            |                             |                         |
| Due in more than one year - other                   | 139,896,821                | 122,810,471                 | 262,707,292             |
| Due in more than one year - Total OPEB liability    | 4,947,742                  | 816,496                     | 5,764,238               |
| Due in more than one year - Net pension liability   | 3,489,185                  | -                           | 3,489,185               |
| Total liabilities                                   | <u>201,864,183</u>         | <u>144,195,832</u>          | <u>346,060,015</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                            |                             |                         |
| Deferred inflow - property tax                      | 30,392,325                 | -                           | 30,392,325              |
| Deferred gain on refunding                          | 30,285                     | -                           | 30,285                  |
| Deferred inflows related to OPEB                    | 470,062                    | 78,220                      | 548,282                 |
| Deferred inflows related to pensions                | 8,156,726                  | -                           | 8,156,726               |
| Total deferred inflows of resources                 | <u>39,049,398</u>          | <u>78,220</u>               | <u>39,127,618</u>       |
| <b>NET POSITION</b>                                 |                            |                             |                         |
| Net investment in capital assets                    | 287,482,862                | 697,623,613                 | 985,106,475             |
| Restricted for                                      |                            |                             |                         |
| Capital projects                                    | 9,472,760                  | -                           | 9,472,760               |
| Communications                                      | 913,620                    | -                           | 913,620                 |
| Emergencies   | 5,637,735                  | -                           | 5,637,735               |
| Pensions  | 10,910,718                 | -                           | 10,910,718              |
| Parks and open space                                | 35,977,027                 | -                           | 35,977,027              |
| Public safety                                       | 242,584                    | -                           | 242,584                 |
| Other purposes                                      | 157,831                    | -                           | 157,831                 |
| Unrestricted  | 99,655,069                 | 262,357,773                 | 362,012,842             |
| Total net position                                  | <u>\$ 450,450,206</u>      | <u>\$ 959,981,386</u>       | <u>\$ 1,410,431,592</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, 2020

| 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                   |
| <b>Governmental:</b>           |                       |                       |                                    |                                  |   |                          |                         |
| General government             | \$ 45,830,438         | \$ 8,153,917          | \$ 2,472,456                       | \$ 28,697                        | \$ (35,175,368)                                   |                          | \$ (35,175,368)         |
| Police                         | 41,367,619            | 1,696,738             | 1,453,244                          | 40,508                           | (38,177,129)                                      |                          | (38,177,129)            |
| Fire and ambulance             | 23,152,345            | 4,568,578             | 1,497,101                          | 640,036                          | (16,446,630)                                      |                          | (16,446,630)            |
| City development               | 11,029,371            | 6,092,697             | 4,734,175                          | -                                | (202,499)   |                          | (202,499)               |
| Streets, traffic & engineering | 42,049,922            | -                     | 4,831,204                          | 14,791,305                       | (22,427,413)                                      |                          | (22,427,413)            |
| Community services             | 36,564,491            | 3,496,636             | 3,812,501                          | 3,300,327                        | (25,955,027)                                      |                          | (25,955,027)            |
| Interest on long-term debt     | 4,962,721             | -                     | -                                  | -                                | (4,962,721)                                       |                          | (4,962,721)             |
| Total governmental activities  | 204,956,907           | 24,008,566            | 18,800,681                         | 18,800,873                       | (143,346,787)                                     |                          | (143,346,787)           |
| <b>Business-type:</b>          |                       |                       |                                    |                                  |   |                          |                         |
| Water                          | 47,840,352            | 53,413,467            | -                                  | 26,644,415                       |   | 32,217,530               | 32,217,530              |
| Sewer                          | 16,432,487            | 15,838,431            | -                                  | 4,374,053                        |   | 3,779,997                | 3,779,997               |
| Environmental Services         | 6,010,614             | 5,718,387             | -                                  | -                                |   | (292,227)                | (292,227)               |
| Stormwater                     | 3,698,035             | 4,181,998             | -                                  | 6,559,453                        |   | 7,043,416                | 7,043,416               |
| Total business-type activities | 73,981,488            | 79,152,283            | -                                  | 37,577,921                       |   | 42,748,716               | 42,748,716              |
| Total City of Thornton         | <u>\$ 278,938,395</u> | <u>\$ 103,160,849</u> | <u>\$ 18,800,681</u>               | <u>\$ 56,378,794</u>             | <u>(143,346,787)</u>                              | <u>42,748,716</u>        | <u>(100,598,071)</u>    |
| General revenues:              |                       |                       |                                    |                                  |   |                          |                         |
| Sales and use taxes            |                       |                       |                                    |                                  | 113,669,743                                       | -                        | 113,669,743             |
| Property taxes                 |                       |                       |                                    |                                  | 29,247,725  | -                        | 29,247,725              |
| Franchise taxes                |                       |                       |                                    |                                  | 6,011,074   | -                        | 6,011,074               |
| E911 taxes                     |                       |                       |                                    |                                  | 1,128,533   | -                        | 1,128,533               |
| Other taxes                    |                       |                       |                                    |                                  | 2,604,622   | -                        | 2,604,622               |
| Earnings on investments        |                       |                       |                                    |                                  | 2,797,470   | 4,502,457                | 7,299,927               |
| Gain on sale of capital assets |                       |                       |                                    |                                  | -   | 3,994,650                | 3,994,650               |
| Miscellaneous                  |                       |                       |                                    |                                  | 4,906,366   | 4,040,405                | 8,946,771               |
| Transfers                      |                       |                       |                                    |                                  | (2,238,267)                                       | 2,238,267                | -                       |
| Total general revenues         |                       |                       |                                    |                                  | 158,127,266                                       | 14,775,779               | 172,903,045             |
| Change in net position         |                       |                       |                                    |                                  | 14,780,479  | 57,524,495               | 72,304,974              |
| Net position, January 1        |                       |                       |                                    |                                  | 435,669,727                                       | 902,456,891              | 1,338,126,618           |
| Net position, December 31      |                       |                       |                                    |                                  | <u>\$ 450,450,206</u>                             | <u>\$ 959,981,386</u>    | <u>\$ 1,410,431,592</u> |

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, 2020

|  | General<br>Fund      | Governmental<br>Capital<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>  |                      |                                 |                                |                                |
| Equity in pooled cash and investments                              |                      |                                 |                                |                                |
| Unrestricted   | \$ 53,775,058        | \$ 61,461,146                   | \$ 61,045,327                  | \$ 176,281,531                 |
| Restricted   | -                    | -                               | 18,577,465                     | 18,577,465                     |
| Receivables, net   |                      |                                 |                                |                                |
| Taxes  | 26,161,006           | 2,756,692                       | 16,956,535                     | 45,874,233                     |
| Accounts   | 2,295,628            | 4,278,835                       | 927,212                        | 7,501,675                      |
| Interest and other   | 97,354               | 110,106                         | 114,351                        | 321,811                        |
| Inventory of supplies  | 62,055               | -                               | -                              | 62,055                         |
| Prepaid items and other assets                                     | 16,332               | -                               | -                              | 16,332                         |
| Land held for resale   | -                    | -                               | 543,099                        | 543,099                        |
| Total assets   | <u>\$ 82,407,433</u> | <u>\$ 68,606,779</u>            | <u>\$ 98,163,989</u>           | <u>\$ 249,178,201</u>          |
| <b>LIABILITIES</b>   |                      |                                 |                                |                                |
| Accounts payable   | 10,950,680           | 3,615,237                       | 1,499,826                      | 16,065,743                     |
| Retainage payable  | -                    | 918,475                         | 904,473                        | 1,822,948                      |
| Third party development advances                                   | -                    | 16,283,223                      | 1,332,131                      | 17,615,354                     |
| Unearned revenue   | 241,050              | -                               | 9,600                          | 250,650                        |
| Other  | 2,524,195            | 1,166,319                       | 902,458                        | 4,592,972                      |
| Total liabilities  | <u>13,715,925</u>    | <u>21,983,254</u>               | <u>4,648,488</u>               | <u>40,347,667</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                      |                                 |                                |                                |
| Unavailable revenue - property taxes                               | 16,727,319           | -                               | 13,665,006                     | 30,392,325                     |
| Unavailable revenue - intergovernmental                            | -                    | 3,427,742                       | 790,874                        | 4,218,616                      |
| Unavailable revenue - grants                                       | 129,052              | 51,648                          | -                              | 180,700                        |
| Total deferred inflows   | <u>16,856,371</u>    | <u>3,479,390</u>                | <u>14,455,880</u>              | <u>34,791,641</u>              |
| <b>FUND BALANCES</b>   |                      |                                 |                                |                                |
| Nonspendable   |                      |                                 |                                |                                |
| Inventories  | 62,055               | -                               | -                              | 62,055                         |
| Prepays  | 16,332               | -                               | -                              | 16,332                         |
| Restricted   |                      |                                 |                                |                                |
| Parks and open space   | -                    | -                               | 48,715,263                     | 48,715,263                     |
| Capital projects   | -                    | -                               | 9,472,760                      | 9,472,760                      |
| Communications   | 913,620              | -                               | -                              | 913,620                        |
| Debt service   | -                    | -                               | 3,648,550                      | 3,648,550                      |
| Emergencies - TABOR  | 5,637,735            | -                               | -                              | 5,637,735                      |
| Public safety  | 112,394              | -                               | 130,190                        | 242,584                        |
| Other purposes   | -                    | -                               | 37,831                         | 37,831                         |
| Committed  |                      |                                 |                                |                                |
| Emergencies  | 25,186,000           | -                               | -                              | 25,186,000                     |
| Assigned   |                      |                                 |                                |                                |
| Capital projects   | -                    | 43,144,135                      | 15,721,381                     | 58,865,516                     |
| Land held for resale   | -                    | -                               | 543,099                        | 543,099                        |
| Parks and open space   | -                    | -                               | 476,514                        | 476,514                        |
| Other purposes   | -                    | -                               | 314,033                        | 314,033                        |
| Unassigned   | 19,907,001           | -                               | -                              | 19,907,001                     |
| Total fund balances  | <u>51,835,137</u>    | <u>43,144,135</u>               | <u>79,059,621</u>              | <u>174,038,893</u>             |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 82,407,433</u> | <u>\$ 68,606,779</u>            | <u>\$ 98,163,989</u>           | <u>\$ 249,178,201</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, 2020

|  |                    |                              |
|--|--------------------|------------------------------|
| Total fund balances for governmental funds (page 16)   |                    | \$ 174,038,893               |
| 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   | 50,053,899         |                              |
| Construction in progress   | 15,507,871         |                              |
| Streets, Traffic & Engineering, net of \$246,356,608 accumulated depreciation  | 146,766,262        |                              |
| Buildings and improvements, net of \$37,778,673 accumulated depreciation   | 133,841,219        |                              |
| Leisure areas & improvements, net of \$51,906,105 accumulated depreciation   | 47,891,936         |                              |
| General equipment, net of \$36,051,029 accumulated depreciation  | <u>20,696,499</u>  |                              |
| Total capital assets   |                    | 414,757,686                  |
| Net Pension Asset  |                    | 3,848,920                    |
| 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 assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.  |                    | 757,093                      |
| 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   |                    | (30,285)                     |
| 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, 2020 are: |                    |                              |
| Accrued interest on bonds and certificates of participation  | (463,409)          |                              |
| Bonds payable, net of unamortized premium  | (35,990,480)       |                              |
| Obligation under certificates of participation   | (102,177,378)      |                              |
| Obligation under capitalized leases  | (314,733)          |                              |
| Total OPEB liability   | (4,924,011)        |                              |
| Compensated absences   | (8,043,628)        |                              |
| Net pension liability  | (3,489,185)        |                              |
| Asset retirement obligation  | <u>(375,000)</u>   |                              |
| Total long-term liabilities  |                    | (155,777,824)                |
| Deferred outflows related to asset retirement obligation   |                    | 322,764                      |
| Deferred inflows related to unearned revenues are applicable to future periods and, therefore, are not reported in the funds:  |                    |                              |
| Deferred inflows related to intergovernmental  | 4,218,616          |                              |
| Deferred inflows related to grants   | <u>180,700</u>     |                              |
|  |                    | 4,399,316                    |
| 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   | 1,539,481          |                              |
| Deferred outflows relating to pensions   | 15,218,524         |                              |
| Deferred inflows relating to OPEB  | (467,636)          |                              |
| Deferred inflows relating to pensions  | <u>(8,156,726)</u> |                              |
| Total deferred items   |                    | <u>8,133,643</u>             |
| Total net position governmental activities (page 12)   |                    | <u><u>\$ 450,450,206</u></u> |

# City of Thornton, Colorado

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the year ended December 31, 2020

|  | General<br>Fund | Governmental<br>Capital<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------|---------------------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>  |                 |                                 |                                |                                |
| Taxes  |                 |                                 |                                |                                |
| Sales and use  | \$ 74,340,994   | \$ 24,341,580                   | \$ 14,987,169                  | \$ 113,669,743                 |
| Property   | 16,434,128      | -                               | 12,813,597                     | 29,247,725                     |
| Franchise  | 6,011,074       | -                               | -                              | 6,011,074                      |
| E911   | -               | -                               | 1,128,533                      | 1,128,533                      |
| Other  | 2,596,502       | -                               | 8,120                          | 2,604,622                      |
| Licenses and permits   | 6,131,257       | -                               | -                              | 6,131,257                      |
| Intergovernmental  | 7,016,788       | 4,524,688                       | 6,686,919                      | 18,228,395                     |
| Governmental grants  | 1,213,138       | 13,825,640                      | 1,055,344                      | 16,094,122                     |
| Charges for services   | 15,570,267      | -                               | -                              | 15,570,267                     |
| Fines and forfeitures  | 1,540,140       | -                               | -                              | 1,540,140                      |
| Lease  | -               | 175,889                         | -                              | 175,889                        |
| Investment earnings  | 827,360         | 941,263                         | 1,028,847                      | 2,797,470                      |
| Miscellaneous  | 1,427,546       | 2,710,783                       | 1,656,600                      | 5,794,929                      |
| Total revenues   | 133,109,194     | 46,519,843                      | 39,365,129                     | 218,994,166                    |
| <b>EXPENDITURES</b>  |                 |                                 |                                |                                |
| Current  |                 |                                 |                                |                                |
| General government   | 31,921,508      | -                               | -                              | 31,921,508                     |
| Police   | 39,208,799      | -                               | -                              | 39,208,799                     |
| Fire and ambulance   | 20,734,126      | -                               | -                              | 20,734,126                     |
| City development   | 9,291,154       | -                               | -                              | 9,291,154                      |
| Streets, traffic and engineering                             | 11,244,272      | 1,139,426                       | 833,280                        | 13,216,978                     |
| Community services   | 20,890,369      | -                               | 74,219                         | 20,964,588                     |
| Capital outlay   | 3,393,295       | 40,331,291                      | 30,260,502                     | 73,985,088                     |
| Debt service   |                 |                                 |                                |                                |
| Principal retirement   | 118,858         | 4,422,969                       | 3,122,031                      | 7,663,858                      |
| Interest and bond fees                                       | 14,757          | 1,396,569                       | 4,319,541                      | 5,730,867                      |
| Bond issuance costs  | -               | -                               | 511,526                        | 511,526                        |
| Total expenditures   | 136,817,138     | 47,290,255                      | 39,121,099                     | 223,228,492                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | (3,707,944)     | (770,412)                       | 244,030                        | (4,234,326)                    |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                    |                 |                                 |                                |                                |
| Transfers in   | 4,216,446       | 2,921,032                       | 46,517                         | 7,183,995                      |
| Issuance of Debt   | -               | -                               | 26,785,000                     | 26,785,000                     |
| Premium on issuance of debt                                  | -               | -                               | 3,745,451                      | 3,745,451                      |
| Transfers out  | (46,517)        | -                               | (9,202,395)                    | (9,248,912)                    |
| Sale of general capital assets                               | 80,015          | 24,615                          | -                              | 104,630                        |
| Total other financing<br>sources                             | 4,249,944       | 2,945,647                       | 21,374,573                     | 28,570,164                     |
| Net change in fund balances                                  | 542,000         | 2,175,235                       | 21,618,603                     | 24,335,838                     |
| Fund balances, January 1                                     | 51,293,137      | 40,968,900                      | 57,441,018                     | 149,703,055                    |
| Fund balances, December 31                                   | \$ 51,835,137   | \$ 43,144,135                   | \$ 79,059,621                  | \$ 174,038,893                 |

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, 2020

Net change in fund balances - total governmental funds (page 18) \$ 24,335,838

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 (\$36,953,055) less work in progress deletions (\$1,554,552), exceeded depreciation (\$23,183,377) in the current period. 12,215,126

The net effect of various miscellaneous transactions involving capital assets is to decrease net position (contributions of \$4,957,337 less the loss of \$313,772 less the revenue recognized at the fund level of \$104,630 on the sale of capital assets, less \$173,350 for assets, net of depreciation, transferred to the Storm Water Fund) 4,365,585

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  |  | 1,640,000 |           |
| To Capital Asset Finance Corporation for certificates of participation |  | 4,960,000 |           |
| Obligation under capitalized leases                                    |  | 118,858   |           |
| Net adjustment   |  |           | 6,718,858 |

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. (30,018,872)

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 until due, rather than as it accrues. This adjustment combines the net changes:

|                                     |             |
|-------------------------------------|-------------|
| Adjustment to compensated absences  | (1,455,878) |
| Accrued interest on bonds           | (65,433)    |
| Asset Retirement Obligation Expense | 13,882      |

Combined adjustment (1,507,429)

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 | (468,632)   |
| Grant revenues             | (1,611,848) |
| Combined adjustment        | (2,080,480) |

Other postemployment benefits and pension expenses were 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 were not reported as an expenditure or (credit) in the government funds.

|                                       |           |
|---------------------------------------|-----------|
| Other Postemployment benefit expenses | (564,788) |
| Pension Income                        | 912,314   |

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. 404,327

Change in net position governmental activities (page 13) \$ 14,780,479

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

# City of Thornton, Colorado

## Statement of Net Position Proprietary Funds December 31, 2020

|  | Business-type Activities<br>Enterprise Funds |               |              | Governmental<br>Activities       |
|--|--|---------------|--------------|----------------------------------|
|  | Other<br>Enterprise<br>Funds                 |               | Total        | Internal<br>Service<br>Risk Fund |
|  | Water  | Sewer         |              |                                  |
| <b>ASSETS</b>  |  |               |              |                                  |
| Current assets                                       |  |               |              |                                  |
| Equity in pooled cash and investments - unrestricted | \$ 241,377,621                               | \$ 14,086,249 | \$ 6,469,253 | \$ 261,933,123                   |
| Equity in pooled cash and investments - restricted   | 3,755,493                                    | -             | -            | 3,755,493                        |
| Receivables, net                                     |  |               |              |                                  |
| Accounts   | 7,301,773                                    | 1,871,012     | 877,854      | 10,050,639                       |
| Interest and other                                   | 466,582                                      | 27,635        | 12,832       | 507,049                          |
| Prepays and other assets                             | -  | 77,519        | -            | 77,519                           |
| Total current assets                                 | 252,901,469                                  | 16,062,415    | 7,359,939    | 276,323,823                      |
| Noncurrent assets                                    |  |               |              |                                  |
| Loan receivable, net of current portion              | 80,341                                       | -             | -            | 80,341                           |
| Capital assets                                       |  |               |              |                                  |
| Land and water rights                                | 207,850,983                                  | 339,082       | -            | 208,190,065                      |
| Source of supply                                     | 128,847,411                                  | -             | -            | 128,847,411                      |
| Water treatment plant                                | 174,096,699                                  | -             | -            | 174,096,699                      |
| Collection, transmission, and distribution           | 244,616,826                                  | 96,352,326    | 70,880,756   | 411,849,908                      |
| Transportation equipment                             | 2,302,435                                    | 1,720,905     | 7,120,296    | 11,143,636                       |
| General equipment                                    | 9,665,702                                    | 1,418,957     | 1,589,040    | 12,673,699                       |
| Buildings and improvements                           | 21,730,438                                   | 2,428,376     | 684,752      | 24,843,566                       |
| Less accumulated depreciation                        | (136,680,079)                                | (49,308,418)  | (22,745,118) | (208,733,615)                    |
| Construction in progress                             | 49,449,074                                   | 12,814,824    | 774,023      | 63,037,921                       |
| Total noncurrent assets                              | 701,959,830                                  | 65,766,052    | 58,303,749   | 826,029,631                      |
| Total assets   | 954,861,299                                  | 81,828,467    | 65,663,688   | 1,102,353,454                    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                |  |               |              |                                  |
| Deferred outflow related to OPEB                     | 165,007                                      | 25,649        | 66,889       | 257,545                          |
| Deferred outflow related to ARO                      | 40,000                                       | -             | -            | 40,000                           |
| Deferred charge on refunding                         | 1,604,439                                    | -             | -            | 1,604,439                        |
| Total deferred outflows of resources                 | 1,809,446                                    | 25,649        | 66,889       | 1,901,984                        |

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

|  | Business-type Activities<br>Enterprise Funds |               |                              |                | Governmental<br>Activities       |
|--|--|---------------|------------------------------|----------------|----------------------------------|
|  | Water  | Sewer         | Other<br>Enterprise<br>Funds | Total          | Internal<br>Service<br>Risk Fund |
| <b>LIABILITIES</b>   |  |               |                              |                |                                  |
| Current liabilities  |  |               |                              |                |                                  |
| Accounts payable   | \$ 8,259,846                                 | \$ 1,979,918  | \$ 270,884                   | \$ 10,510,648  | \$ 133,223                       |
| Retainage payable  | 5,367,595                                    | 574,337       | 350                          | 5,942,282      | -                                |
| Other  | 188,282                                      | -             | -                            | 188,282        | -                                |
| Unearned revenue   | 130,293                                      | -             | -                            | 130,293        | -                                |
| Payable from restricted assets   |  |               |                              |                |                                  |
| Accrued bond interest payable  | 576,730                                      | -             | -                            | 576,730        | -                                |
| Revenue bonds payable  | 2,795,000                                    | -             | -                            | 2,795,000      | -                                |
| Compensated absences   | 395,294                                      | 219           | 30,117                       | 425,630        | 15,188                           |
| Outstanding reserves and incurred<br>but not reported claims                           | -  | -             | -                            | -              | 2,307,949                        |
| Total current liabilities  | 17,713,040                                   | 2,554,474     | 301,351                      | 20,568,865     | 2,456,360                        |
| Long-term liabilities  |  |               |                              |                |                                  |
| Revenue bonds payable,<br>excluding current portion, net of<br>other unamortized costs | 121,232,834                                  | -             | -                            | 121,232,834    | -                                |
| Total OPEB liability   | 519,602                                      | 87,090        | 209,804                      | 816,496        | 23,731                           |
| Compensated absences   | 467,463                                      | 26,108        | 172,839                      | 666,410        | 28,342                           |
| Other obligations  | 911,227                                      | -             | -                            | 911,227        | -                                |
| Outstanding reserves and incurred<br>but not reported claims                           | -  | -             | -                            | -              | 3,230,259                        |
| Total long-term liabilities  | 123,131,126                                  | 113,198       | 382,643                      | 123,626,967    | 3,282,332                        |
| Total liabilities  | 140,844,166                                  | 2,667,672     | 683,994                      | 144,195,832    | 5,738,692                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |  |               |                              |                |                                  |
| Deferred inflows related to OPEB   | 51,249                                       | 6,464         | 20,507                       | 78,220         | 2,426                            |
| Total deferred inflows of resources  | 51,249                                       | 6,464         | 20,507                       | 78,220         | 2,426                            |
| <b>NET POSITION</b>  |  |               |                              |                |                                  |
| Net investment in capital assets   | 574,128,499                                  | 65,191,715    | 58,303,399                   | 697,623,613    | -                                |
| Restricted - other purposes  | -  | -             | -                            | -              | 120,000                          |
| Unrestricted   | 241,646,831                                  | 13,988,265    | 6,722,677                    | 262,357,773    | 637,093                          |
| Total net position   | \$ 815,775,330                               | \$ 79,179,980 | \$ 65,026,076                | \$ 959,981,386 | \$ 757,093                       |



# City of Thornton, Colorado

## Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the year ended December 31, 2020

|   | Business-type Activities<br>Enterprise Funds |               |                              | Governmental<br>Activities       |
|---|--|---------------|------------------------------|----------------------------------|
|   | Water  | Sewer         | Other<br>Enterprise<br>Funds | Internal<br>Service<br>Risk Fund |
| <b>OPERATING REVENUES</b>                                   |  |               |                              |                                  |
| Charges for services pledged for debt                       | \$ 53,413,467                                | \$ -          | \$ -                         | \$ 53,413,467                    |
| Charges for services  | -  | 15,838,431    | 9,900,385                    | 25,738,816                       |
| Miscellaneous revenue                                       | 109,445                                      | -             | 24,731                       | 134,176                          |
| Interfund services  | -  | -             | -                            | -                                |
|   |  |               |                              | 6,319,094                        |
| Total operating revenues                                    | 53,522,912                                   | 15,838,431    | 9,925,116                    | 79,286,459                       |
|   |  |               |                              | 6,319,094                        |
| <b>OPERATING EXPENSES</b>                                   |  |               |                              |                                  |
| Source of supply  | 6,875,683                                    | -             | -                            | 6,875,683                        |
| Water treatment   | 15,760,872                                   | -             | -                            | 15,760,872                       |
| Collection, transmission<br>distribution, and trash removal | 4,630,027                                    | 1,783,869     | 4,957,238                    | 11,371,134                       |
| Sewage treatment-Metro Wastewater                           | -  | 10,363,394    | -                            | 10,363,394                       |
| Insurance premiums  | -  | -             | -                            | -                                |
| Claims and reserves for claims                              | -  | -             | -                            | -                                |
| Other operating expenses                                    | 1,178,711                                    | 175,462       | 890,705                      | 2,244,878                        |
| Administration  | 9,723,475                                    | 1,750,523     | 1,594,864                    | 13,068,862                       |
| Depreciation  | 7,715,725                                    | 2,359,239     | 2,265,842                    | 12,340,806                       |
| Total operating expenses                                    | 45,884,493                                   | 16,432,487    | 9,708,649                    | 72,025,629                       |
|   |  |               |                              | 6,036,430                        |
| Operating income (loss)                                     | 7,638,419                                    | (594,056)     | 216,467                      | 7,260,830                        |
|   |  |               |                              | 282,664                          |
| <b>NONOPERATING REVENUES<br/>(EXPENSES)</b>                 |  |               |                              |                                  |
| Gain (loss) on sale<br>(disposal) of capital assets         | 3,524,600                                    | (20,258)      | (41,838)                     | 3,462,504                        |
| Gain on sale of land held for resale                        | 532,146                                      | -             | -                            | 532,146                          |
| Interest income   | 4,174,810                                    | 220,734       | 106,913                      | 4,502,457                        |
| Interest and bond amortization<br>expense                   | (1,955,859)                                  | -             | -                            | (1,955,859)                      |
| Miscellaneous, net  | 3,906,229                                    | -             | -                            | 3,906,229                        |
| Total nonoperating revenues                                 | 10,181,926                                   | 200,476       | 65,075                       | 10,447,477                       |
|   |  |               |                              | 121,663                          |
| Income (loss) before capital<br>contributions and transfers | 17,820,345                                   | (393,580)     | 281,542                      | 17,708,307                       |
|   |  |               |                              | 404,327                          |
| Grants and capital contributions                            | 26,644,415                                   | 4,374,053     | 6,732,803                    | 37,751,271                       |
| Transfers in  | -  | 2,064,917     | -                            | 2,064,917                        |
| Change in net position                                      | 44,464,760                                   | 6,045,390     | 7,014,345                    | 57,524,495                       |
|   |  |               |                              | 404,327                          |
| Net position, January 1                                     | 771,310,570                                  | 73,134,590    | 58,011,731                   | 902,456,891                      |
|   |  |               |                              | 352,766                          |
| Net position, December 31                                   | \$ 815,775,330                               | \$ 79,179,980 | \$ 65,026,076                | \$ 959,981,386                   |
|   |  |               |                              | \$ 757,093                       |

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, 2020

|  | Business-type Activities<br>Enterprise Funds |               |                              |                | Governmental<br>Activities       |
|--|--|---------------|------------------------------|----------------|----------------------------------|
|  | Water  | Sewer         | Other<br>Enterprise<br>Funds | Total          | Internal<br>Service<br>Risk Fund |
| <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES</b>                            |  |               |                              |                |                                  |
| Receipts from customers and others   | \$ 50,228,650                                | \$ 15,603,745 | \$ 9,563,411                 | \$ 75,395,806  | \$ -                             |
| Receipts from interfund services   | -  | -             | -                            | -              | 6,301,545                        |
| Payments to suppliers  | (18,988,116)                                 | (12,037,214)  | (4,375,677)                  | (35,401,007)   | (4,765,447)                      |
| Payments to employees  | (11,543,572)                                 | (1,286,929)   | (3,535,635)                  | (16,366,136)   | (651,266)                        |
| Net cash provided by operating activities                                  | 19,696,962                                   | 2,279,602     | 1,652,099                    | 23,628,663     | 884,832                          |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>                 |  |               |                              |                |                                  |
| Grant  | 3,545,693                                    | -             | -                            | 3,545,693      | -                                |
| Repayment from (to) other funds  | -  | 2,064,917     | -                            | 2,064,917      | -                                |
| Receipts from nonoperating leases  | 5,237,185                                    | -             | -                            | 5,237,185      | -                                |
| Net cash provided by<br>noncapital financing activities                    | 8,782,878                                    | 2,064,917     | -                            | 10,847,795     | -                                |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>        |  |               |                              |                |                                  |
| Purchases and construction of<br>capital assets                            | (59,772,780)                                 | (12,654,138)  | (3,756,381)                  | (76,183,299)   | -                                |
| Proceeds from sale of capital assets                                       | 3,536,232                                    | 10,370        | -                            | 3,546,602      | -                                |
| Proceeds from capital debt/advance   | 90,374,765                                   | -             | -                            | 90,374,765     | -                                |
| Issuance cost paid on bonds  | (365,524)                                    | -             | -                            | (365,524)      | -                                |
| Principal paid on bonds and<br>other obligations                           | (1,929,578)                                  | -             | -                            | (1,929,578)    | -                                |
| Interest and fees paid on capital debt                                     | (1,234,519)                                  | -             | -                            | (1,234,519)    | -                                |
| Capital contributions  | 22,708,080                                   | 2,082,336     | 94,418                       | 24,884,834     | -                                |
| Net cash provided by (used in) capital<br>and related financing activities | 53,316,676                                   | (10,561,432)  | (3,661,963)                  | 39,093,281     | -                                |
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES</b>                            |  |               |                              |                |                                  |
| Proceeds from sale of investments  | 231,544,348                                  | 21,392,072    | 9,181,930                    | 262,118,350    | 6,836,159                        |
| Proceeds from the sale of land held for resale                             | 674,525                                      | -             | -                            | 674,525        | -                                |
| Purchases of investments   | (216,576,318)                                | (12,434,625)  | (5,702,504)                  | (234,713,447)  | (5,544,100)                      |
| Interest on investments  | 4,279,956                                    | 268,164       | 123,952                      | 4,672,072      | 110,007                          |
| Net cash provided by<br>investing activities                               | 19,922,511                                   | 9,225,611     | 3,603,378                    | 32,751,500     | 1,402,066                        |
| Net increase in cash and<br>cash equivalents                               | 101,719,027                                  | 3,008,698     | 1,593,514                    | 106,321,239    | 2,286,898                        |
| Cash and cash equivalents, Jan. 1  | 40,963,930                                   | 5,182,957     | 2,163,503                    | 48,310,390     | 1,365,365                        |
| Cash and cash equivalents, Dec. 31   | \$ 142,682,957                               | \$ 8,191,655  | \$ 3,757,017                 | \$ 154,631,629 | \$ 3,652,263                     |
| Cash and cash equivalents  | \$ 142,682,957                               | \$ 8,191,655  | \$ 3,757,017                 | \$ 154,631,629 | \$ 3,652,263                     |
| Investments  | 102,450,157                                  | 5,894,594     | 2,712,236                    | 111,056,987    | 2,610,242                        |
| Total cash and investments   | \$ 245,133,114                               | \$ 14,086,249 | \$ 6,469,253                 | \$ 265,688,616 | \$ 6,262,505                     |
| Equity in pooled cash and investments                                      | \$ 241,377,621                               | \$ 14,086,249 | \$ 6,469,253                 | \$ 261,933,123 | \$ 6,262,505                     |
| Restricted cash and investments  | 3,755,493                                    | -             | -                            | 3,755,493      | -                                |
| Total cash and investments   | \$ 245,133,114                               | \$ 14,086,249 | \$ 6,469,253                 | \$ 265,688,616 | \$ 6,262,505                     |

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

|  | Business-type Activities<br>Enterprise Funds |                     |                     |                      | Governmental<br>Activities       |
|--|--|---------------------|---------------------|----------------------|----------------------------------|
|  | Other<br>Enterprise<br>Funds                 |                     |                     | Total                | Internal<br>Service<br>Risk Fund |
|  | Water  | Sewer               |                     |                      |                                  |
| <b>RECONCILIATION OF OPERATING<br/>INCOME TO NET<br/>CASH PROVIDED BY<br/>OPERATING ACTIVITIES</b> |  |                     |                     |                      |                                  |
| Operating income (loss)  | \$ 7,638,419                                 | \$ (594,056)        | \$ 216,467          | \$ 7,260,830         | \$ 282,664                       |
| Adjustments to reconcile operating<br>income to net cash provided<br>by operating activities:      |  |                     |                     |                      |                                  |
| Depreciation expense   | 7,715,725                                    | 2,359,239           | 2,265,842           | 12,340,806           | -                                |
| Miscellaneous receipts   | (1,164,766)                                  | -                   | -                   | (1,164,766)          | 20,000                           |
| Other expenses   | (5,000)                                      | -                   | -                   | (5,000)              | -                                |
| Change in assets and liabilities:  |  |                     |                     |                      |                                  |
| Increase in accounts<br>receivable, net  | (2,114,036)                                  | (234,686)           | (361,707)           | (2,710,429)          | (37,549)                         |
| Decrease in loans receivable   | 21,915                                       | -                   | -                   | 21,915               | -                                |
| Decrease (increase) in other assets  | 102,756                                      | (77,519)            | -                   | 25,237               | -                                |
| Decrease in deferred outflows of resources<br>Other  | 5,000  | -                   | -                   | 5,000                | -                                |
| Increase in deferred outflows of resources<br>OPEB Related   | (84,713)                                     | (8,107)             | (34,047)            | (126,867)            | (4,053)                          |
| Increase (decrease) in<br>accounts payable   | 7,293,897                                    | 816,375             | (547,019)           | 7,563,253            | (54,101)                         |
| Increase in OPEB   | 124,186                                      | 11,884              | 15,216              | 151,286              | 5,942                            |
| Increase in other liabilities  | 176,206                                      | 4,104               | 87,399              | 267,709              | 670,745                          |
| (Decrease) in unearned revenue   | (37,376)                                     | -                   | -                   | (37,376)             | -                                |
| Increase in deferred inflows of resources<br>OPEB Related  | 24,749                                       | 2,368               | 9,947               | 37,064               | 1,184                            |
| Net cash provided by<br>operating activities   | <u>\$ 19,696,962</u>                         | <u>\$ 2,279,602</u> | <u>\$ 1,652,098</u> | <u>\$ 23,628,662</u> | <u>\$ 884,832</u>                |

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

|   |              |           |           |              |           |
|---|--------------|-----------|-----------|--------------|-----------|
| Investing Activities  |              |           |           |              |           |
| Increase in the fair value of<br>investments                    | \$ 1,152,461 | \$ 36,390 | \$ 21,315 | \$ 1,210,166 | \$ 25,157 |
| Loss on disposal of land held for resale                        | (142,379)    |           |           |              |           |
| Financing Activities  |              |           |           |              |           |
| Bond amortization premiums                                      | 118,060      | -         | -         | 118,060      | -         |
| Capital Activities  |              |           |           |              |           |
| Loss on disposal of capital assets                              | (11,632)     | (30,628)  | (41,838)  | (84,098)     | -         |
| Water, sewer, and stormwater lines<br>contributed by developers | 3,010,292    | 2,291,717 | 6,559,453 | 11,861,462   | -         |
| Contributed capital from governmental funds                     | -            | -         | 173,350   | 173,350      | -         |

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**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.

On September 25, 2018, the City Council approved an ordinance authorizing the organization of the RII-DII Business Improvement District (BID). RII DII BID is a separate legal entity pursuant to state statute for the purpose of constructing and financing of public improvements in the District. RII DII BID is located within the North Washington Urban Renewal Area at 148<sup>th</sup> avenue and Washington Street on approximately 75 acres. The City determined that RII-DII BID meets the definition of a discretely presented component unit for the following reasons: the City's ability to appoint RII-DII BID's governing authority and approve the budget and its revisions. Management believes RII DII BID's operational and financial relationship with the City is immaterial and is not included within the reporting entity. The City does not have any responsibilities to fund RII-DII BID's operating deficiencies or deficits.

Complete financial statements for the RII-DII BID can be obtained from:  
Bow River Capital, Attn: RII DII BID, 205 Detroit Street, Suite 800, Denver, CO 80206.

As required by generally accepted accounting principles (GAAP), these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. These component units are so intertwined with the City that they are, in substance, the same as the City and, therefore, are blended and reported as if they were part of the City. None of the component units listed below report their financial statements independent from the City.

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

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

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1. Reporting Entity (Continued)**

136<sup>th</sup> Avenue General Improvement District (GID) – 136<sup>th</sup> Avenue GID was established to account for the collection of assessment revenues to be used exclusively for the purpose of constructing an interchange at 136<sup>th</sup> 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.

**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.

*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, 2020

**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 of long-term debt 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, 2020

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 2020, all governmental funds had legally adopted annual budgets. Notes 4g. and 4h. explain funds with budgets that are on a non-GAAP basis. Note 4i. explains budgetary practices for capital project funds/accounts.
- g. Budgets for governmental capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that the City includes the capital outlay costs for purchases of land intended for resale and excludes subsequent gains or losses on the resale of the land. In addition, the City excludes gain or loss on disposal of capital assets, acquisition of capital leases, any balances transferred due to closure of a fund and miscellaneous non-cash adjustments.
- h. Budgets for proprietary funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that the City excludes depreciation, amortization, gain or loss on disposal of capital assets, and incurred but not reported claims and includes debt service principal and interest payments and capital outlay. In addition, any balances transferred due to closure of a fund and miscellaneous non-cash adjustments are not budgeted. Budget to Actual schedules for each proprietary fund can be found in the Combining & Individual Statements & Schedules section.
- i. The City adopts a multi-year appropriation for certain capital projects, identified as long term in nature, where unexpended funds will not automatically lapse at year end, but remain appropriated until project completion. Unspent and unencumbered appropriations for those projects that are short term in nature (annual) will continue to lapse at year end.
- j. The City Council may legally amend the budget by ordinance or resolution once it has been approved. Budgeted amounts, including all amendments, are shown as adopted by the City Council.

In 2020, four budget amendments were approved by ordinance or resolution. The effect of these amendments was an overall increase in appropriations of \$17,849,068, broken down by fund type as follows:

|                        |                      |
|------------------------|----------------------|
| General Fund           | \$ 326,692           |
| Special Revenue Funds  | 1,433,250            |
| Capital Projects Funds | 13,936,962           |
| Enterprise Funds       | 1,975,000            |
| Internal Service Funds | 177,164              |
|                        | <u>\$ 17,849,068</u> |



**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. Investments**

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

**6. Receivables and Payables**

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

**7. Inventories**

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

**8. Construction Advances**

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

**9. Capital Assets**

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

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

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

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

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**10. 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 240 hours at the end of the year and any excess cannot be carried forward to the next year unless pre-authorized by the City Manager. For employees hired before January 1, 1995, all sick leave earned prior to December 31, 2002 is compensable. After 20 years of service or at age 62 and 10 years of service, 100% of the unused sick leave over 384 hours plus accumulated vacation leave are paid upon termination, retirement or death. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances, as described above. Compensated absences are liquidated by the respective fund where the liability was originally accrued.

Accumulated vacation leave limit of 240 in essence was waived for the 2020 reporting period because of coronavirus restrictions placed on travel and widespread stay at home orders. Waving this limit did lead to a large increase in the City's compensated absences, however this threshold is anticipated to be back in place for the 2021 reporting period.

**11. Long-Term Obligations**

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

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

GASB 49 addresses accounting and financial reporting for pollution remediation obligations. The Thornton Development Authority, a component unit of the City, owns property which falls under voluntary remediation and had a plan with the State to actively treat subsurface contamination. The total amount spent as of year end 2010 on remediation was \$1,437,056. In 2010, the City received approval from the State to stop remediation and move to monitoring only. The City has spent a total of \$320,324 as of year-end 2020 for monitoring.

**12. Fund Equity**

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

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

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

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**12. Fund Equity (Continued)**

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.

**13. 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. As of December 31, 2020, the City had unspent bond proceeds of \$12,738,236 in the Parks and Open Space Fund. Unspent bond proceeds increased \$6,327,411 because of new debt issuance, more details given in note G.8.

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.

**14. 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.

**15. 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.

**16. 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.

**17. 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.

**18. Sales Tax**

As a home rule city, Thornton collects its own sales taxes. Within the general government, the ten largest retailers remit approximately 44% of the sales tax collected.

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**19. 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 position 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 position 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, 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.*

**20. Implementation of New GASB Statements**

Beginning in fiscal year 2020, the City implemented the following statements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 84, Fiduciary Activities – this statement establishes criteria for identifying fiduciary activities of all state and local governments. The statement identifies pensions (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds require reporting. *This GASB did not require a change to reporting of current or prior periods.*

GASB Statement No. 91 Conduit Debt Obligations – this statement establishes a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. *This GASB did not require a change to reporting of current or prior periods.*

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – this statement improves financial reporting for public-private and public-public partnership arrangements (PPPs). *This GASB did not require a change to reporting of current or prior periods.*

**21. Future Accounting Pronouncements**

This report does not incorporate GASB Statement No. 87, Leases. City's management does expect the implementation of this standard to effect financial statements, at this time management has not determined what the effect is going to be.

This report does not incorporate GASB Statement No. 93 Replacement of Interbank Offered Rates, and GASB Statement No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The City will adopt and implement these statements at the required time. The City's management has not yet determined the effect the statements will have on the City's financial statements.

**22. 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.

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**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.

**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 market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2020, the City's deposits had a carrying amount of \$2,771,187 and a bank balance of \$7,716,324. Of the bank balance, \$1,073,802 was covered by federal depository insurance. The remainder of the bank balance, \$6,642,522, 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, 2020, the City had the following investments and maturities:

| <u>Investment Type</u>         | <u>Fair Value</u> | <u>&lt; 1 Year</u> | <u>2-3 Years</u> | <u>4-5 Years</u> |
|--------------------------------|-------------------|--------------------|------------------|------------------|
| U.S. Government Treasuries     | \$ 23,384,385     | \$ 15,182,237      | \$ 8,202,148     | \$ -             |
| Corp Bonds                     | 61,950,638        | 12,543,715         | 41,005,390       | 8,401,533        |
| U.S. Government Agencies       | 102,062,818       | 24,944,671         | 18,362,452       | 58,755,695       |
| State & Local Government Bonds | 14,341,064        | 2,197,639          | 2,492,250        | 9,651,175        |
| Certificate of Deposit         | 3,337,335         | 243,884            | 1,267,477        | 1,825,974        |
| Local Gov't Investment Pools   | 258,962,690       | 258,962,690        | -                | -                |
| Total                          | \$ 464,038,930    | \$ 314,074,836     | \$ 71,329,717    | \$ 78,634,377    |

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

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)**

**3. Investments (Continued)**

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

There have been no significant changes in the valuation techniques during the year ended December 31, 2020. 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, 2020, U.S. Government Treasuries, Corporate Bonds, State and Local Government bonds, U.S. Government Agencies, and Certificate of Deposits, are classified within Level 2 hierarchy. Participant balances in the Local government pools Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colotrust) are stated at net asset value. The underlying securities in CSAFE are measured at amortized cost and are so close to fair value when measured at amortized cost that they are generally equivalent. Securities in Colotrust, other than agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities, repurchase agreements are recorded at cost, which approximates fair value.

*Interest Rate Risk* – The City's internal investment policy is designed to reduce interest rate risk. The maximum duration of the portfolio is limited to 4.0 years. At December 31, 2020, the weighted-average maturity of the City's portfolio was 12.3 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, 2020, the City's investment in U.S. Treasuries, FHLB, FFCB, FNMA, FHLMC, and Corporates (excluding Toyota) were all rated AA- or better by Standard & Poor's or Aa3 or better by Moody's. As of December 31, 2020, the City's investment in Toyota was rated A+ 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, 2020, 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, 2020, the City's investment in U.S. Treasuries were 5%, FHLB were 5.9%, FFCB was 3.6%, FNMA was 7.3%, FHLMC was 5.2%, and Certificate of Deposits were 0.7%. The City's investment in Local Government Investment Pools are excluded from this disclosure requirement.

*Local Government Investment Pools* – As of December 31, 2020, the City had \$67,739,565 invested in Colotrust and \$191,223,125 invested in CSAFE. These investment vehicles were established for local government entities in Colorado to pool surplus resources; it is overseen by the Colorado Securities Commissioner and governed by CRS 24-75-701. A designated custodial bank provides safekeeping and depository services. The custodian's internal records identify the investments owned by the participating governments. Both pools operate similarly to a money market fund and each share is equal to \$1.00 in value. Colotrust and CSAFE are rated AAAM by Standard & Poor's.

**City of Thornton, Colorado**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

**NOTE D - PROPERTY TAXES AND RECEIVABLES**

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

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, 2020, total accounts receivable were \$1,626,721 with an allowance for bad debt of \$362,965. Write-offs, which include contractual allowances and uncollectible amounts related to the current period, are \$4,006,977.

**City of Thornton, Colorado**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

**NOTE E - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 was as follows:

|   | Beginning<br>balances | Additions &<br>transfers | Deletions &<br>transfers | Ending<br>balances   |
|---|-----------------------|--------------------------|--------------------------|----------------------|
| <u>Governmental activities:</u>             |                       |                          |                          |                      |
| Capital assets not being depreciated:       |                       |                          |                          |                      |
| Land and land rights                        | \$ 49,968,248         | \$ 275,843               | \$ (190,192)             | \$ 50,053,899        |
| Construction in progress                    | 27,087,642            | 10,106,281               | (21,686,052)             | 15,507,871           |
| Total capital assets not being depreciated  | 77,055,890            | 10,382,124               | (21,876,244)             | 65,561,770           |
| Capital assets being depreciated:           |                       |                          |                          |                      |
| Streets, traffic, and engineering           | 375,226,558           | 18,114,683               | (218,371)                | 393,122,870          |
| Buildings and improvements                  | 143,064,140           | 28,555,752               | -                        | 171,619,892          |
| Leisure areas and improvements              | 98,331,223            | 1,466,818                | -                        | 99,798,041           |
| General equipment                           | 54,513,917            | 3,823,579                | (1,590,267)              | 56,747,229           |
| Total capital assets being depreciated      | 671,135,838           | 51,960,832               | (1,808,638)              | 721,288,032          |
| Less accumulated depreciation for:          |                       |                          |                          |                      |
| Streets, traffic, and engineering           | 235,016,751           | 11,440,747               | (100,890)                | 246,356,608          |
| Buildings and improvements                  | 34,505,230            | 3,273,443                | -                        | 37,778,673           |
| Leisure areas and improvements              | 48,146,441            | 3,759,664                | -                        | 51,906,105           |
| General equipment                           | 32,346,331            | 4,861,237                | (1,156,838)              | 36,050,730           |
| Total accumulated depreciation              | 350,014,753           | 23,335,091               | (1,257,728)              | 372,092,116          |
| Total capital assets being depreciated, net | 321,121,085           | 28,625,741               | (550,910)                | 349,195,916          |
| Governmental activity capital assets, net   | <u>\$398,176,975</u>  | <u>\$ 39,007,865</u>     | <u>\$ (22,427,154)</u>   | <u>\$414,757,686</u> |
| <u>Business-type activities:</u>            |                       |                          |                          |                      |
| Capital assets not being depreciated:       |                       |                          |                          |                      |
| Land and water rights                       | \$203,738,893         | \$ 4,459,059             | \$ (7,887)               | \$208,190,065        |
| Source of supply                            | 128,513,466           | 333,945                  | -                        | 128,847,411          |
| Construction in progress                    | 94,757,951            | 46,519,194               | (78,239,224)             | 63,037,921           |
| Total capital assets not being depreciated  | 427,010,310           | 51,312,198               | (78,247,111)             | 400,075,397          |
| Capital assets being depreciated:           |                       |                          |                          |                      |
| Water treatment plant                       | 86,097,745            | 87,998,954               | -                        | 174,096,699          |
| Collection, transmission, and distribution  | 389,037,984           | 22,847,127               | (35,203)                 | 411,849,908          |
| Transportation equipment                    | 9,209,137             | 3,214,763                | (1,280,264)              | 11,143,636           |
| General equipment                           | 12,082,617            | 945,615                  | (354,533)                | 12,673,699           |
| Buildings and improvements                  | 24,843,566            | -                        | -                        | 24,843,566           |
| Total capital assets being depreciated      | 521,271,049           | 115,006,459              | (1,670,000)              | 634,607,508          |
| Less accumulated depreciation for:          |                       |                          |                          |                      |
| Water treatment plant                       | 30,096,806            | 1,936,190                | -                        | 32,032,996           |
| Collection, transmission, and distribution  | 143,407,629           | 8,315,954                | (35,203)                 | 151,688,380          |
| Transportation equipment                    | 4,785,014             | 1,119,816                | (1,157,632)              | 4,747,198            |
| General equipment                           | 9,275,594             | 606,631                  | (278,323)                | 9,603,902            |
| Buildings and improvements                  | 10,250,350            | 410,789                  | -                        | 10,661,139           |
| Total accumulated depreciation              | 197,815,393           | 12,389,380               | (1,471,158)              | 208,733,615          |
| Total capital assets being depreciated, net | 323,455,656           | 102,617,079              | (198,842)                | 425,873,893          |
| Business-type capital assets, net           | <u>\$750,465,966</u>  | <u>\$ 153,929,277</u>    | <u>\$ (78,445,953)</u>   | <u>\$825,949,290</u> |



**City of Thornton, Colorado**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

**NOTE E - CAPITAL ASSETS (CONTINUED)**

During 2020, Governmental activities additions and transfers includes the transfer of capital assets from Business-type activities in the transportation equipment category with a historical cost of \$274,347 with accumulated depreciation of \$151,714. In the Business-type activities additions and transfers includes the transfer of assets from Governmental activities in the transportation equipment category increasing by \$292,179 with accumulated depreciation of \$37,639, and general equipment increasing by \$52,376 with accumulated depreciation of \$10,935.

Depreciation expense was charged to functions/activities as follows:

|  |                             |
|--|-----------------------------|
| <u>Governmental activities:</u>  |                             |
| General government   | \$ 1,648,150                |
| Police   | 2,010,992                   |
| Fire   | 1,106,879                   |
| City development   | 395,637                     |
| Streets, traffic & engineering   | 12,114,645                  |
| Community services   | <u>5,907,074</u>            |
| Total governmental activities depreciation   | 23,183,377                  |
| Add accumulated depreciation for transportation equipment transferred into Governmental Activities (net) | <u>151,714</u>              |
| Additions and transfers per Note E for accumulated depreciation for government activities                | <u><u>\$ 23,335,091</u></u> |
| <br><u>Business-type activities:</u>   |                             |
| Water  | \$ 7,715,725                |
| Sewer  | 2,359,239                   |
| Environmental Services   | 732,977                     |
| Storm Water  | <u>1,484,291</u>            |
| Total business-type activities depreciation  | 12,292,232                  |
| Add accumulated depreciation for general equipment transferred into Storm Water (net)                    | <u>48,574</u>               |
| Additions and transfers per Note E for accumulated depreciation for business-type activities             | <u><u>\$ 12,340,806</u></u> |

**NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) to close an existing fund, or (4) to move funds related to a prior year expense error. The composition of transfers at December 31, 2020 is as follows:

| Transfers out:       | Transfers in:       |                      |                     |                      |                     |
|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|                      | General             | Governmental Capital | Sewer               | Government Non Major | Total               |
| General              | \$ -                | \$ -                 | \$ -                | \$ 46,517            | \$ 46,517           |
| Government Non-Major | 4,216,446           | 2,921,032            | 2,064,917           | -                    | \$ 9,202,395        |
|                      | <u>\$ 4,216,446</u> | <u>\$ 2,921,032</u>  | <u>\$ 2,064,917</u> | <u>\$ 46,517</u>     | <u>\$ 9,248,912</u> |

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE G - LONG-TERM DEBT**

**1. Bonds Payable**

Bonds payable at December 31, 2020 are comprised of:

Revenue Bonds

\$39,380,000, April 29, 2013 Water Enterprise Revenue Refunding Bonds, Series 2013, annual installments of \$1,700,000 to \$2,765,000 through December 1, 2034, interest at 3.00% to 5.00% \$ 31,410,000

\$78,255,000, October 29, 2020 Water Enterprise Revenue Bonds, Series 2020, annual installments of \$1,095,000 to \$4,080,000 through December 1, 2050, interest at 3.00% to 5.00% 78,255,000

Plus unamortized premium 14,362,834

\$ 124,027,834

At December 31, 2020, deferred charges were \$1,604,439 for the Water Enterprise Revenue Refunding Bonds.

Tax Increment Bonds

\$13,900,000, September 22, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Refunding Bonds, Series 2015, annual installments of \$995,000 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, 2020, pledged sales and property taxes were \$11,292,373, principal and interest paid were \$960,000, and \$451,463 respectively. \$ 9,400,000

\$27,580,000, December 2, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Bonds, Series 2015B, annual installments of \$710,000 to \$2,170,000 through December 1, 2037, interest at 3.00% to 5.00% (This issue will be serviced solely by the pledged property tax increment and sales tax collected, net other obligations, within the boundaries of the East 144th Ave. and I-25 Area. Although the obligation is reported within the governmental activities, it is not a general obligation of the City (primary government). For the year ended December 31, 2020, pledged sales and property taxes were \$2,187,764, principal and interest paid were \$680,000, and \$1,125,994 respectively. 24,345,000

Plus unamortized premium 2,245,480

\$ 35,990,480

At December 31, 2020, the deferred gain was \$30,285 for the Tax Increment Revenue Refunding Bonds.

There are limitations and restrictions in the various bond indentures. As of December 31, 2020 the City believes it is in compliance with all significant limitations and restrictions.

**City of Thornton, Colorado**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

**NOTE G - LONG-TERM DEBT (CONTINUED)**

**2. Certificates of Participation**

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

The 2007 Amended and Restated Master Lease Purchase Agreement totaling \$32,820,000, is due in annual installments of \$3,105,000 to \$3,230,000 through December 1, 2022 with interest at 4.00% and currently amounts to \$6,335,000. The 2007 Amended and Restated Lease Agreement unamortized discount was \$32,006 at December 31, 2020.

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

The City issued 2018 Certificates of Participation totaling \$65,280,000 evidencing proportionate interests in the base rentals under the Lease Purchase Agreement. The proceeds of the issuance will be used to finance or reimburse the City for the costs of the new Trail Winds Recreation Center, a new Public Safety Facility and other capital improvements. The base rentals are due in annual installments of \$2,065,000 to \$4,610,000 through November 15, 2039 with interest at 4.00% to 5.00% and currently amounts to \$61,665,000. The 2018 Lease Purchase Agreement unamortized premium was \$3,817,653 at December 31, 2020.

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

The City issued 2020 Certificates of Participation totaling \$26,785,000, evidencing proportionate interests in the base rentals under the Amended Lease Purchase Agreement. The proceeds of the issuance will be used to finance or reimburse the City for the costs of the new Active Adult Center and rehabilitating the aquatics facility at the Margaret W. Carpenter Recreation Center. The base rentals are due in annual installments of \$985,000 to \$1,995,000 through November 15, 2038 with interest at 3.00% to 5.00% and currently amounts to \$26,785,000. The 2020 Amended Lease Purchase Agreement unamortized premium was \$3,606,731 at December 31, 2020.

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**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, 2020 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, 2020:

In the governmental activities, a liability of \$425,000 was recognized for obligations related to four underground and two aboveground fuel tanks (capacities ranging from 3,000 to 10,000 gallons), these tanks provide fuel for the City's vehicles and equipment. In 2020, a 3,000 gallon underground tank was abandoned and the liability was reduced to \$375,000. 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 underground fuel tanks is 11 years for the remaining three underground tanks. The estimated remaining life of the two aboveground tanks is 17 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 8 years. There are no legal funding requirements or assurances, or restricted amounts for the payment of this liability.

**4. Lease Obligations**

*Operating Leases* - The City currently leases copiers used by City departments. In 2020, the City's 2015 lease of city wide copiers expired and a new 5 year lease was entered into for 56 copiers. Lease expenses for the year ended December 31, 2020 were \$146,606 for governmental activities.

For the Business-Type activities, in 2020, the City entered into an agreement to lease land and water surface activity for 5 years. Lease expenses for the year ended December 31, 2020 were \$20,700.

Future minimum lease payments are as follows:

| Year Ended<br>December 31, | Governmental | Business-Type |
|----------------------------|--------------|---------------|
| 2021                       | \$ 156,206   | \$ 21,425     |
| 2022                       | 156,206      | 22,174        |
| 2023                       | 156,206      | 22,950        |
| 2024                       | 152,148      | 23,754        |
| 2025                       | 34,995       | -             |
|                            | \$ 655,761   | \$ 90,303     |

**City of Thornton, Colorado**

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE G - LONG-TERM DEBT (CONTINUED)**

**4. Lease Obligations (Continued)**

*Capitalized Lease Obligations* - The City has a lease agreement (as lessee) for golf carts in the governmental activities. The golf carts have a carrying value, net of accumulated depreciation, of \$232,722 and have a remaining useful life of 3 years. This year, \$98,201 was included in depreciation expense. This agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The City has the option to purchase the equipment at the end of the lease term.

The City also has a lease for reprographics equipment with a remaining useful life of 3 years at a current value, net of accumulated depreciation, of \$59,056. This year, depreciation expense was \$24,920. The agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments. The lease contains a purchase option at the end of the lease.

Obligations under capital leases at December 31, 2020 are as follows:

| Year Ended December 31,                  | Governmental<br>Activities |
|--|----------------------------|
| 2021                                     | \$ 133,614                 |
| 2022                                     | 185,201                    |
| 2023                                     | <u>9,931</u>               |
| Total minimum lease payments             | 328,746                    |
| Less: Amount representing interest costs | <u>14,013</u>              |
| Present value of minimum lease payments  | <u><u>\$ 314,733</u></u>   |

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE G - LONG-TERM DEBT (CONTINUED)**

**5. Long-Term Obligation Activity**

Long-term liability activity for the year ended December 31, 2020 was as follows:

|  | Beginning<br>Balances | Increases            | Decreases            | Ending Balances       | Due within<br>one year |
|--|-----------------------|----------------------|----------------------|-----------------------|------------------------|
| Governmental activities:                   |                       |                      |                      |                       |                        |
| Tax increment bonds                        | \$ 35,385,000         | \$ -                 | \$ 1,640,000         | \$ 33,745,000         | \$ 1,705,000           |
| Add unamortized premium                    | 2,427,728             | -                    | 182,248              | 2,245,480             | -                      |
| Total bonds payable                        | 37,812,728            | -                    | 1,822,248            | 35,990,480            | 1,705,000              |
| Certificates of participation              | 72,960,000            | 26,785,000           | 4,960,000            | 94,785,000            | 6,155,000              |
| Less unamortized discount                  | (48,009)              | -                    | (16,003)             | (32,006)              | -                      |
| Add unamortized premium                    | 4,020,360             | 3,745,451            | 341,427              | 7,424,384             | -                      |
| Total certificate of participation payable | 76,932,351            | 30,530,451           | 5,285,424            | 102,177,378           | 6,155,000              |
| Capital leases                             | 433,591               | -                    | 118,858              | 314,733               | 123,582                |
| Compensated absences                       | 6,619,731             | 5,869,903            | 4,402,476            | 8,087,158             | 2,294,605              |
| Risk - claims liability                    | 4,879,012             | 4,169,078            | 3,509,882            | 5,538,208             | 2,307,949              |
| Other - asset retirement obligation        | 425,000               | -                    | 50,000               | 375,000               | -                      |
| Governmental activities:                   |                       |                      |                      |                       |                        |
| Total long-term liabilities                | <u>\$ 127,102,413</u> | <u>\$ 40,569,432</u> | <u>\$ 15,188,888</u> | <u>\$ 152,482,957</u> | <u>\$ 12,586,136</u>   |
| Business-type activities:                  |                       |                      |                      |                       |                        |
| Revenue bonds                              | \$ 33,030,000         | \$ 78,255,000        | \$ 1,620,000         | \$ 109,665,000        | \$ 2,795,000           |
| Add unamortized premium                    | 2,476,418             | 12,119,765           | 233,349              | 14,362,834            | -                      |
| Total bonds payable                        | 35,506,418            | 90,374,765           | 1,853,349            | 124,027,834           | 2,795,000              |
| Compensated absences                       | 913,951               | 903,473              | 725,384              | 1,092,040             | 425,630                |
| Other                                      | 1,220,805             | -                    | 309,578              | 911,227               | -                      |
| Business-type activities:                  |                       |                      |                      |                       |                        |
| Total long-term liabilities                | <u>\$ 37,641,174</u>  | <u>\$ 91,278,238</u> | <u>\$ 2,888,311</u>  | <u>\$ 126,031,101</u> | <u>\$ 3,220,630</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.

**6. Debt Service Requirements**

Debt service requirements on long-term debt at December 31, 2020 are as follows:

| Year<br>ending<br>Dec 31, | GOVERNMENTAL ACTIVITIES |                      |                               |                      | BUSINESS-TYPE ACTIVITIES |                      |
|---------------------------|-------------------------|----------------------|-------------------------------|----------------------|--------------------------|----------------------|
|                           | Tax increment bonds     |                      | Certificates of participation |                      | Revenue bonds            |                      |
|                           | Principal               | Interest             | Principal                     | Interest             | Principal                | Interest             |
| 2021                      | \$ 1,705,000            | \$ 1,511,857         | \$ 6,155,000                  | \$ 4,049,050         | \$ 2,795,000             | \$ 4,263,710         |
| 2022                      | 1,765,000               | 1,450,757            | 6,440,000                     | 3,772,350            | 3,185,000                | 3,870,044            |
| 2023                      | 1,845,000               | 1,377,107            | 3,370,000                     | 3,482,650            | 3,350,000                | 3,710,794            |
| 2024                      | 1,930,000               | 1,284,856            | 3,535,000                     | 3,314,150            | 3,515,000                | 3,543,294            |
| 2025                      | 2,030,000               | 1,188,354            | 3,715,000                     | 3,137,400            | 3,670,000                | 3,387,242            |
| 2026-2030                 | 11,185,000              | 4,320,644            | 21,545,000                    | 12,709,000           | 20,895,000               | 14,407,769           |
| 2031-2035                 | 9,050,000               | 2,234,313            | 26,810,000                    | 7,436,450            | 22,225,000               | 10,211,856           |
| 2036-2040                 | 4,235,000               | 276,850              | 23,215,000                    | 2,126,650            | 14,165,000               | 6,852,000            |
| 2041-2045                 | -                       | -                    | -                             | -                    | 16,610,000               | 4,412,550            |
| 2046-2050                 | -                       | -                    | -                             | -                    | 19,255,000               | 1,767,150            |
|                           | <u>\$ 33,745,000</u>    | <u>\$ 13,644,738</u> | <u>\$ 94,785,000</u>          | <u>\$ 40,027,700</u> | <u>\$ 109,665,000</u>    | <u>\$ 56,426,409</u> |

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE G - LONG-TERM DEBT (CONTINUED)**

**7. Revenues Pledged for Debt Service**

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$39,380,000 in water revenue refunding bonds and \$78,255,000 in water revenue bonds. Proceeds from the revenue refunding bonds, Series 2013, were used for rejuvenation of the water treatment facilities, improving and expanding water storage, and various other projects. And the proceeds from the revenue bonds, Series 2020, were used to construct a water treatment plant. The bonds are payable solely from water customer net revenues and are payable through 2050. Annual principal and interest payments on the bonds are expected to require less than 15% of net revenues. The total principal and interest remaining to be paid on the bonds is \$166.1 million. For the year ended December 31, 2020 net available revenues were \$47,259,813, principal and interest paid were \$1,620,000, and \$1,234,244, respectively.

**8. New Debt Issuance**

In 2020, the City issued \$26,785,000 of Certificates of Participation to fund improvement costs associated with the new Active Adult Center and rehabilitating the aquatics facility at the Margaret W. Carpenter Recreation Center. Interest rates on the COPs range from 3.0% to 5.0%. Although the obligation is reported within the governmental activities funds, it is neither a general nor a limited obligation of the City.

In 2020, the City also issued \$78,255,000 of Water Enterprise Revenue Bonds to fund the construction of a new Water Treatment Plant. Interest rates on the bonds range from 3.0% to 5.0%.

**NOTE H - UNEARNED REVENUE**

The General Fund includes unearned revenue of \$241,050, which is related to funds received for the dissolution of a metropolitan district and prefunded permit fees, and grant disbursement. The Open Space Fund has \$9,600 for a property lease. The Water Fund has \$130,293 for water and farm leases.

**NOTE I – RETIREMENT PLANS**

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

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

At December 31, 2020, the City reported the following aggregate amounts related to the FPPA plans to which it contributes:

| Statement of Net Position and<br>Statement of Activities | Governmental<br>Activities |
|--|----------------------------|
| Net pension liability                                    | \$ 3,489,185               |
| Net pension asset  | 3,848,920                  |
| Deferred outflows of resources                           | 15,218,524                 |
| Deferred inflows of resources                            | 8,156,726                  |
| Pension income   | 912,314                    |

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.

**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

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

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

A description of each plan and selected financial information follows.

**1. Defined Contribution Money Purchase Plans**

**a. Regular Employee Money Purchase Plan**

*Plan Description.* The Regular Employee Money Purchase Plan is a single employer defined contribution plan maintained for regular employees. In 2020, the City began the process of changing administrators of the Regular Employee Money Purchase Plan; assets were administered and held by Nationwide Investment Services Corporation (new administrator) and ICMA Retirement Corporation (previous administrator). The plan requires mandatory employee pre-tax contributions to the plan of 6% of base pay. The City also contributes 6.85% of employees' base pay to the plan. The plan requires employee participation in the plan immediately upon date of hire. Vesting of employer contributions is as follows: 0% in employer contributions for the first 2 years, 30% at 3 years, 40% at 4 years, and 100% at 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

*Funding.* Employer contributions are funded every pay period by the governmental and proprietary funds. The City's contributions for 2020 were \$3,867,277 (which includes the City's match for voluntary contributions). City employees' mandatory contributions for 2020 were \$3,103,537. The City's contributions were offset by \$71,549 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. In 2020, the City began the process of changing administrators of the Contract Employee Money Purchase Plan; assets were administered and held by Nationwide Investment Services Corporation (new administrator) and ICMA Retirement Corporation (previous administrator).

*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 2020 were \$59,532 and \$62,317 respectively.

**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. In 2020, the City began the process of changing administrators of the Firefighters Money Purchase Plan; assets were administered and held by Nationwide Investment Services Corporation (new administrator) and ICMA Retirement Corporation (previous administrator). The plan requires mandatory employee contributions of 8% of base pay. The City's contribution is 8% of base pay. Vesting of employees is as follows: 0% in employer contributions for the first 2 years, 30% at 3 years, 40% at 4 years, and 100% at 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

*Funding.* Employer contributions are funded every pay period from the General Fund. The City's contributions for 2020 were \$231,948 (which included the City's match for voluntary contributions). The City firefighters' mandatory contributions for 2020 were \$231,948.



**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

**1. Defined Contribution Money Purchase Plans (Continued)**

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. In 2020, the City began the process of changing administrators of the Police Money Purchase Plan; assets were administered and held by Nationwide Investment Services Corporation (new administrator) and ICMA Retirement Corporation (previous administrator). The plan requires mandatory employee contributions of 10% of base pay. The City's contribution is 10% of base pay. Vesting of employer contributions is as follows: 0% in employer contributions for the first 2 years, 30% at 3 years, 40% at 4 years, and 100% at 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

*Funding.* Employer contributions are funded every pay period from the General Fund. The City's contributions for 2020 were \$244,383 (which includes the City's match for voluntary contributions). The City police employees' mandatory contributions for 2020 were \$244,383.

e. Fire and Police Statewide Money Purchase Plan

*Plan Description.* The Fire & Police Statewide Money Purchase Plan is a multiple-employer defined contribution pension plan, for full-time and part-time firefighters and police officers, as well as its full-time and part-time administrative employees whose services are auxiliary to fire protection. The plan is administered by the Fire & Police Pension Association of Colorado. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at [www.fppaco.org](http://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 8% 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, 2020, City and employee contributions were \$37,805 and \$37,805, respectively.

**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.

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

**2. Fire and Police Pension Plans (Continued)**

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

FPPA issues a publicly available financial report that includes financial statements for the Old Hire Plan. The FPPA Comprehensive Annual Financial report can be obtained on FPPA's website at [www.fppaco.org](http://www.fppaco.org).

*Funding Policy.* Contributions are funded from the General Fund, the City's contributions for 2020 were \$337,419.

As of December 31, 2020, there are no active participants and 20 inactive employees or beneficiaries currently receiving benefits. In 2020, there were no contributions made by participants.

*Pension Liability.* The City's net pension liability of \$3,489,185 for the Old Hire Plan was measured as of December 31, 2019. The total pension liability was determined by a full actuarial valuation of that date.

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

|                           |  |
|---------------------------|--|
| Actuarial Method          | Entry Age Normal   |
| Inflation                 | 2.5%   |
| Salary Increases          | N/A  |
| Single Discount Rate      | 6.50% in 2020 decreasing 1% from 2019, resulting from change in state & local bonds rate from the Federal Reserve  |
| Investment Rate of Return | 7.50%  |
| Retirement Age            | Any remaining actives are assumed to retire immediately.   |
| Mortality                 | Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.<br>Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females. |

Actuarial determined contribution rates are calculated as of January 1 of even numbered years. An actuarial experienced study with valuations as of January 1, 2018, determines the contribution amounts for 2019 and 2020, which follow the standard one-year lag.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

| Asset Class       | Target Allocation | Long-term Expected Rate of Return |
|-------------------|-------------------|-----------------------------------|
| Global Equity     | 17.5%             | 7.7%                              |
| Equity Long/Short | 6.0%              | 6.5%                              |
| Private Capital   | 25.0%             | 9.5%                              |
| Fixed Income      | 40.5%             | 5.0%                              |
| Absolute Return   | 6.0%              | 5.0%                              |
| Managed Futures   | 0.0%              | 4.7%                              |
| Cash              | 5.0%              | 3.2%                              |
| Total             | 100.0%            |                                   |

**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

**2. Fire and Police Pension Plans (Continued)**

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

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the OH – Defined Benefit Component plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability.*

|   | Total<br>Pension<br>Liability<br>(a) | Increase (Decrease)<br>Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>Pension<br>Liability<br>(a) - (b) |
|---|--------------------------------------|---|--|
| Balances at December 31, 2019                                 | \$ 7,267,672                         | \$ 3,941,754  | \$ 3,325,918                             |
| Changes for the year:   |                                      |   |  |
| Interest  | 516,740                              | -   | 516,740                                  |
| Differences between expected and actual experience            | 2,990                                | -   | 2,990                                    |
| Contributions - employer                                      | -                                    | 337,419   | (337,419)                                |
| Net investment income   | -                                    | 502,911   | (502,911)                                |
| Benefit payments, including refunds of employee contributions | (769,517)                            | (769,517)   | -  |
| Administrative expense  | -                                    | (5,154)   | 5,154                                    |
| Change in assumptions   | 478,713                              | -   | 478,713                                  |
| Net changes   | <u>228,926</u>                       | <u>65,659</u>   | <u>163,267</u>                           |
| Balance at December 31, 2020                                  | <u>\$ 7,496,598</u>                  | <u>\$ 4,007,413</u>   | <u>\$ 3,489,185</u>                      |

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

|                              | 1%<br>Decrease<br>5.50% | Single Discount Rate<br>Assumption<br>6.50% | 1%<br>Increase<br>7.50% |
|------------------------------|-------------------------|---|-------------------------|
| City's net pension liability | \$ 4,087,294            | \$ 3,489,185                                | \$ 2,968,141            |

*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 Expense.* For the year ended December 31, 2020, the City recognized pension expense of \$415,621 for the Old Hire Plan.

*Pension Deferred Outflows/Inflows of Resources.* At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

**2. Fire and Police Pension Plans (Continued)**

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Net difference between projected and actual investment earnings | \$ -                                 | \$ 98,304                           |
| City contributions subsequent to the measurement date           | 337,419                              | -                                   |
| Total   | <u>\$ 337,419</u>                    | <u>\$ 98,304</u>                    |

The \$337,419 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, 2021. Other amounts reported as deferred outflows of resources related to the Old Hire plan will be recognized in pension expense as follows:

| Year ending<br>December 31 |                    |
|----------------------------|--------------------|
| 2021                       | \$ (25,275)        |
| 2022                       | (45,133)           |
| 2023                       | 16,780             |
| 2024                       | (44,676)           |
| Total                      | <u>\$ (98,304)</u> |

b. Fire and Police Pension Statewide Defined Benefit Plan

*Plan Description.* The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members). The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at [www.fppaco.org](http://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 Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

**2. Fire and Police Pension Plans (Continued)**

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

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

*Funding Policy.* Through December 31, 2020 contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members. The current employer contribution rate is 8% for all firefighters, regardless of hire date, and 8% for all police hired after July 10, 2017. For police hired before July 10, 2017, the statutory required employer contribution is 8%, the City contributes 10% based on an underlying contractual commitment between the City and police. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. Member contribution rates can be amended by state statute or election of the membership. The current member contribution rate for of the SWDB is 11.0% of pensionable earnings. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of pensionable earnings.

Firefighters 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, 2020, no active participants in this plan had elected a DROP.

The City's contributions to the Plan for the year ending December 31, 2020 were \$2,478,812.

*Pension Asset.* The City's net pension asset of \$2,148,444 for its proportionate share of the SWDB net pension asset was measured as of December 31, 2019. The total pension liability was determined by a full actuarial valuation of that date.

The City's reported asset at December 31, 2020, increased to \$2,148,444 from the City's prior year liability of \$4,846,906 because of changes in the SWDB net pension asset and the City's proportionate share of that asset. The SWDB Plan's publicly available financial report provides details on the change in the net pension liability.

The City's proportion of the net pension asset was based on contributions received and processed by employers that were members of the SWDB plan within the year ended December 31, 2019. The City's proportion measured as of December 31, 2019, was 3.798771%, which was a decrease of 0.034973% from its proportion measured as of December 31, 2018.

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

**2. Fire and Police Pension Plans (Continued)**

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

*Pension Expense and Deferred Outflows/Inflows of Resources.* For the year ended December 31, 2020, the City recognized a pension income for the SWDB plan of \$1,115,338. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience   | \$ 7,228,681                         | \$ -                                |
| Changes of assumptions  | 4,079,443                            | -                                   |
| Net difference between projected and actual investment earnings   | -                                    | 3,377,409                           |
| Changes in proportion and differences between City contributions and proportionate share of contributions | -                                    | 3,464,329                           |
| City contributions subsequent to the measurement date   | 2,478,812                            | -                                   |
| Total   | <u>\$ 13,786,936</u>                 | <u>\$ 6,841,738</u>                 |

The \$2,478,812 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SWDB Plan will be recognized in pension expense as follows:

| Year ending<br>December 31 |                     |
|----------------------------|---------------------|
| 2021                       | \$ 224,098          |
| 2022                       | (68,393)            |
| 2023                       | 1,030,348           |
| 2024                       | (394,803)           |
| 2025                       | 1,044,714           |
| Thereafter                 | 2,630,422           |
| Total                      | <u>\$ 4,466,386</u> |

*Actuarial Assumptions.* The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

|                                      | Total Pension Liability | Actuarial Determined<br>Contributions |
|--------------------------------------|-------------------------|---------------------------------------|
| Actuarial Valuation Date             | January 1, 2020         | January 1, 2019                       |
| Actuarial Method                     | Entry Age Normal        | Entry Age Normal                      |
| Amortization Method                  | N/A                     | Level % of Payroll, Open              |
| Amortization Period                  | N/A                     | 30 Years                              |
| Long-term Investment Rate of Return* | 7.0%                    | 7.0%                                  |
| Projected Salary Increases*          | 4.25% - 11.25%          | 4.25% - 11.25%                        |
| Cost of Living Adjustments (COLA)    | 0.0%                    | 0.0%                                  |
| *Includes Inflation at               | 2.5%                    | 2.5%                                  |

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

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

**2. Fire and Police Pension Plans (Continued)**

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

| <u>Asset Class</u> | <u>Target<br/>Allocation</u> | <u>Long-term<br/>Expected<br/>Rate of Return</u> |
|--------------------|------------------------------|--|
| Global Equity      | 38.0%                        | 7.0%   |
| Equity Long/Short  | 8.0%                         | 6.0%   |
| Private Markets    | 25.0%                        | 9.2%   |
| Fixed Income       | 15.0%                        | 5.2%   |
| Absolute Return    | 8.0%                         | 5.5%   |
| Managed Futures    | 4.0%                         | 5.0%   |
| Cash               | 2.0%                         | 2.5%   |
| Total              | 100.0%                       |  |

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00%, as well as what the 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:

|   | <u>1%<br/>Decrease<br/>6.0%</u> | <u>Single Discount Rate<br/>Assumption<br/>7.0%</u> | <u>1%<br/>Increase<br/>8.0%</u> |
|---|---------------------------------|---|---------------------------------|
| City's proportionate share of the net pension liability (asset) | \$ 13,026,491                   | \$ (2,148,444)                                      | \$ (14,734,048)                 |

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

*Subsequent Event.* House Bill 20-1044 was signed into law on April 1, 2020. Included in the bill is a provision to increase the benefits of the members of the Statewide Defined Benefit Plan through a Rule of 80 provision effective January 1, 2021. This provision provides for a normal retirement as early as age 50 if the member's age combined with years of service totals at least 80. The impact of this change was not included in the Total Pension Liability or the Collective Pension Expense as of the December 31, 2019 measurement period. This will be reflected in the December 31, 2020 measurement period. The impact of the benefit adjustment is approximately \$53 million. The City's proportionate share of this adjust is expected to be approximately \$2 million based on the City's 2019 proportionate share percentage of 3.798771%.

**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE I – RETIREMENT PLANS (CONTINUED)**

**2. Fire and Police Pension Plans (Continued)**

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

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

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

A member is eligible for early retirement within the Defined Benefit Component after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5% as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5% of the average of the member's highest three years' pensionable earnings for each year of credited service.

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

The City's contributions to the Plan for the year ending December 31, 2020 were \$143,275.

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

*Pension Asset.* The City's net pension asset of \$1,700,476 for its proportionate share of the SWH net pension asset was measured as of December 31, 2019. The total pension liability was determined by a full actuarial valuation of that date. The SWH publicly available financial report provides details on the change in the net pension asset.

The City's proportion of the net pension asset was based on contributions received and processed by employers that were members of the SWH plan within the year ended December 31, 2019. The City's proportion measured as of December 31, 2019, was 8.732019%, which was an increase of 0.190684% from its proportion measured as of December 31, 2018.



**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**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, 2020, the City recognized a pension income for the Hybrid Plan of \$212,597. At December 31, 2020 the City reported deferred outflows and inflows of resources and deferred outflows and deferred inflows of resources related to pension from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience   | \$ 806,756                           | \$ -                                |
| Changes of assumptions  | 144,138                              | -                                   |
| Net difference between projected and actual investment earnings   | -                                    | 208,663                             |
| Changes in proportion and differences between City contributions and proportionate share of contributions | -                                    | 1,008,021                           |
| City contributions subsequent to the measurement date   | 143,275                              | -                                   |
| Total   | <u>\$ 1,094,169</u>                  | <u>\$ 1,216,684</u>                 |

The \$143,275 reported as a deferred outflow of resources resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Hybrid Plan will be recognized in pension expense as follows:

| Year ending<br>December 31 |                     |
|----------------------------|---------------------|
| 2021                       | \$ (77,163)         |
| 2022                       | (94,116)            |
| 2023                       | (27,465)            |
| 2024                       | (149,158)           |
| 2025                       | 74,891              |
| Thereafter                 | 7,221               |
| Total                      | <u>\$ (265,790)</u> |

*Actuarial Assumptions.* The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

|                                      | Total Pension Liability | Actuarial Determined Contributions |
|--------------------------------------|-------------------------|------------------------------------|
| Actuarial Valuation Date             | January 1, 2020         | January 1, 2019                    |
| Actuarial Method                     | Entry Age Normal        | Entry Age Normal                   |
| Amortization Method                  | N/A                     | Level % of Payroll, Open           |
| Amortization Period                  | N/A                     | 30 Years                           |
| Long-term Investment Rate of Return* | 7.0%                    | 7.0%                               |
| Projected Salary Increases*          | 4.25% - 11.25%          | 4.0% - 11.25%                      |
| Cost of Living Adjustments (COLA)    | 0.0%                    | 0.0%                               |
| *Includes Inflation at               | 2.5%                    | 2.5%                               |

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

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

| <u>Asset Class</u> | <u>Target<br/>Allocation</u> | <u>Long-term<br/>Expected<br/>Rate of Return</u> |
|--------------------|------------------------------|--|
| Global Equity      | 38.0%                        | 7.0%   |
| Equity Long/Short  | 8.0%                         | 6.0%   |
| Private Markets    | 25.0%                        | 9.2%   |
| Fixed Income       | 15.0%                        | 5.2%   |
| Absolute Return    | 8.0%                         | 5.5%   |
| Managed Futures    | 4.0%                         | 5.0%   |
| Cash               | 2.0%                         | 2.5%   |
| Total              | <u>100.0%</u>                |  |

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH –Defined Benefit Component plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

|  | <u>1%<br/>Decrease<br/>6.0%</u> | <u>Single Discount Rate<br/>Assumption<br/>7.0%</u> | <u>1%<br/>Increase<br/>8.0%</u> |
|--|---------------------------------|---|---------------------------------|
| City's proportionate share of<br>the net pension asset | \$ 1,034,250                    | \$ 1,700,474  | \$ 2,257,823                    |

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**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 \$19,500 per year (\$26,000 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 2020, the general employees' voluntary contributions were \$2,139,308, the police employees' voluntary contributions were \$852,864 and the fire employees' voluntary contributions were \$646,367 for a total of \$3,638,539. 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.

In 2020, the City began the process of changing trustees for employee 457 plans from ICMA Retirement Corporation to Nationwide Investment Advisors LLC. ICMA Retirement Corporation and Nationwide Investment Advisors LLC, independent trustees, administer funds for this plan. The City maintains accounting records. The trustees 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. An employee must be enrolled in the health plan at the time of retirement, and must be at least age 62 with 10 or more years of continuous service or have at least 20 years of continuous service at any age, to be eligible for retiree benefits. There is currently no age cut-off, but after December 31, 2019 coverage is no longer available for retirees age 65 or above or those who are below age 65 and eligible for Medicare. 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. The medical plan is fully insured.

*Benefits Provided.* The City provides medical, dental and vision benefits for retirees. There are two medical plans insured by CIGNA and one medical plan insured 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, with the exception of the Kaiser High Deductible Plan, retirees are not eligible for this plan; however, there is an additional medical plan for retirees over the age of 65 offered through Kaiser.

*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 88% of the premium for disabled retirees. There is no explicit City contribution for other retirees. The 2020 monthly premiums for retirees are shown in the table below.

| Coverage Category | 2020 Monthly Premium Rate |                        |            |               |                   |         |
|-------------------|---------------------------|------------------------|------------|---------------|-------------------|---------|
|                   | CIGNA<br>LOCAL<br>PLUS    | CIGNA<br>LOCAL<br>HDHP | Kaiser HMO | Dental<br>EPO | Dental<br>Premier | Vision  |
| Retiree           | \$ 1,008.49               | \$ 785.23              | \$ 558.02  | \$ 27.35      | \$ 46.54          | \$ 8.60 |
| Retiree + 1       | 2,006.90                  | 1,562.87               | 1,127.59   | 51.14         | 86.59             | 14.61   |
| Retiree + Family  | 2,843.95                  | 2,214.83               | 1,612.79   | 94.36         | 153.82            | 26.10   |

*Employees Covered by Benefit Terms.* In 2020, there were 844 active and 31 inactive employees covered by the plan.

*Total OPEB Liability.* The City's total OPEB liability is \$5,764,238 as of December 31, 2020 and was determined by an actuarial valuation as of that date.

**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

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

|                              |  |
|------------------------------|--|
| Inflation                    | 3%   |
| Salary Increases             | 3.50%  |
| Discount Rate                | 1.93% in 2020 decreasing 1.33% from 2019, resulting from an increase in liability (base on S&P Municipal Bond 20 year high grade index as of 12/31/20) |
| Health care cost trend rates | 6.3% in 2020 decreasing 0.1% per year to an ultimate rate of 5.7% for 2027 and later years   |
| Mortality rates              | RP-2014 Generational Table using MP 2015 projections scale applied on a gender-specific basis  |
| Participation Rate           | 50% in 2020 increase 10% from 2019, resulting from 2019 study of retirees participating  |

*Change in Total OPEB Liability.*

|   | Total OPEB<br>Liability |
|---|-------------------------|
| Balance as of December 31, 2019                   | \$ 4,480,192            |
| Changes for the year:                             |                         |
| Service cost                                      | 300,857                 |
| Interest  | 86,468                  |
| Difference between expected and actual experience | (389,508)               |
| Changes in assumptions or other inputs            | 1,346,383               |
| Benefit payments                                  | (60,154)                |
| Net changes                                       | 1,284,046               |
| Balance as of December 31, 2020                   | <u>\$ 5,764,238</u>     |

*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<br>(0.93%) | Discount Rate<br>(1.93%) | 1% Increase<br>(2.93%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 6,461,153           | \$ 5,764,238             | \$ 5,155,193           |

*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<br>(5.3% graded) | Trend Rates<br>(6.3% graded) | 1% Increase<br>(7.3% graded) |
|----------------------|------------------------------|------------------------------|------------------------------|
| Total OPEB Liability | \$ 5,034,286                 | \$ 5,764,238                 | \$ 6,637,544                 |

*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, 2020 is 6.06 years.

**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

Amounts reported as Deferred Outflows of Resources related to OPEB as of December 31, 2020 will be recognized in OPEB Expense as follows:

|   | Deferred Outflows<br>of Resources | Deferred Inflow<br>of Resources |
|---|-----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 680,364                        | \$ 309,250                      |
| Changes in assumptions or other inputs            | 1,124,208                         | 239,032                         |
| Total   | <u>\$ 1,804,572</u>               | <u>\$ 548,282</u>               |

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:

| <u>Year Ending<br/>December 31</u> |                     |
|------------------------------------|---------------------|
| 2021                               | \$ 336,868          |
| 2022                               | 336,868             |
| 2023                               | 282,376             |
| 2024                               | 132,803             |
| 2025                               | 157,900             |
| 2026                               | 9,475               |
| Total                              | <u>\$ 1,256,290</u> |

*Subsequent Event.* City Council approved on October 13, 2020, effective on January 1, 2021; a Memorandum of Understanding (MOU) between the City and the International Association of Firefighters Local 2376 (Local 2376) and the Fraternal Order of Police Thornton Lodge 16 (FOP) concerning a post-retirement, pre-Medicare medical plan benefit to eligible retirees. Pursuant to the MOU, the City will pay the full cost of the lowest priced employee-only coverage medical plan offered to City employees for all eligible Local 2376 and FOP members (as defined in the MOU) beginning on the first of the month following the date of retirement of the eligible member and continuing until (i) the eligible member qualifies for Medicare, or (ii) age 65, whichever occurs first. The anticipated increase to the OPEB liability per the actuarial study over the next ten years is \$491,617

**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 2020 the plan had 1,796 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 2020, the amount contributed was \$219,450.

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

**City of Thornton, Colorado**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

**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 2020, 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. Every year the City hires an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for property/casualty claims of \$1,211,034. 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>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| Reserve for unpaid claims, January 1,   | \$ 1,464,782        | \$ 898,133          |
| Incurred claims (including IBNRs)       | 448,360             | 1,551,913           |
| Claim payments                          | <u>(702,108)</u>    | <u>(985,264)</u>    |
| Reserve for unpaid claims, December 31, | <u>\$ 1,211,034</u> | <u>\$ 1,464,782</u> |
| Unpaid claims to be paid in 1 year      | <u>\$ 487,154</u>   | <u>\$ 658,674</u>   |

**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**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<br>(deficit)<br>December 31,<br>2019 ** | City of<br>Thornton's<br>contribution<br>ratio | City of Thornton's<br>share of surplus as of<br>December 31, 2019 |
|-------|----------------|---|--|---|
| 1996  | Loss Fund      | \$ 55,095   | 0.000%   | \$ -  |
| 1997  | Loss Fund      | 41,455  | 0.000%   | -   |
| 1998  | Loss Fund      | -   | 0.000%   | -   |
| 1999  | Loss Fund      | 778   | 0.000%   | -   |
| 2000  | Loss Fund      | (9,995)   | 0.000%   | -   |
| 2001  | Loss Fund      | 3   | 0.000%   | -   |
| 2002  | Loss Fund      | -   | 0.000%   | -   |
| 2003  | Loss Fund      | 375,687   | 0.000%   | -   |
| 2004  | Loss Fund      | 1,406,460   | 0.768%   | 10,796  |
| 2005  | Loss Fund      | -   | 0.000%   | -   |
| 2006  | Loss Fund      | 2,773,888   | 0.349%   | 9,689   |
| 2007  | Loss Fund      | 10,753  | 0.000%   | -   |
| 2008  | Loss Fund      | 2,590,048   | 0.000%   | -   |
| 2009  | Loss Fund      | 2,327,855   | 0.000%   | -   |
| 2010  | Loss Fund      | 51  | 0.000%   | -   |
| 2011  | Loss Fund      | 207,769   | 0.000%   | -   |
| 2012  | Loss Fund      | 1,786,051   | 0.000%   | -   |
| 2013  | Loss Fund      | 2,018,535   | 0.000%   | -   |
| 2014  | Loss Fund      | 2,096,236   | 0.000%   | -   |
| 2015  | Loss Fund      | 1,146,897   | 0.000%   | -   |
| 2016  | Loss Fund      | 1,279,199   | 0.000%   | -   |
| 2017  | Loss Fund      | (112,579)   | 0.000%   | -   |
| 2018  | Loss Fund      | 3,344,591   | 0.000%   | -   |
| 2019  | Loss Fund      | (4,689,406)   | 0.000%   | -   |
| ALL   | Operating fund | 4,614,511   | -0.027%  | (1,241)   |
| ALL   | Excess fund    | (5,787,350)   | 7.544%   | (436,619)   |
| ALL   | Reserve fund   | 9,167,475   | 0.755%   | 69,249  |
|       |                | <u>\$ 24,644,007</u>                                    |  | <u>\$ (348,126)</u>   |

\* Years 1982 through 1995 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, 2020

**NOTE L - RISK MANAGEMENT (CONTINUED)**

**1. General Liability Insurance Pool (Continued)**

Summary of the most recently available financial information for CIRSA (December 31, 2019) is as follows:

|   |                       |
|---|-----------------------|
| Assets  | <u>\$ 48,972,328</u>  |
| Liabilities, including incurred but not reported claims | \$ 24,328,321         |
| Members' fund balance                                   |                       |
| Accumulated members' equity                             | <u>24,644,007</u>     |
| Total liabilities and fund balance                      | <u>\$ 48,972,328</u>  |
| Revenues  | \$ 22,864,383         |
| Expenses  | <u>25,353,195</u>     |
| Net decrease in members' fund balance                   | <u>\$ (2,488,812)</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 \$550,000 (\$750,000 for police and fire) 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 \$550,000 (\$750,000 for police and fire). 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 \$801,000 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. Every year the City hires an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for workers' compensation of \$4,300,174. There have been no significant reductions in insurance coverage from the prior year (only an increase in the self-insurance retention amount for police and fire). There has been one claim that exceeded the City's risk retention in the last ten years.

|   | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| Reserve for unpaid claims, January 1,   | \$ 3,378,230        | \$ 3,495,301        |
| Incurred claims (including IBNRs)       | 2,952,162           | 2,459,761           |
| Claim payments                          | <u>(2,030,218)</u>  | <u>(2,576,832)</u>  |
| Reserve for unpaid claims, December 31, | <u>\$ 4,300,174</u> | <u>\$ 3,378,230</u> |
| Unpaid claims to be paid in 1 year      | <u>\$ 1,793,795</u> | <u>\$ 1,456,643</u> |

**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 \$20,000 for open and estimated claims not yet reported at December 31, 2020.



**City of Thornton, Colorado**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE L - RISK MANAGEMENT (CONTINUED)**

**3. Self-Funded Dental Insurance (Continued)**

|   | 2020             | 2019             |
|---|------------------|------------------|
| Reserve for unpaid claims, January 1,   | \$ 30,000        | \$ 20,000        |
| Incurred claims (including IBNRs)       | 655,540          | 771,500          |
| Claim payments                          | <u>(665,540)</u> | <u>(761,500)</u> |
| Reserve for unpaid claims, December 31, | <u>\$ 20,000</u> | <u>\$ 30,000</u> |
| Unpaid claims to be paid in 1 year      | <u>\$ 20,000</u> | <u>\$ 30,000</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 \$7,000 for open and estimated claims not yet reported at December 31, 2020.

|   | 2020             | 2019             |
|---|------------------|------------------|
| Reserve for unpaid claims, January 1,   | \$ 6,000         | \$ 7,000         |
| Incurred claims (including IBNRs)       | 113,016          | 122,276          |
| Claim payments                          | <u>(112,016)</u> | <u>(123,276)</u> |
| Reserve for unpaid claims, December 31, | <u>\$ 7,000</u>  | <u>\$ 6,000</u>  |
| Unpaid claims to be paid in 1 year      | <u>\$ 7,000</u>  | <u>\$ 6,000</u>  |

**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, and Environmental Services 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 2020, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled \$5,637,735. 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 \$1,211,034 for general liability and \$4,300,174 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.

**City of Thornton, Colorado**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE N - COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)**

**2. Contracts**

The City has \$9,881,717 and \$12,124,918, in outstanding contracts with various contractors for the Governmental Capital Fund and all other governmental funds, respectively. The City has \$31,312,433, \$3,151,626, and \$157,176 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 two years and expires January 1, 2021.

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, 2021.

Certain City employees have contracts through the fiscal year 2020. Some contracts include severance packages, not exceeding nine 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.

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 2020, the City's expenditures include \$662,205 in tax abatements.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

# City of Thornton, Colorado

## General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Non US GAAP Basis For the year ended December 31, 2020

|   | Budgeted Amounts    |                     | Actual<br>Amounts    | Positive<br>(negative)<br>variance -<br>actual from<br>final |
|---|---------------------|---------------------|----------------------|--|
|   | Original            | Final               |                      |  |
| <b>REVENUES</b>   |                     |                     |                      |  |
| Taxes   |                     |                     |                      |  |
| Sales and use   | \$ 83,561,976       | \$ 83,561,976       | \$ 74,340,994        | \$ (9,220,982)   |
| Property  | 16,913,072          | 16,913,072          | 16,434,128           | (478,944)  |
| Franchise   | 6,122,126           | 6,122,126           | 6,011,074            | (111,052)  |
| Other   | 3,069,983           | 3,069,983           | 2,596,502            | (473,481)  |
| Licenses and permits  | 5,653,954           | 5,653,954           | 6,131,257            | 477,303  |
| Intergovernmental   | 6,911,969           | 6,911,969           | 7,016,788            | 104,819  |
| Governmental grants   | 821,110             | 821,110             | 1,213,138            | 392,028  |
| Charges for services  | 18,764,834          | 18,764,834          | 15,570,267           | (3,194,567)  |
| Fines and forfeitures   | 2,652,577           | 2,652,577           | 1,540,140            | (1,112,437)  |
| Investment earnings   | 940,000             | 940,000             | 827,360              | (112,640)  |
| Miscellaneous   | 609,285             | 609,285             | 1,427,546            | 818,261  |
|   |                     |                     |                      |  |
| Total revenues  | <u>146,020,886</u>  | <u>146,020,886</u>  | <u>133,109,194</u>   | <u>(12,911,692)</u>  |
| <b>EXPENDITURES</b>   |                     |                     |                      |  |
| Current   |                     |                     |                      |  |
| General government  |                     |                     |                      |  |
| Legislative   | 3,264,286           | 3,309,739           | 3,104,224            | 205,515  |
| City manager  | 3,300,411           | 3,300,411           | 3,253,541            | 46,870   |
| General services  | 23,081,602          | 23,151,602          | 20,770,636           | 2,380,966  |
| Miscellaneous   | 6,874,563           | 6,854,563           | 4,743,301            | 2,111,262  |
| Police  | 39,519,648          | 39,770,887          | 39,159,358           | 611,529  |
| Fire and ambulance  | 20,475,700          | 20,475,700          | 20,713,434           | (237,734)  |
| City development  | 9,870,971           | 9,900,971           | 9,259,966            | 641,005  |
| Streets, traffic and engineering  | 11,716,682          | 11,716,682          | 11,228,391           | 488,291  |
| Community services  | 25,275,516          | 25,225,516          | 20,873,973           | 4,351,543  |
| Capital outlay  | 4,282,754           | 4,282,754           | 3,393,295            | 889,459  |
| Debt service  |                     |                     |                      |  |
| Principal retirement  | 164,810             | 164,810             | 118,858              | 45,952   |
| Interest and bond fees  | -                   | -                   | 14,757               | (14,757)   |
|   |                     |                     |                      |  |
| Total expenditures  | <u>147,826,943</u>  | <u>148,153,635</u>  | <u>136,633,734</u>   | <u>11,519,901</u>  |
|   |                     |                     |                      |  |
| Deficiency of revenues<br>under expenditures  | (1,806,057)         | (2,132,749)         | (3,524,540)          | (1,391,791)  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                     |                     |                      |  |
| Transfers in  | 4,216,446           | 4,216,446           | 4,216,446            | -  |
| Transfers out   | (46,517)            | (46,517)            | (46,517)             | -  |
| Sale of general capital assets  | -                   | -                   | 80,015               | 80,015   |
|   |                     |                     |                      |  |
| Total other financing sources   | <u>4,169,929</u>    | <u>4,169,929</u>    | <u>4,249,944</u>     | <u>80,015</u>  |
|   |                     |                     |                      |  |
| Excess of revenues and other<br>sources over expenditures and<br>other sources before reconciling items | <u>\$ 2,363,872</u> | <u>\$ 2,037,180</u> | 725,404              | <u>\$ (1,311,776)</u>  |
| <b>RECONCILIATION TO US GAAP BASIS</b>  |                     |                     |                      |  |
| RHS & sick payout   |                     |                     | (183,404)            |  |
| Net change in fund balances   |                     |                     | 542,000              |  |
| Fund balances, January 1  |                     |                     | <u>51,293,137</u>    |  |
| Fund balances, December 31  |                     |                     | <u>\$ 51,835,137</u> |  |

# City of Thornton, Colorado

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

|  | 2015         | 2016       | 2017       | 2018           | 2019         | 2020           |
|--|--------------|------------|------------|----------------|--------------|----------------|
| City's proportion of the net pension liability   | 0.221023%    | 0.140685%  | 0.077294%  | 4.001789%      | 3.833744%    | 3.798771%      |
| 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) |
| Covered payroll firefighters   | \$ 993,945   | \$ 681,525 | \$ 395,575 | \$ 2,027,550   | \$ 7,431,738 | \$ 8,487,588   |
| Covered payroll police new hire  | -            | -          | -          | 309,775        | 2,132,838    | 3,279,363      |
| Covered payroll police reentry   | -            | -          | -          | 2,998,270      | 12,986,550   | 12,986,190     |
| 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%         |
| Plan fiduciary net position as a percentage of the total pension liability                         | 106.80%      | 100.10%    | 98.21%     | 106.30%        | 95.20%       | 101.90%        |
| Presented as of the measurement date, December 31,   | 2014         | 2015       | 2016       | 2017           | 2018         | 2019           |

Information for Fiscal Year 2011 through 2014 is not available.

# City of Thornton, Colorado

## Schedule of Pension Contributions Statewide Defined Benefit Plan (SWDB)

|  | 2015        | 2016        | 2017 (1)     | 2018         | 2019         | 2020         |
|--|-------------|-------------|--------------|--------------|--------------|--------------|
| Statutorily required contribution                                  | \$ 54,522   | \$ 31,646   | \$ 486,813   | \$ 2,063,822 | \$ 2,239,975 | \$ 2,478,812 |
| Contributions in relation to the statutorily required contribution | 54,522      | 31,646      | 486,813      | 2,063,822    | 2,239,975    | 2,478,812    |
| Contribution deficiency  | <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 |
| Covered payroll police new hire                                    | -           | -           | 309,775      | 2,132,838    | 3,279,363    | 4,566,300    |
| Covered payroll police reentry                                     | -           | -           | 2,998,270    | 12,986,550   | 12,986,190   | 13,361,270   |
| Contributions as a percentage of covered payroll                   |             |             |              |              |              |              |
| Firefighters   | 8.00%       | 8.00%       | 8.00%        | 8.00%        | 8.00%        | 8.00%        |
| Police new hire  | -           | -           | 8.00%        | 8.00%        | 8.00%        | 8.00%        |
| Police reentry   | -           | -           | 10.00%       | 10.00%       | 10.00%       | 10.00%       |

Information for Fiscal Year 2011 through 2014 is not available.

Other information:

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

## City of Thornton, Colorado

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

|  | <u>2018</u>    | <u>2019</u>    | <u>2020</u>    |
|--|----------------|----------------|----------------|
| City's proportion of the net pension liability   | 8.867137%      | 8.541335%      | 8.732019%      |
| City's proportionate share of the net pension asset                                    | \$ (1,097,401) | \$ (1,178,999) | \$ (1,700,476) |
| Covered payroll firefighters   | \$ 143,551     | \$ 603,713     | \$ 635,675     |
| Covered payroll police   | 198,039        | 878,330        | 884,970        |
| City's proportionate share of the net pension asset as a percentage of covered payroll | -321.26%       | -79.55%        | -111.83%       |
| Plan fiduciary net position as a percentage of the total pension liability             | 138.86%        | 123.46%        | 130.06%        |
| Presented as of the measurement date, December 31,                                     | 2017           | 2018           | 2019           |

There is no information for Fiscal Year 2011 through 2017. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017.



## City of Thornton, Colorado

### Schedule of Pension Contributions Statewide Hybrid Plan (SWH)

|  | 2018        | 2019        | 2020        |
|--|-------------|-------------|-------------|
| Statutorily required contribution                                  | \$ 136,129  | \$ 139,351  | \$ 143,275  |
| Contributions in relation to the statutorily required contribution | 136,129     | 139,351     | 143,275     |
| Contribution deficiency  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll firefighters                                       | \$ 603,713  | \$ 635,675  | \$ 567,338  |
| Covered payroll police   | 878,330     | 884,970     | 975,790     |
| Contributions as a percentage of covered payroll                   |             |             |             |
| Firefighters   | 8.00%       | 8.00%       | 8.00%       |
| Police reentry   | 10.00%      | 10.00%      | 10.00%      |

There is no information for Fiscal Year 2011 through 2017. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017.

## City of Thornton, Colorado

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

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

Information for Fiscal Year 2011 through 2014 is not available.

## City of Thornton, Colorado

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

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

#### 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           | Level Dollar, Open (2)   |
| Remaining Amortization Period | 18 Years (2)   |
| Asset Valuation Method        | 5-Year smoothed fair value   |
| Inflation                     | 2.5%   |
| Salary Increases              | N/A  |
| Investment Rate of Return     | 7.50%  |
| Retirement Age                | Any remaining actives are assumed to retire immediately.   |
| Mortality                     | Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.<br>Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females. |

#### Other information:

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

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

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

Information for Fiscal Year 2011 through 2013 is not available.

## City of Thornton, Colorado

### Schedule of Changes in Total OPEB and Related Ratios

|   | 2018                | 2019                | 2020                |
|---|---------------------|---------------------|---------------------|
| Total OPEB Liability                                    |                     |                     |                     |
| Service cost  | \$ 225,863          | \$ 208,610          | \$ 300,857          |
| Interest  | 290,800             | 144,867             | 86,468              |
| Benefit changes   | (5,134,249)         | -                   | -                   |
| Differences between expected and actual experience      | 1,425,291           | (93,021)            | (389,508)           |
| Assumption changes                                      | (222,345)           | (85,101)            | 1,346,383           |
| Benefit payments  | (130,583)           | (138,940)           | (60,154)            |
| Net change in total OPEB liability                      | (3,545,223)         | 36,415              | 1,284,046           |
| Total OPEB liability - beginning                        | 7,989,000           | 4,443,777           | 4,480,192           |
| Total OPEB liability - ending                           | <u>\$ 4,443,777</u> | <u>\$ 4,480,192</u> | <u>\$ 5,764,238</u> |
| Covered-payroll   | \$ 80,735,374       | \$ 87,662,142       | \$ 93,230,794       |
| Total OPEB liability as a percentage of covered payroll | 5.50%               | 5.11%               | 6.18%               |

#### Notes to Schedule

*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

*Changes of assumptions.* Changes of assumption and other inputs reflect the effects of changes in the discount rate each periods. The following are the discount rates used in each period:

|      |       |
|------|-------|
| 2020 | 1.93% |
| 2019 | 3.26% |
| 2018 | 3.64% |
| 2017 | 4.00% |

Information for Fiscal Year 2011 through 2017 is not available.

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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.

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

## Governmental Capital Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2020

|  | <b>Budget</b>          | <b>Actual</b>        | <b>Positive<br/>(negative)<br/>variance<br/>from actual</b> |
|--|------------------------|----------------------|---|
| <b>REVENUES</b>                              |                        |                      |   |
| Taxes - sales and use                        | \$ 16,416,432          | \$ 24,341,580        | \$ 7,925,148  |
| Intergovernmental                            | 4,037,586              | 4,524,688            | 487,102   |
| Governmental grants                          | 1,363,087              | 13,825,640           | 12,462,553  |
| Lease  | 175,889                | 175,889              | -   |
| Investments                                  |                        |                      |   |
| Investment earnings                          | 1,400,000              | 941,263              | (458,737)   |
| Miscellaneous                                |                        |                      |   |
| Developers' contributions                    | 5,879,000              | 1,211,800            | (4,667,200)   |
| Other  | 20,000                 | 1,498,983            | 1,478,983   |
| Total revenues                               | <u>29,291,994</u>      | <u>46,519,843</u>    | <u>17,227,849</u>   |
| <b>EXPENDITURES</b>                          |                        |                      |   |
| Streets, traffic and engineering             | 1,325,000              | 1,139,426            | 185,574   |
| Capital outlay                               | 86,958,935             | 40,331,291           | 46,627,644  |
| Debt service                                 |                        |                      |   |
| Principal retirement                         | 4,744,969              | 4,422,969            | 322,000   |
| Interest                                     | 1,072,814              | 1,394,814            | (322,000)   |
| Bond fees                                    | 6,239                  | 1,755                | 4,484   |
| Total expenditures                           | <u>94,107,957</u>      | <u>47,290,255</u>    | <u>46,817,702</u>   |
| Deficiency of revenues<br>under expenditures | <u>(64,815,963)</u>    | <u>(770,412)</u>     | <u>64,045,551</u>   |
| <b>OTHER FINANCING SOURCES</b>               |                        |                      |   |
| Transfers in                                 | 2,921,031              | 2,921,032            | 1   |
| Sales of general capital assets              | -                      | 24,615               | 24,615  |
| Total other financing sources                | <u>2,921,031</u>       | <u>2,945,647</u>     | <u>24,616</u>   |
| Net change in fund balance                   | <u>\$ (61,894,932)</u> | <u>2,175,235</u>     | <u>\$ 64,070,167</u>  |
| Fund balance, January 1                      |                        | <u>40,968,900</u>    |   |
| Fund balance, December 31                    |                        | <u>\$ 43,144,135</u> |   |



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**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 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.

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, 2020

|  | Special Revenue Funds |                     |                     |                     |                     |                      |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|  | TASHCO                | Cash in Lieu        | Conservation Trust  | Parks               | Open Space          | Parks & Open Space   |
| <b>ASSETS</b>  |                       |                     |                     |                     |                     |                      |
| Equity in pooled cash and investments                              |                       |                     |                     |                     |                     |                      |
| Unrestricted   | \$ 363,204            | \$ 1,794,936        | \$ 1,942,907        | \$ 1,036,541        | \$ 9,626,214        | \$ 19,667,476        |
| Restricted   | -                     | -                   | -                   | -                   | -                   | 14,876,494           |
| Receivables, net   |                       |                     |                     |                     |                     |                      |
| Taxes  | -                     | -                   | -                   | -                   | -                   | 837,714              |
| Accounts   | 98                    | -                   | -                   | -                   | 9,600               | 4,501                |
| Interest   | 661                   | 3,343               | 3,256               | 1,884               | 17,558              | 37,010               |
| Land held for resale   | -                     | -                   | -                   | -                   | -                   | -                    |
| Total assets   | <u>\$ 363,963</u>     | <u>\$ 1,798,279</u> | <u>\$ 1,946,163</u> | <u>\$ 1,038,425</u> | <u>\$ 9,653,372</u> | <u>\$ 35,423,195</u> |
| <b>LIABILITIES</b>   |                       |                     |                     |                     |                     |                      |
| Accounts payable   | 12,099                | -                   | 147,147             | -                   | 368,743             | 877,573              |
| Retainage payable  | -                     | 3,134               | 3,679               | -                   | 31,347              | 748,662              |
| Third party advances   | -                     | 1,318,631           | -                   | -                   | -                   | -                    |
| Unearned revenue   | -                     | -                   | -                   | -                   | 9,600               | -                    |
| Other  | -                     | -                   | -                   | -                   | -                   | -                    |
| Total liabilities  | <u>12,099</u>         | <u>1,321,765</u>    | <u>150,826</u>      | <u>-</u>            | <u>409,690</u>      | <u>1,626,235</u>     |
| <b>DEFERRED INFLOWS</b>  |                       |                     |                     |                     |                     |                      |
| Unavailable revenue -  |                       |                     |                     |                     |                     |                      |
| Property taxes   | -                     | -                   | -                   | -                   | -                   | -                    |
| Intergovernmental  | -                     | -                   | -                   | -                   | -                   | -                    |
| Total deferred inflows of resources                                | <u>-</u>              | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>             |
| <b>FUND BALANCES</b>   |                       |                     |                     |                     |                     |                      |
| Restricted   |                       |                     |                     |                     |                     |                      |
| Parks and open space   | -                     | -                   | 1,795,337           | 1,038,425           | 9,243,682           | 33,796,960           |
| Capital projects   | -                     | -                   | -                   | -                   | -                   | -                    |
| Debt service   | -                     | -                   | -                   | -                   | -                   | -                    |
| Public safety  | -                     | -                   | -                   | -                   | -                   | -                    |
| Other purposes   | 37,831                | -                   | -                   | -                   | -                   | -                    |
| Assigned   |                       |                     |                     |                     |                     |                      |
| Capital projects   | -                     | -                   | -                   | -                   | -                   | -                    |
| Land held for resale   | -                     | -                   | -                   | -                   | -                   | -                    |
| Parks and open space   | -                     | 476,514             | -                   | -                   | -                   | -                    |
| Other purposes   | 314,033               | -                   | -                   | -                   | -                   | -                    |
| Total fund balances  | <u>351,864</u>        | <u>476,514</u>      | <u>1,795,337</u>    | <u>1,038,425</u>    | <u>9,243,682</u>    | <u>33,796,960</u>    |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 363,963</u>     | <u>\$ 1,798,279</u> | <u>\$ 1,946,163</u> | <u>\$ 1,038,425</u> | <u>\$ 9,653,372</u> | <u>\$ 35,423,195</u> |

| Special Revenue Funds                   |  |                     |                   |                             |
|---|--|---------------------|-------------------|-----------------------------|
| Adams County<br>Open Space<br>Sales Tax | Adams County<br>Road & Bridge<br>Sales Tax | 136th<br>Avenue GID | E911<br>Authority | Total<br>Special<br>Revenue |
| \$ 1,995,715                            | \$ 8,778,588                               | \$ 19,950           | \$ 8,268          | \$ 45,233,799               |
| -                                       | -  | -                   | -                 | 14,876,494                  |
| 790,874                                 | 763,729                                    | 111,991             | 121,476           | 2,625,784                   |
| 913,013                                 | -  | -                   | -                 | 927,212                     |
| 3,663                                   | 15,748                                     | 81                  | 446               | 83,650                      |
| -                                       | -  | -                   | -                 | -                           |
| <u>\$ 3,703,265</u>                     | <u>\$ 9,558,065</u>                        | <u>\$ 132,022</u>   | <u>\$ 130,190</u> | <u>\$ 63,746,939</u>        |
| -                                       | 39,186                                     | -                   | -                 | 1,444,748                   |
| 71,532                                  | 46,119                                     | -                   | -                 | 904,473                     |
| -                                       | -  | -                   | -                 | 1,318,631                   |
| -                                       | -  | -                   | -                 | 9,600                       |
| -                                       | -  | -                   | -                 | -                           |
| <u>71,532</u>                           | <u>85,305</u>                              | <u>-</u>            | <u>-</u>          | <u>3,677,452</u>            |
| -                                       | -  | 111,991             | -                 | 111,991                     |
| <u>790,874</u>                          | <u>-</u>                                   | <u>-</u>            | <u>-</u>          | <u>790,874</u>              |
| <u>790,874</u>                          | <u>-</u>                                   | <u>111,991</u>      | <u>-</u>          | <u>902,865</u>              |
| 2,840,859                               | -  | -                   | -                 | 48,715,263                  |
| -                                       | 9,472,760                                  | -                   | -                 | 9,472,760                   |
| -                                       | -  | -                   | -                 | -                           |
| -                                       | -  | -                   | 130,190           | 130,190                     |
| -                                       | -  | -                   | -                 | 37,831                      |
| -                                       | -  | 20,031              | -                 | 20,031                      |
| -                                       | -  | -                   | -                 | -                           |
| -                                       | -  | -                   | -                 | 476,514                     |
| -                                       | -  | -                   | -                 | 314,033                     |
| <u>2,840,859</u>                        | <u>9,472,760</u>                           | <u>20,031</u>       | <u>130,190</u>    | <u>59,166,622</u>           |
| <u>\$ 3,703,265</u>                     | <u>\$ 9,558,065</u>                        | <u>\$ 132,022</u>   | <u>\$ 130,190</u> | <u>\$ 63,746,939</u>        |

# City of Thornton, Colorado

## Combining Balance Sheet Non-Major Governmental Funds December 31, 2020

|  | Capital Funds        |                      |                      | Total<br>Non-major<br>Governmental<br>Funds |
|--|----------------------|----------------------|----------------------|---|
|  | TDA South<br>Capital | TDA North<br>Capital | TDA 144th<br>Capital | Total<br>Capital<br>Projects                |
| <b>ASSETS</b>  |                      |                      |                      |   |
| Equity in pooled cash and investments                              |                      |                      |                      |   |
| Unrestricted   | \$ 8,807,881         | \$ 6,342,487         | \$ 661,160           | \$ 15,811,528                               |
| Restricted   | -                    | 1,416,148            | 2,284,823            | 3,700,971                                   |
| Receivables, net   |                      |                      |                      |   |
| Taxes  | 788,670              | 11,403,087           | 2,138,994            | 14,330,751                                  |
| Accounts   | -                    | -                    | -                    | -   |
| Interest   | 16,051               | 12,755               | 1,895                | 30,701                                      |
| Land held for resale   | 543,099              | -                    | -                    | 543,099                                     |
| Total assets   | <u>\$ 10,155,701</u> | <u>\$ 19,174,477</u> | <u>\$ 5,086,872</u>  | <u>\$ 34,417,050</u>                        |
| <b>LIABILITIES</b>   |                      |                      |                      |   |
| Accounts payable   | 10,989               | 44,089               | -                    | 55,078                                      |
| Retainage payable  | -                    | -                    | -                    | -   |
| Third party advances   | 13,500               | -                    | -                    | 13,500                                      |
| Unearned revenue   | -                    | -                    | -                    | -   |
| Other  | -                    | 69,177               | 833,281              | 902,458                                     |
| Total liabilities  | <u>24,489</u>        | <u>113,266</u>       | <u>833,281</u>       | <u>971,036</u>                              |
| <b>DEFERRED INFLOWS</b>  |                      |                      |                      |   |
| Unavailable revenue - property taxes                               | 777,555              | 10,844,021           | 1,931,439            | 13,553,015                                  |
| Intergovernmental  | -                    | -                    | -                    | -   |
| Total deferred inflows of resources                                | <u>777,555</u>       | <u>10,844,021</u>    | <u>1,931,439</u>     | <u>13,553,015</u>                           |
| <b>FUND BALANCES</b>   |                      |                      |                      |   |
| Restricted   |                      |                      |                      |   |
| Parks and open space   | -                    | -                    | -                    | -   |
| Capital projects   | -                    | -                    | -                    | -   |
| Debt service   | -                    | 1,390,000            | 2,258,550            | 3,648,550                                   |
| Public safety  | -                    | -                    | -                    | -   |
| Other purposes   | -                    | -                    | -                    | -   |
| Assigned   |                      |                      |                      |   |
| Capital projects   | 8,810,558            | 6,827,190            | 63,602               | 15,701,350                                  |
| Land held for resale   | 543,099              | -                    | -                    | 543,099                                     |
| Parks and open space   | -                    | -                    | -                    | -   |
| Other purposes   | -                    | -                    | -                    | -   |
| Total fund balances  | <u>9,353,657</u>     | <u>8,217,190</u>     | <u>2,322,152</u>     | <u>19,892,999</u>                           |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 10,155,701</u> | <u>\$ 19,174,477</u> | <u>\$ 5,086,872</u>  | <u>\$ 34,417,050</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, 2020

|   | Special Revenue Funds |              |                    |              |              |                    |
|---|-----------------------|--------------|--------------------|--------------|--------------|--------------------|
|   | TASHCO                | Cash in Lieu | Conservation Trust | Parks        | Open Space   | Parks & Open Space |
| <b>REVENUES</b>   |                       |              |                    |              |              |                    |
| Taxes   |                       |              |                    |              |              |                    |
| Sales and use   | \$ -                  | \$ -         | \$ -               | \$ -         | \$ -         | \$ 7,586,513       |
| Property  | -                     | -            | -                  | -            | -            | -                  |
| E911  | -                     | -            | -                  | -            | -            | -                  |
| Other   | -                     | -            | -                  | -            | -            | -                  |
| Intergovernmental   | -                     | -            | 1,376,554          | -            | -            | -                  |
| Governmental grants   | 37,831                | -            | -                  | -            | 100,000      | 4,500              |
| Investments   |                       |              |                    |              |              |                    |
| Investment earnings   | 5,757                 | 28,770       | 27,707             | 16,248       | 149,889      | 342,577            |
| Miscellaneous   |                       |              |                    |              |              |                    |
| Developers' contributions   | -                     | 115,596      | -                  | -            | -            | -                  |
| Other   | 1,569                 | -            | -                  | -            | 9,600        | 858,000            |
| Total revenues  | 45,157                | 144,366      | 1,404,261          | 16,248       | 259,489      | 8,791,590          |
| <b>EXPENDITURES</b>   |                       |              |                    |              |              |                    |
| Current   |                       |              |                    |              |              |                    |
| Community services  | 74,219                | -            | -                  | -            | -            | -                  |
| Streets, traffic and engineering  | -                     | -            | -                  | -            | -            | -                  |
| Capital outlay  | 3,000                 | 115,575      | 1,394,424          | 6,565        | 923,517      | 14,912,816         |
| Debt service  |                       |              |                    |              |              |                    |
| Principal retirement  | -                     | -            | -                  | -            | -            | 1,482,031          |
| Interest  | -                     | -            | -                  | -            | -            | 2,737,084          |
| Bond fees   | -                     | -            | -                  | -            | -            | -                  |
| Bond issuance costs   | -                     | -            | -                  | -            | -            | 511,526            |
| Total expenditures  | 77,219                | 115,575      | 1,394,424          | 6,565        | 923,517      | 19,643,457         |
| Excess (deficiency) of revenues over (under) expenditures before other sources (uses) | (32,062)              | 28,791       | 9,837              | 9,683        | (664,028)    | (10,851,867)       |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                       |              |                    |              |              |                    |
| Transfers in  | 46,517                | -            | -                  | -            | -            | -                  |
| Transfers out   | -                     | -            | -                  | -            | -            | -                  |
| Issuance of debt  | -                     | -            | -                  | -            | -            | 26,785,000         |
| Premium on issuance of debt   | -                     | -            | -                  | -            | -            | 3,745,451          |
| Total other financing sources (uses)  | 46,517                | -            | -                  | -            | -            | 30,530,451         |
| Net change in fund balances   | 14,455                | 28,791       | 9,837              | 9,683        | (664,028)    | 19,678,584         |
| Fund balances, January 1  | 337,409               | 447,723      | 1,785,500          | 1,028,742    | 9,907,710    | 14,118,376         |
| Fund balances, December 31  | \$ 351,864            | \$ 476,514   | \$ 1,795,337       | \$ 1,038,425 | \$ 9,243,682 | \$ 33,796,960      |

| Special Revenue Funds                   |  |                     |                   |                          |
|---|--|---------------------|-------------------|--------------------------|
| Adams County<br>Open Space<br>Sales Tax | Adams County<br>Road & Bridge<br>Sales Tax | 136th<br>Avenue GID | E911<br>Authority | Total<br>Special Revenue |
| \$ -                                    | \$ -                                       | \$ -                | \$ -              | \$ 7,586,513             |
| -                                       | -  | 103,585             | -                 | 103,585                  |
| -                                       | -  | -                   | 1,128,533         | 1,128,533                |
| -                                       | -  | 8,120               | -                 | 8,120                    |
| 1,369,737                               | 3,940,628                                  | -                   | -                 | 6,686,919                |
| 913,013                                 | -  | -                   | -                 | 1,055,344                |
| 32,453                                  | 141,008                                    | 771                 | 3,825             | 749,005                  |
| -                                       | 556,225                                    | -                   | -                 | 671,821                  |
| -                                       | 115,610                                    | -                   | -                 | 984,779                  |
| 2,315,203                               | 4,753,471                                  | 112,476             | 1,132,358         | 18,974,619               |
| -                                       | -  | -                   | -                 | 74,219                   |
| -                                       | -  | -                   | -                 | -                        |
| 1,475,222                               | 2,777,500                                  | -                   | -                 | 21,608,619               |
| -                                       | -  | -                   | -                 | 1,482,031                |
| -                                       | -  | -                   | -                 | 2,737,084                |
| -                                       | -  | -                   | -                 | -                        |
| -                                       | -  | -                   | -                 | 511,526                  |
| 1,475,222                               | 2,777,500                                  | -                   | -                 | 26,413,479               |
| 839,981                                 | 1,975,971                                  | 112,476             | 1,132,358         | (7,438,860)              |
| -                                       | -  | -                   | -                 | 46,517                   |
| -                                       | -  | (100,000)           | (1,100,000)       | (1,200,000)              |
| -                                       | -  | -                   | -                 | 26,785,000               |
| -                                       | -  | -                   | -                 | 3,745,451                |
| -                                       | -  | (100,000)           | (1,100,000)       | 29,376,968               |
| 839,981                                 | 1,975,971                                  | 12,476              | 32,358            | 21,938,108               |
| 2,000,878                               | 7,496,789                                  | 7,555               | 97,832            | 37,228,514               |
| \$ 2,840,859                            | \$ 9,472,760                               | \$ 20,031           | \$ 130,190        | \$ 59,166,622            |



# 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, 2020

|   | Capital Funds        |                      |                      |                              | Total<br>Non-major<br>Governmental<br>Funds |
|---|----------------------|----------------------|----------------------|------------------------------|---|
|   | TDA South<br>Capital | TDA North<br>Capital | TDA 144th<br>Capital | Total<br>Capital<br>Projects |   |
| <b>REVENUES</b>   |                      |                      |                      |                              |   |
| Taxes   |                      |                      |                      |                              |   |
| Sales and use   | \$ -                 | \$ 6,181,482         | \$ 1,219,174         | \$ 7,400,656                 | \$ 14,987,169                               |
| Property  | 788,132              | 10,221,786           | 1,700,094            | 12,710,012                   | 12,813,597                                  |
| E911  | -                    | -                    | -                    | -                            | 1,128,533                                   |
| Other   | -                    | -                    | -                    | -                            | 8,120                                       |
| Intergovernmental   | -                    | -                    | -                    | -                            | 6,686,919                                   |
| Governmental grants   | -                    | -                    | -                    | -                            | 1,055,344                                   |
| Investments   |                      |                      |                      |                              |   |
| Investment earnings   | 139,518              | 112,099              | 28,225               | 279,842                      | 1,028,847                                   |
| Miscellaneous   |                      |                      |                      |                              |   |
| Developers' contributions   | -                    | -                    | -                    | -                            | 671,821                                     |
| Other   | -                    | -                    | -                    | -                            | 984,779                                     |
| Total revenues  | <u>927,650</u>       | <u>16,515,367</u>    | <u>2,947,493</u>     | <u>20,390,510</u>            | <u>39,365,129</u>                           |
| <b>EXPENDITURES</b>   |                      |                      |                      |                              |   |
| Current   |                      |                      |                      |                              |   |
| Community services  | -                    | -                    | -                    | -                            | 74,219                                      |
| Streets, traffic and engineering  | -                    | -                    | 833,280              | 833,280                      | 833,280                                     |
| Capital outlay  | 313,841              | 8,338,042            | -                    | 8,651,883                    | 30,260,502                                  |
| Debt service  |                      |                      |                      |                              |   |
| Principal retirement  | -                    | 960,000              | 680,000              | 1,640,000                    | 3,122,031                                   |
| Interest  | -                    | 451,463              | 1,125,994            | 1,577,457                    | 4,314,541                                   |
| Bond fees   | -                    | 2,500                | 2,500                | 5,000                        | 5,000                                       |
| Bond issuance costs   | -                    | -                    | -                    | -                            | 511,526                                     |
| Total expenditures  | <u>313,841</u>       | <u>9,752,005</u>     | <u>2,641,774</u>     | <u>12,707,620</u>            | <u>39,121,099</u>                           |
| Excess (deficiency) of revenues<br>over (under) expenditures<br>before other sources (uses) | <u>613,809</u>       | <u>6,763,362</u>     | <u>305,719</u>       | <u>7,682,890</u>             | <u>244,030</u>                              |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>   |                      |                      |                      |                              |   |
| Transfers in  | -                    | -                    | -                    | -                            | 46,517                                      |
| Transfers out   | (218,545)            | (7,515,477)          | (268,373)            | (8,002,395)                  | (9,202,395)                                 |
| Issuance of debt  | -                    | -                    | -                    | -                            | 26,785,000                                  |
| Premium on issuance of debt   | -                    | -                    | -                    | -                            | 3,745,451                                   |
| Total other financing<br>sources (uses)   | <u>(218,545)</u>     | <u>(7,515,477)</u>   | <u>(268,373)</u>     | <u>(8,002,395)</u>           | <u>21,374,573</u>                           |
| Net change in fund balances   | 395,264              | (752,115)            | 37,346               | (319,505)                    | 21,618,603                                  |
| Fund balances, January 1  | <u>8,958,393</u>     | <u>8,969,305</u>     | <u>2,284,806</u>     | <u>20,212,504</u>            | <u>57,441,018</u>                           |
| Fund balances, December 31  | <u>\$ 9,353,657</u>  | <u>\$ 8,217,190</u>  | <u>\$ 2,322,152</u>  | <u>\$ 19,892,999</u>         | <u>\$ 79,059,621</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, 2020

|  | <u>Budget</u>       | <u>Actual</u>     | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|--|---------------------|-------------------|---|
| <b>REVENUES</b>                              |                     |                   |   |
| Governmental grants                          | \$ 58,635           | \$ 37,831         | \$ (20,804)   |
| Investments                                  |                     |                   |   |
| Investment earnings                          | -                   | 5,757             | 5,757   |
| Miscellaneous                                |                     |                   |   |
| Other  | 6,235               | 1,569             | (4,666)   |
| Total revenues                               | <u>64,870</u>       | <u>45,157</u>     | <u>(19,713)</u>   |
| <b>EXPENDITURES</b>                          |                     |                   |   |
| Community services                           | 111,387             | 74,219            | 37,168  |
| Capital outlay                               | 250,000             | 3,000             | 247,000   |
| Total expenditures                           | <u>361,387</u>      | <u>77,219</u>     | <u>284,168</u>  |
| Deficiency of revenues<br>under expenditures | <u>(296,517)</u>    | <u>(32,062)</u>   | <u>264,455</u>  |
| <b>OTHER FINANCING SOURCES</b>               |                     |                   |   |
| Transfers in                                 | 46,517              | 46,517            | -   |
| Total other financing sources                | <u>46,517</u>       | <u>46,517</u>     | <u>-</u>  |
| Net change in fund balance                   | <u>\$ (250,000)</u> | 14,455            | <u>\$ 264,455</u>   |
| Fund balance, January 1                      |                     | <u>337,409</u>    |   |
| Fund balance, December 31                    |                     | <u>\$ 351,864</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, 2020

|                            | <u>Budget</u>       | <u>Actual</u>     | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|----------------------------|---------------------|-------------------|---|
| <b>REVENUES</b>            |                     |                   |   |
| Investments                |                     |                   |   |
| Investment earnings        | \$ 33,000           | \$ 28,770         | \$ (4,230)  |
| Miscellaneous              |                     |                   |   |
| Developers' contributions  | <u>192,000</u>      | <u>115,596</u>    | <u>(76,404)</u>   |
| Total revenues             | <u>225,000</u>      | <u>144,366</u>    | <u>(80,634)</u>   |
| <b>EXPENDITURES</b>        |                     |                   |   |
| Capital outlay             | <u>689,161</u>      | <u>115,575</u>    | <u>573,586</u>  |
| Total expenditures         | <u>689,161</u>      | <u>115,575</u>    | <u>573,586</u>  |
| Net change in fund balance | <u>\$ (464,161)</u> | 28,791            | <u>\$ 492,952</u>   |
| Fund balance, January 1    |                     | <u>447,723</u>    |   |
| Fund balance, December 31  |                     | <u>\$ 476,514</u> |   |

# City of Thornton, Colorado

## Conservation Trust Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2020

|                                   | <u>Budget</u>       | <u>Actual</u>       | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|-----------------------------------|---------------------|---------------------|---|
| <b>REVENUES</b>                   |                     |                     |   |
| Intergovernmental - State lottery | \$ 1,578,000        | \$ 1,376,554        | \$ (201,446)  |
| Investments                       |                     |                     |   |
| Investment earnings               | <u>64,000</u>       | <u>27,707</u>       | <u>(36,293)</u>   |
| Total revenues                    | <u>1,642,000</u>    | <u>1,404,261</u>    | <u>(237,739)</u>  |
| <b>EXPENDITURES</b>               |                     |                     |   |
| Capital outlay                    | <u>2,196,285</u>    | <u>1,394,424</u>    | <u>801,861</u>  |
| Total expenditures                | <u>2,196,285</u>    | <u>1,394,424</u>    | <u>801,861</u>  |
| Net change in fund balance        | <u>\$ (554,285)</u> | 9,837               | <u>\$ 564,122</u>   |
| Fund balance, January 1           |                     | <u>1,785,500</u>    |   |
| Fund balance, December 31         |                     | <u>\$ 1,795,337</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, 2020

|                            | <u>Budget</u>       | <u>Actual</u>       | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|----------------------------|---------------------|---------------------|---|
| <b>REVENUES</b>            |                     |                     |   |
| Investments                |                     |                     |   |
| Investment earnings        | \$ 98,000           | \$ 16,248           | \$ (81,752)   |
| Total revenues             | <u>98,000</u>       | <u>16,248</u>       | <u>(81,752)</u>   |
| <b>EXPENDITURES</b>        |                     |                     |   |
| Capital outlay             | <u>623,313</u>      | <u>6,565</u>        | <u>616,748</u>  |
| Total expenditures         | <u>623,313</u>      | <u>6,565</u>        | <u>616,748</u>  |
| Net change in fund balance | <u>\$ (525,313)</u> | 9,683               | <u>\$ 534,996</u>   |
| Fund balance, January 1    |                     | <u>1,028,742</u>    |   |
| Fund balance, December 31  |                     | <u>\$ 1,038,425</u> |   |

# City of Thornton, Colorado

## Open Space Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2020

|                            | <u>Budget</u>         | <u>Actual</u>       | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|----------------------------|-----------------------|---------------------|---|
| <b>REVENUES</b>            |                       |                     |   |
| Governmental grants        | \$ 1,288,140          | \$ 100,000          | \$ (1,188,140)  |
| Investments                |                       |                     |   |
| Investment earnings        | 230,000               | 149,889             | (80,111)  |
| Miscellaneous              |                       |                     |   |
| Other                      | -                     | 9,600               | 9,600   |
|                            | <u>1,518,140</u>      | <u>259,489</u>      | <u>(1,258,651)</u>  |
| Total revenues             |                       |                     |   |
| <b>EXPENDITURES</b>        |                       |                     |   |
| Capital outlay             | <u>6,556,651</u>      | <u>923,517</u>      | <u>5,633,134</u>  |
|                            |                       |                     |   |
| Total expenditures         | <u>6,556,651</u>      | <u>923,517</u>      | <u>5,633,134</u>  |
| Net change in fund balance | <u>\$ (5,038,511)</u> | (664,028)           | <u>\$ 4,374,483</u>   |
| Fund balance, January 1    |                       | <u>9,907,710</u>    |   |
| Fund balance, December 31  |                       | <u>\$ 9,243,682</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, 2020

|  | <b>Budget</b>         | <b>Actual</b>        | <b>Positive<br/>(negative)<br/>variance<br/>from actual</b> |
|--|-----------------------|----------------------|---|
| <b>REVENUES</b>                              |                       |                      |   |
| Taxes - sales and use                        | \$ 7,636,169          | \$ 7,586,513         | \$ (49,656)   |
| Governmental grants                          | -                     | 4,500                | 4,500   |
| Investments                                  |                       |                      |   |
| Investment earnings                          | 490,000               | 342,577              | (147,423)   |
| Miscellaneous                                |                       |                      |   |
| Other  | -                     | 858,000              | 858,000   |
| Total revenues                               | <u>8,126,169</u>      | <u>8,791,590</u>     | <u>665,421</u>  |
| <b>EXPENDITURES</b>                          |                       |                      |   |
| Capital outlay                               | 35,694,942            | 14,912,816           | 20,782,126  |
| Debt service                                 |                       |                      |   |
| Principal retirement                         | 3,962,774             | 1,482,031            | 2,480,743   |
| Interest                                     | 2,125,436             | 2,737,084            | (611,648)   |
| Bond issuance expense                        | 511,526               | 511,526              | -   |
| Bond fees                                    | 3,762                 | -                    | 3,762   |
| Total expenditures                           | <u>42,298,440</u>     | <u>19,643,457</u>    | <u>22,654,983</u>   |
| Deficiency of revenues<br>under expenditures | <u>(34,172,271)</u>   | <u>(10,851,867)</u>  | <u>23,320,404</u>   |
| <b>OTHER FINANCING SOURCES</b>               |                       |                      |   |
| Issuance of debt                             | <u>30,000,000</u>     | <u>30,530,451</u>    | <u>530,451</u>  |
| Total other financing sources                | <u>30,000,000</u>     | <u>30,530,451</u>    | <u>530,451</u>  |
| Net change in fund balance                   | <u>\$ (4,172,271)</u> | 19,678,584           | <u>\$ 23,850,855</u>  |
| Fund balance, January 1                      |                       | <u>14,118,376</u>    |   |
| Fund balance, December 31                    |                       | <u>\$ 33,796,960</u> |   |

# City of Thornton, Colorado

## Adams County Open Space Sales Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2020

|                            | <u>Budget</u>         | <u>Actual</u>       | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|----------------------------|-----------------------|---------------------|---|
| <b>REVENUES</b>            |                       |                     |   |
| Intergovernmental          | \$ 1,322,417          | \$ 1,369,737        | \$ 47,320   |
| Governmental grants        | 1,663,031             | 913,013             | (750,018)   |
| Investments                |                       |                     |   |
| Investment earnings        | <u>60,000</u>         | <u>32,453</u>       | <u>(27,547)</u>   |
| Total revenues             | <u>3,045,448</u>      | <u>2,315,203</u>    | <u>(730,245)</u>  |
| <b>EXPENDITURES</b>        |                       |                     |   |
| Capital outlay             | <u>4,150,295</u>      | <u>1,475,222</u>    | <u>2,675,073</u>  |
| Total expenditures         | <u>4,150,295</u>      | <u>1,475,222</u>    | <u>2,675,073</u>  |
| Net change in fund balance | <u>\$ (1,104,847)</u> | 839,981             | <u>\$ 1,944,828</u>   |
| Fund balance, January 1    |                       | <u>2,000,878</u>    |   |
| Fund balance, December 31  |                       | <u>\$ 2,840,859</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, 2020

|                            | <u>Budget</u>         | <u>Actual</u>       | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|----------------------------|-----------------------|---------------------|---|
| <b>REVENUES</b>            |                       |                     |   |
| Intergovernmental          | \$ 3,315,000          | \$ 3,940,628        | \$ 625,628  |
| Investments                |                       |                     |   |
| Investment earnings        | 154,000               | 141,008             | (12,992)  |
| Miscellaneous              |                       |                     |   |
| Developers' contributions  | -                     | 556,225             | 556,225   |
| Other                      | -                     | 115,610             | 115,610   |
|                            | <u>3,469,000</u>      | <u>4,753,471</u>    | <u>1,284,471</u>  |
| <b>EXPENDITURES</b>        |                       |                     |   |
| Capital outlay             | <u>9,190,390</u>      | <u>2,777,500</u>    | <u>6,412,890</u>  |
|                            | <u>9,190,390</u>      | <u>2,777,500</u>    | <u>6,412,890</u>  |
| Net change in fund balance | <u>\$ (5,721,390)</u> | 1,975,971           | <u>\$ 7,697,361</u>   |
| Fund balance, January 1    |                       | <u>7,496,789</u>    |   |
| Fund balance, December 31  |                       | <u>\$ 9,472,760</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, 2020

|                             | <u>Budget</u>    | <u>Actual</u>    | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|-----------------------------|------------------|------------------|---|
| <b>REVENUES</b>             |                  |                  |   |
| Taxes                       |                  |                  |   |
| Property                    | \$ 100,000       | \$ 103,585       | \$ 3,585  |
| Other                       | -                | 8,120            | 8,120   |
| Investments                 |                  |                  |   |
| Investment earnings         | -                | 771              | 771   |
|                             | <u>-</u>         | <u>771</u>       | <u>771</u>  |
| Total revenues              | <u>100,000</u>   | <u>112,476</u>   | <u>12,476</u>   |
| <b>OTHER FINANCING USES</b> |                  |                  |   |
| Transfers out               | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u>  |
| Total other financing uses  | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u>  |
| Net change in fund balance  | <u>\$ -</u>      | 12,476           | <u>\$ 12,476</u>  |
| Fund balance, January 1     |                  | <u>7,555</u>     |   |
| Fund balance, December 31   |                  | <u>\$ 20,031</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, 2020

|                             | <u>Budget</u>      | <u>Actual</u>      | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|-----------------------------|--------------------|--------------------|---|
| <b>REVENUES</b>             |                    |                    |   |
| Taxes - E911                | \$ 1,100,000       | \$ 1,128,533       | \$ 28,533   |
| Investments                 |                    |                    |   |
| Investment earnings         | -                  | 3,825              | 3,825   |
| Total revenues              | <u>1,100,000</u>   | <u>1,132,358</u>   | <u>32,358</u>   |
| <b>OTHER FINANCING USES</b> |                    |                    |   |
| Transfers out               | <u>(1,100,000)</u> | <u>(1,100,000)</u> | <u>-</u>  |
| Total other financing uses  | <u>(1,100,000)</u> | <u>(1,100,000)</u> | <u>-</u>  |
| Net change in fund balance  | <u>\$ -</u>        | 32,358             | <u>\$ 32,358</u>  |
| Fund balance, January 1     |                    | <u>97,832</u>      |   |
| Fund balance, December 31   |                    | <u>\$ 130,190</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, 2020

|  | <u>Budget</u>       | <u>Actual</u>       | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|--|---------------------|---------------------|---|
| <b>REVENUES</b>  |                     |                     |   |
| Taxes - property   | \$ 733,000          | \$ 788,132          | \$ 55,132   |
| Investments  |                     |                     |   |
| Investment earnings  | <u>193,000</u>      | <u>139,518</u>      | <u>(53,482)</u>   |
| Total revenues   | <u>926,000</u>      | <u>927,650</u>      | <u>1,650</u>  |
| <b>EXPENDITURES</b>  |                     |                     |   |
| Capital outlay   | <u>1,483,726</u>    | <u>313,841</u>      | <u>1,169,885</u>  |
| Total expenditures   | <u>1,483,726</u>    | <u>313,841</u>      | <u>1,169,885</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(557,726)</u>    | <u>613,809</u>      | <u>1,171,535</u>  |
| <b>OTHER FINANCING USES</b>                                  |                     |                     |   |
| Transfers out  | <u>(218,545)</u>    | <u>(218,545)</u>    | <u>-</u>  |
| Total other financing uses                                   | <u>(218,545)</u>    | <u>(218,545)</u>    | <u>-</u>  |
| Net change in fund balance                                   | <u>\$ (776,271)</u> | <u>395,264</u>      | <u>\$ 1,171,535</u>   |
| Fund balance, January 1                                      |                     | <u>8,958,393</u>    |   |
| Fund balance, December 31                                    |                     | <u>\$ 9,353,657</u> |   |

# 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, 2020

|   | <u>Budget</u>         | <u>Actual</u>       | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|---|-----------------------|---------------------|---|
| <b>REVENUES</b>                         |                       |                     |   |
| Taxes                                   |                       |                     |   |
| Sales and use                           | \$ 6,200,000          | \$ 6,181,482        | \$ (18,518)   |
| Property                                | 10,300,000            | 10,221,786          | (78,214)  |
| Investments                             |                       |                     |   |
| Investment earnings                     | <u>490,000</u>        | <u>112,099</u>      | <u>(377,901)</u>  |
| Total revenues                          | <u>16,990,000</u>     | <u>16,515,367</u>   | <u>(474,633)</u>  |
| <b>EXPENDITURES</b>                     |                       |                     |   |
| Capital outlay                          | 12,722,703            | 8,338,042           | 4,384,661   |
| Debt service                            |                       |                     |   |
| Principal retirement                    | 960,000               | 960,000             | -   |
| Interest                                | 451,463               | 451,463             | -   |
| Bond fees                               | <u>5,000</u>          | <u>2,500</u>        | <u>2,500</u>  |
| Total expenditures                      | <u>14,139,166</u>     | <u>9,752,005</u>    | <u>4,387,161</u>  |
| Excess of revenues<br>over expenditures | <u>2,850,834</u>      | <u>6,763,362</u>    | <u>3,912,528</u>  |
| <b>OTHER FINANCING USES</b>             |                       |                     |   |
| Transfers out                           | <u>(7,515,476)</u>    | <u>(7,515,477)</u>  | <u>(1)</u>  |
| Total other financing uses              | <u>(7,515,476)</u>    | <u>(7,515,477)</u>  | <u>(1)</u>  |
| Net change in fund balance              | <u>\$ (4,664,642)</u> | <u>(752,115)</u>    | <u>\$ 3,912,527</u>   |
| Fund balance, January 1                 |                       | <u>8,969,305</u>    |   |
| Fund balance, December 31               |                       | <u>\$ 8,217,190</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, 2020

|   | <u>Budget</u>            | <u>Actual</u>              | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|---|--------------------------|----------------------------|---|
| <b>REVENUES</b>                         |                          |                            |   |
| Taxes                                   |                          |                            |   |
| Sales and use                           | \$ 1,500,000             | \$ 1,219,174               | \$ (280,826)  |
| Property                                | 1,600,000                | 1,700,094                  | 100,094   |
| Investments                             |                          |                            |   |
| Investment earnings                     | <u>92,000</u>            | <u>28,225</u>              | <u>(63,775)</u>   |
| Total revenues                          | <u>3,192,000</u>         | <u>2,947,493</u>           | <u>(244,507)</u>  |
| <b>EXPENDITURES</b>                     |                          |                            |   |
| Streets, traffic and engineering        | 865,000                  | 833,280                    | 31,720  |
| Debt Service                            |                          |                            |   |
| Principal Retirement                    | 680,000                  | 680,000                    | -   |
| Interest                                | 1,125,994                | 1,125,994                  | -   |
| Bond fees                               | <u>5,000</u>             | <u>2,500</u>               | <u>2,500</u>  |
| Total expenditures                      | <u>2,675,994</u>         | <u>2,641,774</u>           | <u>34,220</u>   |
| Excess of revenues<br>over expenditures | <u>516,006</u>           | <u>305,719</u>             | <u>(210,287)</u>  |
| <b>OTHER FINANCING USES</b>             |                          |                            |   |
| Transfers out                           | <u>(268,373)</u>         | <u>(268,373)</u>           | <u>-</u>  |
| Total other financing uses              | <u>(268,373)</u>         | <u>(268,373)</u>           | <u>-</u>  |
| Net change in fund balance              | <u><u>\$ 247,633</u></u> | 37,346                     | <u><u>\$ (210,287)</u></u>                                  |
| Net position, January 1                 |                          | <u>2,284,806</u>           |   |
| Net position, December 31               |                          | <u><u>\$ 2,322,152</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, 2020

|  | Budget           | Actual         | Positive<br>(negative)<br>variance<br>from actual |
|--|------------------|----------------|---|
| <b>OPERATING REVENUES</b>  |                  |                |   |
| Charges for services pledged for debt  | \$ 50,803,760    | \$ 53,413,467  | \$ 2,609,707                                      |
| Miscellaneous revenue  | 109,000          | 109,445        | 445   |
| Total operating revenues   | 50,912,760       | 53,522,912     | 2,610,152   |
| <b>OPERATING EXPENSES</b>  |                  |                |   |
| Source of supply   | 7,221,916        | 6,875,683      | 346,233   |
| Water treatment  | 16,420,851       | 15,760,872     | 659,979   |
| Collection, transmission, and distribution   | 4,302,326        | 4,630,027      | (327,701)   |
| Other operating expenses   | 1,380,870        | 1,178,711      | 202,159   |
| Administration   | 10,095,701       | 9,537,969      | 557,732   |
| Total operating expenses   | 39,421,664       | 37,983,262     | 1,438,402   |
| Operating income   | 11,491,096       | 15,539,650     | 4,048,554   |
| <b>NONOPERATING REVENUES (EXPENSES)</b>  |                  |                |   |
| Interest income  | 3,100,429        | 4,174,810      | 1,074,381   |
| Capital outlay   | (148,970,047)    | (59,772,780)   | 89,197,267  |
| Debt service   |                  |                |   |
| Principal payment  | (1,620,000)      | (1,620,000)    | -   |
| Other debt obligation  | -                | (309,578)      | (309,578)   |
| Interest   | (1,234,244)      | (1,234,244)    | -   |
| Bond fees  | (5,000)          | (275)          | 4,725   |
| Bond Issuance Expense  | (375,000)        | (365,524)      | 9,476   |
| Miscellaneous revenue  | 4,464,648        | 3,911,229      | (553,419)   |
| Total nonoperating expenses  | (144,639,214)    | (55,216,362)   | 89,422,852  |
| Loss before capital contributions  | (133,148,118)    | (39,676,712)   | 93,471,406  |
| Grants and capital contributions   | 23,835,877       | 23,634,123     | (201,754)   |
| Bond Proceeds  | -                | 90,374,765     | 90,374,765  |
| Excess (Deficiency) of revenues over (under) expenditures before reconciling items | \$ (109,312,241) | 74,332,176     | \$ 183,644,417                                    |
| <b>RECONCILIATION TO US GAAP BASIS</b>   |                  |                |   |
| Miscellaneous non-cash adjustments (administrative)                                |                  | (185,506)      |   |
| Miscellaneous non-cash adjustments (ARO)   |                  | (5,000)        |   |
| Add back principal payment   |                  | 1,620,000      |   |
| Add back advance payment   |                  | 309,578        |   |
| Change in accrued interest payable   |                  | (473,876)      |   |
| Gain on sale of capital assets   |                  | 3,524,600      |   |
| Gain on sale of land held for resale   |                  | 532,146        |   |
| Depreciation   |                  | (7,715,725)    |   |
| Capital asset additions (from the City's capital projects)                         |                  | 59,772,780     |   |
| Contributed capital assets   |                  | 3,010,292      |   |
| Less issuance of bonds   |                  | (90,374,765)   |   |
| Bond deferred premiums amortized   |                  | 118,060        |   |
| Total reconciling items  |                  | (29,867,416)   |   |
| Change in net position   |                  | 44,464,760     |   |
| Net position, January 1  |                  | 771,310,570    |   |
| Net position, December 31  |                  | \$ 815,775,330 |   |



# 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, 2020

|  | Budget          | Actual        | Positive<br>(negative)<br>variance<br>from actual |
|--|-----------------|---------------|---|
| <b>OPERATING REVENUES</b>  |                 |               |   |
| Charges for services   | \$ 15,580,000   | \$ 15,838,431 | \$ 258,431  |
| Total operating revenues   | 15,580,000      | 15,838,431    | 258,431   |
| <b>OPERATING EXPENSES</b>  |                 |               |   |
| Collection, transmission, and distribution                         | 1,819,118       | 1,783,869     | 35,249  |
| Sewage treatment-Metro Wastewater                                  | 11,033,501      | 10,363,394    | 670,107   |
| Other operating expenses   | 206,199         | 175,462       | 30,737  |
| Administration   | 1,740,274       | 1,740,274     | -   |
| Total operating expenses   | 14,799,092      | 14,062,999    | 736,093   |
| Operating income   | 780,908         | 1,775,432     | 994,524   |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                            |                 |               |   |
| Interest income  | 103,000         | 220,734       | 117,734   |
| Capital outlay   | (19,669,336)    | (12,438,754)  | 7,230,582   |
| Total nonoperating expenses  | (19,566,336)    | (12,218,020)  | 7,348,316   |
| Loss before capital contributions and transfers                    | (18,785,428)    | (10,442,588)  | 8,342,840   |
| Capital contributions  | 1,776,590       | 2,082,336     | 305,746   |
| Transfers in   | 2,064,917       | 2,064,917     | -   |
| Deficiency of revenues under expenditures before reconciling items | \$ (14,943,921) | (6,295,335)   | \$ 8,648,586                                      |
| <b>RECONCILIATION TO US GAAP BASIS</b>                             |                 |               |   |
| Miscellaneous non-cash adjustments                                 |                 | (10,249)      |   |
| Loss on disposal of capital assets                                 |                 | (20,258)      |   |
| Depreciation   |                 | (2,359,239)   |   |
| Capital asset additions (from the City's capital projects)         |                 | 12,438,754    |   |
| Contributed capital assets   |                 | 2,291,717     |   |
| Total reconciling items  |                 | 12,340,725    |   |
| Change in net position   |                 | 6,045,390     |   |
| Net position, January 1  |                 | 73,134,590    |   |
| Net position, December 31  |                 | \$ 79,179,980 |   |

## 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, 2020

|   | Business-type Activities<br>Enterprise Funds |              |              |
|---|--|--------------|--------------|
|   | Environmental<br>Services                    | Stormwater   | Total        |
| <b>ASSETS</b>   |  |              |              |
| Current assets  |  |              |              |
| Equity in pooled cash and<br>investments - unrestricted | \$ 5,305,247                                 | \$ 1,164,006 | \$ 6,469,253 |
| Receivables, net  |  |              |              |
| Accounts  | 669,264                                      | 208,590      | 877,854      |
| Interest and other receivables                          | 10,818                                       | 2,014        | 12,832       |
| Total current assets                                    | 5,985,329                                    | 1,374,610    | 7,359,939    |
| Noncurrent assets                                       |  |              |              |
| Collection, transmission, and<br>distribution           | -  | 70,880,756   | 70,880,756   |
| Transportation equipment                                | 5,710,133                                    | 1,410,163    | 7,120,296    |
| General equipment                                       | 525,532                                      | 1,063,508    | 1,589,040    |
| Buildings and improvements                              | 684,752                                      | -            | 684,752      |
| Less accumulated depreciation                           | (2,572,506)                                  | (20,172,612) | (22,745,118) |
| Construction in progress                                | -  | 774,023      | 774,023      |
| Total noncurrent assets                                 | 4,347,911                                    | 53,955,838   | 58,303,749   |
| Total assets  | 10,333,240                                   | 55,330,448   | 65,663,688   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                   |  |              |              |
| Deferred outflow related to OPEB                        | 43,426                                       | 23,463       | 66,889       |
| Total deferred outflows of resources                    | 43,426                                       | 23,463       | 66,889       |

|                                      | Business-type Activities<br>Enterprise Funds |               |               |
|--------------------------------------|--|---------------|---------------|
|                                      | Environmental<br>Services                    | Stormwater    | Total         |
| <b>LIABILITIES</b>                   |  |               |               |
| Current liabilities                  |  |               |               |
| Accounts payable                     | \$ 156,698                                   | \$ 114,186    | \$ 270,884    |
| Retainage payable                    | -  | 350           | 350           |
| Compensated absences                 | 12,087                                       | 18,030        | 30,117        |
| Total current liabilities            | 168,785                                      | 132,566       | 301,351       |
| Long-term liabilities                |  |               |               |
| Total OPEB liability                 | 135,465                                      | 74,339        | 209,804       |
| Compensated absences                 | 100,768                                      | 72,071        | 172,839       |
| Total long-term liabilities          | 236,233                                      | 146,410       | 382,643       |
| Total liabilities                    | 405,018                                      | 278,976       | 683,994       |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |               |               |
| Deferred inflows related to OPEB     | 13,489                                       | 7,018         | 20,507        |
| Total deferred inflows of resources  | 13,489                                       | 7,018         | 20,507        |
| <b>NET POSITION</b>                  |  |               |               |
| Net investment in capital assets     | 4,347,911                                    | 53,955,488    | 58,303,399    |
| Unrestricted                         | 5,610,248                                    | 1,112,429     | 6,722,677     |
| Total net position                   | \$ 9,958,159                                 | \$ 55,067,917 | \$ 65,026,076 |

# City of Thornton, Colorado

## Statement of Revenues, Expenses and Changes in Net Position Non-Major Proprietary Funds For the year ended December 31, 2020

|   | Business-type Activities<br>Enterprise Funds |               |               |
|---|--|---------------|---------------|
|   | Environmental<br>Services                    | Stormwater    | Total         |
| <b>OPERATING REVENUES</b>                                   |  |               |               |
| Charges for services  | \$ 5,718,387                                 | \$ 4,181,998  | \$ 9,900,385  |
| Miscellaneous revenue                                       | 24,731                                       | -             | 24,731        |
| Total operating revenues                                    | 5,743,118                                    | 4,181,998     | 9,925,116     |
| <b>OPERATING EXPENSES</b>                                   |  |               |               |
| Collection, transmission<br>distribution, and trash removal | 3,446,739                                    | 1,510,499     | 4,957,238     |
| Other operating expenses                                    | 866,747                                      | 23,958        | 890,705       |
| Administration  | 964,151                                      | 630,713       | 1,594,864     |
| Depreciation  | 732,977                                      | 1,532,865     | 2,265,842     |
| Total operating expenses                                    | 6,010,614                                    | 3,698,035     | 9,708,649     |
| Operating income (loss)                                     | (267,496)                                    | 483,963       | 216,467       |
| <b>NONOPERATING REVENUES<br/>(EXPENSES)</b>                 |  |               |               |
| Loss on disposal<br>of capital assets                       | (41,838)                                     | -             | (41,838)      |
| Interest income   | 88,646                                       | 18,267        | 106,913       |
| Total nonoperating revenues                                 | 46,808                                       | 18,267        | 65,075        |
| Income (loss) before capital<br>contributions and transfers | (220,688)                                    | 502,230       | 281,542       |
| Grants and capital contributions                            | -  | 6,732,803     | 6,732,803     |
| Change in net position                                      | (220,688)                                    | 7,235,033     | 7,014,345     |
| Net position, January 1                                     | 10,178,847                                   | 47,832,884    | 58,011,731    |
| Net position, December 31                                   | \$ 9,958,159                                 | \$ 55,067,917 | \$ 65,026,076 |

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# City of Thornton, Colorado

## Statement of Cash Flows Non- Major Proprietary Funds For the year ended December 31, 2020

|   | Business-type Activities<br>Enterprise Funds |                     |                     |
|---|--|---------------------|---------------------|
|   | Environmental<br>Services                    | Stormwater          | Total               |
| <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES</b>                     |  |                     |                     |
| Receipts from customers and others                                  | \$ 5,496,361                                 | \$ 4,067,050        | \$ 9,563,411        |
| Payments to suppliers   | (3,537,051)                                  | (838,626)           | (4,375,677)         |
| Payments to employees   | (2,241,184)                                  | (1,294,451)         | (3,535,635)         |
| Net cash provided by (used in) operating activities                 | (281,874)                                    | 1,933,973           | 1,652,099           |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> |  |                     |                     |
| Purchases and construction of<br>capital assets                     | (1,960,197)                                  | (1,796,184)         | (3,756,381)         |
| Capital contributions   | -  | 94,418              | 94,418              |
| Net cash used in capital<br>and related financing activities        | (1,960,197)                                  | (1,701,766)         | (3,661,963)         |
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES</b>                     |  |                     |                     |
| Proceeds from sale of investments                                   | 7,965,613                                    | 1,216,317           | 9,181,930           |
| Purchases of investments  | (4,672,885)                                  | (1,029,619)         | (5,702,504)         |
| Interest on investments   | 104,696                                      | 19,256              | 123,952             |
| Net cash provided by<br>investing activities                        | 3,397,424                                    | 205,954             | 3,603,378           |
| Net increase (decrease) in cash and<br>cash equivalents             | 1,155,353                                    | 438,161             | 1,593,514           |
| Cash and cash equivalents, Jan. 1                                   | 1,923,248                                    | 240,255             | 2,163,503           |
| Cash and cash equivalents, Dec. 31                                  | <u>\$ 3,078,601</u>                          | <u>\$ 678,416</u>   | <u>\$ 3,757,017</u> |
| Cash and cash equivalents   | \$ 3,078,601                                 | \$ 678,416          | \$ 3,757,017        |
| Investments   | 2,226,646                                    | 485,590             | 2,712,236           |
| Total cash and investments  | <u>\$ 5,305,247</u>                          | <u>\$ 1,164,006</u> | <u>\$ 6,469,253</u> |
| Equity in pooled cash and investments                               | <u>\$ 5,305,247</u>                          | <u>\$ 1,164,006</u> | <u>\$ 6,469,253</u> |
| Total cash and investments  | <u>\$ 5,305,247</u>                          | <u>\$ 1,164,006</u> | <u>\$ 6,469,253</u> |

|  | Business-type Activities<br>Enterprise Funds |                     |                     |
|--|--|---------------------|---------------------|
|  | Environmental<br>Services                    | Stormwater          | Total               |
| <b>RECONCILIATION OF OPERATING<br/>INCOME TO NET<br/>CASH PROVIDED BY (USED IN)<br/>OPERATING ACTIVITIES</b> |  |                     |                     |
| Operating income (loss)  | \$ (267,496)                                 | \$ 483,963          | \$ 216,467          |
| Adjustments to reconcile operating<br>income to net cash provided<br>by (used in) operating activities:      |  |                     |                     |
| Depreciation expense   | 732,977                                      | 1,532,865           | 2,265,842           |
| Change in assets and liabilities:  |  |                     |                     |
| Increase in accounts<br>receivable, net  | (246,758)                                    | (114,949)           | (361,707)           |
| Decrease in deferred outflows of resources<br>OPEB Related   | (22,698)                                     | (11,349)            | (34,047)            |
| Increase (decrease) in<br>accounts payable   | (550,861)                                    | 3,842               | (547,019)           |
| Increase (decrease) in OPEB  | (1,422)                                      | 16,638              | 15,216              |
| Increase in other liabilities  | 67,753                                       | 19,646              | 87,399              |
| Increase in deferred inflows of resources<br>OPEB Related  | 6,631  | 3,316               | 9,947               |
| Net cash provided by (used in)<br>operating activities   | <u>\$ (281,874)</u>                          | <u>\$ 1,933,972</u> | <u>\$ 1,652,098</u> |

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

|   |           |           |           |
|---|-----------|-----------|-----------|
| Investing Activities                                    |           |           |           |
| Increase in the fair value of<br>investments            | \$ 16,478 | \$ 4,837  | \$ 21,315 |
| Capital Activities                                      |           |           |           |
| Loss on disposal of capital assets                      | (41,838)  | -         | (41,838)  |
| Sewer and stormwater lines contributed<br>by developers | -         | 6,559,453 | 6,559,453 |
| Contributed capital from other government               | -         | 173,350   | 173,350   |



# 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, 2020

|   | <u>Budget</u>         | <u>Actual</u>       | <u>Positive<br/>(negative)<br/>variance<br/>from actual</u> |
|---|-----------------------|---------------------|---|
| <b>OPERATING REVENUES</b>   |                       |                     |   |
| Charges for services  | \$ 5,631,792          | \$ 5,718,387        | \$ 86,595   |
| Miscellaneous revenue   | 5,000                 | 24,731              | 19,731  |
| Total operating revenues  | <u>5,636,792</u>      | <u>5,743,118</u>    | <u>106,326</u>  |
| <b>OPERATING EXPENSES</b>   |                       |                     |   |
| Trash removal   | 3,506,035             | 3,446,739           | 59,296  |
| Other operating expenses  | 903,435               | 866,747             | 36,688  |
| Administration  | <u>977,379</u>        | <u>913,887</u>      | <u>63,492</u>   |
| Total operating expenses  | <u>5,386,849</u>      | <u>5,227,373</u>    | <u>159,476</u>  |
| Operating income  | <u>249,943</u>        | <u>515,745</u>      | <u>265,802</u>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                               |                       |                     |   |
| Interest income   | 165,000               | 88,646              | (76,354)  |
| Capital outlay  | <u>(1,935,305)</u>    | <u>(1,960,197)</u>  | <u>(24,892)</u>   |
| Total nonoperating expenses   | <u>(1,770,305)</u>    | <u>(1,871,551)</u>  | <u>(101,246)</u>  |
| Loss before transfers   | <u>(1,520,362)</u>    | <u>(1,355,806)</u>  | <u>164,556</u>  |
| Deficiency of revenues under<br>expenditures before reconciling items | <u>\$ (1,520,362)</u> | <u>(1,355,806)</u>  | <u>\$ 164,556</u>   |
| <b>RECONCILIATION TO US GAAP BASIS</b>                                |                       |                     |   |
| Miscellaneous non-cash adjustments                                    |                       | (50,264)            |   |
| Loss on disposal of capital assets                                    |                       | (41,838)            |   |
| Depreciation  |                       | (732,977)           |   |
| Capital asset additions   |                       | <u>1,960,197</u>    |   |
| Total reconciling items   |                       | <u>1,135,118</u>    |   |
| Change in net position  |                       | (220,688)           |   |
| Net position, January 1   |                       | <u>10,178,847</u>   |   |
| Net position, December 31   |                       | <u>\$ 9,958,159</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, 2020

|   | Budget         | Actual        | Positive<br>(negative)<br>variance<br>from actual |
|---|----------------|---------------|---|
| <b>OPERATING REVENUES</b>   |                |               |   |
| Charges for services  | \$ 4,140,962   | \$ 4,181,998  | \$ 41,036   |
| Total operating revenues  | 4,140,962      | 4,181,998     | 41,036  |
| <b>OPERATING EXPENSES</b>   |                |               |   |
| Collection, transmission, and distribution  | 1,575,632      | 1,510,499     | 65,133  |
| Other operating expenses  | 71,115         | 23,958        | 47,157  |
| Administration  | 602,462        | 602,462       | -   |
| Total operating expenses  | 2,249,209      | 2,136,919     | 112,290   |
| Operating income  | 1,891,753      | 2,045,079     | 153,326   |
| <b>NONOPERATING REVENUES (EXPENSES)</b>   |                |               |   |
| Interest income   | 5,000          | 18,267        | 13,267  |
| Capital outlay  | (8,654,244)    | (1,701,765)   | 6,952,479   |
| Total nonoperating expenses   | (8,649,244)    | (1,683,498)   | 6,965,746   |
| Gain (loss) before capital contributions and transfers                                | (6,757,491)    | 361,581       | 7,119,072   |
| Excess (Deficiency) of revenues over (under)<br>expenditures before reconciling items | \$ (6,757,491) | 361,581       | \$ 7,119,072                                      |
| <b>RECONCILIATION TO US GAAP BASIS</b>  |                |               |   |
| Miscellaneous non-cash adjustments  |                | (28,251)      |   |
| Depreciation  |                | (1,532,865)   |   |
| Capital asset additions (from the City's capital projects)                            |                | 1,701,765     |   |
| Contributed capital assets  |                | 6,559,453     |   |
| Capital Asset Additions (contributed from governmental activities)                    |                | 173,350       |   |
| Total reconciling items   |                | 6,873,452     |   |
| Change in net position  |                | 7,235,033     |   |
| Net position, January 1   |                | 47,832,884    |   |
| Net position, December 31   |                | \$ 55,067,917 |   |

**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, 2020

|   | Budget       | Actual       | Positive<br>(negative)<br>variance<br>from actual |
|---|--------------|--------------|---|
| <b>OPERATING REVENUES</b>   |              |              |   |
| Interfund services  | \$ 6,229,133 | \$ 6,319,094 | \$ 89,961   |
| Total operating revenues  | 6,229,133    | 6,319,094    | 89,961  |
| <b>OPERATING EXPENSES</b>   |              |              |   |
| Insurance and related expenses  | 1,127,683    | 1,170,978    | (43,295)  |
| Claims and reserves for claims  | 4,531,046    | 4,494,503    | 36,543  |
| Administration  | 700,020      | 681,753      | 18,267  |
| Total operating expenses  | 6,358,749    | 6,347,234    | 11,515  |
| Operating loss  | (129,616)    | (28,140)     | 101,476   |
| <b>NONOPERATING REVENUES</b>  |              |              |   |
| Interest income   | -            | 101,663      | 101,663   |
| Miscellaneous revenue   | -            | 20,000       | 20,000  |
| Total nonoperating revenues   | -            | 121,663      | 121,663   |
| Excess (Deficiency) of revenues over (under)<br>expenditures before reconciling items | \$ (129,616) | 93,523       | \$ 223,139  |
| <b>RECONCILIATION TO US GAAP BASIS</b>  |              |              |   |
| Incurred but not reported adjustment - property casualty                              |              | 576,327      |   |
| Incurred but not reported adjustment - worker's compensation                          |              | (403,517)    |   |
| Incurred but not reported adjustment - dental   |              | 147,928      |   |
| Incurred but not reported adjustment - vision   |              | 4,687        |   |
| OPEB liability adjustment   |              | (3,073)      |   |
| Miscellaneous non-cash adjustments  |              | (11,548)     |   |
| Total reconciling items   |              | 310,804      |   |
| Change in net position  |              | 404,327      |   |
| Net position, January 1,  |              | 352,766      |   |
| Net position, December 31   |              | \$ 757,093   |   |

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## **OTHER SCHEDULES**

**City of Thornton, Colorado**  
**Schedule of Investments**  
**December 31, 2020**

| <b>Description</b>                  | <b>Coupon<br/>Rate</b> | <b>Maturity<br/>Date</b> | <b>Original<br/>Cost</b> | <b>Fair<br/>Value</b> | <b>Par<br/>Value</b> |
|-------------------------------------|------------------------|--------------------------|--------------------------|-----------------------|----------------------|
| Federal Farm Credit                 | 2.000%                 | 06/28/23                 | \$ 5,000,000             | \$ 5,042,191          | \$ 5,000,000         |
|                                     | 2.220%                 | 06/21/24                 | 3,000,000                | 3,023,754             | 3,000,000            |
|                                     | 0.360%                 | 09/24/24                 | 2,995,320                | 2,994,012             | 3,000,000            |
|                                     | 0.440%                 | 11/04/24                 | 3,000,000                | 3,000,602             | 3,000,000            |
|                                     | 0.595%                 | 08/12/25                 | 2,496,875                | 2,498,752             | 2,500,000            |
| Federal Home<br>Loan Bank           | 2.000%                 | 05/28/21                 | 4,996,250                | 5,038,381             | 5,000,000            |
|                                     | 1.125%                 | 07/14/21                 | 4,974,600                | 5,026,845             | 5,000,000            |
|                                     | 3.000%                 | 12/10/21                 | 2,025,400                | 2,053,792             | 2,000,000            |
|                                     | 2.625%                 | 12/10/21                 | 2,651,659                | 2,706,972             | 2,645,000            |
|                                     | 2.000%                 | 09/09/22                 | 4,999,968                | 5,156,431             | 5,000,000            |
|                                     | 1.875%                 | 10/28/24                 | 5,000,000                | 5,004,080             | 5,000,000            |
|                                     | 0.600%                 | 08/27/25                 | 2,498,750                | 2,491,414             | 2,500,000            |
| Federal Home Loan<br>Mortgage Corp. | 2.070%                 | 09/28/21                 | 5,000,000                | 5,070,975             | 5,000,000            |
|                                     | 0.300%                 | 12/29/23                 | 2,999,400                | 3,000,680             | 3,000,000            |
|                                     | 0.320%                 | 06/28/24                 | 3,000,000                | 3,000,346             | 3,000,000            |
|                                     | 0.375%                 | 07/29/24                 | 2,500,000                | 2,501,195             | 2,500,000            |
|                                     | 0.600%                 | 02/03/25                 | 2,500,000                | 2,483,197             | 2,500,000            |
|                                     | 1.500%                 | 02/12/25                 | 4,996,150                | 5,245,138             | 5,000,000            |
|                                     | 0.625%                 | 12/17/25                 | 2,998,500                | 3,009,572             | 3,000,000            |
| Federal National<br>Mortgage Assoc. | 1.375%                 | 10/07/21                 | 4,947,050                | 5,047,706             | 5,000,000            |
|                                     | 2.000%                 | 10/05/22                 | 4,996,335                | 5,163,150             | 5,000,000            |
|                                     | 0.310%                 | 02/02/24                 | 3,000,078                | 2,999,603             | 3,000,000            |
|                                     | 0.375%                 | 06/14/24                 | 5,000,000                | 5,001,303             | 5,000,000            |
|                                     | 0.420%                 | 10/28/24                 | 2,500,000                | 2,498,409             | 2,500,000            |
|                                     | 0.500%                 | 06/30/25                 | 3,000,000                | 3,003,240             | 3,000,000            |
|                                     | 0.600%                 | 07/29/25                 | 2,500,000                | 2,502,725             | 2,500,000            |
|                                     | 0.470%                 | 08/25/25                 | 2,488,300                | 2,499,452             | 2,500,000            |
|                                     | 0.625%                 | 08/25/25                 | 2,499,000                | 2,498,500             | 2,500,000            |
|                                     | 0.580%                 | 10/20/25                 | 2,500,000                | 2,500,401             | 2,500,000            |
| U. S Treasury                       | 2.375%                 | 03/15/21                 | 5,004,102                | 5,021,690             | 5,000,000            |
|                                     | 1.875%                 | 11/30/21                 | 9,951,633                | 10,160,547            | 10,000,000           |
|                                     | 1.875%                 | 02/28/22                 | 2,964,727                | 3,060,937             | 3,000,000            |
|                                     | 1.750%                 | 09/30/22                 | 4,950,781                | 5,141,211             | 5,000,000            |
| State & Local Government<br>Bonds   | 2.638%                 | 07/01/21                 | 984,337                  | 981,223               | 970,000              |
|                                     | 2.500%                 | 10/01/21                 | 1,216,656                | 1,216,416             | 1,200,000            |
|                                     | 0.375%                 | 04/01/23                 | 2,494,725                | 2,492,250             | 2,500,000            |
|                                     | 1.580%                 | 05/01/24                 | 3,097,200                | 3,090,630             | 3,000,000            |
|                                     | 0.750%                 | 06/01/24                 | 2,525,725                | 2,525,725             | 2,500,000            |
|                                     | 0.550%                 | 06/01/25                 | 3,000,000                | 3,011,910             | 3,000,000            |
|                                     | 1.258%                 | 07/01/25                 | 1,000,000                | 1,022,910             | 1,000,000            |

| <b>Description</b>     | <b>Coupon<br/>Rate</b> | <b>Maturity<br/>Date</b> | <b>Original<br/>Cost</b> | <b>Fair<br/>Value</b> | <b>Par<br/>Value</b>  |
|------------------------|------------------------|--------------------------|--------------------------|-----------------------|-----------------------|
| Corp Coupon            | 2.500%                 | 01/12/21                 | 7,342,650                | 7,503,075             | 7,500,000             |
|                        | 2.850%                 | 05/06/21                 | 4,960,900                | 5,040,640             | 5,000,000             |
|                        | 2.600%                 | 01/11/22                 | 6,958,680                | 7,165,106             | 7,000,000             |
|                        | 3.400%                 | 01/31/22                 | 3,078,403                | 3,101,947             | 3,000,000             |
|                        | 2.498%                 | 03/03/22                 | 4,977,000                | 5,122,451             | 5,000,000             |
|                        | 2.650%                 | 05/23/22                 | 2,030,280                | 2,062,951             | 2,000,000             |
|                        | 2.150%                 | 09/08/22                 | 5,060,045                | 5,155,766             | 5,000,000             |
|                        | 2.150%                 | 09/15/22                 | 492,585                  | 515,520               | 500,000               |
|                        | 2.250%                 | 11/15/22                 | 1,984,700                | 2,073,705             | 2,000,000             |
|                        | 1.571%                 | 04/15/23                 | 2,575,675                | 2,570,997             | 2,500,000             |
|                        | 2.400%                 | 05/03/23                 | 7,566,800                | 7,867,229             | 7,500,000             |
|                        | 3.400%                 | 06/26/23                 | 5,266,075                | 5,369,718             | 5,000,000             |
|                        | 0.202%                 | 08/16/24                 | 3,155,760                | 3,158,578             | 3,000,000             |
|                        | 1.800%                 | 02/13/25                 | 4,990,500                | 5,242,955             | 5,000,000             |
| Certificate of Deposit | 2.750%                 | 08/04/21                 | 240,000                  | 243,884               | 240,000               |
|                        | 2.850%                 | 02/07/22                 | 240,000                  | 247,395               | 240,000               |
|                        | 2.650%                 | 04/04/22                 | 240,000                  | 247,808               | 240,000               |
|                        | 1.800%                 | 12/13/22                 | 250,000                  | 258,292               | 250,000               |
|                        | 2.850%                 | 02/07/23                 | 240,000                  | 254,326               | 240,000               |
|                        | 1.850%                 | 03/27/23                 | 250,000                  | 259,656               | 250,000               |
|                        | 3.150%                 | 02/06/24                 | 240,000                  | 261,903               | 240,000               |
|                        | 3.100%                 | 02/07/24                 | 240,000                  | 261,548               | 240,000               |
|                        | 3.100%                 | 02/07/24                 | 240,000                  | 261,548               | 240,000               |
|                        | 3.100%                 | 02/13/24                 | 240,000                  | 261,405               | 240,000               |
|                        | 2.800%                 | 04/15/24                 | 240,000                  | 260,316               | 240,000               |
|                        | 2.650%                 | 05/22/24                 | 240,000                  | 259,627               | 240,000               |
|                        | 2.650%                 | 05/22/24                 | 240,000                  | 259,627               | 240,000               |
| Overnight Funds        |                        |                          | 258,962,690              | 258,962,690           | 258,962,690           |
|                        |                        |                          | <u>\$ 460,796,264</u>    | <u>\$ 464,038,930</u> | <u>\$ 460,417,690</u> |



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

|   |                           |   |   |
|---|---------------------------|---|---|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>   |                           | City or County:<br>City of Thornton, Colorado<br>YEAR ENDING :<br>December 2020 |   |
| This Information From The Records Of:<br>City of Thornton, Colorado                       |                           | Prepared By: Krista Hoover, Accountant<br>Phone: 303-538-7362                   |   |
| <b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b> |                           |   |   |
| ITEM  | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes  | C. Receipts from State Highway-User Taxes |
| 1. Total receipts available   |                           |   |   |
| 2. Minus amount used for collection expenses  |                           |   |   |
| 3. Minus amount used for nonhighway purposes  |                           |   |   |
| 4. Minus amount used for mass transit   |                           |   |   |
| 5. Remainder used for highway purposes  |                           |   |   |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>  |                           | <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>                          |   |
| ITEM  | AMOUNT                    | ITEM  | AMOUNT                                    |
| <b>A. Receipts from local sources:</b>  |                           | <b>A. Local highway disbursements:</b>  |   |
| 1. Local highway-user taxes   |                           | 1. Capital outlay (from page 2)   | 21,839,108                                |
| a. Motor Fuel (from Item I.A.5.)  |                           | 2. Maintenance:   | 2,969,121                                 |
| b. Motor Vehicle (from Item I.B.5.)   |                           | 3. Road and street services:  |   |
| c. Total (a.+b.)  |                           | a. Traffic control operations   | 1,902,324                                 |
| 2. General fund appropriations  | 0                         | b. Snow and ice removal   | 630,907                                   |
| 3. Other local imposts (from page 2)  | 27,573,256                | c. Other  | 2,443,741                                 |
| 4. Miscellaneous local receipts (from page 2)   | 5,985,275                 | d. Total (a. through c.)  | 4,976,972                                 |
| 5. Transfers from toll facilities   | 0                         | 4. General administration & miscellaneous                                       | 585,752                                   |
| 6. Proceeds of sale of bonds and notes:   |                           | 5. Highway law enforcement and safety   | 8,703,045                                 |
| a. Bonds - Original Issues  | 0                         | 6. Total (1 through 5)  | 39,073,998                                |
| b. Bonds - Refunding Issues   | 0                         | <b>B. Debt service on local obligations:</b>                                    |   |
| c. Notes  | 0                         | 1. Bonds:   |   |
| d. Total (a. + b. + c.)   | 0                         | a. Interest   | 99,851                                    |
| 7. Total (1 through 6)  | 33,558,531                | b. Redemption   | 800,411                                   |
| <b>B. Private Contributions</b>   | 1,768,025                 | c. Total (a. + b.)  | 900,262                                   |
| <b>C. Receipts from State government</b>  |                           | 2. Notes:   |   |
| (from page 2)   | 4,550,135                 | a. Interest   | 0   |
| <b>D. Receipts from Federal Government</b>  |                           | b. Redemption   | 0   |
| (from page 2)   | 97,569                    | c. Total (a. + b.)  | 0   |
| <b>E. Total receipts (A.7 + B + C + D)</b>  | 39,974,260                | 3. Total (1.c + 2.c)  | 900,262                                   |
|   |                           | <b>C. Payments to State for highways</b>  | 0   |
|   |                           | <b>D. Payments to toll facilities</b>   | 0   |
|   |                           | <b>E. Total disbursements (A.6 + B.3 + C + D)</b>                               | 39,974,260                                |
| <b>IV. LOCAL HIGHWAY DEBT STATUS</b><br>(Show all entries at par)                         |                           |   |   |
|   | Opening Debt              | Amount Issued   | Closing Debt                              |
| <b>A. Bonds (Total)</b>   | 2,465,483                 | 0   | 1,665,072                                 |
| 1. Bonds (Refunding Portion)  | 0                         | 0   | 0   |
| <b>B. Notes (Total)</b>   | 0                         | 0   | 0   |
| <b>V. LOCAL ROAD AND STREET FUND BALANCE</b>  |                           |   |   |
| A. Beginning Balance  | B. Total Receipts         | C. Total Disbursements  | D. Ending Balance                         |
| 0   | 39,974,260                | 39,974,260  | 0   |
| E. Reconciliation   |                           |   |   |
| 0   |                           |   |   |
| 0   |                           |   |   |
| 0   |                           |   |   |
| 0   |                           |   |   |

|   |   |  |                           |
|---|---|--|---------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                             |   | STATE:<br>Colorado                         |                           |
|   |   | YEAR ENDING:<br>December 2020              |                           |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>       |   |  |                           |
| <b>ITEM</b>   | <b>AMOUNT</b>                           | <b>ITEM</b>                                | <b>AMOUNT</b>             |
| <b>A.3. Other local imposts:</b>                                |   | <b>A.4. Miscellaneous local receipts:</b>  |                           |
| a. Property Taxes and Assessments                               | 21,256,818                              | a. Interest on investments                 | 141,008                   |
| b. Other local imposts:   |   | b. Traffic Fines & Penalties               | 1,314,014                 |
| 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                                | 6,316,438                               | g. Other Misc. Receipts                    | 0                         |
| 6. Total (1. through 5.)  | 6,316,438                               | h. Other                                   | 4,530,253                 |
| c. Total (a. + b.)  | 27,573,256                              | i. Total (a. through h.)                   | 5,985,275                 |
|   | (Carry forward to page 1)               |  | (Carry forward to page 1) |
|   |   |  |                           |
| <b>ITEM</b>   | <b>AMOUNT</b>                           | <b>ITEM</b>                                | <b>AMOUNT</b>             |
| <b>C. Receipts from State Government</b>                        |   | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes   | 3,738,223                               | 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                                  | 435,788                                 | d. Federal Transit Admin                   | 0                         |
| d. Other (Specify) - DOLA Grant                                 | 0                                       | e. U.S. Corps of Engineers                 | 0                         |
| e. Other (Specify)  | 376,124                                 | f. Other Federal                           | 97,569                    |
| f. Total (a. through e.)  | 811,912                                 | g. Total (a. through f.)                   | 97,569                    |
| 4. Total (1. + 2. + 3.f)  | 4,550,135                               | 3. Total (1. + 2.g)                        |                           |
|   |   |  | (Carry forward to page 1) |
| <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b> |   |  |                           |
|   | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b)   | TOTAL<br>(c)              |
| <b>A.1. Capital outlay:</b>                                     |   |  |                           |
| a. Right-Of-Way Costs   | 0                                       | 443,545                                    | 443,545                   |
| b. Engineering Costs  | 0                                       | 2,408,502                                  | 2,408,502                 |
| c. Construction:  |   |  |                           |
| (1). New Facilities   | 0                                       | 7,552,440                                  | 7,552,440                 |
| (2). Capacity Improvements                                      | 0                                       | 6,174,926                                  | 6,174,926                 |
| (3). System Preservation  | 0                                       | 5,074,815                                  | 5,074,815                 |
| (4). System Enhancement & Operation                             | 0                                       | 184,880                                    | 184,880                   |
| (5). Total Construction (1)+(2)+(3)+(4)                         | 0                                       | 18,987,061                                 | 18,987,061                |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)             | 0                                       | 21,839,108                                 | 21,839,108                |
|   |   |  | (Carry forward to page 1) |
| <b>Notes and Comments:</b>                                      |   |  |                           |

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## STATISTICAL SECTION

This part of the City of Thornton's comprehensive annual 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.

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| Financial Trends   | 123         |
| 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   | 128         |
| These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax.   |             |
| Debt Capacity  | 132         |
| 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   | 137         |
| 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  | 138         |
| The number of employees per business is confidential therefore the City is providing employee totals by sector.  |             |
| Operating Information  | 139         |
| 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**  
**Schedule 1**  
**Net Position by Component**  
**(accrual basis of accounting)**

|   |    | Fiscal Year |                |                |                  |                  |                  |                  |                  |                  |                  |
|---|----|-------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   |    | 2011        | 2012-restated  | 2013           | 2014-restated    | 2015             | 2016             | 2017-restated    | 2018             | 2019             | 2020             |
| Governmental activities                     |    |             |                |                |                  |                  |                  |                  |                  |                  |                  |
| Net investment in capital assets            | \$ | 277,075,485 | \$ 277,932,039 | \$ 271,137,481 | \$ 268,904,561   | \$ 247,691,323   | \$ 259,179,659   | \$ 289,933,156   | \$ 297,988,545   | \$ 288,245,136   | \$ 287,482,862   |
| Restricted                                  |    | 5,064,308   | 5,098,730      | 5,360,319      | 5,528,730        | 8,062,689        | 8,241,309        | 40,196,389       | 70,807,361       | 37,653,387       | 63,312,275       |
| Unrestricted                                |    | 97,068,106  | 82,907,335     | 85,077,988     | 89,976,356       | 123,804,451      | 125,530,515      | 80,883,896       | 74,950,117       | 109,771,204      | 99,655,069       |
| Total governmental activities net position  | \$ | 379,207,899 | \$ 365,938,104 | \$ 361,575,788 | \$ 364,409,647   | \$ 379,558,463   | \$ 392,951,483   | \$ 411,013,441   | \$ 443,746,023   | \$ 435,669,727   | \$ 450,450,206   |
| Business-type activities                    |    |             |                |                |                  |                  |                  |                  |                  |                  |                  |
| Net investment in capital assets            | \$ | 489,517,504 | \$ 497,107,782 | \$ 508,956,512 | \$ 532,249,683   | \$ 543,600,154   | \$ 560,279,776   | \$ 579,737,175   | \$ 611,217,991   | \$ 713,190,231   | \$ 697,623,613   |
| Restricted                                  |    | 4,141,250   | 15,431,413     | 6,480,661      | 5,665,074        | 2,976,894        | 2,980,644        | 3,097,447        | -                | -                | -                |
| Unrestricted                                |    | 86,064,926  | 97,444,702     | 104,008,361    | 98,346,597       | 113,397,141      | 139,927,331      | 166,787,828      | 190,174,759      | 189,266,660      | 262,357,773      |
| Total business-type activities net position | \$ | 579,723,680 | \$ 609,983,897 | \$ 619,445,534 | \$ 636,261,354   | \$ 659,974,189   | \$ 703,187,751   | \$ 749,622,450   | \$ 801,392,750   | \$ 902,456,891   | \$ 959,981,386   |
| Primary government                          |    |             |                |                |                  |                  |                  |                  |                  |                  |                  |
| Net investment in capital assets            | \$ | 766,592,989 | \$ 775,039,821 | \$ 780,093,993 | \$ 801,154,244   | \$ 791,291,477   | \$ 819,459,435   | \$ 869,670,331   | \$ 909,206,536   | \$ 1,001,435,367 | \$ 985,106,475   |
| Restricted                                  |    | 9,205,558   | 20,530,143     | 11,840,980     | 11,193,804       | 11,039,583       | 11,221,953       | 43,293,836       | 70,807,361       | 37,653,387       | 63,312,275       |
| Unrestricted                                |    | 183,133,032 | 180,352,037    | 189,086,349    | 188,322,953      | 237,201,592      | 265,457,846      | 247,671,724      | 265,124,876      | 299,037,864      | 362,012,842      |
| Total primary government net position       | \$ | 958,931,579 | \$ 975,922,001 | \$ 981,021,322 | \$ 1,000,671,001 | \$ 1,039,532,652 | \$ 1,096,139,234 | \$ 1,160,635,891 | \$ 1,245,138,773 | \$ 1,338,126,618 | \$ 1,410,431,592 |

Source: Current and prior year's financial statements.

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

| Expenses                                     | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2011           | 2012-restated  | 2013           | 2014-restated  | 2015           | 2016           | 2017-restated  | 2018           | 2019           | 2020           |
| Governmental activities:                     |                |                |                |                |                |                |                |                |                |                |
| General government                           | \$ 19,275,165  | \$ 31,840,827  | \$ 20,193,979  | \$ 17,112,300  | \$ 18,362,528  | \$ 21,317,628  | \$ 21,298,512  | \$ 20,132,128  | \$ 36,684,800  | \$ 45,830,438  |
| Police                                       | 25,877,812     | 26,295,237     | 28,044,137     | 29,873,901     | 30,700,874     | 32,573,830     | 39,488,938     | 41,095,050     | 37,984,510     | 41,367,619     |
| Fire   | 11,960,138     | 12,188,210     | 12,758,169     | 16,496,326     | 14,323,859     | 18,718,470     | 19,276,932     | 17,169,938     | 19,329,627     | 23,152,345     |
| City development                             | 12,261,174     | 13,467,929     | 14,459,695     | 15,709,881     | 15,937,319     | 16,511,773     | 18,300,626     | 17,541,537     | 16,307,495     | 11,029,371     |
| Streets, traffic & eng.                      | 28,491,153     | 26,533,674     | 36,991,096     | 29,021,305     | 33,558,931     | 33,737,170     | 33,728,799     | 32,562,600     | 41,806,524     | 42,049,922     |
| Community services                           | 21,346,877     | 22,473,148     | 22,066,524     | 26,714,095     | 27,788,576     | 26,938,495     | 32,799,109     | 33,151,759     | 30,208,698     | 36,564,491     |
| Interest of long-term debt                   | 2,863,483      | 3,596,370      | 2,643,404      | 2,686,272      | 2,756,646      | 2,706,046      | 2,442,527      | 2,515,628      | 4,654,459      | 4,962,721      |
| Total government activities expenses         | 122,075,802    | 136,395,395    | 137,157,004    | 137,614,080    | 143,428,733    | 152,503,412    | 167,335,443    | 164,168,640    | 186,976,113    | 204,956,907    |
| Business-type activities                     |                |                |                |                |                |                |                |                |                |                |
| Water  | 31,980,077     | 32,611,461     | 32,722,025     | 33,600,763     | 35,912,922     | 34,885,132     | 36,467,628     | 38,867,160     | 44,118,390     | 47,840,352     |
| Sewer  | 11,960,169     | 12,132,240     | 12,254,003     | 13,380,812     | 13,721,652     | 15,011,361     | 14,206,094     | 21,447,839     | 16,670,678     | 16,432,487     |
| Environmental Services                       | 4,685,426      | 6,067,844      | 4,454,606      | 4,525,051      | 4,801,905      | 4,729,623      | 5,120,014      | 5,199,016      | 5,833,459      | 6,010,614      |
| Golf   | -              | -              | 1,227,092      | 1,653,285      | -              | -              | -              | -              | -              | -              |
| Stormwater                                   | -              | -              | -              | -              | -              | -              | -              | -              | 3,074,617      | 3,698,035      |
| Total business-type activities expenses      | 48,625,672     | 50,811,545     | 50,657,726     | 53,159,911     | 54,436,479     | 54,626,116     | 55,793,736     | 65,514,015     | 69,697,144     | 73,981,488     |
| Total primary government expenses            | \$ 170,701,474 | \$ 187,206,940 | \$ 187,814,730 | \$ 190,773,991 | \$ 197,865,212 | \$ 207,129,528 | \$ 223,129,179 | \$ 229,682,655 | \$ 256,673,257 | \$ 278,938,395 |
| <b>Program Revenues</b>                      |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                     |                |                |                |                |                |                |                |                |                |                |
| Charges for services:                        |                |                |                |                |                |                |                |                |                |                |
| General government                           | \$ 6,337,953   | \$ 6,143,674   | \$ 4,624,849   | \$ 4,188,565   | \$ 4,923,991   | \$ 4,879,909   | \$ 4,730,914   | \$ 4,952,737   | \$ 9,396,628   | \$ 8,153,917   |
| Police                                       | 3,021,716      | 3,014,682      | 2,699,807      | 2,538,093      | 1,964,945      | 1,284,687      | 1,717,764      | 2,346,799      | 2,357,553      | 1,696,738      |
| Fire   | 2,127,107      | 1,753,060      | 1,617,997      | 1,693,145      | 1,887,235      | 2,350,600      | 2,622,926      | 2,530,075      | 3,271,005      | 4,568,578      |
| City Development                             | 1,769,755      | 2,172,200      | 2,607,403      | 3,339,238      | 4,061,961      | 4,899,797      | 7,540,989      | 6,586,129      | 6,456,272      | 6,092,697      |
| Community Services                           | 2,545,724      | 2,769,660      | 2,887,552      | 2,977,761      | 4,634,472      | 4,618,949      | 3,038,920      | 3,917,705      | 5,323,552      | 3,496,636      |
| Operating grants/contrib.                    | 4,989,148      | 5,572,187      | 5,704,876      | 6,461,838      | 5,958,882      | 5,941,237      | 6,322,021      | 8,068,103      | 9,442,526      | 18,800,681     |
| Capital grants/contrib.                      | 10,080,966     | 7,899,630      | 12,577,779     | 11,965,768     | 16,368,314     | 20,359,352     | 27,183,807     | 25,890,689     | 32,388,427     | 18,800,873     |
| Total government activities program revenues | 30,872,369     | 29,325,093     | 32,720,263     | 33,164,408     | 39,799,800     | 44,334,531     | 53,157,341     | 54,292,237     | 68,635,963     | 61,610,120     |
| Business-type activities:                    |                |                |                |                |                |                |                |                |                |                |
| Charges for services:                        |                |                |                |                |                |                |                |                |                |                |
| Water  | 30,315,557     | 33,188,946     | 28,765,602     | 29,003,515     | 34,348,429     | 42,610,157     | 45,776,729     | 47,875,449     | 47,009,075     | 53,413,467     |
| Sewer  | 11,161,882     | 11,725,967     | 12,645,386     | 13,105,689     | 14,191,006     | 14,388,579     | 15,128,165     | 15,092,464     | 15,466,882     | 15,838,431     |
| Environmental Services                       | 4,738,448      | 4,848,664      | 4,900,812      | 4,888,248      | 5,024,225      | 5,109,703      | 5,292,541      | 5,416,199      | 5,548,190      | 5,718,387      |
| Golf   | -              | 1,130,711      | 1,282,893      | 1,368,959      | -              | -              | -              | -              | -              | -              |
| Stormwater                                   | -              | -              | -              | -              | -              | -              | -              | -              | 3,001,616      | 4,181,998      |
| Capital grants/contrib.                      | 6,788,327      | 15,501,147     | 9,205,225      | 10,855,812     | 15,915,139     | 29,850,742     | 30,493,138     | 35,361,778     | 43,034,895     | 37,577,921     |

|                                   | Fiscal Year     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                   | 2011            | 2012-restated    | 2013             | 2014-restated    | 2015             | 2016             | 2017-restated    | 2018             | 2019             | 2020             |
| Total business-type activities    |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| program revenues                  | 53,004,214      | 66,395,435       | 56,799,918       | 59,222,223       | 69,478,799       | 91,959,181       | 96,690,573       | 103,745,890      | 114,060,658      | 116,730,204      |
| Total primary government          |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| program revenues                  | \$ 83,876,583   | \$ 95,720,528    | \$ 89,520,181    | \$ 92,386,631    | \$ 109,278,599   | \$ 136,293,712   | \$ 149,847,914   | \$ 158,038,127   | \$ 182,696,621   | \$ 178,340,324   |
| Net (expense)/revenue             |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental activities           | \$ (91,203,433) | \$ (107,070,302) | \$ (104,436,741) | \$ (104,449,672) | \$ (103,628,933) | \$ (108,168,881) | \$ (114,178,102) | \$ (109,876,403) | \$ (118,340,150) | \$ (143,346,787) |
| Business-type activities          | 4,378,542       | 15,583,890       | 6,142,192        | 6,062,312        | 15,042,320       | 37,333,065       | 40,896,837       | 38,231,875       | 44,363,514       | 42,748,716       |
| Total primary government          |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| net expense                       | \$ (86,824,891) | \$ (91,486,412)  | \$ (98,294,549)  | \$ (98,387,360)  | \$ (88,586,613)  | \$ (70,835,816)  | \$ (73,281,265)  | \$ (71,644,528)  | \$ (73,976,636)  | \$ (100,598,071) |
| <b>General Revenues and Other</b> |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Changes in Assets</b>          |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental activities           |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Taxes                             |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Sales and use taxes               | \$ 67,476,006   | \$ 73,606,406    | \$ 78,188,772    | \$ 84,024,928    | \$ 91,975,491    | \$ 96,446,874    | \$ 104,489,333   | \$ 110,306,247   | \$ 110,473,089   | \$ 113,669,743   |
| Property taxes                    | 11,778,013      | 11,719,559       | 11,858,574       | 12,046,479       | 12,571,291       | 14,503,019       | 14,798,204       | 17,448,489       | 20,335,200       | 29,247,725       |
| Other taxes                       | 7,247,598       | 7,505,706        | 8,157,151        | 8,693,260        | 8,612,126        | 8,873,989        | 9,547,866        | 10,050,848       | 10,249,895       | 9,744,229        |
| Earnings on investments           | 904,954         | 963,440          | 206,456          | 960,404          | 1,513,417        | 56,183           | 1,748,964        | 3,195,518        | 6,391,532        | 2,797,470        |
| Gain on sale of assets            | 42,245          | 24,402           | -                | 206,932          | 152,381          | 188,110          | 148,555          | -                | 31,958           | -                |
| Miscellaneous                     | 1,229,878       | 1,871,200        | 1,663,472        | 1,762,781        | 2,186,632        | 1,493,726        | 1,507,138        | 1,607,883        | 1,913,175        | 4,906,366        |
| Transfers                         | -               | (1,890,206)      | -                | (411,253)        | 1,766,411        | -                | -                | -                | (39,130,995)     | (2,238,267)      |
| Total governmental activities     | 88,678,694      | 93,800,507       | 100,074,425      | 107,283,531      | 118,777,749      | 121,561,901      | 132,240,060      | 142,608,985      | 110,263,854      | 158,127,266      |
| Business-type activities          |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Investment earnings               | 892,446         | 1,198,760        | 553,078          | 2,012,676        | 1,553,374        | 948,963          | 1,537,970        | 2,981,846        | 6,384,386        | 4,502,457        |
| Gain on sale of assets            | 7,307           | 28,964           | 16,259           | 942,423          | 5,038,541        | 722,012          | 221,759          | 202,890          | 2,430,704        | 3,994,650        |
| Miscellaneous                     | 9,318,089       | 11,558,397       | 2,750,108        | 7,387,156        | 3,845,011        | 4,209,522        | 3,778,133        | 10,353,689       | 8,754,542        | 4,040,405        |
| Transfers                         | -               | 1,890,206        | -                | 411,253          | (1,766,411)      | -                | -                | -                | 39,130,995       | 2,238,267        |
| Total business-type activities    | 10,217,842      | 14,676,327       | 3,319,445        | 10,753,508       | 8,670,515        | 5,880,497        | 5,537,862        | 13,538,425       | 56,700,627       | 14,775,779       |
| Total primary government          | \$ 98,896,536   | \$ 108,476,834   | \$ 103,393,870   | \$ 118,037,039   | \$ 127,448,264   | \$ 127,442,398   | \$ 137,777,922   | \$ 156,147,410   | \$ 166,964,481   | \$ 172,903,045   |
| <b>Change in Net Position</b>     |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental activities           | \$ (2,524,739)  | \$ (13,269,795)  | \$ (4,362,316)   | \$ 2,833,859     | \$ 15,148,816    | \$ 13,393,020    | \$ 18,061,958    | \$ 32,732,582    | \$ (8,076,296)   | \$ 14,780,479    |
| Business-type activities          | 14,596,384      | 30,260,217       | 9,461,637        | 16,815,820       | 23,712,835       | 43,213,562       | 46,434,699       | 51,770,300       | 101,064,141      | 57,524,495       |
| Total primary government          | \$ 12,071,645   | \$ 16,990,422    | \$ 5,099,321     | \$ 19,649,679    | \$ 38,861,651    | \$ 56,606,582    | \$ 64,496,657    | \$ 84,502,882    | \$ 92,987,845    | \$ 72,304,974    |

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

Source: Current and prior year's financial statements.



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

|                                    | Fiscal Year          |                      |                      |                      |                       |                       |                      |                       |                      |                       |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                    | 2011                 | 2012                 | 2013                 | 2014                 | 2015                  | 2016                  | 2017                 | 2018                  | 2019                 | 2020                  |
| General Fund                       |                      |                      |                      |                      |                       |                       |                      |                       |                      |                       |
| Nonspendable                       | \$ 161,867           | \$ 219,622           | \$ 276,656           | \$ 256,407           | \$ 224,102            | \$ 252,741            | \$ 247,410           | \$ 130,616            | \$ 114,577           | \$ 78,387             |
| Restricted                         | 3,779,906            | 3,866,729            | 4,241,641            | 4,472,701            | 4,926,372             | 5,170,463             | 5,384,063            | 5,892,808             | 6,295,661            | 6,663,749             |
| Committed                          | 15,566,436           | 15,939,956           | 16,760,292           | 18,196,555           | 19,138,386            | 20,990,233            | 22,028,000           | 23,127,000            | 25,138,000           | 25,186,000            |
| Unassigned                         | 7,935,397            | 7,467,599            | 11,628,514           | 10,190,182           | 519,210               | 922,130               | 9,613,998            | 10,128,234            | 19,744,899           | 19,907,001            |
| Total general fund                 | <u>\$ 27,443,606</u> | <u>\$ 27,493,906</u> | <u>\$ 32,907,103</u> | <u>\$ 33,115,845</u> | <u>\$ 24,808,070</u>  | <u>\$ 27,335,567</u>  | <u>\$ 37,273,471</u> | <u>\$ 39,278,658</u>  | <u>\$ 51,293,137</u> | <u>\$ 51,835,137</u>  |
| All other governmental funds       |                      |                      |                      |                      |                       |                       |                      |                       |                      |                       |
| Nonspendable                       | \$ 22,711,120        | \$ 23,667,937        | \$ 15,951,159        | \$ 15,220,076        | \$ 1,985,873          | \$ -                  | \$ -                 | \$ -                  | \$ -                 | \$ -                  |
| Restricted                         | 4,723,410            | 3,356,873            | 1,742,501            | 1,644,923            | 3,759,428             | 39,383,427            | 34,812,326           | 68,483,103            | 40,138,102           | 62,004,594            |
| Committed                          | 2,417,785            | 1,255,801            | 1,137,543            | 1,137,043            | 1,000,000             | 2,659                 | -                    | -                     | -                    | -                     |
| Assigned                           | 48,856,038           | 52,110,630           | 68,087,596           | 78,963,732           | 110,090,600           | 79,603,850            | 64,976,510           | 74,674,244            | 58,271,816           | 60,199,162            |
| Unassigned                         | -                    | (16,702,735)         | (25,188,697)         | (25,330,792)         | -                     | -                     | -                    | -                     | -                    | -                     |
| Total all other governmental funds | <u>\$ 78,708,353</u> | <u>\$ 63,688,506</u> | <u>\$ 61,730,102</u> | <u>\$ 71,634,982</u> | <u>\$ 116,835,901</u> | <u>\$ 118,989,936</u> | <u>\$ 99,788,836</u> | <u>\$ 143,157,347</u> | <u>\$ 98,409,918</u> | <u>\$ 122,203,756</u> |

Source: Current and prior year's financial statements.

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

|   | Fiscal Year   |                 |               |                |                |                |                |                |                 |                |
|---|---------------|-----------------|---------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|
|   | 2011          | 2012            | 2013          | 2014           | 2015           | 2016           | 2017           | 2018           | 2019            | 2020           |
| <b>Revenues</b>   |               |                 |               |                |                |                |                |                |                 |                |
| Taxes   | \$ 86,501,617 | \$ 92,831,671   | \$ 98,204,497 | \$ 104,764,667 | \$ 113,158,908 | \$ 119,823,882 | \$ 128,835,403 | \$ 137,805,584 | \$ 141,058,184  | \$ 152,661,697 |
| Licenses and permits                                      | 1,703,236     | 2,139,568       | 2,602,394     | 3,316,530      | 4,031,530      | 4,959,615      | 7,623,869      | 6,600,980      | 6,478,463       | 6,131,257      |
| Intergovernmental   | 10,986,448    | 11,079,512      | 12,931,228    | 13,628,297     | 13,782,495     | 14,704,196     | 14,829,335     | 17,671,923     | 17,990,353      | 18,228,395     |
| Governmental grants                                       | 3,826,164     | 2,285,517       | 5,348,856     | 3,456,132      | 5,120,376      | 4,653,577      | 4,296,608      | 5,184,780      | 3,905,434       | 16,094,122     |
| Charges for services                                      | 10,867,399    | 10,504,227      | 8,952,084     | 8,652,264      | 11,224,156     | 11,295,406     | 9,690,537      | 10,733,941     | 17,452,032      | 15,570,267     |
| Fines and forfeitures                                     | 2,921,491     | 2,915,446       | 2,597,693     | 2,452,610      | 1,833,930      | 1,249,962      | 1,662,594      | 2,198,926      | 2,230,512       | 1,540,140      |
| Lease   | 99,004        | 98,787          | 207,581       | 207,213        | 207,710        | 207,792        | 207,648        | 175,551        | 175,701         | 175,889        |
| Investment earnings                                       | 904,954       | 963,440         | 206,456       | 960,404        | 1,513,417      | 56,183         | 1,748,964      | 3,195,518      | 6,391,532       | 2,797,470      |
| Miscellaneous   | 1,031,616     | 1,279,366       | 1,077,349     | 1,090,416      | 1,220,633      | 874,594        | 1,380,925      | 2,438,256      | 1,488,837       | 5,794,929      |
| Total revenues  | 118,841,929   | 124,097,534     | 132,128,138   | 138,528,533    | 152,093,155    | 157,825,207    | 170,275,883    | 186,005,459    | 197,171,048     | 218,994,166    |
| <b>Expenditures</b>                                       |               |                 |               |                |                |                |                |                |                 |                |
| General government  | 15,975,991    | 29,176,040      | 17,735,112    | 14,231,242     | 16,347,304     | 17,574,494     | 19,108,028     | 19,130,535     | 32,344,427      | 31,921,508     |
| Police  | 24,040,493    | 24,537,205      | 26,345,134    | 27,567,650     | 28,867,622     | 30,733,098     | 36,305,515     | 39,539,105     | 37,937,011      | 39,208,799     |
| Fire and Ambulance  | 11,363,156    | 11,572,631      | 12,195,742    | 13,070,907     | 13,630,141     | 15,123,637     | 17,693,181     | 19,272,739     | 19,750,199      | 20,734,126     |
| City development  | 6,712,679     | 6,652,180       | 7,010,772     | 7,836,797      | 8,289,288      | 8,456,322      | 9,265,248      | 10,391,186     | 9,347,955       | 9,291,154      |
| Streets, traffic and engineering                          | 10,156,803    | 10,838,187      | 11,105,807    | 11,738,019     | 12,713,416     | 12,730,210     | 13,524,537     | 14,343,779     | 15,122,054      | 13,216,978     |
| Community services  | 14,916,314    | 15,649,418      | 16,521,970    | 17,730,163     | 20,628,287     | 21,378,664     | 20,553,513     | 23,460,086     | 22,017,406      | 20,964,588     |
| Capital outlay  | 24,658,593    | 30,931,273      | 30,090,513    | 29,792,607     | 36,650,789     | 38,277,166     | 54,287,245     | 75,174,464     | 83,093,427      | 73,985,088     |
| Debt service  |               |                 |               |                |                |                |                |                |                 |                |
| Principal retirement                                      | 5,810,000     | 6,200,000       | 4,985,000     | 5,160,000      | 4,580,000      | 6,210,000      | 6,410,000      | 6,098,539      | 6,224,347       | 7,663,858      |
| Interest  | 2,746,415     | 2,527,873       | 2,681,595     | 2,690,626      | 2,462,975      | 2,883,894      | 2,643,547      | 2,373,332      | 5,281,123       | 5,730,867      |
| Bond fees   | 5,292         | 4,544           | 1,700         | 3,571          | 244,061        | 6,850          | 4,196          | 6,755          | 8,809           | 511,526        |
| Bond issuance costs                                       | 5,434         | -               | -             | -              | 168,985        | -              | -              | 541,368        | -               | -              |
| Total Expenditures  | 116,391,170   | 138,089,351     | 128,673,345   | 129,821,582    | 144,582,868    | 153,374,335    | 179,795,010    | 210,331,888    | 231,126,758     | 223,228,492    |
| Excess (deficiency) of revenues over (under) expenditures | 2,450,759     | (13,991,817)    | 3,454,793     | 8,706,951      | 7,510,287      | 4,450,872      | (9,519,127)    | (24,326,429)   | (33,955,710)    | (4,234,326)    |
| <b>Other financing sources (uses)</b>                     |               |                 |               |                |                |                |                |                |                 |                |
| Transfers in  | 8,966,617     | 3,647,024       | 3,532,854     | 10,043,738     | 14,482,662     | 5,672,765      | 9,298,637      | 9,287,257      | 7,347,294       | 7,183,995      |
| Transfers out   | (8,966,617)   | (4,624,754)     | (3,532,854)   | (8,932,377)    | (14,259,537)   | (5,672,765)    | (9,298,637)    | (9,341,044)    | (6,313,547)     | (9,248,912)    |
| Bonds issued  | -             | -               | -             | -              | 41,480,000     | -              | -              | 69,536,852     | -               | 26,785,000     |
| Premium on bonds issued                                   | -             | -               | -             | -              | 3,187,135      | -              | -              | -              | -               | 3,745,451      |
| Pymnts to underwriter on bonds issued                     | -             | -               | -             | -              | (15,805,000)   | -              | -              | -              | -               | -              |
| Sales of capital assets                                   | -             | -               | -             | 295,310        | 297,597        | 230,660        | 255,931        | 217,062        | 189,013         | 104,630        |
| Total other financing sources (uses)                      | -             | (977,730)       | -             | 1,406,671      | 29,382,857     | 230,660        | 255,931        | 69,700,127     | 1,222,760       | 28,570,164     |
| Net change in fund balances                               | \$ 2,450,759  | \$ (14,969,547) | \$ 3,454,793  | \$ 10,113,622  | \$ 36,893,144  | \$ 4,681,532   | \$ (9,263,196) | \$ 45,373,698  | \$ (32,732,950) | \$ 24,335,838  |
| Debt service as a percentage of noncapital expenditures   | 7.9%          | 7.1%            | 6.2%          | 6.6%           | 5.5%           | 6.6%           | 6.0%           | 5.4%           | 6.5%            | 7.2%           |

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

Source: Current and prior year's financial statements.

**City of Thornton**  
**Schedule 5**  
**General Government Tax and Assessment Revenues by Source<sup>1</sup>**

| <b>Fiscal Year</b> | <b>Sales tax</b> | <b>Motel tax</b> | <b>Use tax</b> | <b>Property tax</b> | <b>Specific ownership tax</b> | <b>Franchise tax</b> | <b>Cigarette tax</b> | <b>Total</b>  |
|--------------------|------------------|------------------|----------------|---------------------|-------------------------------|----------------------|----------------------|---------------|
| 2011               | \$ 47,529,083    | \$ 442,503       | \$ 10,910,856  | \$ 9,139,134        | \$ 608,036                    | \$ 4,893,344         | \$ 209,615           | \$ 73,732,571 |
| 2012               | 51,074,263       | 662,007          | 12,897,094     | 8,986,074           | 643,241                       | 4,818,327            | 192,567              | 79,273,573    |
| 2013               | 53,221,042       | 839,638          | 13,311,291     | 9,045,633           | 697,464                       | 5,258,367            | 216,756              | 82,590,191    |
| 2014               | 56,379,978       | 1,058,019        | 15,782,478     | 9,137,579           | 753,402                       | 5,521,208            | 201,573              | 88,834,237    |
| 2015               | 60,194,735       | 1,124,700        | 19,200,063     | 9,233,929           | 836,278                       | 5,308,812            | 198,949              | 96,097,466    |
| 2016               | 61,544,769       | 1,179,445        | 20,895,946     | 10,681,366          | 925,272                       | 5,387,163            | 199,494              | 100,813,455   |
| 2017               | 62,613,775       | 1,260,891        | 26,085,453     | 10,826,288          | 1,093,409                     | 5,809,945            | 193,693              | 107,883,454   |
| 2018               | 68,650,875       | 1,320,551        | 29,049,758     | 13,124,438          | 1,194,177                     | 6,117,914            | 185,622              | 119,643,335   |
| 2019               | 79,272,131       | 1,457,730        | 24,178,694     | 13,575,713          | 1,177,076                     | 6,195,392            | 181,998              | 126,038,734   |
| 2020               | 83,627,429       | 924,955          | 22,641,658     | 16,537,713          | 1,325,554                     | 6,011,074            | 239,902              | 131,308,285   |

<sup>1</sup> 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**  
**Schedule 6**  
**Sales Tax Revenue by Type of Industry**

| <b>Fiscal Year</b> | <b>General Merchandise</b> | <b>Grocery</b> | <b>Electric &amp; Natural Gas</b> | <b>Automotive</b> | <b>Construction</b> | <b>Furniture &amp; Electronics</b> | <b>Restaurants<br/>Liquor &amp;<br/>Food Service</b> | <b>Telecomm. &amp;<br/>Cable Utility</b> | <b>All Other</b> | <b>Total Sales Tax</b> | <b>Total Direct Tax<sup>1, 2</sup><br/>Rate</b> |
|--------------------|----------------------------|----------------|-----------------------------------|-------------------|---------------------|------------------------------------|--|--|------------------|------------------------|---|
| 2011               | \$ 15,619,792              | \$ 6,781,740   | \$ 3,538,741                      | \$ 3,025,547      | \$ 2,273,853        | \$ 2,918,878                       | \$ 6,703,690   | \$ 4,323,246                             | \$ 1,268,135     | \$ 46,453,622          | 3.75  |
| 2012               | 16,167,270                 | 7,194,036      | 3,271,534                         | 3,331,912         | 2,453,784           | 2,930,304                          | 7,286,091  | 4,487,036                                | 1,531,764        | 48,653,731             | 3.75  |
| 2013               | 16,575,442                 | 7,807,324      | 3,556,124                         | 3,530,698         | 2,788,722           | 3,104,647                          | 7,700,137  | 4,740,332                                | 1,514,293        | 51,317,719             | 3.75  |
| 2014               | 16,894,260                 | 8,405,616      | 3,654,939                         | 3,819,125         | 3,350,827           | 3,856,016                          | 8,345,741  | 5,054,112                                | 1,716,548        | 55,097,184             | 3.75  |
| 2015               | 17,356,120                 | 8,723,066      | 3,499,658                         | 4,276,950         | 4,194,684           | 4,366,301                          | 9,067,627  | 4,955,275                                | 1,915,447        | 58,355,128             | 3.75  |
| 2016               | 18,154,195                 | 8,954,343      | 3,378,819                         | 4,877,990         | 4,427,382           | 4,906,621                          | 9,227,279  | 5,613,605                                | 2,004,535        | 61,544,769             | 3.75  |
| 2017               | 18,341,139                 | 9,149,265      | 3,478,793                         | 4,881,463         | 4,839,698           | 4,384,954                          | 9,721,763  | 5,496,744                                | 2,319,956        | 62,613,775             | 3.75  |
| 2018               | 21,008,470                 | 9,695,714      | 3,601,649                         | 5,204,670         | 5,785,369           | 6,006,502                          | 10,257,476   | 4,610,663                                | 2,480,362        | 68,650,875             | 3.75  |
| 2019               | 28,565,769                 | 10,046,758     | 3,771,659                         | 5,711,395         | 6,589,401           | 4,901,396                          | 11,732,720   | 4,422,165                                | 3,530,868        | 79,272,131             | 3.75  |
| 2020               | 31,039,638                 | 10,722,258     | 3,723,885                         | 5,700,495         | 7,190,528           | 5,492,629                          | 12,388,526   | 3,951,818                                | 3,417,652        | 83,627,429             | 3.75  |

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

<sup>2</sup> Sales tax rate within Denver Premium Outlet shopping area is 2.35%.

Source: City of Thornton Sales and Use Tax Reports

**City of Thornton  
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 |                                  |
| 2011        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.10%                     | 8.60%                            |
| 2012        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |
| 2013        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |
| 2014        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |
| 2015        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |
| 2016        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |
| 2017        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |
| 2018        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |
| 2019        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |
| 2020        | 3.75%            | 3.75%                       | 2.90%             | 0.75%        | 1.00%                      | 0.10%                        | 0.00%                     | 8.50%                            |

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**  
**Schedule 8**  
**Principal Sales Taxpayers**

|  | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          | <b>2015</b>          | <b>Fiscal Year<br/>2016</b> | <b>2017</b>          | <b>2018</b>          | <b>2019</b>          | <b>2020</b>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| Aggregate top ten filers <sup>1</sup>            | \$ 22,693,871        | \$ 23,418,920        | \$ 24,561,715        | \$ 25,511,695        | \$ 26,511,596        | \$ 27,750,234               | \$ 28,899,319        | \$ 29,705,410        | \$ 33,553,048        | \$ 36,736,395        |
| Aggregate all other filers                       | 23,759,751           | 25,234,811           | 26,756,004           | 29,585,489           | 31,843,532           | 33,794,535                  | 33,714,456           | 38,945,465           | 45,719,083           | 46,891,034           |
| Total sales tax                                  | <u>\$ 46,453,622</u> | <u>\$ 48,653,731</u> | <u>\$ 51,317,719</u> | <u>\$ 55,097,184</u> | <u>\$ 58,355,128</u> | <u>\$ 61,544,769</u>        | <u>\$ 62,613,775</u> | <u>\$ 68,650,875</u> | <u>\$ 79,272,131</u> | <u>\$ 83,627,429</u> |
| Top ten filers as a<br>percentage of total sales | 48.9%                | 48.1%                | 47.9%                | 46.3%                | 45.4%                | 45.1%                       | 46.2%                | 43.3%                | 42.3%                | 43.9%                |

<sup>1</sup> 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  
Schedule 9  
Ratios of Outstanding Debt by Type**

| Fiscal Year | Governmental Activities |                       |                               |                | Business-Type Activities |               |                        | Total Primary Government | Percentage of Personal Income <sup>1</sup> | Per Capita <sup>1</sup> |
|-------------|-------------------------|-----------------------|-------------------------------|----------------|--------------------------|---------------|------------------------|--------------------------|--|-------------------------|
|             | Sales and Use Tax Bonds | Tax Incremental Bonds | Certificates of Participation | Capital Leases | General Obligation Bonds | Revenue Bonds | Notes and Loan Payable |                          |  |                         |
| 2011        | \$ 12,315,000           | \$ 17,950,000         | \$ 32,825,000                 | \$ 23,826      | \$ 32,260,000            | \$ 41,110,000 | \$ 145,787             | \$136,629,613            | 4.4%                                       | 1,137                   |
| 2012        | 9,520,000               | 17,260,000            | 30,110,000                    | -              | 24,250,000               | 40,850,000    | 113,908                | 122,103,908              | 3.8%                                       | 1,007                   |
| 2013        | 8,065,000               | 16,545,000            | 27,295,000                    | -              | 16,175,000               | 39,955,000    | 79,160                 | 108,114,160              | 3.3%                                       | 882                     |
| 2014        | 6,555,000               | 15,805,000            | 24,385,000                    | -              | 8,045,000                | 39,475,000    | 41,284                 | 94,306,284               | 2.9%                                       | 763                     |
| 2015        | 5,000,000               | 41,480,000            | 21,360,000                    | -              | -                        | 38,955,000    | -                      | 106,795,000              | 3.0%                                       | 811                     |
| 2016        | 3,635,796               | 42,989,472            | 18,123,982                    | -              | -                        | 40,519,469    | -                      | 105,268,719              | 2.8%                                       | 785                     |
| 2017        | 1,839,451               | 41,317,224            | 14,884,985                    | -              | -                        | 38,898,452    | -                      | 96,940,112               | 2.5%                                       | 705                     |
| 2018        | -                       | 39,584,976            | 81,639,055                    | 547,937        | -                        | 37,232,435    | -                      | 159,004,403              | 3.8%                                       | 1,132                   |
| 2019        | -                       | 37,812,728            | 76,932,351                    | 433,591        | -                        | 35,506,418    | -                      | 150,685,088              | 3.3%                                       | 1,048                   |
| 2020        | -                       | 35,990,480            | 102,177,378                   | 314,733        | -                        | 124,027,834   | -                      | 262,510,425              | 5.5%                                       | 1,793                   |

<sup>1</sup> 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

Source: Current and prior year's financial statements.

**City of Thornton**  
**Schedule 10**  
**Ratios of General Bonded Debt Outstanding**

| <b>Fiscal Year</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Less: Amounts<br/>Available in Debt<br/>Service Fund</b> | <b>Total</b>  | <b>Percentage of<br/>Estimated<br/>Actual Taxable<br/>Value of<br/>Property</b> | <b>Per<br/>Capita<sup>1</sup></b> |
|--------------------|---|---|---------------|---|-----------------------------------|
| 2011               | \$ 32,260,000                           | \$ -  | \$ 32,260,000 | 3.61%   | 269                               |
| 2012               | 24,250,000                              | -   | 24,250,000    | 2.70%   | 200                               |
| 2013               | 16,175,000                              | -   | 16,175,000    | 1.79%   | 132                               |
| 2014               | 8,045,000                               | -   | 8,045,000     | 0.88%   | 65                                |
| 2015               | -                                       | -   | -             | 0.00%   | -                                 |
| 2016               | -                                       | -   | -             | 0.00%   | -                                 |
| 2017               | -                                       | -   | -             | 0.00%   | -                                 |
| 2018               | -                                       | -   | -             | 0.00%   | -                                 |
| 2019               | -                                       | -   | -             | 0.00%   | -                                 |
| 2020               | -                                       | -   | -             | 0.00%   | -                                 |

<sup>1</sup> 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**  
**Schedule 11**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2020**

| Entity (1)                                  | Assessed<br>Valuation (2) | Debt<br>Outstanding | Percentage<br>Applicable<br>to the City (3) | Estimated Share<br>of Overlapping Debt |
|---|---------------------------|---------------------|---|--|
| City of Thornton direct debt                |                           |                     |   | \$ 138,482,591                         |
| Overlapping Debt                            |                           |                     |   |  |
| Adams 12 Five Star School District          | \$ 2,770,751,680          | \$ 482,680,000      | 44.87                                       | 216,578,516                            |
| Adams County School District 1              | 849,685,210               | 155,618,789         | 18.32                                       | 28,509,362                             |
| Adams County School District 14             | 868,304,220               | 61,302,290          | 4.51  | 2,764,733                              |
| Amber Creek Metropolitan District           | 12,146,000                | 17,758,000          | 99.95                                       | 17,749,121                             |
| Aspen Reserve Metropolitan District         | 5,006,390                 | 3,527,000           | 99.96                                       | 3,525,589                              |
| Brighton School District 27J                | 2,114,921,740             | 519,550,283         | 10.67                                       | 55,436,015                             |
| Bramming Farm Metropolitan District No. 1   | 4,925,020                 | 5,420,000           | 100.00                                      | 5,420,000                              |
| Cherrylane Metropolitan District            | 4,090,780                 | 3,749,000           | 100.00                                      | 3,749,000                              |
| Creekside Village Metropolitan District     | 676,880                   | 11,502,000          | 100.00                                      | 11,502,000                             |
| Cundall Farms Metropolitan District         | 13,661,040                | 11,937,000          | 99.90                                       | 11,925,063                             |
| Fallbrook Metropolitan District             | 23,233,710                | 3,410,000           | 100.00                                      | 3,410,000                              |
| Fallbrook Villas Metropolitan District      | 2,766,130                 | 2,803,000           | 100.00                                      | 2,803,000                              |
| Fire District 6 Greater Brighton            | 1,069,248,600             | 5,941,195           | 0.04  | 2,376                                  |
| Heritage Todd Creek Metropolitan District   | 41,798,450                | 36,026,175          | 99.95                                       | 36,008,162                             |
| Highpointe Park Metropolitan District       | 9,536,390                 | 7,091,000           | 100.00                                      | 7,091,000                              |
| Lambertson Lakes Metro District             | 20,836,770                | 4,475,000           | 100.00                                      | 4,475,000                              |
| Larkridge Metropolitan District No. 1       | 23,597,980                | 9,810,000           | 1.50  | 147,150                                |
| Larkridge Metropolitan District No. 2       | 13,384,270                | 15,270,000          | 1.50  | 229,050                                |
| Lewis Pointe Metropolitan District          | 15,210,940                | 11,548,000          | 100.00                                      | 11,548,000                             |
| Mayfield Metropolitan District              | 4,582,620                 | 9,912,000           | 99.96                                       | 9,908,035                              |
| North Holly Metropolitan District           | 5,307,760                 | 13,730,972          | 100.00                                      | 13,730,972                             |
| North Metro Fire Rescue FKA Fire Dist. 1    | 604,775,530               | 11,670,000          | 0.17  | 19,839                                 |
| Orchard Farms Metropolitan District         | 11,097,390                | 9,740,000           | 99.95                                       | 9,735,130                              |
| PLA Metropolitan District                   | 4,063,460                 | 800,000             | 94.83                                       | 758,640                                |
| Rangeview Library District                  | 6,579,200,250             | 24,000,000          | 25.29                                       | 6,069,600                              |
| RII-DII Business Improvement District       | 1,146,680                 | 7,060,225           | 1.49  | 105,197                                |
| Talon Pointe Metropolitan District          | 6,086,200                 | 23,910,000          | 99.95                                       | 23,898,045                             |
| Timberleaf Metropolitan District            | 69,300                    | 7,697,000           | 99.91                                       | 7,690,073                              |
| Village at Dry Creek Metro No 2             | 27,640,630                | 18,720,000          | 100.00                                      | 1,872,000                              |
| Villas at Eastlake Reservoir Metro District | 3,801,540                 | 2,500,000           | 100.00                                      | 2,500,000                              |
| Willow Bend Metropolitan District           | 6,482,750                 | 16,455,000          | 99.96                                       | 16,448,418                             |
| Subtotal, overlapping debt                  |                           |                     |   | \$ 515,609,086                         |
| Total direct and overlapping debt           |                           |                     |   | \$ 654,091,677                         |

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

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

(2) Assessed values certified in 2020 are for collection of ad valorem property taxes in 2021.

(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**  
**Schedule 12**  
**Legal Debt Margin Information**

|   | Fiscal Year   |               |               |               |                |                |                |                |                |                |
|---|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2011          | 2012          | 2013          | 2014          | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
| Debt Limit <sup>1</sup>                                 | \$ 89,466,614 | \$ 89,773,098 | \$ 90,471,515 | \$ 91,397,034 | \$ 106,189,059 | \$ 107,150,843 | \$ 129,656,445 | \$ 133,967,394 | \$ 164,035,556 | \$ 166,486,507 |
| Total net debt applicable to limit                      | -             | -             | -             | -             | -              | -              | -              | -              | -              | -              |
| Legal debt margin                                       | \$ 89,466,614 | \$ 89,773,098 | \$ 90,471,515 | \$ 91,397,034 | \$ 106,189,059 | \$ 107,150,843 | \$ 129,656,445 | \$ 133,967,394 | \$ 164,035,556 | \$ 166,486,507 |
| Total net debt applicable as a percentage of debt limit | -             | -             | -             | -             | -              | -              | -              | -              | -              | -              |

**Legal Debt Margin Calculation for Fiscal Year 2020**

|   |                       |
|---|-----------------------|
| Assessed Value  | \$ 1,664,865,070      |
| Debt limit (10% of total assessed value) <sup>1</sup>           | 166,486,507           |
| Debt applicable to limit  |                       |
| General obligation bonds  | -                     |
| Less: Amount set aside for repayment of general obligation debt | -                     |
| Total net debt applicable to limit                              | -                     |
| Legal debt margin   | <u>\$ 166,486,507</u> |

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

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

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

**City of Thornton**  
**Schedule 13**  
**Pledged-Revenue Coverage**

| <b>Water Revenue and Revenue Refunding Bonds</b> |                                |                                 |                              |                  |                 |                 |
|--|--------------------------------|---------------------------------|------------------------------|------------------|-----------------|-----------------|
| <b>Fiscal Year</b>                               | <b>Water Charges and Other</b> | <b>Less: Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Principal</b> | <b>Interest</b> | <b>Coverage</b> |
| 2011   | \$ 45,324,785                  | \$ 18,260,090                   | \$ 27,064,695                | \$ -             | \$ 1,992,750    | 13.58           |
| 2012   | 59,832,946                     | 19,286,086                      | 40,546,860                   | -                | 1,992,750       | 20.35           |
| 2013   | 39,083,359                     | 20,131,086                      | 18,952,273                   | -                | 1,665,985       | 11.38           |
| 2014   | 45,650,754                     | 24,784,811                      | 20,865,943                   | 200,000          | 1,453,344       | 12.62           |
| 2015   | 51,226,351                     | 27,647,167                      | 23,579,184                   | 225,000          | 1,449,344       | 14.08           |
| 2016   | 70,365,957                     | 26,443,298                      | 43,922,659                   | 1,410,000        | 1,442,594       | 15.40           |
| 2017   | 72,913,829                     | 27,490,432                      | 45,423,397                   | 1,455,000        | 1,400,294       | 15.91           |
| 2018   | 89,000,301                     | 29,300,163                      | 59,700,138                   | 1,500,000        | 1,356,644       | 20.90           |
| 2019   | 83,876,134                     | 35,386,006                      | 48,490,128                   | 1,560,000        | 1,296,644       | 16.97           |
| 2020   | 85,243,075                     | 37,983,262                      | 47,259,813                   | 1,620,000        | 1,234,244       | 16.56           |

| <b>TDA North Tax Increment Bonds</b> |                                 |                  |                 |                 |
|--------------------------------------|---------------------------------|------------------|-----------------|-----------------|
| <b>Fiscal Year</b>                   | <b>Sales and Property Taxes</b> | <b>Principal</b> | <b>Interest</b> | <b>Coverage</b> |
| 2011                                 | \$ 5,190,658                    | \$ 670,000       | \$ 836,313      | 3.45            |
| 2012                                 | 5,521,257                       | 690,000          | 812,863         | 3.67            |
| 2013                                 | 6,162,807                       | 715,000          | 788,713         | 4.10            |
| 2014                                 | 6,143,493                       | 740,000          | 763,688         | 4.09            |
| 2015                                 | 6,257,149                       | -                | 702,573         | 8.91            |
| 2016                                 | 6,317,948                       | 850,000          | 557,963         | 4.49            |
| 2017                                 | 6,632,204                       | 865,000          | 540,963         | 4.72            |
| 2018                                 | 6,545,747                       | 905,000          | 506,363         | 4.64            |
| 2019                                 | 7,818,057                       | 920,000          | 488,263         | 5.55            |
| 2020                                 | 11,292,373                      | 960,000          | 451,463         | 8.00            |

| <b>TDA 144th Tax Increment Bonds</b> |                                 |                  |                 |                 |
|--------------------------------------|---------------------------------|------------------|-----------------|-----------------|
| <b>Fiscal Year</b>                   | <b>Sales and Property Taxes</b> | <b>Principal</b> | <b>Interest</b> | <b>Coverage</b> |
| 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            |

| <b>Sales and Use Tax Bonds</b> |                    |                  |                 |                 |
|--------------------------------|--------------------|------------------|-----------------|-----------------|
| <b>Fiscal Year</b>             | <b>Sales Taxes</b> | <b>Principal</b> | <b>Interest</b> | <b>Coverage</b> |
| 2011                           | \$ 59,733,571      | \$ 2,520,000     | \$ 465,534      | 20.01           |
| 2012                           | 65,296,929         | 2,795,000        | 426,435         | 20.27           |
| 2013                           | 67,811,466         | 1,455,000        | 350,150         | 37.57           |
| 2014                           | 72,844,683         | 1,510,000        | 291,950         | 40.43           |
| 2015                           | 80,057,239         | 1,555,000        | 246,650         | 44.44           |
| 2016                           | 84,106,064         | 1,605,000        | 200,000         | 46.60           |
| 2017                           | 91,378,445         | 1,665,000        | 135,800         | 50.74           |
| 2018                           | 97,700,633         | 1,730,000        | 69,200          | 54.30           |
| 2019                           | -                  | -                | -               | -               |
| 2020                           | -                  | -                | -               | -               |

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**  
**Schedule 14**  
**Demographic and Economic Statistics**

| <b>Fiscal Year</b> | <b>Population</b> | <b>Personal Income<br/>(thousands of dollars)</b> | <b>Per Capita Personal Income</b> | <b>Unemployment Rate</b> |
|--------------------|-------------------|---|-----------------------------------|--------------------------|
| 2011               | 120,147           | \$ 3,135,837                                      | \$ 26,100                         | 8.9%                     |
| 2012               | 121,211           | 3,241,909   | 26,746                            | 8.4%                     |
| 2013               | 122,643           | 3,258,134   | 26,566                            | 6.9%                     |
| 2014               | 123,648           | 3,243,040   | 26,228                            | 4.4%                     |
| 2015               | 131,761           | 3,528,823   | 26,782                            | 3.5%                     |
| 2016               | 134,149           | 3,704,927   | 27,618                            | 2.7%                     |
| 2017               | 137,443           | 3,916,713   | 28,497                            | 3.0%                     |
| 2018               | 140,509           | 4,228,478   | 30,094                            | 3.8%                     |
| 2019               | 143,788           | 4,499,270   | 31,291                            | 2.4%                     |
| 2020               | 146,427           | 4,756,974   | 32,487                            | 8.6%                     |

Sources: US Census Bureau (personal income), City of Thornton Planning Division (population), United States Department of Labor (Unemployment) for the City

**City of Thornton  
Schedule 15  
Principal Employers**

| <b>2020</b>                                   |                         |                    |   |
|---|-------------------------|--------------------|---|
| <b><u>Employer Type</u></b>                   | <b><u>Employees</u></b> | <b><u>Rank</u></b> | <b><u>Percentage of Total City Employment</u></b> |
| Retail Trade (409 Units)                      | 7,456                   | 1                  | 26%   |
| Health Care and Social Assistance (238 Units) | 4,550                   | 2                  | 16%   |
| Accommodation and Food Services (222 Units)   | 4,095                   | 3                  | 14%   |
| Educational Services (83 Units)               | 3,199                   | 4                  | 11%   |
| Public Administration (46 Units)              | 2,112                   | 5                  | 7%  |
| Other Services (273 Units)                    | 1,636                   | 6                  | 6%  |
| Construction (219 Units)                      | 1,229                   | 7                  | 4%  |
| Professional, Service & Tech (160 Units)      | 942                     | 8                  | 3%  |
| Arts, Entertainment & Recreation (46 Units)   | 650                     | 9                  | 2%  |
| Finance and Insurance (131 Units)             | 550                     | 10                 | 2%  |
| Total   | <u>26,419</u>           |                    | <u>91%</u>  |

Total number of persons employed by Thornton establishments: 28,986

| <b>2011</b>                                   |                         |                    |   |
|---|-------------------------|--------------------|---|
| <b><u>Employer Type</u></b>                   | <b><u>Employees</u></b> | <b><u>Rank</u></b> | <b><u>Percentage of Total City Employment</u></b> |
| Educational Services (17 Units)               | 5,568                   | 1                  | 24%   |
| Retail Trade (155 units)                      | 4,436                   | 2                  | 19%   |
| Health Care and Social Assistance (141 Units) | 3,483                   | 3                  | 15%   |
| Accommodation and Food Services (120 Units)   | 2,338                   | 4                  | 10%   |
| Administrative and support (87 Units)         | 2,158                   | 5                  | 9%  |
| Construction (167 Units)                      | 859                     | 6                  | 4%  |
| Other Services (105 Units)                    | 756                     | 7                  | 3%  |
| Professional Services (188 Units)             | 742                     | 8                  | 3%  |
| Information (17 Units)                        | 622                     | 9                  | 3%  |
| Wholesale trade (102 Units)                   | 476                     | 10                 | 2%  |
| Total   | <u>21,438</u>           |                    | <u>93%</u>  |

Total number of persons employed by Thornton establishments: 22,940

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**  
**Schedule 16**  
**Full-time Equivalent City Government Employees by Function**

| <b>Function</b>                 | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| General government              | 157         | 156         | 156         | 158         | 165         | 168         | 175         | 182          | 192          | 201          |
| Police                          |             |             |             |             |             |             |             |              |              |              |
| Officers                        | 161         | 159         | 158         | 171         | 178         | 233         | 244         | 247          | 243          | 243          |
| Civilians                       | 64          | 66          | 69          | 59          | 63          | 63          | 63          | 73           | 77           | 79           |
| Fire                            |             |             |             |             |             |             |             |              |              |              |
| Firefighters and officers       | 70          | 75          | 75          | 76          | 76          | 85          | 101         | 106          | 132          | 132          |
| Ambulance                       | 22          | 25          | 25          | 26          | 26          | 26          | 29          | 26           | 4            | 4            |
| Civilians                       | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3            | 3            | 3            |
| City development                | 68          | 65          | 65          | 71          | 72          | 78          | 82          | 84           | 82           | 82           |
| Streets, traffic, & engineering |             |             |             |             |             |             |             |              |              |              |
| Engineering                     | 40          | 40          | 34          | 33          | 33          | 36          | 35          | 37           | 40           | 41           |
| Maintenance                     | 31          | 30          | 31          | 32          | 31          | 31          | 32          | 33           | 23           | 23           |
| Community services              | 85          | 84          | 85          | 96          | 98          | 99          | 100         | 106          | 124          | 129          |
| Water & Sewer                   | 75          | 77          | 85          | 86          | 90          | 92          | 95          | 97           | 100          | 102          |
| Environmental Services          | 22          | 21          | 22          | 22          | 23          | 23          | 24          | 26           | 26           | 28           |
| Stormwater                      | -           | -           | -           | -           | -           | -           | -           | -            | 13           | 14           |
| <b>Total</b>                    | <b>798</b>  | <b>801</b>  | <b>808</b>  | <b>833</b>  | <b>858</b>  | <b>937</b>  | <b>983</b>  | <b>1,020</b> | <b>1,058</b> | <b>1,081</b> |

Source: City of Thornton budget office.

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

| <b>Function</b>   | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police  |             |             |             |             |             |             |             |             |             |             |
| Patrol calls for service  | 105,509     | 100,969     | 98,634      | 94,355      | 113,756     | 103,910     | 111,238     | 122,943     | 153,608     | 142,754     |
| Physical arrests  | 3,248       | 2,692       | 2,365       | 2,607       | 2,796       | 2,891       | 5,749       | 6,608       | 7,071       | 4,667       |
| Traffic violations  | 22,771      | 20,796      | 17,993      | 17,085      | 13,351      | 9,843       | 15,125      | 20,959      | 20,635      | 13,981      |
| Fire  |             |             |             |             |             |             |             |             |             |             |
| Calls for service   | 8,107       | 8,180       | 8,106       | 8,868       | 9,387       | 9,976       | 10,538      | 11,028      | 11,898      | 12,220      |
| Fire incidents  | 218         | 245         | 190         | 214         | 212         | 282         | 277         | 248         | 223         | 284         |
| EMS and other incidents   | 7,889       | 7,935       | 7,916       | 8,654       | 9,175       | 9,694       | 10,261      | 10,780      | 11,675      | 11,936      |
| Inspections*  | 1,700       | 1,798       | 1,586       | 1,957       | 1,753       | -           | 1,469       | 1,275       | 1,244       | 2,564       |
| Ambulance   |             |             |             |             |             |             |             |             |             |             |
| Number of transports  | 4,481       | 4,517       | 4,193       | 4,624       | 5,129       | 5,355       | 5,693       | 5,903       | 5,850       | 6,284       |
| City development  |             |             |             |             |             |             |             |             |             |             |
| Single-family permits   | 245         | 297         | 306         | 309         | 426         | 620         | 832         | 785         | 744         | 816         |
| Commercial permits issued   | 5           | 10          | 10          | 18          | 19          | 19          | 31          | 25          | 23          | 26          |
| Building inspections  | 25,083      | 26,212      | 28,473      | 30,103      | 37,755      | 57,437      | 52,873      | 66,945      | 44,370      | 44,980      |
| Code violations & inspections                                       | 14,028      | 16,161      | 16,370      | 18,183      | 15,998      | 14,374      | 12,509      | 11,757      | 13,704      | 6,364       |
| Graffiti incidents removed  | 1,016       | 1,798       | 1,526       | 1,016       | 880         | 795         | 534         | 160         | 178         | 266         |
| Streets, traffic, & engineering                                     |             |             |             |             |             |             |             |             |             |             |
| Lane miles of streets maintained                                    | 1,313       | 1,222       | 1,227       | 1,232       | 1,238       | 1,244       | 1,252       | 1,255       | 1,258       | 1,267       |
| Community services  |             |             |             |             |             |             |             |             |             |             |
| Carpenter Recreation center admissions                              | 283,251     | 294,413     | 295,200     | 297,279     | 296,429     | 303,658     | 301,024     | 280,912     | 235,816     | 32,040      |
| Trail Winds Recreation center admissions**                          |             |             |             |             |             |             |             |             | 47,053      | 114,528     |
| Water   |             |             |             |             |             |             |             |             |             |             |
| New connections   | 267         | 321         | 297         | 301         | 419         | 559         | 826         | 922         | 644         | 652         |
| Average daily<br>consumption (in gallons)<br>(excludes Westminster) | 16,590,032  | 17,919,403  | 14,971,237  | 15,005,578  | 15,580,590  | 16,820,855  | 16,263,868  | 17,459,644  | 16,379,225  | 18,523,145  |
| Environmental Services  |             |             |             |             |             |             |             |             |             |             |
| Solid waste customers   | 25,919      | 26,623      | 26,919      | 27,060      | 27,317      | 27,671      | 28,328      | 29,233      | 29,899      | 30,763      |
| Tons of refuse collected  | 32,359      | 32,729      | 34,029      | 34,249      | 34,574      | 36,529      | 36,571      | 37,724      | 37,811      | 43,332      |
| Tons of recyclables collected                                       | 5,120       | 5,089       | 5,180       | 5,161       | 5,193       | 5,255       | 5,424       | 5,417       | 5,355       | 5,928       |

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**  
**Schedule 18**  
**Capital Asset Statistics by Function**

| <b>Function</b>                                  | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police   |             |             |             |             |             |             |             |             |             |             |
| Stations   | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 2           | 2           | 2           |
| Patrol Units                                     | 77          | 75          | 74          | 77          | 92          | 95          | 119         | 125         | 134         | 139         |
| Fire   |             |             |             |             |             |             |             |             |             |             |
| Fire Stations                                    | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 6           | 6           | 6           |
| Ambulances                                       | 5           | 6           | 6           | 6           | 6           | 6           | 7           | 8           | 7           | 5           |
| Streets, traffic, & engineering                  |             |             |             |             |             |             |             |             |             |             |
| Streets (miles)                                  | 361         | 403         | 404         | 406         | 409         | 411         | 414         | 417         | 421         | 424         |
| Streetlights                                     | 8,483       | 8,514       | 8,565       | 8,521       | 8,783       | 8,824       | 9,125       | 9,140       | 9,316       | 9,583       |
| Community services                               |             |             |             |             |             |             |             |             |             |             |
| Parks acreage                                    | 645         | 645         | 683         | 697         | 723         | 733         | 757         | 879         | 851         | 881         |
| Parks  | 81          | 81          | 81          | 82          | 84          | 88          | 90          | 92          | 93          | 93          |
| Swimming Pools                                   | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 4           | 4           |
| Tennis Courts                                    | 13          | 13          | 17          | 17          | 17          | 17          | 17          | 17          | 17          | 16          |
| Community Centers                                | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Golf Course                                      |             | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Water  |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)                              | 558         | 559         | 559         | 566         | 577         | 584         | 593         | 597         | 602         | 626         |
| Fire Hydrants                                    | 4,663       | 4,686       | 4,699       | 4,688       | 4,847       | 4,950       | 5,073       | 5,132       | 5,194       | 5,261       |
| Maximum daily capacity<br>(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)                           | 436         | 426         | 427         | 439         | 445         | 454         | 462         | 465         | 485         | 503         |
| Environmental Services                           |             |             |             |             |             |             |             |             |             |             |
| Collection Trucks                                | 19          | 19          | 19          | 19          | 21          | 21          | 21          | 22          | 22          | 24          |
| Stormwater                                       |             |             |             |             |             |             |             |             |             |             |
| Storm sewers (miles)                             | 148         | 158         | 149         | 150         | 140         | 144         | 149         | 151         | 158         | 160         |

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

Sources: Various city departments.



