

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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City of Thornton, Colorado

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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 112th Avenue, 128th Avenue, and 144th 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 112th 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

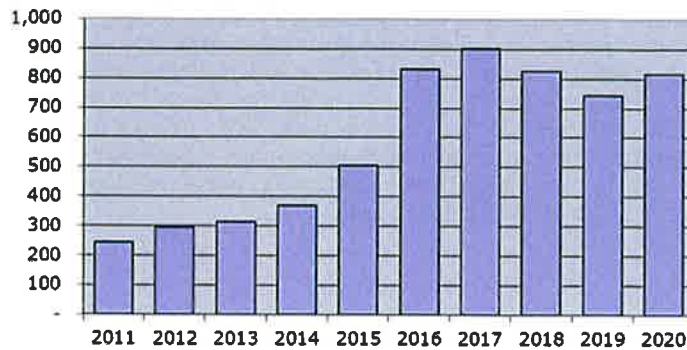
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

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.

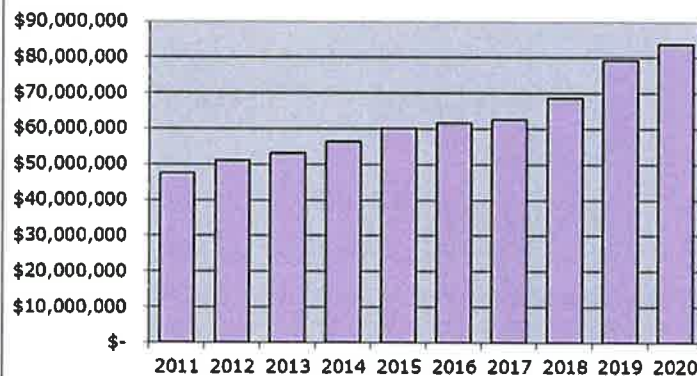
Local Economy (Continued)

Residential Single Family Permits 2011-2020



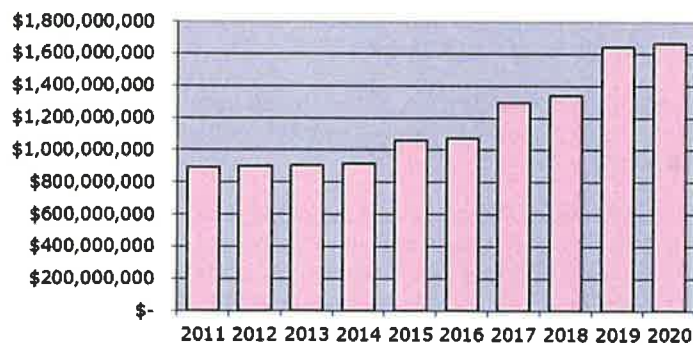
Sales tax collections in 2020, the largest single revenue stream received by the general government, totaled \$83.6 million, an increase of 5.5% over 2019.

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.

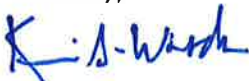
Awards and Acknowledgements

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

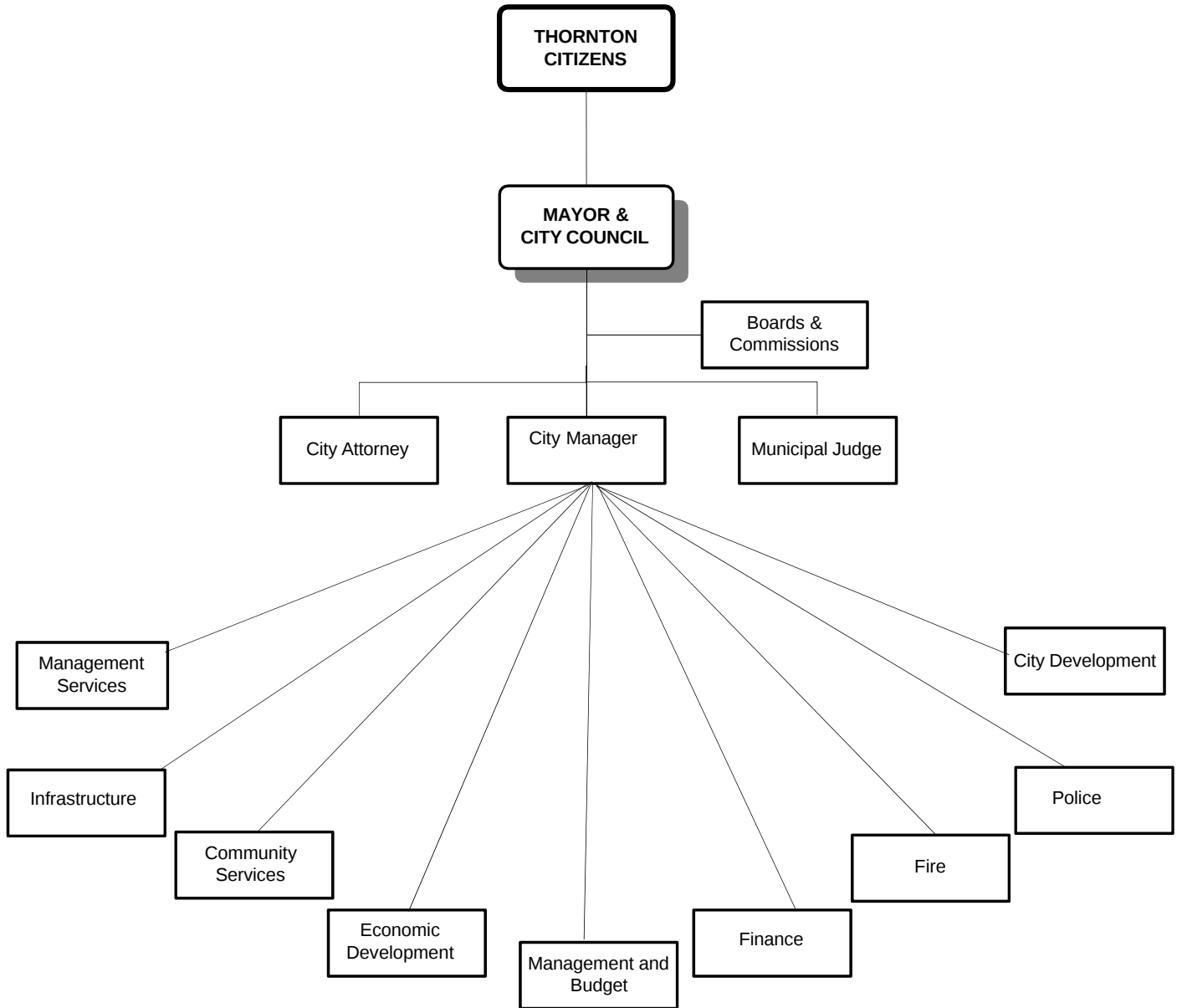
Mayor and City Council

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.

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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
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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.

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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 144th 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
Total	\$ 414,757,686	\$ 398,176,975	\$ 825,949,290	\$ 750,465,966	\$ 1,240,706,976	\$ 1,148,642,941

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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.

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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.

BASIC FINANCIAL STATEMENTS

City of Thornton, Colorado

Statement of Net Position December 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
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>
DEFERRED OUTFLOWS OF RESOURCES			
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>
LIABILITIES			
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>
DEFERRED INFLOWS OF RESOURCES			
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>
NET POSITION			
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
Governmental:							
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)
Business-type:							
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 Fund	Governmental Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
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>
LIABILITIES				
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>
DEFERRED INFLOWS OF RESOURCES				
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>
FUND BALANCES				
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 Fund	Governmental Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
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
EXPENDITURES				
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 over (under) expenditures	(3,707,944)	(770,412)	244,030	(4,234,326)
OTHER FINANCING SOURCES (USES)				
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 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	<u>118,858</u>	
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	<u>13,882</u>

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	<u>(1,611,848)</u>
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 Enterprise Funds			Governmental Activities
			Other Enterprise Funds	Internal Service Risk Fund
	Water	Sewer		
ASSETS				
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
DEFERRED OUTFLOWS OF RESOURCES				
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 Enterprise Funds				Governmental Activities
	Water	Sewer	Other Enterprise Funds	Total	Internal Service Risk Fund
LIABILITIES					
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 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, excluding current portion, net of 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 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
DEFERRED INFLOWS OF RESOURCES					
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
NET POSITION					
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 Enterprise Funds			Governmental Activities
	Water	Sewer	Other Enterprise Funds	Internal Service Risk Fund
OPERATING REVENUES				
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
OPERATING EXPENSES				
Source of supply	6,875,683	-	-	6,875,683
Water treatment	15,760,872	-	-	15,760,872
Collection, transmission 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
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on sale (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 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 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 Enterprise Funds				Governmental Activities
	Water	Sewer	Other Enterprise Funds	Total	Internal Service Risk Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
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
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
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 noncapital financing activities	8,782,878	2,064,917	-	10,847,795	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases and construction of 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 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 and related financing activities	53,316,676	(10,561,432)	(3,661,963)	39,093,281	-
CASH FLOWS FROM INVESTING ACTIVITIES					
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 investing activities	19,922,511	9,225,611	3,603,378	32,751,500	1,402,066
Net increase in cash and 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	<u>\$ 142,682,957</u>	<u>\$ 8,191,655</u>	<u>\$ 3,757,017</u>	<u>\$ 154,631,629</u>	<u>\$ 3,652,263</u>
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	<u>\$ 245,133,114</u>	<u>\$ 14,086,249</u>	<u>\$ 6,469,253</u>	<u>\$ 265,688,616</u>	<u>\$ 6,262,505</u>
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	<u>\$ 245,133,114</u>	<u>\$ 14,086,249</u>	<u>\$ 6,469,253</u>	<u>\$ 265,688,616</u>	<u>\$ 6,262,505</u>

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

	Business-type Activities Enterprise Funds				Governmental Activities
	Other Enterprise Funds			Total	Internal Service Risk Fund
	Water	Sewer			
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 7,638,419	\$ (594,056)	\$ 216,467	\$ 7,260,830	\$ 282,664
Adjustments to reconcile operating income to net cash provided 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 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					
Other	5,000	-	-	5,000	-
Increase in deferred outflows of resources					
OPEB Related	(84,713)	(8,107)	(34,047)	(126,867)	(4,053)
Increase (decrease) in 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					
OPEB Related	24,749	2,368	9,947	37,064	1,184
Net cash provided by 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 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 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 148th 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 144th Capital Fund. For ease of financial management, separate funds were established for the improvements in each geographical area.

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

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

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

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>< 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 balances	Additions & transfers	Deletions & transfers	Ending balances
Governmental activities:				
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	\$398,176,975	\$ 39,007,865	\$(22,427,154)	\$414,757,686
Business-type activities:				
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	\$750,465,966	\$ 153,929,277	\$(78,445,953)	\$825,949,290

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>
 <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
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\$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
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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
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\$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
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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 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 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>\$ 314,733</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 Balances	Increases	Decreases	Ending Balances	Due within 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 ending 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 Statement of Activities	Governmental 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.

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.

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. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
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	<u>100.0%</u>	

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 Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (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	228,926	65,659	163,267
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% Decrease 5.50%	Single Discount Rate Assumption 6.50%	1% Increase 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 Outflows of Resources	Deferred Inflows of 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 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.

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 Outflows of Resources	Deferred Inflows of 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 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 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 Allocation</u>	<u>Long-term Expected 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% Decrease 6.0%</u>	<u>Single Discount Rate Assumption 7.0%</u>	<u>1% Increase 8.0%</u>
City's proportionate share of the net pension 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.

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 Outflows of Resources	Deferred Inflows of 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 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 Allocation</u>	<u>Long-term Expected 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% Decrease 6.0%</u>	<u>Single Discount Rate Assumption 7.0%</u>	<u>1% Increase 8.0%</u>
City's proportionate share of the net pension asset	\$ 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 LOCAL PLUS	CIGNA LOCAL HDHP	Kaiser HMO	Dental EPO	Dental 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 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 (0.93%)	Discount Rate (1.93%)	1% Increase (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 (5.3% graded)	Trend Rates (6.3% graded)	1% Increase (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 of Resources	Deferred Inflow 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:

Year Ending December 31	
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.

	2020	2019
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 (deficit) December 31, 2019 **	City of Thornton's contribution ratio	City of Thornton's share of surplus as of 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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Positive</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(negative)</u>
				<u>variance -</u>
				<u>actual from</u>
				<u>final</u>
REVENUES				
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>
EXPENDITURES				
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				
under expenditures	(1,806,057)	(2,132,749)	(3,524,540)	(1,391,791)
OTHER FINANCING SOURCES (USES)				
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				
sources over expenditures and				
other sources before reconciling items	<u>\$ 2,363,872</u>	<u>\$ 2,037,180</u>	725,404	<u>\$ (1,311,776)</u>
RECONCILIATION TO US GAAP BASIS				
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. 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

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
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>
EXPENDITURES			
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 under expenditures	<u>(64,815,963)</u>	<u>(770,412)</u>	<u>64,045,551</u>
OTHER FINANCING SOURCES			
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
ASSETS						
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>
LIABILITIES						
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>
DEFERRED INFLOWS						
Unavailable revenue -						
Property taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
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 Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special 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 Capital Projects	Total Non-major Governmental Funds
	TDA South Capital	TDA North Capital	TDA 144th Capital		
ASSETS					
Equity in pooled cash and investments					
Unrestricted	\$ 8,807,881	\$ 6,342,487	\$ 661,160	\$ 15,811,528	\$ 61,045,327
Restricted	-	1,416,148	2,284,823	3,700,971	18,577,465
Receivables, net					
Taxes	788,670	11,403,087	2,138,994	14,330,751	16,956,535
Accounts	-	-	-	-	927,212
Interest	16,051	12,755	1,895	30,701	114,351
Land held for resale	543,099	-	-	543,099	543,099
Total assets	\$ 10,155,701	\$ 19,174,477	\$ 5,086,872	\$ 34,417,050	\$ 98,163,989
LIABILITIES					
Accounts payable	10,989	44,089	-	55,078	1,499,826
Retainage payable	-	-	-	-	904,473
Third party advances	13,500	-	-	13,500	1,332,131
Unearned revenue	-	-	-	-	9,600
Other	-	69,177	833,281	902,458	902,458
Total liabilities	24,489	113,266	833,281	971,036	4,648,488
DEFERRED INFLOWS					
Unavailable revenue - property taxes	777,555	10,844,021	1,931,439	13,553,015	13,665,006
Intergovernmental	-	-	-	-	790,874
Total deferred inflows of resources	777,555	10,844,021	1,931,439	13,553,015	14,455,880
FUND BALANCES					
Restricted					
Parks and open space	-	-	-	-	48,715,263
Capital projects	-	-	-	-	9,472,760
Debt service	-	1,390,000	2,258,550	3,648,550	3,648,550
Public safety	-	-	-	-	130,190
Other purposes	-	-	-	-	37,831
Assigned					
Capital projects	8,810,558	6,827,190	63,602	15,701,350	15,721,381
Land held for resale	543,099	-	-	543,099	543,099
Parks and open space	-	-	-	-	476,514
Other purposes	-	-	-	-	314,033
Total fund balances	9,353,657	8,217,190	2,322,152	19,892,999	79,059,621
Total liabilities, deferred inflows of resources and fund balances	\$ 10,155,701	\$ 19,174,477	\$ 5,086,872	\$ 34,417,050	\$ 98,163,989

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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
REVENUES						
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	<u>45,157</u>	<u>144,366</u>	<u>1,404,261</u>	<u>16,248</u>	<u>259,489</u>	<u>8,791,590</u>
EXPENDITURES						
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	<u>77,219</u>	<u>115,575</u>	<u>1,394,424</u>	<u>6,565</u>	<u>923,517</u>	<u>19,643,457</u>
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	<u>(32,062)</u>	<u>28,791</u>	<u>9,837</u>	<u>9,683</u>	<u>(664,028)</u>	<u>(10,851,867)</u>
OTHER FINANCING SOURCES (USES)						
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)	<u>46,517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,530,451</u>
Net change in fund balances	14,455	28,791	9,837	9,683	(664,028)	19,678,584
Fund balances, January 1	<u>337,409</u>	<u>447,723</u>	<u>1,785,500</u>	<u>1,028,742</u>	<u>9,907,710</u>	<u>14,118,376</u>
Fund balances, December 31	<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>

Special Revenue Funds				
Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total 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 Non-major Governmental Funds
	TDA South Capital	TDA North Capital	TDA 144th Capital	Total Capital Projects	
REVENUES					
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	927,650	16,515,367	2,947,493	20,390,510	39,365,129
EXPENDITURES					
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	313,841	9,752,005	2,641,774	12,707,620	39,121,099
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	613,809	6,763,362	305,719	7,682,890	244,030
OTHER FINANCING SOURCES (USES)					
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 sources (uses)	(218,545)	(7,515,477)	(268,373)	(8,002,395)	21,374,573
Net change in fund balances	395,264	(752,115)	37,346	(319,505)	21,618,603
Fund balances, January 1	8,958,393	8,969,305	2,284,806	20,212,504	57,441,018
Fund balances, December 31	\$ 9,353,657	\$ 8,217,190	\$ 2,322,152	\$ 19,892,999	\$ 79,059,621

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 (negative) variance from actual</u>
REVENUES			
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>
EXPENDITURES			
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 under expenditures	<u>(296,517)</u>	<u>(32,062)</u>	<u>264,455</u>
OTHER FINANCING SOURCES			
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 (negative) variance from actual</u>
REVENUES			
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>
EXPENDITURES			
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 (negative) variance from actual</u>
REVENUES			
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>
EXPENDITURES			
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 (negative) variance from actual</u>
REVENUES			
Investments			
Investment earnings	\$ 98,000	\$ 16,248	\$ (81,752)
Total revenues	<u>98,000</u>	<u>16,248</u>	<u>(81,752)</u>
EXPENDITURES			
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 (negative) variance from actual</u>
REVENUES			
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
Total revenues	<u>1,518,140</u>	<u>259,489</u>	<u>(1,258,651)</u>
EXPENDITURES			
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

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
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>
EXPENDITURES			
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 under expenditures	<u>(34,172,271)</u>	<u>(10,851,867)</u>	<u>23,320,404</u>
OTHER FINANCING SOURCES			
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 (negative) variance from actual</u>
REVENUES			
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>
EXPENDITURES			
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 (negative) variance from actual</u>
REVENUES			
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>
EXPENDITURES			
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 (negative) variance from actual</u>
REVENUES			
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>
OTHER FINANCING USES			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
	<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 (negative) variance from actual</u>
REVENUES			
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>
OTHER FINANCING USES			
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 (negative) variance from actual</u>
REVENUES			
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>
EXPENDITURES			
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 over (under) expenditures	<u>(557,726)</u>	<u>613,809</u>	<u>1,171,535</u>
OTHER FINANCING USES			
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 (negative) variance from actual</u>
REVENUES			
Taxes			
Sales and use	\$ 6,200,000	\$ 6,181,482	\$ (18,518)
Property	10,300,000	10,221,786	(78,214)
Investments			
Investment earnings	490,000	112,099	(377,901)
Total revenues	<u>16,990,000</u>	<u>16,515,367</u>	<u>(474,633)</u>
EXPENDITURES			
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	5,000	2,500	2,500
Total expenditures	<u>14,139,166</u>	<u>9,752,005</u>	<u>4,387,161</u>
Excess of revenues over expenditures	<u>2,850,834</u>	<u>6,763,362</u>	<u>3,912,528</u>
OTHER FINANCING USES			
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 (negative) variance from actual</u>
REVENUES			
Taxes			
Sales and use	\$ 1,500,000	\$ 1,219,174	\$ (280,826)
Property	1,600,000	1,700,094	100,094
Investments			
Investment earnings	92,000	28,225	(63,775)
Total revenues	<u>3,192,000</u>	<u>2,947,493</u>	<u>(244,507)</u>
EXPENDITURES			
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	5,000	2,500	2,500
Total expenditures	<u>2,675,994</u>	<u>2,641,774</u>	<u>34,220</u>
Excess of revenues over expenditures	<u>516,006</u>	<u>305,719</u>	<u>(210,287)</u>
OTHER FINANCING USES			
Transfers out	(268,373)	(268,373)	-
Total other financing uses	<u>(268,373)</u>	<u>(268,373)</u>	<u>-</u>
Net change in fund balance	<u>\$ 247,633</u>	37,346	<u>\$ (210,287)</u>
Net position, January 1		<u>2,284,806</u>	
Net position, December 31		<u>\$ 2,322,152</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 (negative) variance from actual
OPERATING REVENUES			
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
OPERATING EXPENSES			
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
NONOPERATING REVENUES (EXPENSES)			
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
RECONCILIATION TO US GAAP BASIS			
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

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
OPERATING REVENUES			
Charges for services	\$ 15,580,000	\$ 15,838,431	\$ 258,431
Total operating revenues	<u>15,580,000</u>	<u>15,838,431</u>	<u>258,431</u>
OPERATING EXPENSES			
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	<u>1,740,274</u>	<u>1,740,274</u>	<u>-</u>
Total operating expenses	<u>14,799,092</u>	<u>14,062,999</u>	<u>736,093</u>
Operating income	<u>780,908</u>	<u>1,775,432</u>	<u>994,524</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	103,000	220,734	117,734
Capital outlay	<u>(19,669,336)</u>	<u>(12,438,754)</u>	<u>7,230,582</u>
Total nonoperating expenses	<u>(19,566,336)</u>	<u>(12,218,020)</u>	<u>7,348,316</u>
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	<u>2,064,917</u>	<u>2,064,917</u>	<u>-</u>
Deficiency of revenues under expenditures before reconciling items	<u>\$ (14,943,921)</u>	(6,295,335)	<u>\$ 8,648,586</u>
RECONCILIATION TO US GAAP BASIS			
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		<u>2,291,717</u>	
Total reconciling items		<u>12,340,725</u>	
Change in net position		6,045,390	
Net position, January 1		<u>73,134,590</u>	
Net position, December 31		<u>\$ 79,179,980</u>	

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 Enterprise Funds		
	Environmental Services	Stormwater	Total
ASSETS			
Current assets			
Equity in pooled cash and 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 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
DEFERRED OUTFLOWS OF RESOURCES			
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 Enterprise Funds		
	Environmental Services	Stormwater	Total
LIABILITIES			
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
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	13,489	7,018	20,507
Total deferred inflows of resources	13,489	7,018	20,507
NET POSITION			
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 Enterprise Funds		
	Environmental Services	Stormwater	Total
OPERATING REVENUES			
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
OPERATING EXPENSES			
Collection, transmission 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
NONOPERATING REVENUES (EXPENSES)			
Loss on disposal 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 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 Enterprise Funds		
	Environmental Services	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
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
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases and construction of capital assets	(1,960,197)	(1,796,184)	(3,756,381)
Capital contributions	-	94,418	94,418
Net cash used in capital and related financing activities	(1,960,197)	(1,701,766)	(3,661,963)
CASH FLOWS FROM INVESTING ACTIVITIES			
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 investing activities	3,397,424	205,954	3,603,378
Net increase (decrease) in cash and 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	\$ 3,078,601	\$ 678,416	\$ 3,757,017
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	\$ 5,305,247	\$ 1,164,006	\$ 6,469,253
Equity in pooled cash and investments	\$ 5,305,247	\$ 1,164,006	\$ 6,469,253
Total cash and investments	\$ 5,305,247	\$ 1,164,006	\$ 6,469,253

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (267,496)	\$ 483,963	\$ 216,467
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	732,977	1,532,865	2,265,842
Change in assets and liabilities:			
Increase in accounts receivable, net	(246,758)	(114,949)	(361,707)
Decrease in deferred outflows of resources OPEB Related	(22,698)	(11,349)	(34,047)
Increase (decrease) in 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 OPEB Related	6,631	3,316	9,947
Net cash provided by (used in) 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 investments	\$ 16,478	\$ 4,837	\$ 21,315
Capital Activities			
Loss on disposal of capital assets	(41,838)	-	(41,838)
Sewer and stormwater lines contributed 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 (negative) variance from actual</u>
OPERATING REVENUES			
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>
OPERATING EXPENSES			
Trash removal	3,506,035	3,446,739	59,296
Other operating expenses	903,435	866,747	36,688
Administration	977,379	913,887	63,492
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>
NONOPERATING REVENUES (EXPENSES)			
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 expenditures before reconciling items	<u>\$ (1,520,362)</u>	<u>(1,355,806)</u>	<u>\$ 164,556</u>
RECONCILIATION TO US GAAP BASIS			
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 (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 4,140,962	\$ 4,181,998	\$ 41,036
Total operating revenues	4,140,962	4,181,998	41,036
OPERATING EXPENSES			
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
NONOPERATING REVENUES (EXPENSES)			
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) expenditures before reconciling items	\$ (6,757,491)	361,581	\$ 7,119,072
RECONCILIATION TO US GAAP BASIS			
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 (negative) variance from actual
OPERATING REVENUES			
Interfund services	\$ 6,229,133	\$ 6,319,094	\$ 89,961
Total operating revenues	6,229,133	6,319,094	89,961
OPERATING EXPENSES			
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
NONOPERATING REVENUES			
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) expenditures before reconciling items	\$ (129,616)	93,523	\$ 223,139
RECONCILIATION TO US GAAP BASIS			
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

Description	Coupon Rate	Maturity Date	Original Cost	Fair Value	Par Value
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 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 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 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 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

Description	Coupon Rate	Maturity Date	Original Cost	Fair Value	Par Value
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.

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Thornton, Colorado YEAR ENDING : December 2020	
This Information From The Records Of: City of Thornton, Colorado		Prepared By: Krista Hoover, Accountant Phone: 303-538-7362	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	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. Debt service on local obligations:	
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. Private Contributions	1,768,025	c. Total (a. + b.)	900,262
C. Receipts from State government		2. Notes:	
(from page 2)	4,550,135	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	97,569	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	39,974,260	3. Total (1.c + 2.c)	900,262
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	39,974,260
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)	2,465,483	0	1,665,072
1. Bonds (Refunding Portion)	0	0	0
B. Notes (Total)	0	0	0
V. LOCAL ROAD AND STREET FUND BALANCE			
A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
0	39,974,260	39,974,260	0
Notes and Comments: 0 0 0			

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING: December 2020	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	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)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
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)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	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)
Notes and Comments:			

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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.

Contents	Page
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	<u>\$ 379,207,899</u>	<u>\$ 365,938,104</u>	<u>\$ 361,575,788</u>	<u>\$ 364,409,647</u>	<u>\$ 379,558,463</u>	<u>\$ 392,951,483</u>	<u>\$ 411,013,441</u>	<u>\$ 443,746,023</u>	<u>\$ 435,669,727</u>	<u>\$ 450,450,206</u>
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	<u>\$ 579,723,680</u>	<u>\$ 609,983,897</u>	<u>\$ 619,445,534</u>	<u>\$ 636,261,354</u>	<u>\$ 659,974,189</u>	<u>\$ 703,187,751</u>	<u>\$ 749,622,450</u>	<u>\$ 801,392,750</u>	<u>\$ 902,456,891</u>	<u>\$ 959,981,386</u>
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	<u>\$ 958,931,579</u>	<u>\$ 975,922,001</u>	<u>\$ 981,021,322</u>	<u>\$ 1,000,671,001</u>	<u>\$ 1,039,532,652</u>	<u>\$ 1,096,139,234</u>	<u>\$ 1,160,635,891</u>	<u>\$ 1,245,138,773</u>	<u>\$ 1,338,126,618</u>	<u>\$ 1,410,431,592</u>

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
Program Revenues										
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)
General Revenues and Other										
Changes in Assets										
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
Change in Net Position										
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
Revenues										
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
Expenditures										
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)
Other financing sources (uses)										
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 Source¹

Fiscal Year	Sales tax	Motel tax	Use tax	Property tax	Specific ownership tax	Franchise tax	Cigarette tax	Total
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

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

Source: City of Thornton Finance Department

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

Fiscal Year	General Merchandise	Grocery	Electric & Natural Gas	Automotive	Construction	Furniture & Electronics	Restaurants Liquor & Food Service	Telecomm. & Cable Utility	All Other	Total Sales Tax	Total Direct Tax^{1, 2} Rate
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

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

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

Source: City of Thornton Sales and Use Tax Reports

**City of Thornton
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

	2011	2012	2013	2014	2015	Fiscal Year 2016	2017	2018	2019	2020
Aggregate top ten filers ¹	\$ 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 percentage of total sales	48.9%	48.1%	47.9%	46.3%	45.4%	45.1%	46.2%	43.3%	42.3%	43.9%

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

Source: City of Thornton Sales and Use Tax Reports

**City of Thornton
Schedule 9
Ratios of Outstanding Debt by Type**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Sales and Use Tax Bonds	Tax Incremental Bonds	Certificates of Participation	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

¹ See Schedule 14 for personal income and population data.

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

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

Source: Current and prior year's financial statements.

City of Thornton
Schedule 10
Ratios of General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita¹
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%	-

¹ See Schedule 14 for population data.

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

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

Source: Current and prior year's financial statements.

City of Thornton
Schedule 11
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

Entity (1)	Assessed Valuation (2)	Debt Outstanding	Percentage Applicable to the City (3)	Estimated Share 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 ¹	\$ 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) ¹	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>

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

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

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

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

Water Revenue and Revenue Refunding Bonds						
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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

TDA North Tax Increment Bonds				
Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
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

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

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

Fiscal Year	Population	Personal Income (thousands of of dollars)	Per Capita Personal Income	Unemployment Rate
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**

2020			
<u>Employer Type</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
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

2011			
<u>Employer Type</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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
Total	798	801	808	833	858	937	983	1,020	1,058	1,081

Source: City of Thornton budget office.

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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 consumption (in gallons) (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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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 (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.

