

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021



City of Thornton, Colorado

Annual Comprehensive Financial Report

For the fiscal year ended

December 31, 2021

Prepared by the Finance Department

City of Thornton, Colorado

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City of Thornton, Colorado

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9500 Civic Center Drive
Thornton, Colorado 80229-4326

City Manager's Office
303-538-7200
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www.cityofthornton.net

June 2, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report (Annual Report) of the City of Thornton (the City) for the year ended December 31, 2021. 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, 2021, 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, 2021, 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 1,082 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 146,270 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 2021, including the following:

- Construction of Phase 1 of the new Police Training Facility, which consists of a new facility that provides an adaptable environment for officers to practice defensive tactics, a training classroom, a low-speed driving track, simulation training area, and area for canine training, began in 2021. Design of Phase 2 elements will begin in 2022.
- Construction of Fire Station No. 7 located at 15705 York St. will be completed in late 2022. Firefighters for the new station will complete their training prior to opening the station.
- The renovation of the Margaret W. Carpenter Recreation Center Pools is now open to the public. This remodeled facility includes a new six-lane lap pool with adjacent aqua-exercise pool, wave pool with lazy river and bubble pit, activity pool with zero-depth entry, play structure, geysers and sprays, two water slides and 20-person therapeutic hydro-jet spa.
- Community Center Thomas J. Slocum Memorial Skate Park at Community Park is under construction with an expected opening early in 2022. The new skate park is almost twice as large as the previous park and includes a concrete pump track, a totally new feature for Thornton! The skate park will include seating areas, shade pavilion, public art and safety lighting. Adams County Open Space helped fund this project.
- Sky Park's Grand Opening Ceremony was held in August, the new 2.3-acre Pocket Park includes a dynamic play space, shade pavilions with outdoor gathering areas and the city's first 5x5 soccer pitch. Sky Park is located on 88th Avenue and Santa Fe Drive, just west of Huron Street. Adams County Open Space and CDBG funds helped purchase, design and construct the park.
- Work continued on implementation of the Community Facilities Plan, including large transportation projects throughout the City. These projects included 144th Avenue widening from Washington Street to York Street, and 128th Ave widening from York Street to Colorado Boulevard.
- Work continued on the City's long-term water supply project, the Thornton Water Project. Activities in 2021 included permitting, land acquisition, construction, and the design of multiple pipeline segments. The project, when completed, will bring water from northern Colorado into Thornton in order to provide a reliable supply of water for current and future residents and businesses.

Factors Affecting Financial Condition

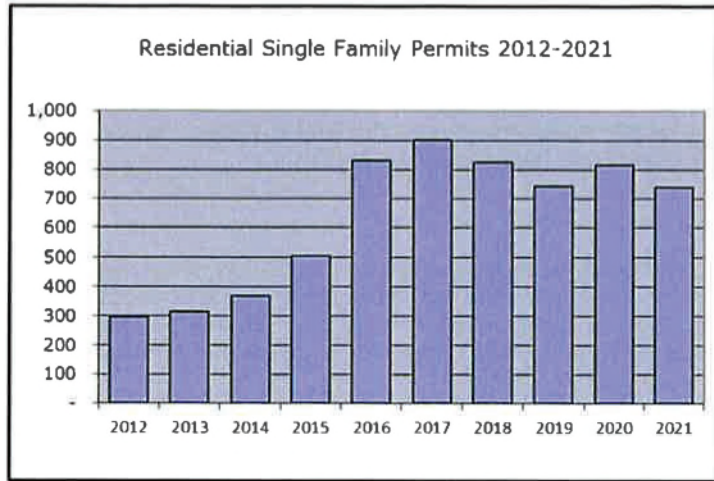
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

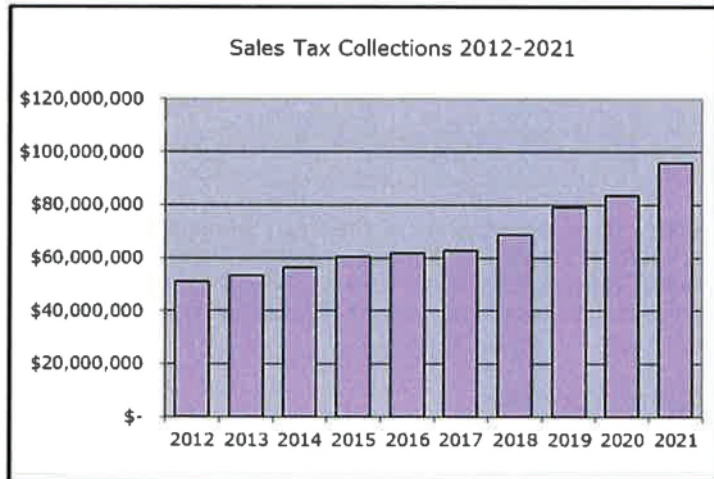
The pace of new development within the City remained strong in 2021. New businesses continue to open along the I-25 corridor including, In-N-Out Burger, Raising Canes Chicken Fingers, Overstock Furniture and Mattress, Satire Brewing Company, two new hotels, and a new King Soopers Marketplace is expected to open later this year. Seven primary employers including, Murphy Company, Sashco, and Meati Foods opened or have committed to opening bringing 750 jobs to the City. Construction began on Thornton's first mixed use community, Caliber at the Grove.

Local Economy (continued)

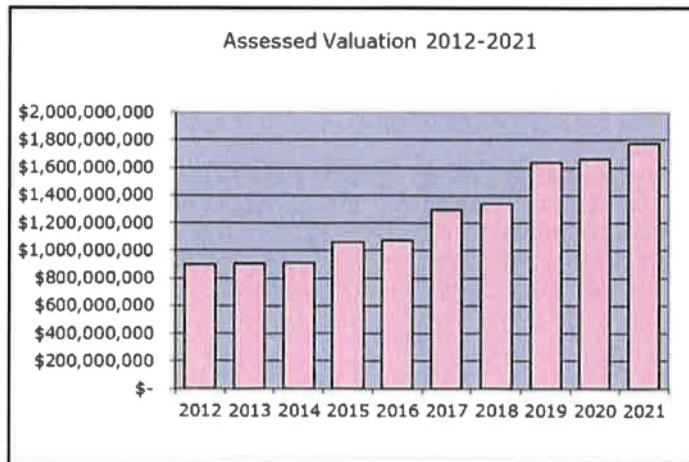
The City issued 764 single-family permits (attached and detached) for residential construction with an estimated value of \$274 million. The City issued 24 commercial building permits with an estimated value of \$58 million.



Sales tax collections in 2021, the largest single revenue stream received by the general government, totaled \$95.9 million, an increase of 14.7% over 2020.



Property values increased 6.63% from 2020, totaling \$1.8 billion in assessed value for 2021. The property taxes associated with this assessed valuation will be collected in 2022.



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, 2020. This is the thirty-six 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 Woods

Kevin S. Woods
City Manager



Kimberly Newhart
Finance Director

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Thornton City Officials

December 31, 2021

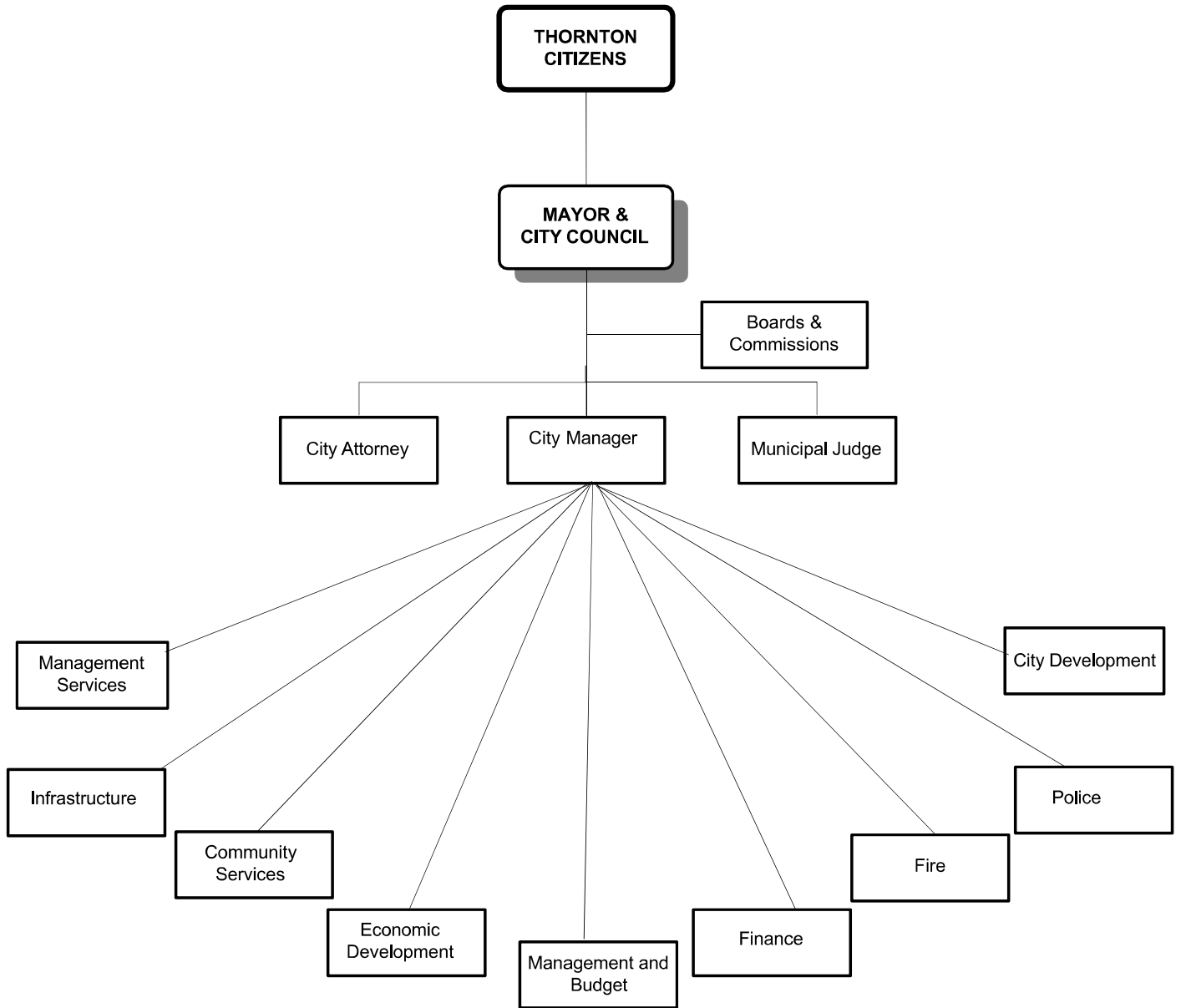
Mayor and City Council

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

Administrative

City Manager	Kevin Woods
City Attorney	Tami Yellico
Municipal Judge	Kristin Brown
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	Doug Romig
Police Chief	Terrence Gordon
Fire Chief	Gordie Olson
Director – Economic Development	John Cody
Director – Finance	Kimberly Newhart
City Clerk	Kristen Rosenbaum
Director – Communications	Todd Barnes

City Government Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Thornton
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO



RSM US LLP

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thornton, Colorado (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, pension information, the schedule of changes in the City's total OPEB liability and related ratios, and budgetary comparison information, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules and other schedules, listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules and other schedules, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical sections, and other schedules, as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2022 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
June 2, 2022

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City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2021

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, 2021. 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 \$1,501,417,504. This total is divided between Governmental Activities of \$488,331,177 and Business-type Activities of \$1,013,086,327.
- The City's total net position increased by \$90,985,912. This total is divided between an increase in Governmental Activities of \$37,880,971 and an increase in Business-type Activities of \$53,104,941.
- The City's deferred outflows of resources decreased \$271,956 primarily related to a reduction in deferred outflows related to pensions. More details on debt are provided in Footnote I, following the Basic Financial Statements.
- The City's deferred inflows of resources increased \$6,905,436 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 \$239,577,699. The largest revenue source is sales and use taxes (\$135,088,230) followed by property taxes (\$29,499,614) and charges for services (\$28,417,443). Charges for services consists of the administrative fee charged to the enterprise funds (\$8,024,187, 28.2%), license, permits and inspection fees (\$7,011,036, 24.7%), recreation and related charges (\$6,235,619, 21.9%), ambulance charges (\$4,388,221, 15.4%), fines and forfeitures (\$1,562,823, 5.5%), and other miscellaneous charges (\$1,195,557, 4.2%). The Governmental expenses were \$201,696,728. More details are provided in the Government-wide Financial Analysis section.
- The City's Business-type Activities show revenues of \$128,794,473 the largest revenue source is charges for services (\$77,079,845) followed by capital grants and contributions (\$32,396,597). Capital grants and contributions consists of payments for connections to the City's water and sewer systems (\$19,100,718, 59%), infrastructure donated to the City by developers (\$12,681,263, 39.1%) and grants (\$614,616, 1.9%). The Business-type expenses were \$75,713,425. More details are provided in the Government-wide Financial Analysis section.
- The total fund balance for the General Fund increased by \$25,362,530, (48.9%) 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 \$77,197,667, or 51% 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, 2021

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

The government-wide financial statements can be found on pages 14-15 of this report.

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

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

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

The City maintained 15 individual governmental funds in 2021, of which four are considered major funds: the General Fund, the Thornton Development Authority North Capital Fund, the Governmental Capital Fund and the Parks and Open Space Fund. Information for these four 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 11 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 68 of this report.

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-65 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 77-113 of this report. The Schedule of Investments and Local Highway Finance Report can be found in other schedules on pages 115-121 of this report.

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2021

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 \$1,501,417,504 at the close of the most recent fiscal year (see Table 1).

By far the largest portion of the City's net position (70.1%) 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%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$388,081,868) 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 287,820,905	\$ 259,517,786	\$ 275,146,486	\$ 276,404,164	\$ 562,967,391	\$ 535,921,950
Capital assets	<u>432,631,278</u>	<u>414,757,686</u>	<u>871,678,896</u>	<u>825,949,290</u>	<u>1,304,310,174</u>	<u>1,240,706,976</u>
Total assets	<u>720,452,183</u>	<u>674,275,472</u>	<u>1,146,825,382</u>	<u>1,102,353,454</u>	<u>1,867,277,565</u>	<u>1,776,628,926</u>
Deferred outflows of resources	<u>17,360,271</u>	<u>17,088,315</u>	<u>1,873,088</u>	<u>1,901,984</u>	<u>19,233,359</u>	<u>18,990,299</u>
Long-term liabilities outstanding	141,954,268	148,333,748	120,204,804	123,626,969	262,159,072	271,960,717
Other liabilities	<u>61,572,175</u>	<u>53,530,435</u>	<u>15,269,361</u>	<u>20,568,863</u>	<u>76,841,536</u>	<u>74,099,298</u>
Total liabilities	<u>203,526,443</u>	<u>201,864,183</u>	<u>135,474,165</u>	<u>144,195,832</u>	<u>339,000,608</u>	<u>346,060,015</u>
Deferred inflows of resources	<u>45,954,834</u>	<u>39,049,398</u>	<u>137,978</u>	<u>78,220</u>	<u>46,092,812</u>	<u>39,127,618</u>
Net position:						
Net investment in capital assets	301,429,951	287,482,862	751,240,496	697,623,613	1,052,670,447	985,106,475
Restricted	60,665,189	63,312,275	-	-	60,665,189	63,312,275
Unrestricted	<u>126,236,037</u>	<u>99,655,069</u>	<u>261,845,831</u>	<u>262,357,773</u>	<u>388,081,868</u>	<u>362,012,842</u>
Total net position	<u>\$ 488,331,177</u>	<u>\$ 450,450,206</u>	<u>\$ 1,013,086,327</u>	<u>\$ 959,981,386</u>	<u>\$ 1,501,417,504</u>	<u>\$ 1,410,431,592</u>

The government's net position increased by \$90,985,912 during the current fiscal year. This increase is the result of revenues exceeding expenses (118.8%) for Governmental activities and (170.1%) for business-type activities, which are explained below.

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2021

Government-wide Financial Analysis (Continued)

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

- Governmental activities increased the City's net position by \$37,880,971. The two primary factors to this increase were the year over year increases in sales and use taxes (\$21,418,487) and charges for services (\$4,408,807).
- Governmental revenues increased by \$17,602,046, (7.9%) from 2020, this increase is primarily related to sales and use taxes and charges for services. Overall, the City experienced strong growth in 2021 spurred on by an increase in spending generating sales tax and the City's recreational facilities being back to almost normal operations after the corona virus restrictions of 2020.
- Governmental expenses decreased by \$3,284,072 (1.6%) from 2020. The majority of this decrease was related to the General government and Streets, traffic, & engineering (\$10,180,449; \$5,617,269) primarily related to decreases in capital outlay and vacancy savings from a difficult labor market. These decreases were offset by increases in Community Services and Fire expenditures of (\$5,567,125; \$4,662,398) primarily related to capital outlay on renovation of the pool at the Margaret W Carpenter Recreation Center and a new ladder truck.

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2021

Table 2
Changes in Net Position
As of December 31,

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 28,417,443	\$ 24,008,566	\$ 77,079,845	\$ 79,152,283	\$ 105,497,288	\$ 103,160,849
Operating grants and contributions	10,558,945	18,800,681	-	-	10,558,945	18,800,681
Capital grants and contributions	22,125,244	18,800,873	32,396,597	37,577,921	54,521,841	56,378,794
General revenues:						
Sales and use taxes	135,088,230	113,669,743	-	-	135,088,230	113,669,743
Property taxes	29,499,614	29,247,725	-	-	29,499,614	29,247,725
Franchise taxes	6,387,942	6,011,074	-	-	6,387,942	6,011,074
E911 taxes	2,869,208	1,128,533	-	-	2,869,208	1,128,533
Other taxes	3,393,308	2,604,622	-	-	3,393,308	2,604,622
Earnings/(Loss) on investments	(793,395)	2,797,470	(1,284,819)	4,502,457	(2,078,214)	7,299,927
Gain on sale of assets	-	-	5,972,256	3,994,650	5,972,256	3,994,650
Royalties	-	-	8,896,723	3,165,100	8,896,723	3,165,100
Miscellaneous	2,031,160	4,906,366	5,733,871	875,305	7,765,031	5,781,671
Total revenues	239,577,699	221,975,653	128,794,473	129,267,716	368,372,172	351,243,369
Expenses:						
General government	35,649,989	45,830,438	-	-	35,649,989	45,830,438
Police	43,491,003	41,367,619	-	-	43,491,003	41,367,619
Fire	27,476,823	23,152,345	-	-	27,476,823	23,152,345
City development	11,517,896	11,029,371	-	-	11,517,896	11,029,371
Streets, traffic, and engineering	36,432,653	42,049,922	-	-	36,432,653	42,049,922
Community services	42,131,617	36,564,491	-	-	42,131,617	36,564,491
Interest on long-term debt	4,972,854	4,962,721	-	-	4,972,854	4,962,721
Water	-	-	50,054,147	47,840,352	50,054,147	47,840,352
Sewer	-	-	15,224,680	16,432,487	15,224,680	16,432,487
Environmental Services	-	-	6,182,690	6,010,614	6,182,690	6,010,614
Stormwater	-	-	4,251,908	3,698,035	4,251,908	3,698,035
Total expenses	201,672,835	204,956,907	75,713,425	73,981,488	277,386,260	278,938,395
Increase in net position before transfers	37,904,864	17,018,746	53,081,048	55,286,228	90,985,912	72,304,974
Transfers	(23,893)	(2,238,267)	23,893	2,238,267	-	-
Increase in net position	37,880,971	14,780,479	53,104,941	57,524,495	90,985,912	72,304,974
Net position, Jan 1	450,450,206	435,669,727	959,981,386	902,456,891	1,410,431,592	1,338,126,618
Net position, Dec 31	\$ 488,331,177	\$450,450,206	\$ 1,013,086,327	\$959,981,386	\$ 1,501,417,504	\$ 1,410,431,592

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2021

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

- Business-type activities increased the City's net position by \$53,104,941, accounting for 58.4% of the total growth in the government's net position.
- Revenues decreased by \$473,243 (.4%) in 2021 compared to 2020. Charges for services (\$77,079,845, 59.8% of total revenues), tap fees (\$19,100,718, 14.8% of total revenues, included in grants and contributions), and oil and gas revenue received on property owned by the City (\$8,896,723, 6.9% of total revenues, royalties), represent the three largest inflows to business-type activities. The primary factors in the revenue decrease were decreases in charges for services (\$2,072,438) and connection fees (\$5,689,698).
- Expenses increased \$1,731,937 (2.3%) in 2021 compared to 2020. The Sewer Fund expenses decreased (\$1,207,807), the Water Fund increased (\$2,213,795), the Environmental Services Fund increased (\$172,076) and the Stormwater Fund increased (\$553,873). In 2021, the primary factor causing the increase in the Water fund was the increased debt service cost (\$1,600,239) as a result of interest expense and bond amortization for revenue bonds issued in 2020.

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 \$181,706,658, an increase of \$7,667,765.
- The increase in fund balance is primarily related to strong sales and use tax (\$21,418,487), to be used on operational and capital expenses for the City.

Approximately 55.7% of year-end fund balance (\$101,138,994) is available for spending at the government's discretion. The remainder of fund balance (\$80,567,664) is nonspendable, restricted, or committed to indicate that it is not available for new spending. The largest component is restricted (\$52,497,651, 65.2%). The decrease in restricted balance year over year is primarily related to the bond proceeds being spent down on the renovations to the existing Margaret W Carpenter Recreation 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 53.9% (\$41,630,276) of total fund balance (\$77,197,667). 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 (\$147,490,511). Unassigned fund balance represents 28.2% of total actual General Fund expenditures, while total fund balance represents 52.3% of that same amount. The growth in fund balance year over year can be attributed to two primary factors; a strong year for sales and use taxes and the first full year of operation of the Trail Winds Recreation Center after opening November of 2019 and corona virus restrictions effected operation in 2020.

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 (\$33,038,873).

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 \$241,704,966, \$13,835,307, \$5,250,772, and \$1,054,786 respectively. The change in net position for the funds was an increase in Water of \$43,339,815, an increase in Sewer of \$4,392,771, a decrease in Environmental Services of \$300,836 and an increase in Stormwater of 5,673,191. Increases in Water, Sewer and Stormwater proprietary funds is primarily attributed to the Net investment in capital assets.

General Fund Budgetary Highlights

General Fund revenues were greater than budgetary estimates and General Fund expenditures were less than appropriations. Fund revenues were over budget by \$21,100,124 in 2021 primarily related to better than expected sales and use tax revenues. Fund expenditures were under budget by \$3,413,583 in 2021 primarily related to vacancy savings throughout the City because of a difficult labor market. The majority of governmental sales and use tax, 77.3% (\$104,425,430) is available for General Fund operations and capital outlay.

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2021

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, 2021 amounts to \$1,304,310,174 (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 \$17,873,592 net of accumulated depreciation. The majority of this increase is related to costs associated with the expansion of the Margaret W Carpenter Recreation Center (\$3,745,290) and the infrastructure project widening of 144th from Washington to Franklin (\$7,248,741) completed in 2021. The widening of the 144th artery will assist the growing demands from the City. The expansion of the recreation center will bolster that facilities ability to service the City's citizens in the surrounding area. The City added contributed capital related to development (\$6,709,878). Spending in 2021 carried in construction in progress is related to the construction of the new police training facility (\$6,312,631), the widening of 128th Ave artery (\$3,626,552), and a new Fire Engine Ladder Truck (\$1,619,196).
- Proprietary capital assets increased by \$45,729,606 net of accumulated depreciation. The majority of the increase was related to costs associated with the new Cooley Pump Stations (\$8,160,026) and Big Dry Creek lift station (\$15,671,638). Completion of these stations will support movement of water through these areas. A majority of the construction in process balance is related to the building of the new Thornton water pipeline (\$67,738,830), which is expected to deliver water to meet the growing demand fueled by Thornton's continued development.

Additional information on the City's capital assets can be found in note E on pages 39-40 of this report.

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

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land, water and land rights	\$ 51,346,120	\$ 50,053,899	\$ 212,664,101	\$ 208,190,065	\$ 264,010,221	\$ 258,243,964
Source of supply	-	-	129,350,266	128,847,411	129,350,266	128,847,411
Water treatment plant	-	-	141,017,331	142,063,703	141,017,331	142,063,703
Collection, transmission, & distribution	-	-	289,452,855	260,161,528	289,452,855	260,161,528
Streets, traffic, and engineering	153,154,873	146,766,262	-	-	153,154,873	146,766,262
Buildings, structures and improvements	134,898,343	133,841,219	13,772,755	14,182,427	148,671,098	148,023,646
Leisure areas and improvements	49,663,219	47,891,936	-	-	49,663,219	47,891,936
General equipment	22,608,252	20,696,499	10,702,239	9,466,235	33,310,491	30,162,734
Construction in progress	20,960,471	15,507,871	74,719,349	63,037,921	95,679,820	78,545,792
Total	\$ 432,631,278	\$ 414,757,686	\$ 871,678,896	\$ 825,949,290	\$ 1,304,310,174	\$ 1,240,706,976

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$227,540,000 (see Table 4). The City's debt represents certificates of participation of \$88,630,000 and revenue bonds of \$138,910,000. The revenue bonds outstanding are comprised of four issues: \$8,405,000 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; \$23,635,000 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; \$29,710,000 related to Water Enterprise Revenue Refunding Bonds S2013; and \$77,160,000 related to Water Enterprise Revenue Bonds S2020 supported by a pledge of charges for services of the Water Fund.

**City of Thornton, Colorado
Management’s Discussion and Analysis
December 31, 2021**

Capital Asset and Debt Administration (Continued)

Long-term debt (continued). The City’s total debt decreased by \$10,655,000 (4.5%) during the current fiscal year.

In 2021, 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 2021, 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	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ 32,040,000	\$ 33,745,000	\$ 106,870,000	\$ 109,665,000	\$ 138,910,000	\$ 143,410,000
Certificates of participation	88,630,000	94,785,000	-	-	88,630,000	94,785,000
Total	\$ 120,670,000	\$ 128,530,000	\$ 106,870,000	\$ 109,665,000	\$ 227,540,000	\$ 238,195,000

Additional information on the City’s long-term debt activity can be found on pages 41-46 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The December 31, 2021 unemployment rate for the City was 4.3%, which is lower than last year. The City has a higher unemployment rate than the state (3.6%), lower than the county’s (Adams) rate of 4.9%, and higher than the national rate of 3.9%.
- The national inflation rate increased in 2021 to 2.79% from 2.62% in 2020. The Consumer Price Index for the Denver area increased in 2021 to 2.82% from 2.72% in 2020.
- In 2021, the City’s occupancy rate is approximately 94.4% for retail space, 89.5% for office space and 90.6% for industrial space.
- The City’s population has decreased by 157 people. This decrease was due to an adjustment in prior year’s population after the results of the 2020 US Census were released.
- The City’s yield on cash and investments decreased to .76% in 2021. The current projection for 2022’s rate is .85%. The City invests available funds with safety as the primary goal.

All of these factors were considered in preparing the City’s budget for the 2022 fiscal year.

Ending unassigned fund balance in the General Fund was \$41,630,276. 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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 210,827,706	\$ 262,043,188	\$ 472,870,894
Receivables, net			
Taxes	48,040,566	-	48,040,566
Accounts	8,946,041	8,971,874	17,917,915
Interest and other	429,193	610,118	1,039,311
Inventory of supplies	83,447	-	83,447
Prepays and other assets	431,167	73,990	505,157
Land held for resale	543,099	-	543,099
Restricted assets			
Equity in pooled cash and investments	7,829,387	3,447,316	11,276,703
Net pension asset	10,690,299	-	10,690,299
Capital assets			
Land, water rights, and construction in progress	72,306,591	416,733,716	489,040,307
Depreciable buildings, property, and equipment, net	<u>360,324,687</u>	<u>454,945,180</u>	<u>815,269,867</u>
Total assets	<u>720,452,183</u>	<u>1,146,825,382</u>	<u>1,867,277,565</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,489,150	1,489,150
Deferred outflow related to ARO	296,646	35,000	331,646
Deferred outflow related to OPEB	2,079,381	348,938	2,428,319
Deferred outflow related to pension	<u>14,984,244</u>	<u>-</u>	<u>14,984,244</u>
Total deferred outflows of resources	<u>17,360,271</u>	<u>1,873,088</u>	<u>19,233,359</u>
LIABILITIES			
Accounts payable	13,664,601	9,749,317	23,413,918
Retainage payable	1,906,969	1,299,725	3,206,694
Accrued interest payable	435,259	322,504	757,763
Third party development advances	17,206,830	-	17,206,830
Unearned revenue	10,367,445	110,150	10,477,595
Other	5,122,149	225,451	5,347,600
Noncurrent liabilities			
Due within one year	12,868,922	3,562,214	16,431,136
Due in more than one year			
Due in more than one year - other	131,768,099	119,106,149	250,874,248
Due in more than one year - Total OPEB liability	6,591,289	1,098,655	7,689,944
Due in more than one year - Net pension liability	<u>3,594,880</u>	<u>-</u>	<u>3,594,880</u>
Total liabilities	<u>203,526,443</u>	<u>135,474,165</u>	<u>339,000,608</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow - property tax	32,031,775	-	32,031,775
Deferred gain on refunding	26,378	-	26,378
Deferred inflows related to OPEB	818,150	137,978	956,128
Deferred inflows related to pensions	<u>13,078,531</u>	<u>-</u>	<u>13,078,531</u>
Total deferred inflows of resources	<u>45,954,834</u>	<u>137,978</u>	<u>46,092,812</u>
NET POSITION			
Net investment in capital assets	301,429,951	751,240,496	1,052,670,447
Restricted for			
Capital projects	5,636,349	-	5,636,349
Communications	1,002,402	-	1,002,402
Emergencies	6,340,041	-	6,340,041
Pensions	12,596,012	-	12,596,012
Parks and open space	34,026,875	-	34,026,875
Public safety	854,535	-	854,535
Other purposes	208,975	-	208,975
Unrestricted	<u>126,236,037</u>	<u>261,845,831</u>	<u>388,081,868</u>
Total net position	<u>\$ 488,331,177</u>	<u>\$ 1,013,086,327</u>	<u>\$ 1,501,417,504</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, 2021

Functions/Activities	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental:							
General government	\$ 35,649,989	\$ 8,713,494	\$ 9,700	\$ 45,000	\$ (26,881,795)		\$ (26,881,795)
Police	43,491,003	1,967,445	1,409,758	220,431	(39,893,369)		(39,893,369)
Fire and ambulance	27,476,823	4,497,690	729,611	36,904	(22,212,618)		(22,212,618)
City development	11,517,896	7,003,195	283,159	-	(4,231,542)		(4,231,542)
Streets, traffic & engineering	36,432,653	-	5,539,788	15,999,117	(14,893,748)		(14,893,748)
Community services	42,131,617	6,235,619	2,586,929	5,823,792	(27,485,277)		(27,485,277)
Interest on long-term debt	4,972,854	-	-	-	(4,972,854)		(4,972,854)
Total governmental activities	<u>201,672,835</u>	<u>28,417,443</u>	<u>10,558,945</u>	<u>22,125,244</u>	<u>(140,571,203)</u>		<u>(140,571,203)</u>
Business-type:							
Water	50,054,147	50,707,873	-	22,814,232		23,467,958	23,467,958
Sewer	15,224,680	16,210,386	-	3,966,785		4,952,491	4,952,491
Environmental Services	6,182,690	5,871,538	-	-		(311,152)	(311,152)
Stormwater	4,251,908	4,290,048	-	5,615,580		5,653,720	5,653,720
Total business-type activities	<u>75,713,425</u>	<u>77,079,845</u>	<u>-</u>	<u>32,396,597</u>		<u>33,763,017</u>	<u>33,763,017</u>
Total City of Thornton	<u>\$ 277,386,260</u>	<u>\$ 105,497,288</u>	<u>\$ 10,558,945</u>	<u>\$ 54,521,841</u>	<u>(140,571,203)</u>	<u>33,763,017</u>	<u>(106,808,186)</u>
General revenues:							
Sales and use taxes					135,088,230	-	135,088,230
Property taxes					29,499,614	-	29,499,614
Franchise taxes					6,387,942	-	6,387,942
E911 taxes					2,869,208	-	2,869,208
Other taxes					3,393,308	-	3,393,308
Loss on investments					(793,395)	(1,284,819)	(2,078,214)
Gain on sale of capital assets					-	5,972,256	5,972,256
Royalties					-	8,896,723	8,896,723
Miscellaneous					2,031,160	5,733,871	7,765,031
Transfers					(23,893)	23,893	-
Total general revenues					<u>178,452,174</u>	<u>19,341,924</u>	<u>197,794,098</u>
Change in net position					37,880,971	53,104,941	90,985,912
Net position, January 1					450,450,206	959,981,386	1,410,431,592
Net position, December 31					<u>\$ 488,331,177</u>	<u>\$ 1,013,086,327</u>	<u>\$ 1,501,417,504</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, 2021**

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Parks & Open Space Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in pooled cash and investments						
Unrestricted	\$ 76,576,102	\$ 15,469,251	\$ 60,916,848	\$ 16,564,560	\$ 32,721,745	\$ 202,248,506
Restricted	-	1,390,679	-	4,179,063	2,259,645	7,829,387
Receivables, net						
Taxes	27,227,099	11,655,866	2,753,941	869,380	5,534,280	48,040,566
Accounts	3,784,197	-	4,425,740	-	606,104	8,816,041
Interest and other	154,575	30,592	123,745	34,927	68,491	412,330
Inventory of supplies	83,447	-	-	-	-	83,447
Prepaid items and other assets	429,544	-	1,623	-	-	431,167
Land held for resale	-	-	-	-	543,099	543,099
Total assets	\$ 108,254,964	\$ 28,546,388	\$ 68,221,897	\$ 21,647,930	\$ 41,733,364	\$ 268,404,543
LIABILITIES						
Accounts payable	9,162,862	34,328	2,274,761	1,161,759	821,683	13,455,393
Retainage payable	-	-	859,239	662,477	385,253	1,906,969
Third party development advances	-	-	15,944,944	-	1,261,886	17,206,830
Unearned revenue	113,601	-	10,244,244	-	9,600	10,367,445
Other	2,195,760	129,613	1,882,357	-	914,419	5,122,149
Total liabilities	11,472,223	163,941	31,205,545	1,824,236	3,392,841	48,058,786
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	17,854,353	11,027,560	-	-	3,149,862	32,031,775
Unavailable revenue - intergovernmental	-	-	3,884,649	-	899,124	4,783,773
Unavailable revenue - grants	1,730,721	-	92,830	-	-	1,823,551
Total deferred inflows	19,585,074	11,027,560	3,977,479	-	4,048,986	38,639,099
FUND BALANCES						
Nonspendable						
Inventories	83,447	-	-	-	-	83,447
Prepays	31,566	-	-	-	-	31,566
Restricted						
Parks and open space	-	-	-	19,823,694	15,123,105	34,946,799
Capital projects	-	-	-	-	5,636,349	5,636,349
Communications	1,002,402	-	-	-	-	1,002,402
Debt service	-	1,390,000	-	-	2,258,550	3,648,550
Emergencies - TABOR	6,340,041	-	-	-	-	6,340,041
Public safety	154,935	-	-	-	699,600	854,535
Other purposes	-	-	-	-	68,975	68,975
Committed						
Emergencies	27,955,000	-	-	-	-	27,955,000
Assigned						
Capital projects	-	15,964,887	33,038,873	-	9,217,107	58,220,867
Land held for resale	-	-	-	-	543,099	543,099
Parks and open space	-	-	-	-	467,424	467,424
Other purposes	-	-	-	-	277,328	277,328
Unassigned	41,630,276	-	-	-	-	41,630,276
Total fund balances	77,197,667	17,354,887	33,038,873	19,823,694	34,291,537	181,706,658
Total liabilities, deferred inflows of resources and fund balances	\$ 108,254,964	\$ 28,546,388	\$ 68,221,897	\$ 21,647,930	\$ 41,733,364	\$ 268,404,543

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, 2021**

Total fund balances for governmental funds (page 18)		\$ 181,706,658
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	51,346,120	
Construction in progress	20,960,471	
Streets, Traffic & Engineering, net of \$257,436,975 accumulated depreciation	153,154,873	
Buildings and improvements, net of \$41,538,969 accumulated depreciation	134,898,343	
Leisure areas & improvements, net of \$55,782,192 accumulated depreciation	49,663,219	
General equipment, net of \$38,291,239 accumulated depreciation	<u>22,608,252</u>	
Total capital assets		432,631,278
Net Pension Asset		10,690,299
Risk Management, an internal service fund is used by the City to account for a comprehensive insurance management program provided to other internal departments. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		
		2,631,159
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		
		(26,378)
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, 2021 are:		
Accrued interest on bonds and certificates of participation	(435,259)	
Bonds payable, net of unamortized premium	(34,103,232)	
Obligation under certificates of participation	(95,627,593)	
Obligation under capitalized leases	(753,725)	
Total OPEB liability	(6,560,438)	
Compensated absences	(7,916,708)	
Net pension liability	(3,594,880)	
Asset retirement obligation	<u>(375,000)</u>	
Total long-term liabilities		(149,366,835)
Deferred outflows related to asset retirement obligation		296,646
Deferred inflows related to unearned revenues are applicable to future periods and, therefore, are not reported in the funds:		
Deferred inflows related to intergovernmental	4,783,773	
Deferred inflows related to grants	<u>1,823,551</u>	
		6,607,324
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	2,069,529	
Deferred outflows relating to pensions	14,984,244	
Deferred inflows relating to OPEB	(814,216)	
Deferred inflows relating to pensions	<u>(13,078,531)</u>	
Total deferred items		<u>3,161,026</u>
Total net position governmental activities (page 14)		<u>\$ 488,331,177</u>

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

City of Thornton, Colorado

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2021**

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Parks & Open Space Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Sales and use	\$ 104,425,430	\$ 6,762,236	\$ 13,565,424	\$ 9,033,937	\$ 1,301,203	\$ 135,088,230
Property	16,705,588	10,305,379	-	-	2,488,647	29,499,614
Franchise	6,387,942	-	-	-	-	6,387,942
E911	-	-	-	-	2,869,208	2,869,208
Other	3,383,907	-	-	-	9,401	3,393,308
Licenses and permits	7,011,036	-	-	-	-	7,011,036
Intergovernmental	7,567,279	-	3,757,742	-	7,863,920	19,188,941
Governmental grants	749,861	-	2,021,293	434,000	1,373,779	4,578,933
Charges for services	19,127,279	-	-	-	-	19,127,279
Fines and forfeitures	1,562,823	-	-	-	-	1,562,823
Lease	-	-	175,648	-	-	175,648
Investment loss	(213,571)	(17,373)	(290,524)	(98,456)	(173,471)	(793,395)
Miscellaneous	1,086,805	-	782,442	-	82,793	1,952,040
Total revenues	167,794,379	17,050,242	20,012,025	9,369,481	15,815,480	230,041,607
EXPENDITURES						
Current						
General government	34,625,122	-	-	-	-	34,625,122
Police	41,324,207	-	-	-	-	41,324,207
Fire and ambulance	25,070,216	-	-	-	-	25,070,216
City development	9,250,922	-	-	-	-	9,250,922
Streets, traffic and engineering	11,685,226	-	3,036,385	-	914,419	15,636,030
Community services	23,252,430	-	-	-	81,718	23,334,148
Capital outlay	2,033,417	1,579,683	25,535,411	17,680,258	13,015,489	59,844,258
Debt service						
Principal retirement	238,939	995,000	3,616,500	2,538,500	710,000	8,098,939
Interest and bond fees	10,032	415,563	931,066	3,123,989	1,101,294	5,581,944
Total expenditures	147,490,511	2,990,246	33,119,362	23,342,747	15,822,920	222,765,786
Excess (deficiency) of revenues over (under) expenditures	20,303,868	14,059,996	(13,107,337)	(13,973,266)	(7,440)	7,275,821
OTHER FINANCING SOURCES (USES)						
Transfers in	4,791,528	-	2,923,782	-	46,517	7,761,827
Transfers out	(46,517)	(4,922,299)	-	-	(2,793,011)	(7,761,827)
Capital Lease Acquisition	677,931	-	-	-	-	677,931
Leased asset - right to use	(677,931)	-	-	-	-	-
Sale of general capital assets	313,651	-	78,293	-	-	391,944
Total other financing sources (uses)	5,058,662	(4,922,299)	3,002,075	-	(2,746,494)	391,944
Net change in fund balances	25,362,530	9,137,697	(10,105,262)	(13,973,266)	(2,753,934)	7,667,765
Fund balances, January 1	51,835,137	8,217,190	43,144,135	33,796,960	37,045,471	174,038,893
Fund balances, December 31	\$ 77,197,667	\$ 17,354,887	\$ 33,038,873	\$ 19,823,694	\$ 34,291,537	\$ 181,706,658

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, 2021**

Net change in fund balances - total governmental funds (page 20) \$ 7,667,765

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 (\$35,005,428) less work in progress deletions (\$94,102), exceeded depreciation (\$23,779,338) in the current period. 11,131,988

The net effect of various miscellaneous transactions involving capital assets is to decrease net position (contributions of \$6,936,141 plus the gain of \$221,300 less the revenue recognized at the fund level of \$391,944 on the sale of capital assets, less \$23,893 for assets, net of depreciation, transferred to the Stormwater Fund) 6,741,604

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	1,705,000	
To Capital Asset Finance Corporation for certificates of participation	6,155,000	
Obligation under capitalized leases	<u>238,939</u>	
Net adjustment		8,098,939

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. (96,991)

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	126,920	
Accrued interest on bonds	28,150	
Asset Retirement Obligation Expense	<u>(26,118)</u>	
Combined adjustment		128,952

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	565,157	
Grant revenues	<u>1,642,851</u>	
Combined adjustment		2,208,008

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		(1,452,959)
Pension Income		1,579,599

Internal Service Funds are used by the City to account for the financing of goods or services provided by one department or agency to other departments or agencies. The net revenues of the internal service funds are reported with governmental activities.

1,874,066

Change in net position governmental activities (page 15) \$ 37,880,971

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

City of Thornton, Colorado

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-type Activities Enterprise Funds			Total	Governmental
	Water	Sewer	Other Enterprise Funds		Internal
					Service Risk Fund
ASSETS					
Current assets					
Equity in pooled cash and investments - unrestricted	\$ 241,593,833	\$ 13,742,071	\$ 6,707,284	\$ 262,043,188	\$ 8,579,200
Equity in pooled cash and investments - restricted	3,447,316	-	-	3,447,316	-
Receivables, net					
Accounts	6,408,057	1,775,043	788,774	8,971,874	130,000
Interest and other	507,921	29,000	13,520	550,441	16,863
Prepays and other assets	55,855	1,000	17,135	73,990	-
Total current assets	252,012,982	15,547,114	7,526,713	275,086,809	8,726,063
Noncurrent assets					
Loan receivable, net of current portion	59,677	-	-	59,677	-
Capital assets					
Land and water rights	212,320,019	344,082	-	212,664,101	-
Source of supply	129,350,266	-	-	129,350,266	-
Water treatment plant	176,778,606	-	-	176,778,606	-
Collection, transmission, and distribution	257,759,860	115,325,815	76,496,337	449,582,012	-
Transportation equipment	2,209,466	1,711,083	7,554,109	11,474,658	-
General equipment	10,803,738	979,946	1,578,548	13,362,232	-
Buildings and improvements	21,676,221	2,428,376	684,752	24,789,349	-
Less accumulated depreciation	(145,467,064)	(50,886,085)	(24,688,528)	(221,041,677)	-
Construction in progress	71,990,137	261,557	2,467,655	74,719,349	-
Total noncurrent assets	737,480,926	70,164,774	64,092,873	871,738,573	-
Total assets	989,493,908	85,711,888	71,619,586	1,146,825,382	8,726,063
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to OPEB	225,839	31,415	91,684	348,938	9,852
Deferred outflow related to ARO	35,000	-	-	35,000	-
Deferred charge on refunding	1,489,150	-	-	1,489,150	-
Total deferred outflows of resources	1,749,989	31,415	91,684	1,873,088	9,852

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	\$ 7,365,297	\$ 1,599,681	\$ 784,339	\$ 9,749,317	\$ 209,208
Retainage payable	872,395	427,330	-	1,299,725	-
Other	225,451	-	-	225,451	-
Unearned revenue	110,150	-	-	110,150	-
Payable from restricted assets					
Accrued bond interest payable	322,504	-	-	322,504	-
Revenue bonds payable	3,185,000	-	-	3,185,000	-
Compensated absences	352,644	1,755	22,815	377,214	16,097
Outstanding reserves and incurred but not reported claims	-	-	-	-	2,355,998
Total current liabilities	12,433,441	2,028,766	807,154	15,269,361	2,581,303
Long-term liabilities					
Revenue bonds payable, excluding current portion, net of other unamortized costs	117,477,825	-	-	117,477,825	-
Total OPEB liability	707,413	104,891	286,351	1,098,655	30,851
Compensated absences	507,822	26,661	182,615	717,098	26,592
Other obligations	911,226	-	-	911,226	-
Outstanding reserves and incurred but not reported claims	-	-	-	-	3,462,076
Total long-term liabilities	119,604,286	131,552	468,966	120,204,804	3,519,519
Total liabilities	132,037,727	2,160,318	1,276,120	135,474,165	6,100,822
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	91,025	10,234	36,719	137,978	3,934
Total deferred inflows of resources	91,025	10,234	36,719	137,978	3,934
NET POSITION					
Net investment in capital assets	617,410,179	69,737,444	64,092,873	751,240,496	-
Restricted - other purposes	-	-	-	-	140,000
Unrestricted	241,704,966	13,835,307	6,305,558	261,845,831	2,491,159
Total net position	\$ 859,115,145	\$ 83,572,751	\$ 70,398,431	\$ 1,013,086,327	\$ 2,631,159

City of Thornton, Colorado

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the year ended December 31, 2021

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Water	Sewer	Other Enterprise Funds		Internal Service Risk Fund
OPERATING REVENUES					
Charges for services pledged for debt	\$ 50,707,873	\$ -	\$ -	\$ 50,707,873	\$ -
Charges for services	-	16,210,386	10,161,586	26,371,972	-
Miscellaneous revenue	117,788	-	40,794	158,582	-
Interfund services	-	-	-	-	\$ 7,614,002
Total operating revenues	50,825,661	16,210,386	10,202,380	77,238,427	7,614,002
OPERATING EXPENSES					
Source of supply	7,004,691	-	-	7,004,691	-
Water treatment	12,143,903	-	-	12,143,903	-
Collection, transmission distribution, and trash removal	5,762,519	2,638,124	5,374,905	13,775,548	-
Sewage treatment-Metro Wastewater	-	8,784,655	-	8,784,655	-
Insurance premiums	-	-	-	-	1,356,671
Claims and reserves for claims	-	-	-	-	3,835,771
Other operating expenses	1,296,918	167,034	888,173	2,352,125	-
Administration	10,451,734	1,500,168	1,678,250	13,630,152	541,066
Depreciation	9,838,284	2,134,699	2,493,270	14,466,253	-
Total operating expenses	46,498,049	15,224,680	10,434,598	72,157,327	5,733,508
Operating income (loss)	4,327,612	985,706	(232,218)	5,081,100	1,880,494
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on sale (disposal) of capital assets	6,010,527	(38,271)	-	5,972,256	-
Investment loss	(1,174,583)	(75,336)	(34,900)	(1,284,819)	(26,428)
Interest and bond amortization expense	(3,556,098)	-	-	(3,556,098)	-
Royalties	8,896,723	-	-	8,896,723	-
Miscellaneous, net	5,575,289	-	-	5,575,289	20,000
Total nonoperating revenues (expenses)	15,751,858	(113,607)	(34,900)	15,603,351	(6,428)
Income (loss) before capital contributions and transfers	20,079,470	872,099	(267,118)	20,684,451	1,874,066
Grants and capital contributions	22,814,232	3,966,785	5,639,473	32,420,490	-
Transfers in (out)	446,113	(446,113)	-	-	-
Change in net position	43,339,815	4,392,771	5,372,355	53,104,941	1,874,066
Net position, January 1	815,775,330	79,179,980	65,026,076	959,981,386	757,093
Net position, December 31	\$ 859,115,145	\$ 83,572,751	\$ 70,398,431	\$ 1,013,086,327	\$ 2,631,159

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, 2021**

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Water	Sewer	Other Enterprise Funds		Internal Service Risk Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and others	\$ 55,468,498	\$ 16,306,355	\$ 10,291,462	\$ 82,066,315	\$ -
Receipts from interfund services	-	-	-	-	7,720,693
Payments to suppliers	(30,259,544)	(12,233,084)	(3,724,251)	(46,216,879)	(4,863,555)
Payments to employees	(11,573,623)	(1,274,804)	(3,650,670)	(16,499,097)	(508,621)
Net cash provided by operating activities	13,635,331	2,798,467	2,916,541	19,350,339	2,348,517
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant	624,260	-	-	624,260	-
Repayment from (to) other funds	446,113	(446,113)	-	-	-
Receipts from nonoperating leases	10,727,892	-	-	10,727,892	-
Net cash provided by (used in) noncapital financing activities	11,798,265	(446,113)	-	11,352,152	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases and construction of capital assets	(40,801,907)	(4,156,969)	(2,642,921)	(47,601,797)	-
Proceeds from sale of capital assets	6,010,527	1,959	-	6,012,486	-
Issuance cost paid on bonds	(760)	-	-	(760)	-
Principal paid on bonds and other obligations	(2,795,000)	-	-	(2,795,000)	-
Interest and fees paid on capital debt	(4,264,284)	-	-	(4,264,284)	-
Capital contributions	17,565,539	1,535,179	-	19,100,718	-
Net cash used in capital and related financing activities	(24,285,885)	(2,619,831)	(2,642,921)	(29,548,637)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments	108,961,295	6,280,144	2,900,515	118,141,954	2,847,500
Purchases of investments	(165,207,960)	(9,279,903)	(4,527,565)	(179,015,428)	(5,779,870)
Interest on investments	1,927,653	103,294	49,411	2,080,358	63,265
Net cash used in investing activities	(54,319,012)	(2,896,465)	(1,577,639)	(58,793,116)	(2,869,105)
Net decrease in cash and cash equivalents	(53,171,301)	(3,163,942)	(1,304,019)	(57,639,262)	(520,588)
Cash and cash equivalents, Jan. 1	142,682,957	8,191,655	3,757,017	154,631,629	3,652,263
Cash and cash equivalents, Dec. 31	\$ 89,511,656	\$ 5,027,713	\$ 2,452,998	\$ 96,992,367	\$ 3,131,675
Cash and cash equivalents	\$ 89,511,656	\$ 5,027,713	\$ 2,452,998	\$ 96,992,367	\$ 3,131,675
Investments	155,529,493	8,714,358	4,254,286	168,498,137	5,447,525
Total cash and investments	\$ 245,041,149	\$ 13,742,071	\$ 6,707,284	\$ 265,490,504	\$ 8,579,200
Equity in pooled cash and investments	\$ 241,593,833	\$ 13,742,071	\$ 6,707,284	\$ 262,043,188	\$ 8,579,200
Restricted cash and investments	3,447,316	-	-	3,447,316	-
Total cash and investments	\$ 245,041,149	\$ 13,742,071	\$ 6,707,284	\$ 265,490,504	\$ 8,579,200

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

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Sewer	Other Enterprise Funds	Total	Internal Service Risk Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 4,327,612	\$ 985,706	\$ (232,218)	\$ 5,081,100	\$ 1,880,494
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	9,838,284	2,134,699	2,493,270	14,466,253	-
Miscellaneous receipts	3,731,666	-	-	3,731,666	20,000
Other expenses	(5,000)	-	-	(5,000)	-
Change in assets and liabilities:					
Decrease in accounts receivable, net	888,515	95,969	89,081	1,073,565	86,691
Decrease in loans receivable	20,242	-	-	20,242	-
Decrease (increase) in other assets	(55,855)	76,519	(17,135)	3,529	-
Decrease in deferred outflows of resources Other	5,000	-	-	5,000	-
(Increase) in deferred outflows of resources OPEB Related	(60,833)	(5,766)	(24,795)	(91,394)	(2,306)
Increase (decrease) in accounts payable	(5,333,808)	(512,320)	513,105	(5,333,023)	75,985
Increase in OPEB	187,809	17,801	30,773	236,383	7,120
Increase in other liabilities	49,509	2,089	48,248	99,846	279,025
Increase in unearned revenue	2,414	-	-	2,414	-
Increase in deferred inflows of resources OPEB Related	39,776	3,770	16,212	59,758	1,508
Net cash provided by operating activities	<u>\$ 13,635,331</u>	<u>\$ 2,798,467</u>	<u>\$ 2,916,541</u>	<u>\$ 19,350,339</u>	<u>\$ 2,348,517</u>

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Investing Activities					
Decrease in the fair value of investments	\$ (2,901,373)	\$ (175,882)	\$ (81,805)	\$ (3,159,060)	\$ (85,133)
Financing Activities					
Bond amortization premiums	454,720	-	-	454,720	-
Capital Activities					
Loss on disposal of capital assets	-	(40,230)	-	(40,230)	-
Water, sewer, and stormwater lines contributed by developers	4,634,077	2,431,606	5,615,581	12,681,264	-
Contributed capital from governmental funds	-	-	23,893	23,893	-

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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:
Simmons & Wheeler, P.C., Attn: RII DII BID, 304 Inverness Way South, Suite 490, Englewood, CO 80112.

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, 2021

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.

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

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

Parks and Open Space Fund. This fund accounts 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).

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.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation (Continued)

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.

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, 2021

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 2021, 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 2021, five budget amendments were approved by ordinance or resolution. The effect of these amendments was an overall increase in appropriations of \$13,867,718, broken down by fund type as follows:

General Fund	\$ 2,933,445
Special Revenue Funds	233,000
Capital Projects Funds	10,413,863
Enterprise Funds	283,410
Internal Service Funds	4,000
	<u>\$ 13,867,718</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021

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 280 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.

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 Statement No. 49 addresses accounting and financial reporting for pollution remediation obligations. The Thornton Development Authority, a component unit of the City, owns property which falls under voluntary remediation and had a plan with the State to actively treat subsurface contamination. The total 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 cumulative total of \$399,199 as of year-end 2021 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, 2021

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, 2021, the City had unspent bond proceeds of \$919,924 in the Parks and Open Space Fund. Unspent bond proceeds decreased \$11,818,312 because of significant progress made toward completion of recreation center renovations.

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 42% of the sales tax collected.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 2021, the City implemented the following statements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 93, Replacement of Interbank Offered Rates - This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. *This GASB did not require a change to reporting of current or prior periods.*

GASB Statement No. 97, 457 Deferred Comp Plan – this statement clarifies how the absence of a governing board should be considered in determining whether a primary government is financially responsible for the purposes of evaluating potential component units and modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The statement identifies reporting exceptions for pensions (and other employee benefit) that are defined contribution plans and defines a framework for whether a section 457 plan requires reporting. *This GASB did not require a change to reporting of current or prior periods.*

GASB Statement No. 98, The Annual Comprehensive Financial Report – The objective of this Statement is to address references in authoritative literature to the term Annual Comprehensive Financial Report. *The City has elected to implement this standard and removed reference and acronym to the term Comprehensive Annual Financial Report (CAFR).*

21. Future Accounting Pronouncements

This report does not incorporate GASB Statement No. 87, Leases. City's management continues to evaluate the quantity of impact and the effect that the GASB Statement No. 87 will have on the financial statements.

This report does not incorporate GASB Statement No. 96 Subscription-Based Information Technology Arrangements. This standard will be implemented with GASB Statement No. 87, Lease. City's management continues to evaluate the quantity of impact and the effect that the GASB Statement No. 96 will have on the financial statements.

This report does not incorporate GASB Statement No. 99, Omnibus 2022. City's management is currently evaluating GASB Statement No. 99 and is not certain if the statement will have an impact on the financial statements at the time of this report.

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, 2021

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, 2021, the City's deposits had a carrying amount of \$5,905,669 and a bank balance of \$8,150,686. Of the bank balance, \$764,233 was covered by federal depository insurance. The remainder of the bank balance, \$7,386,453, 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, 2021, the City had the following investments and maturities:

Investment Type	Fair Value	< 1 Year	2-3 Years	4-5 Years
U.S. Government Treasuries	\$ 9,995,592	\$ 8,061,764	\$ 1,933,828	\$ -
Corp Bonds	104,819,046	24,624,249	31,313,069	48,881,728
U.S. Government Agencies	155,125,405	10,123,721	49,977,394	95,024,290
State & Local Government Bonds	37,733,227	1,423,455	15,185,575	21,124,197
Asset Backed Securities	9,146,684	-	2,216,490	6,930,194
Certificate of Deposit	3,496,713	735,619	2,761,094	-
Local Gov't Investment Pools	157,925,261	157,925,261	-	-
Total	\$ 478,241,928	\$ 202,894,069	\$ 103,387,450	\$ 171,960,409

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:

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

3. Investments (Continued)

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

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

Level 3: Unobservable inputs for an asset or liability

There have been no significant changes in the valuation techniques during the year ended December 31, 2021. 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, 2021, 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, 2021, the weighted-average maturity of the City’s portfolio was 23.9 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, 2021, the City’s investment in U.S. Treasuries, FHLB, FFCB, FNMA, FHLMC, and Corporates (excluding Toyota and Toronto Dominion Bank) were all rated AA- or better by Standard & Poor’s or Aa3 or better by Moody’s. As of December 31, 2021, the City’s investment in Toyota was rated A+ by Standard & Poor’s and A1 by Moody’s, Toronto Dominion Bank was rated A by Standard & Poor’s and A1 by Moody’s.

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, 2021, 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, 2021, the City’s investment in U.S. Treasuries were 2.1%, FHLB was 15.4%, FFCB was 4.9%, FNMA was 6.3%, FHLMC was 5%, State & Local Governments were 7.9% 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, 2021, the City had \$29,760,936 invested in Colotrust and \$128,164,325 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, 2021

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, 2021, total accounts receivable were \$1,722,908 with an allowance for bad debt of \$535,043. Write-offs, which include contractual allowances and uncollectible amounts related to the current period, are \$4,632,841.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning balances	Additions & transfers	Deletions & transfers	Ending balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 50,053,899	\$ 1,292,256	\$ (35)	\$ 51,346,120
Construction in progress	15,507,871	16,963,554	(11,510,954)	20,960,471
Total capital assets not being depreciated	65,561,770	18,255,810	(11,510,989)	72,306,591
Capital assets being depreciated:				
Streets, traffic, and engineering	393,122,870	17,757,572	(288,594)	410,591,848
Buildings and improvements	171,619,892	4,817,420	-	176,437,312
Leisure areas and improvements	99,798,041	5,647,370	-	105,445,411
General equipment	56,747,229	6,887,243	(2,734,981)	60,899,491
Total capital assets being depreciated	721,288,032	35,109,605	(3,023,575)	753,374,062
Less accumulated depreciation for:				
Streets, traffic, and engineering	246,356,608	11,324,634	(244,267)	257,436,975
Buildings and improvements	37,778,673	3,760,296	-	41,538,969
Leisure areas and improvements	51,906,105	3,876,087	-	55,782,192
General equipment	36,050,730	4,818,321	(2,577,812)	38,291,239
Total accumulated depreciation	372,092,116	23,779,338	(2,822,079)	393,049,375
Total capital assets being depreciated, net	349,195,916	11,330,267	(201,496)	360,324,687
Governmental activity capital assets, net	<u>\$414,757,686</u>	<u>\$ 29,586,077</u>	<u>\$(11,712,485)</u>	<u>\$432,631,278</u>
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land and water rights	\$ 208,190,065	\$ 4,474,036	\$ -	\$ 212,664,101
Source of supply	128,847,411	502,855	-	129,350,266
Construction in progress	63,037,921	30,442,997	(18,761,569)	74,719,349
Total capital assets not being depreciated	400,075,397	35,419,888	(18,761,569)	416,733,716
Capital assets being depreciated:				
Water treatment plant	174,096,699	2,681,907	-	176,778,606
Collection, transmission, and distribution	411,849,908	37,880,534	(148,430)	449,582,012
Transportation equipment	11,143,636	856,833	(525,811)	11,474,658
General equipment	12,673,699	2,240,203	(1,551,670)	13,362,232
Buildings and improvements	24,843,566	-	(54,217)	24,789,349
Total capital assets being depreciated	634,607,508	43,659,477	(2,280,128)	675,986,857
Less accumulated depreciation for:				
Water treatment plant	32,032,996	3,728,279	-	35,761,275
Collection, transmission, and distribution	151,688,380	8,574,606	(133,829)	160,129,157
Transportation equipment	4,747,198	1,206,691	(525,811)	5,428,078
General equipment	9,603,902	609,338	(1,506,667)	8,706,573
Buildings and improvements	10,661,139	409,672	(54,217)	11,016,594
Total accumulated depreciation	208,733,615	14,528,586	(2,220,524)	221,041,677
Total capital assets being depreciated, net	425,873,893	29,130,891	(59,604)	454,945,180
Business-type capital assets, net	<u>\$825,949,290</u>	<u>\$ 64,550,779</u>	<u>\$(18,821,173)</u>	<u>\$871,678,896</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE E - CAPITAL ASSETS (CONTINUED)

During 2021, Business-type activities additions and transfers includes the transfer of one asset from Governmental activities in the general equipment category increasing by \$86,225 with accumulated depreciation of \$62,333.

Depreciation expense was charged to functions/activities as follows:

<u>Governmental activities:</u>	
General government	\$ 1,665,645
Police	1,778,681
Fire	1,637,685
City development	394,234
Streets, traffic & engineering	12,036,088
Community services	<u>6,267,005</u>
Additions and transfers per Note E for accumulated depreciation for government activities	<u><u>\$ 23,779,338</u></u>
<u>Business-type activities:</u>	
Water	\$ 9,838,284
Sewer	2,134,699
Environmental Services	798,192
Stormwater	<u>1,695,078</u>
Total business-type activities depreciation	14,466,253
Add accumulated depreciation for general equipment transferred into Stormwater	<u>62,333</u>
Additions and transfers per Note E for accumulated depreciation for business-type activities	<u><u>\$ 14,528,586</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, 2021 is as follows:

Transfers out:	Transfers in:				
	General	Governmental Capital	Governmental Non Major	Water	Total
General	\$ -	\$ -	\$ 46,517	\$ -	\$ 46,517
TDA North	1,998,517	2,923,782	-	-	4,922,299
Governmental Non-Major	2,793,011	-	-	-	2,793,011
Sewer	-	-	-	446,113	446,113
	<u>\$ 4,791,528</u>	<u>\$ 2,923,782</u>	<u>\$ 46,517</u>	<u>\$ 446,113</u>	<u>\$ 8,207,940</u>

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE G - LONG-TERM DEBT

1. Bonds Payable

Bonds payable at December 31, 2021 are comprised of:

Revenue Bonds

\$39,380,000, April 29, 2013 Water Enterprise Revenue Refunding Bonds, Series 2013, annual installments of \$1,785,000 to \$2,765,000 through December 1, 2034, interest at 3.00% to 5.00% \$ 29,710,000

\$78,255,000, October 29, 2020 Water Enterprise Revenue Bonds, Series 2020, annual installments of \$1,400,000 to \$4,080,000 through December 1, 2050, interest at 3.00% to 5.00% 77,160,000

Plus unamortized premium 13,792,825

\$ 120,662,825

At December 31, 2021, deferred charges were \$1,489,150 for the Water Enterprise Revenue Refunding Bonds.

Tax Increment Bonds

\$13,900,000, September 22, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Refunding Bonds, Series 2015, annual installments of \$1,035,000 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, 2021, pledged sales and property taxes were \$11,914,925, principal and interest paid were \$995,000, and \$413,063 respectively. \$ 8,405,000

\$27,580,000, December 2, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Bonds, Series 2015B, annual installments of \$730,000 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, 2021, pledged sales and property taxes were \$2,103,045, principal and interest paid were \$710,000, and \$1,098,794 respectively. 23,635,000

Plus unamortized premium 2,063,232

\$ 34,103,232

At December 31, 2021, the deferred gain was \$26,378 for the Tax Increment Revenue Refunding Bonds.

There are limitations and restrictions in the various bond indentures. As of December 31, 2021 the City believes it is in compliance with all significant limitations and restrictions.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE G - LONG-TERM DEBT (CONTINUED)

2. Certificates of Participation

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

The 2007 Amended and Restated Master Lease Purchase Agreement totaling \$32,820,000, is due in an annual installment of \$3,230,000 through December 1, 2022 with interest at 4.00% and currently amounts to \$3,230,000. The 2007 Amended and Restated Lease Agreement unamortized discount was \$16,003 at December 31, 2021.

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 \$2,175,000 to \$4,610,000 through December 1, 2039 with interest at 4.00% to 5.00% and currently amounts to \$59,600,000. The 2018 Lease Purchase Agreement unamortized premium was \$3,614,946 at December 31, 2021.

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

The City issued 2020 Certificates of Participation totaling \$26,785,000, evidencing proportionate interests in the base rentals under the Amended Lease Purchase Agreement. The proceeds of the issuance will be used to finance or reimburse the City for the costs of the new Active Adult Center and rehabilitating the aquatics facility at the Margaret W. Carpenter Recreation Center. The base rentals are due in annual installments of \$1,035,000 to \$1,995,000 through December 1, 2038 with interest at 3.00% to 5.00% and currently amounts to \$25,800,000. The 2020 Amended Lease Purchase Agreement unamortized premium was \$3,398,650 at December 31, 2021.

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, 2021 the remaining amount owed under this portion of the agreement is \$861,226. This balance does not accrue interest and is not required to be paid before any specific date in accordance with the agreement.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE G - LONG-TERM DEBT (CONTINUED)

3. Other Obligations (Continued)

In 2019, the implementation of GASB Statement No. 83, Certain Asset Retirement Obligations, resulted in recording the following liabilities and were outstanding at the end of December 31, 2021:

In the governmental activities, a liability of \$375,000 remaining for obligations related to three underground and two aboveground fuel tanks (capacities ranging from 4,000 to 10,000 gallons), these tanks provide fuel for the City's vehicles and equipment. The obligation is legally enforceable by a Colorado State Regulation from the Division of Oil and Public Safety for both aboveground and underground storage tanks. The methods and assumptions used to measure liability was based on historical cost for tank abandonment provided by the Fleet Manager. The estimated remaining life of the three underground fuel tanks is 10 years. The estimated remaining life of the two aboveground tanks is 16 years. There are no legal funding requirements or assurances, or restricted amounts for the payment of these liabilities.

In the business-type activities, a liability of \$50,000 is remaining for an obligation related to a 4,000 gallon underground fuel tank that provides fuel for a backup generator to one of the City's pump stations. The obligation is legally enforceable by a Colorado State Regulation from the Division of Oil and Public Safety for Storage Tanks. The methods and assumptions used to measure liability was based on a direct quote obtained by the Utilities Manager. The estimated remaining life of the underground fuel tank is 7 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, 2021 were \$166,746 for governmental activities.

For 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, 2021 was \$0, the lease schedule was revised and the second year payment is due in 2022, the lease will end in 2025. The City also amended a prior agreement which now qualifies as an operating lease, due to the extended term of 4 years, for a liquid oxygen tank. Lease expenses for the year ended December 31, 2021 were \$15,780.

Future minimum lease payments are as follows:

Year Ended December 31,	Governmental	Business-Type
2022	166,761	37,205
2023	166,761	37,954
2024	162,703	38,730
2025	36,755	23,754
	\$ 532,980	\$ 137,643

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 \$134,521 and have a remaining useful life of 2 years. This year, \$98,201 was included in depreciation expense.

A lease for reprographics equipment with a remaining useful life of 2 years at a current value, net of accumulated depreciation, of \$34,137. This year, depreciation expense was \$24,920.

A lease for a milling machine with a remaining useful life of 9 years at a current value, net of accumulated depreciation, of \$618,496. This year, depreciation expense was \$59,435.

The lease agreements listed above qualify as capital leases for accounting purposes and, therefore, have 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.

Obligations under capital leases at December 31, 2021 are as follows:

Year Ended December 31,	Governmental Activities
2022	\$ 300,558
2023	125,288
2024	115,357
2025	234,556
Total minimum lease payments	775,759
Less: Amount representing interest costs	22,034
Present value of minimum lease payments	\$ 753,725

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE G - LONG-TERM DEBT (CONTINUED)

5. Long-Term Obligation Activity

Long-term liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due within one year
Governmental activities:					
Tax increment bonds	\$ 33,745,000	\$ -	\$ 1,705,000	\$ 32,040,000	\$ 1,765,000
Add unamortized premium	2,245,480	-	182,248	2,063,232	-
Total bonds payable	35,990,480	-	1,887,248	34,103,232	1,765,000
Certificates of participation	94,785,000	-	6,155,000	88,630,000	6,440,000
Less unamortized discount	(32,006)	-	(16,003)	(16,003)	-
Add unamortized premium	7,424,384	-	410,788	7,013,596	-
Total certificate of participation payable	102,177,378	-	6,549,785	95,627,593	6,440,000
Capital leases	314,733	677,931	238,939	753,725	290,777
Compensated absences	8,087,158	6,368,648	6,496,409	7,959,397	2,017,147
Risk - claims liability	5,538,208	3,817,481	3,537,615	5,818,074	2,355,998
Other - asset retirement obligation	375,000	-	-	375,000	-
Governmental activities:					
Total long-term liabilities	<u>\$152,482,957</u>	<u>\$ 10,864,060</u>	<u>\$ 18,709,996</u>	<u>\$144,637,021</u>	<u>\$ 12,868,922</u>
Business-type activities:					
Revenue bonds	\$109,665,000	\$ -	\$ 2,795,000	\$106,870,000	\$ 3,185,000
Add unamortized premium	14,362,834	-	570,009	13,792,825	-
Total bonds payable	124,027,834	-	3,365,009	120,662,825	3,185,000
Compensated absences	1,092,040	982,932	980,660	1,094,312	377,214
Other	911,226	-	-	911,226	-
Business-type activities:					
Total long-term liabilities	<u>\$126,031,100</u>	<u>\$ 982,932</u>	<u>\$ 4,345,669</u>	<u>\$122,668,363</u>	<u>\$ 3,562,214</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, 2021 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
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	1,284,857	3,535,000	3,314,150	3,515,000	3,543,294
2025	2,030,000	1,188,357	3,715,000	3,137,400	3,670,000	3,387,244
2026	2,575,000	1,086,857	3,900,000	2,951,650	3,840,000	3,224,194
2027-2031	10,270,000	3,832,022	22,605,000	11,647,050	21,725,000	13,569,719
2032-2036	9,455,000	1,826,125	27,830,000	6,417,250	20,175,000	9,408,411
2037-2041	2,170,000	86,800	17,235,000	1,256,150	14,675,000	6,345,250
2042-2046	-	-	-	-	17,105,000	3,914,250
2047-2050	-	-	-	-	15,630,000	1,189,500
	<u>\$ 32,040,000</u>	<u>\$ 12,132,882</u>	<u>\$ 88,630,000</u>	<u>\$ 35,978,650</u>	<u>\$ 106,870,000</u>	<u>\$ 52,162,700</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 16% of net revenues. The total principal and interest remaining to be paid on the bonds is \$159 million. For the year ended December 31, 2021 net available revenues were \$45,812,943, principal and interest paid were \$2,795,000, and \$4,263,709, respectively.

NOTE H - UNEARNED REVENUE

The General Fund includes unearned revenue of \$113,601, which is related to funds received for prefunded permit fees. The Governmental Capital Fund has \$10,244,244 related to funds received from American Resuce Plan Act of 2021. The Open Space Fund has \$9,600 for a property lease. The Water Fund has \$110,150 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, 2021, the City reported the following aggregate amounts related to the FPPA plans to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>
Net pension liability	\$ 3,594,880
Net pension asset	10,690,299
Deferred outflows of resources	14,984,244
Deferred inflows of resources	13,078,531
Pension income	1,579,599

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

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

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

A description of each plan and selected financial information follows.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

1. Defined Contribution Money Purchase Plans

a. Regular Employee Money Purchase Plan

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

Funding. Employer contributions are funded every pay period by the governmental and proprietary funds. The City's contributions for 2021 were \$4,507,875 (which includes the City's match for voluntary contributions). City employees' contributions for 2021 were \$6,820,142. The City's contributions were offset by \$248,873 in employee forfeitures.

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

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

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 2021 were \$42,084 and \$69,216 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. Assets are administered and held by Nationwide Investment Services Corporation. The plan requires mandatory employee contributions of 8.5% of base pay. The City's contribution is 8.5% 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 2021 were \$249,057. The City firefighters' mandatory contributions for 2021 were \$249,057.

d. Police Money Purchase Plan

Plan Description. The Police Money Purchase Plan is a single employer defined contribution plan maintained for all full-time, sworn police officers hired before July 10, 2017. Sworn police hired before July 10, 2017 were given the option to remain in the City's local money purchase plan or reenter FPPA. Assets are administered and held by Nationwide Investment Services Corporation. 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 2021 were \$204,896. The City police employees' mandatory contributions for 2021 were \$204,896. The City's contributions were offset by \$27,735 in employee forfeitures.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

1. Defined Contribution Money Purchase Plans (Continued)

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 8.5% of base pay, which is matched by the City. For Police Officer members the plan requires mandatory employee contributions of 10% of base pay, which is matched by the City.

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

Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. Employer contributions are funded every pay period from the General Fund. For the year ended December 31, 2021, City and employee contributions were \$38,910 and \$38,910, 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.

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

Funding Policy. Contributions are funded from the General Fund, the City's contributions for 2021 were \$697,637.

As of December 31, 2021, there are no active participants and 20 inactive employees or beneficiaries currently receiving benefits. In 2021, there were no contributions made by participants.

Pension Liability. The City's net pension liability of \$3,594,880 for the Old Hire Plan was measured as of December 31, 2020. The total pension liability was determined by a full actuarial valuation of that date.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Public Equity	17.0%	7.8%
Long/Short	6.0%	6.9%
Private Capital	27.0%	10.5%
Fixed Income - Rates	33.0%	2.3%
Fixed Income - Credit	6.0%	3.5%
Absolute Return	6.0%	5.6%
Cash	5.0%	0.1%
Total	<u>100.0%</u>	

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

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, 2020	\$ 7,496,598	\$ 4,007,413	\$ 3,489,185
Changes for the year:			
Interest	484,628	-	484,628
Benefit Changes	337,920	-	337,920
Contributions - employer	-	337,419	(337,419)
Net investment income	-	387,301	(387,301)
Benefit payments, including refunds of employee contributions	(769,517)	(769,517)	-
Administrative expense	-	(7,867)	7,867
Net changes	<u>53,031</u>	<u>(52,664)</u>	<u>105,695</u>
Balance at December 31, 2021	<u>\$ 7,549,629</u>	<u>\$ 3,954,749</u>	<u>\$ 3,594,880</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	\$ 4,151,277	\$ 3,594,880	\$ 3,109,383

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, 2021, the City recognized pension income of \$167,084 for the Old Hire Plan.

Pension Deferred Outflows/Inflows of Resources. At December 31, 2021, 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
Net difference between projected and actual investment earnings	\$ -	\$ 185,743
City contributions subsequent to the measurement date	697,637	-
Total	<u>\$ 697,637</u>	<u>\$ 185,743</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

The \$697,637 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, 2022. Other amounts reported as deferred inflows of resources related to the Old Hire plan will be recognized in pension income as follows:

Year ending December 31	_____
2022	\$ (73,312)
2023	(11,399)
2024	(72,855)
2025	(28,177)
Total	<u>\$ (185,743)</u>

b. Fire and Police Pension Statewide Defined Benefit Plan

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

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

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

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 8.5% for all firefighters, regardless of hire date, and 8.5% 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 11.5% of pensionable earnings. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of pensionable earnings.

Members covered under this plan may elect an optional account known as the “deferred retirement option plan” or “DROP” within five years prior to retirement. The purpose of DROP is to allow an eligible participant to elect, in lieu of immediate termination of employment and receipt of a service retirement benefit, to continue employment for a specified period of time not to exceed five years, coupled with the deferral of actual receipt of retirement benefits until the end of such specified period, at which time employment shall cease. Once a participant elects a DROP, the City is no longer required to match that participant’s contribution. As of December 31, 2021, 8 active participants in this plan had elected a DROP.

The City’s contributions to the Plan for the year ending December 31, 2021 were \$2,538,034.

Pension Asset. The City’s net pension asset of \$8,375,087 for its proportionate share of the SWDB net pension asset was measured as of December 31, 2020. The total pension liability was determined by a full actuarial valuation of that date.

The City’s reported asset at December 31, 2021, increased to \$8,375,087 from the City’s prior year asset of \$2,148,444 because of changes in the SWDB net pension asset and the City’s proportionate share of that asset. The SWDB Plan’s publicly available financial report provides details on the change in the net pension asset.

The City’s proportion of the net pension asset was based on contributions received and processed by employers that were members of the SWDB plan within the year ended December 31, 2020. The City’s proportion measured as of December 31, 2020, was 3.857703%, which was an increase of 0.058932% from its proportion measured as of December 31, 2019.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2021, the City recognized a pension income for the SWDB plan of \$774,442. At December 31, 2021, 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	\$ 7,069,588	\$ -
Changes of assumptions	3,562,051	-
Net difference between projected and actual investment earnings	-	8,602,421
Changes in proportion and differences between City contributions and proportionate share of contributions	-	3,074,255
City contributions subsequent to the measurement date	2,538,034	-
Total	<u>\$ 13,169,673</u>	<u>\$ 11,676,676</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

The \$2,538,034 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SWDB Plan will be recognized in pension expense (income) as follows:

Year ending December 31	
2022	\$ (1,488,219)
2023	(372,433)
2024	(1,819,692)
2025	(357,818)
2026	976,381
Thereafter	<u>2,016,744</u>
Total	<u>\$ (1,045,037)</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, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
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

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, 2020 are summarized in the following table:

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

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

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:

	1% Decrease 6.0%	Single Discount Rate Assumption 7.0%	1% Increase 8.0%
City's proportionate share of the net pension liability (asset)	\$ 8,428,213	\$ (8,375,087)	\$ (22,290,322)

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

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

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

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE I – RETIREMENT PLANS (CONTINUED)

3. Fire and Police Pension Plans (Continued)

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

A member is eligible for early retirement within the Defined Benefit Component after 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 8.5% member contribution rate and Police Officers have a mandatory 10% contribution rate, both matched equally by the City.

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

The City's contributions to the Plan for the year ending December 31, 2021 were \$148,443.

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 \$2,315,212 for its proportionate share of the SWH net pension asset was measured as of December 31, 2020. 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, 2020. The City's proportion measured as of December 31, 2020, was 8.417390%, which was a decrease of 0.314629% from its proportion measured as of December 31, 2019.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021, the City recognized a pension income for the Hybrid Plan of \$638,073. At December 31, 2021 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	\$ 859,757	\$ -
Changes of assumptions	108,734	-
Net difference between projected and actual investment earnings	-	536,129
Changes in proportion and differences between City contributions and proportionate share of contributions	-	679,983
City contributions subsequent to the measurement date	148,443	-
Total	\$ 1,116,934	\$ 1,216,112

The \$148,443 reported as a deferred outflow of resources resulting from the City contributions subsequent to the measurement date will be recognized as a increase of the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Hybrid Plan will be recognized in pension expense (income) as follows:

Year ending December 31	
2022	\$ (130,206)
2023	(65,956)
2024	(183,264)
2025	41,734
2026	71,964
Thereafter	18,107
Total	\$ (247,621)

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, 2021	January 1, 2020
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 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, 2021

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, 2020 are summarized in the following table:

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

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

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

	1% Decrease 6.0%	Single Discount Rate Assumption 7.0%	1% Increase 8.0%
City's proportionate share of the net pension asset	\$ 1,595,638	\$ 2,315,212	\$ 2,912,087

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 2021, the general employees' voluntary contributions were \$2,235,508, the police employees' voluntary contributions were \$900,981 and the fire employees' voluntary contributions were \$680,650 for a total of \$3,817,139. Withdrawals must begin at age 72, or can be made upon termination of employment, death, or unforeseeable emergency. Withdrawals due to unforeseeable emergency may be subject to IRS penalties for early withdrawal.

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

NOTE K - OTHER POSTEMPLOYMENT BENEFITS

1. Defined Benefit Post-Employment Health Care Plan

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

Benefits Provided. The City provides medical, dental and vision benefits for retirees. There are two medical plans insured by CIGNA and two medical plans 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 90% of the premium for disabled retirees and a flat amount of \$459.28 per month for public safety employees with retirement dates in 2021 or later. There is no explicit City contribution for other retirees. The 2021 monthly premiums for retirees are shown in the table below.

Coverage Category	2021 Monthly Premium Rate					
	CIGNA	CIGNA HDHP	Kaiser HMO	Dental EPO	Dental Premier	Vision
Retiree	\$ 1,013.94	\$ 784.64	\$ 588.89	\$ 27.35	\$ 46.54	\$ 8.60
Retiree + 1	2,017.76	1,557.24	1,188.96	51.14	86.59	14.61
Retiree + Family	2,859.33	2,204.94	1,700.56	94.36	153.82	26.10

Employees Covered by Benefit Terms. In 2021, there were 963 active and 31 inactive employees covered by the plan.

Total OPEB Liability. The City's total OPEB liability is \$7,689,944 as of December 31, 2021 and was determined by an actuarial valuation as of that date.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

Measurement / Valuation Date	December 31, 2021
Census Data	All data was provided by the City. The census data was provided in January 2022.
Liability Components	Medical: An implicit liability exists due to age. There is also an explicit subsidy due to the City's contributions for disabled retirees and public safety retirees. Dental and Vision: We assumed there is no implicit liability due to age. There is an explicit subsidy due to the City's contributions for disabled retirees.
Cost Method	Entry age normal, determined as a level percent of projected pay
Funding Method	Pay as you go
Discount Rate	2.25% Source: S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021
Payroll Growth	3.0% Source: Colorado PERA Local Government Division 12/31/2020 Actuarial Valuation
General Inflation	3% per year
Mortality Rate	RP-2014 Generational Table using MP 2015 projections scale applied on a gender-specific basis
Termination Before Retirement	Source: Colorado PERA Local Government Division 12/31/2020 Actuarial Valuation
Disability Rate	Source: Colorado PERA Local Government Division 12/31/2020 Actuarial Valuation
Retirement Rate	Source: Colorado PERA Local Government Division 12/31/2020 Actuarial Valuation
Participation Rate	45% of active employees are assumed to elect the City's healthcare coverage in retirement. Source: Study of 2016 through 2021 retirements
Spousal Coverage	46% of retirees who take coverage will also cover spouses. Actual spouse information is used where available; otherwise, husbands are assumed to be 3 years older than their wives. Source: Study of 2020 – 2021 retirements
Medical Trend Rate	The medical claims and premiums are assumed to increase at the following rates. Source: Deloitte 2021 Study of Economic Assumptions. 5.8% in 2022 down .2% to 4.7% in 2028
Dental and Vision Trend Rate	Dental – 0% Vision – 0% Source: Recent City experience
Medical Aging Factors	Source: Society of Actuaries 2013 Study "Health Care Costs – From Birth to Death"
Age Adjusted Medical Claims	Blended Plans, Annual
Admin Costs	Calculated as 15% of average annual premium, not age adjusted

Change in Total OPEB Liability.

	Total OPEB Liability
Balance as of December 31, 2020	\$ 5,764,238
Changes for the year:	
Service cost	466,575
Interest	129,695
Change of benefit terms	792,031
Difference between expected and actual experience	1,265,741
Changes in assumptions or other inputs	(626,331)
Benefit payments	(102,005)
Net changes	<u>1,925,706</u>
Balance as of December 31, 2021	<u>\$ 7,689,944</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

Assumption	Description	Source/Reason	Impact on Liability
Discount rate	Increased from 1.93% to 2.25%	S&P Municipal Bond 20-Year High Grade Rate Index as of 12/31/2021	(\$220,411)
Participation Rate	Decreased from 50% to 45%	Historical average 2016 through 2021	(\$550,113)
Termination Rate	Lower termination rates at certain ages and years of service	CO PERA Local Government Division valuation assumptions	\$847,742
Retirement Rate	Lower retirement and disability rates at certain ages and years of service	CO PERA Local Government Division valuation assumptions 12/31/20	(\$260,058)
Medical Trend	Reduced medical trend by 0.5% from 6.3% to 5.8%	Deloitte 2021 Study of Economic Assumptions	(\$556,829)
Payroll Trend	Revised down from 3.5% to 3%	CO PERA Local Government Division valuation assumptions 12/31/20	\$113,338

Change in Benefit Terms. Effective January 2021, the City began making an explicit monthly contribution for Fire and Police retirees. The change is documented in Memorandum of Understanding and was adopted by the City council in October 2020. The monthly contribution is indexed to the full cost of employee-only coverage for the lowest priced medical plan offered to City Employees. The City's monthly contribution in 2021 was set at \$459.28. This change in benefit terms is considered permanent.

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

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	\$ 8,552,949	\$ 7,689,944	\$ 6,922,826

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

	1% Decrease (4.8% graded)	Trend Rates (5.8% graded)	1% Increase (6.8% graded)
Total OPEB Liability	\$ 6,713,783	\$ 7,689,944	\$ 8,862,411

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, 2021 is 7.38 years.

Amounts reported as Deferred Outflows of Resources related to OPEB as of December 31, 2021 will be recognized in OPEB Expense as follows:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,526,286	\$ 306,030
Changes in assumptions or other inputs	902,033	650,098
Total	<u>\$ 2,428,319</u>	<u>\$ 956,128</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

OPEB Expense and Deferred Inflows and Outflows (continued). Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a future OPEB expense as follows:

Year Ending December 31	_____
2022	\$ 423,509
2023	369,017
2024	219,444
2025	244,541
2026	96,116
2027	<u>119,564</u>
Total	<u>\$ 1,472,191</u>

For the year ended December 31, 2021 the City recognized \$1,709,85 in OPEB expense.

2. Retirement Health Savings Plan

Additionally, the City offers employees a retirement health savings plan, which is classified as a single-employer defined contribution plan. Regular employees, City Officials, Police and Firefighters, become eligible after five years of continuous service, at which time, participation in the plan is mandatory, for 2021 the plan had 1,271 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 2021, the amount contributed was \$206,500.

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

NOTE L - RISK MANAGEMENT

1. General Liability Insurance Pool

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

All operating funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay current-year claims and to establish a reserve for catastrophe losses. The City pays claims up to the self-insured retention. In 2021, the self-insured retention (deductible amount) set by the City was \$250,000 per claim. Through CIRSA, the City purchases commercial excess insurance for claims in excess of \$250,000. In 2021, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for property/casualty claims of \$1,617,023. There has been no significant reduction in insurance coverage from the prior year. Only one settlement exceeded the City's self-insurance coverage in the past three years.

	<u>2021</u>	<u>2020</u>
Reserve for unpaid claims, January 1,	\$ 1,211,034	\$ 1,464,782
Incurred claims (including IBNRs)	1,239,963	448,360
Claim payments	<u>(833,974)</u>	<u>(702,108)</u>
Reserve for unpaid claims, December 31,	<u>\$ 1,617,023</u>	<u>\$ 1,211,034</u>
Unpaid claims to be paid in 1 year	<u>\$ 707,878</u>	<u>\$ 487,154</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2020 **	City of Thornton's contribution ratio	City of Thornton's share of surplus as of December 31, 2020
1996	Loss Fund	\$ 56,856	0.000%	\$ -
1997	Loss Fund	42,098	0.000%	-
1998	Loss Fund	-	0.000%	-
1999	Loss Fund	1,607	0.000%	-
2000	Loss Fund	(12)	0.000%	-
2001	Loss Fund	363	0.000%	-
2002	Loss Fund	-	0.000%	-
2003	Loss Fund	382,517	0.000%	-
2004	Loss Fund	1,440,950	0.768%	11,061
2005	Loss Fund	-	0.000%	-
2006	Loss Fund	2,817,582	0.349%	9,841
2007	Loss Fund	10,769	0.000%	-
2008	Loss Fund	2,632,120	0.000%	-
2009	Loss Fund	2,363,884	0.000%	-
2010	Loss Fund	77	0.000%	-
2011	Loss Fund	211,326	0.000%	-
2012	Loss Fund	1,822,636	0.000%	-
2013	Loss Fund	2,048,333	0.000%	-
2014	Loss Fund	2,358,306	0.000%	-
2015	Loss Fund	889,446	0.000%	-
2016	Loss Fund	1,474,615	0.000%	-
2017	Loss Fund	319,882	0.000%	-
2018	Loss Fund	5,851,297	0.000%	-
2019	Loss Fund	(2,553,104)	0.000%	-
2020	Loss Fund	(403,964)	0.000%	-
ALL	Operating fund	7,144,622	1.560%	111,435
ALL	Excess fund	(7,119,342)	7.760%	(552,438)
ALL	Reserve fund	9,242,003	0.743%	68,682
		<u>\$ 31,034,867</u>		<u>\$ (351,419)</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, 2021

NOTE L - RISK MANAGEMENT (CONTINUED)

1. General Liability Insurance Pool (Continued)

Summary of the most recently available financial information for CIRSA (December 31, 2020) is as follows:

Assets	<u>\$ 54,500,719</u>
Liabilities, including incurred but not reported claims	\$ 23,465,852
Members' fund balance	
Accumulated members' equity	<u>31,034,867</u>
Total liabilities and fund balance	<u>\$ 54,500,719</u>
Revenues	\$ 27,093,986
Expenses	<u>20,703,126</u>
Net increase in members' fund balance	<u>\$ 6,390,860</u>

2. Workers' Compensation

On January 1, 1992, the City established a limited Risk Management program for worker's compensation. This program was tailored to meet an annual exposure predicted from ten years of claims history. A risk retention of \$850,000 for all employees per accident is maintained and funded through the Risk Management Fund, based on an annual estimated claims cost. The City purchases commercial excess insurance for claims in excess of \$850,000. Claims administration and medical services are provided through contract and the City's Director of Risk Management and the City's Risk Management Administrator are responsible for overall program management. The State of Colorado has a strict application and annual renewal process that includes funding verification, excess insurance coverage verification, claims data review and provision of a comprehensive loss prevention and control program. The application includes a required surety bond of \$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. In 2021, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for workers' compensation of \$4,174,051. There have been no significant reductions in insurance coverage from the prior year (only an increase in the self-insurance retention amount for all employees). There has been one claim that exceeded the City's risk retention in the last ten years.

	<u>2021</u>	<u>2020</u>
Reserve for unpaid claims, January 1,	\$ 4,300,174	\$ 3,378,230
Incurred claims (including IBNRs)	1,785,137	2,952,162
Claim payments	<u>(1,911,260)</u>	<u>(2,030,218)</u>
Reserve for unpaid claims, December 31,	<u>\$ 4,174,051</u>	<u>\$ 4,300,174</u>
Unpaid claims to be paid in 1 year	<u>\$ 1,621,120</u>	<u>\$ 1,793,795</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE L - RISK MANAGEMENT (CONTINUED)

3. Self-Funded Dental Insurance

The City established two self-funded dental programs effective January 1, 2007: Delta EPO and Delta Premier. The purpose of these programs is to pay the dental claims of eligible City employees and their covered dependents. As of January 1, 2007 the City entered into an administrative services only arrangement with Delta Dental of Colorado, whereby the City pays Delta Dental a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The City has recorded a liability in this fund totaling \$20,000 for open and estimated claims not yet reported at December 31, 2021.

	<u>2021</u>	<u>2020</u>
Reserve for unpaid claims, January 1,	\$ 20,000	\$ 30,000
Incurred claims (including IBNRs)	683,068	655,540
Claim payments	<u>(683,068)</u>	<u>(665,540)</u>
Reserve for unpaid claims, December 31,	<u>\$ 20,000</u>	<u>\$ 20,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 20,000</u>	<u>\$ 20,000</u>

4. Self-Funded Vision Insurance

The City established a self-funded vision program effective January 1, 2009: Vision Service Plan. The purpose of this program is to pay the vision claims of eligible City employees and their covered dependents. As of January 1, 2009 the City entered into an administrative services only arrangement with Vision Service Plan, whereby the City pays Vision Service Plan a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The City has a recorded liability in this fund totaling \$7,000 for open and estimated claims not yet reported at December 31, 2021.

	<u>2021</u>	<u>2020</u>
Reserve for unpaid claims, January 1,	\$ 7,000	\$ 6,000
Incurred claims (including IBNRs)	109,313	113,016
Claim payments	<u>(109,313)</u>	<u>(112,016)</u>
Reserve for unpaid claims, December 31,	<u>\$ 7,000</u>	<u>\$ 7,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 7,000</u>	<u>\$ 7,000</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, Environmental Services, and Stormwater to be "enterprise" funds, and therefore considers them excluded from the terms of TABOR. All other government activities are presumably covered under the limitations of TABOR.

TABOR also requires the City to set aside a portion of its spending for an emergency reserve. In 2021, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled \$6,340,041. The City is not allowed to use the emergency reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 \$1,617,023 for general liability and \$4,174,051 for worker's compensation claims. The City believes that final disposition of matters not covered by insurance will not have a material adverse effect on the City's financial condition.

2. Contracts

The City has \$13,658,455 and \$4,656,618, in outstanding contracts with various contractors for the Governmental Capital Fund and all other governmental funds, respectively. The City has \$18,104,855, \$525,338, and \$626,541 in outstanding contracts with various contractors for the Water Fund, Sewer Fund, and all other proprietary funds, respectively.

The City has a collective bargaining agreement between the City of Thornton and the Thornton Firefighters Local Number 2376, International Association of Firefighters for the line firefighters. The current agreement is for one year and expires December 31, 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 2021. 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 2021, the City's expenditures include \$879,428 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, 2021

	Budgeted Amounts		Actual Amounts	Positive (negative) variance - actual from final
	Original	Final		
REVENUES				
Taxes				
Sales and use	\$ 86,490,584	\$ 86,490,584	\$ 104,425,430	\$ 17,934,846
Property	17,024,631	17,024,631	16,705,588	(319,043)
Franchise	5,913,541	5,913,541	6,387,942	474,401
Other	3,137,168	3,137,168	3,383,907	246,739
Licenses and permits	5,938,112	5,938,112	7,011,036	1,072,924
Intergovernmental	6,945,323	6,945,323	7,567,279	621,956
Governmental grants	149,150	149,150	749,861	600,711
Charges for services	18,103,870	18,103,870	19,127,279	1,023,409
Fines and forfeitures	1,877,592	1,877,592	1,562,823	(314,769)
Investment earnings (loss)	555,427	555,427	(213,571)	(768,998)
Miscellaneous	872,508	872,508	1,086,805	214,297
	<u>147,007,906</u>	<u>147,007,906</u>	<u>167,794,379</u>	<u>20,786,473</u>
EXPENDITURES				
Current				
General government				
Legislative	3,321,825	3,321,825	3,156,817	165,008
City manager	4,054,006	4,054,006	4,107,921	(53,915)
General services	21,735,145	21,735,145	21,671,469	63,676
Miscellaneous	9,390,313	10,440,981	5,722,307	4,718,674
Police	40,156,583	40,156,583	41,370,908	(1,214,325)
Fire and ambulance	21,771,116	23,604,561	25,071,360	(1,466,799)
City development	9,653,718	9,648,912	9,266,608	382,304
Streets, traffic and engineering	11,635,607	11,635,607	11,698,084	(62,477)
Community services	23,828,198	23,882,336	23,278,788	603,548
Capital outlay	2,560,277	2,560,277	2,033,417	526,860
Debt service				
Principal retirement	-	-	238,939	(238,939)
Interest and bond fees	-	-	10,032	(10,032)
	<u>148,106,788</u>	<u>151,040,233</u>	<u>147,626,650</u>	<u>3,413,583</u>
Excess (deficiency) of revenues over (under) expenditures	(1,098,882)	(4,032,327)	20,167,729	24,200,056
OTHER FINANCING SOURCES (USES)				
Transfers in	4,791,528	4,791,528	4,791,528	-
Transfers out	(46,517)	(46,517)	(46,517)	-
Sale of general capital assets	-	-	313,651	313,651
	<u>4,745,011</u>	<u>4,745,011</u>	<u>5,058,662</u>	<u>313,651</u>
Excess of revenues and other sources over expenditures and other sources before reconciling items	<u>\$ 3,646,129</u>	<u>\$ 712,684</u>	25,226,391	<u>\$ 24,513,707</u>
RECONCILIATION TO US GAAP BASIS				
RHS & sick payout			136,139	
Net change in fund balances			25,362,530	
Fund balances, January 1			51,835,137	
Fund balances, December 31			<u>\$ 77,197,667</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, 2021**

	<u>Budget</u>	<u>Actual</u>	Positive (negative) variance from actual
REVENUES			
Taxes - sales and use	\$ 7,294,955	\$ 9,033,937	\$ 1,738,982
Governmental grants	-	434,000	434,000
Investments			
Investment earnings (loss)	<u>181,164</u>	<u>(98,456)</u>	<u>(279,620)</u>
Total revenues	<u>7,476,119</u>	<u>9,369,481</u>	<u>1,893,362</u>
EXPENDITURES			
Capital outlay	30,316,546	17,680,258	12,636,288
Debt service			
Principal retirement	2,538,000	2,538,500	(500)
Interest	3,119,900	3,120,234	(334)
Bond fees	<u>4,005</u>	<u>3,755</u>	<u>250</u>
Total expenditures	<u>35,978,451</u>	<u>23,342,747</u>	<u>12,635,704</u>
Net change in fund balance	<u>\$ (28,502,332)</u>	(13,973,266)	<u>\$ 14,529,066</u>
Fund balance, January 1		<u>33,796,960</u>	
Fund balance, December 31		<u>\$ 19,823,694</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	2021
City's proportion of the net pension liability	0.221023%	0.140685%	0.077294%	4.001789%	3.833744%	3.798771%	3.857703%
City's proportionate share of the net pension liability (asset)	\$ (249,441)	\$ (2,478)	\$ 27,931	\$ (1,686,561)	\$ 4,846,906	\$ (2,148,444)	\$ (8,375,088)
Covered payroll firefighters	\$ 993,945	\$ 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
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-25.10%	-0.36%	7.06%	-31.61%	21.49%	-8.68%	-30.30%
Plan fiduciary net position as a percentage of the total pension liability	106.80%	100.10%	98.21%	106.30%	95.20%	101.90%	106.70%
Presented as of the measurement date, December 31,	2014	2015	2016	2017	2018	2019	2020

Information for Fiscal Year 2012 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	2021
Statutorily required contribution	\$ 54,522	\$ 31,646	\$ 486,813	\$ 2,063,822	\$ 2,239,975	\$ 2,478,812	\$ 2,538,034
Contributions in relation to the statutorily required contribution	54,522	31,646	486,813	2,063,822	2,239,975	2,478,812	2,538,034
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll firefighters	\$ 681,525	\$ 395,575	\$ 2,027,550	\$ 7,431,738	\$ 8,487,588	\$ 9,717,275	\$ 10,620,800
Covered payroll police new hire	-	-	309,775	2,132,838	3,279,363	4,566,300	5,170,882
Covered payroll police reentry	-	-	2,998,270	12,986,550	12,986,190	13,361,270	11,957,410
Contributions as a percentage of covered payroll							
Firefighters	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.50%
Police new hire	-	-	8.00%	8.00%	8.00%	8.00%	8.50%
Police reentry	-	-	10.00%	10.00%	10.00%	10.00%	10.00%

Information for Fiscal Year 2012 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)

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

There is no information for Fiscal Year 2012 through 2017. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017.

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Hybrid Plan (SWH)

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

There is no information for Fiscal Year 2012 through 2017. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017.

City of Thornton, Colorado

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

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

Information for Fiscal Year 2012 through 2014 is not available.

City of Thornton, Colorado

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

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

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: 16 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.
- (4) 2021 includes a one time contribution of \$337,920 to cover the difference in the unfunded accrued liability that resulted from a one-time-cost-of-living adjustment effective January 1, 2021 to all current retired members and beneficiaries.

Information for Fiscal Year 2012 through 2013 is not available.

City of Thornton, Colorado

Schedule of Changes in Total OPEB and Related Ratios

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

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

Information for Fiscal Year 2012 through 2017 is not available.

COMBINING STATEMENTS AND BUDGETARY SCHEDULES

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

Capital Projects Funds

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

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

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

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

City of Thornton, Colorado

**Thornton Development Authority North Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Sales and use	\$ 6,278,333	\$ 6,762,236	\$ 483,903
Property	10,273,700	10,305,379	31,679
Investments			
Investment earnings (loss)	<u>104,040</u>	<u>(17,373)</u>	<u>(121,413)</u>
Total revenues	<u>16,656,073</u>	<u>17,050,242</u>	<u>394,169</u>
EXPENDITURES			
Capital outlay	6,139,213	1,579,683	4,559,530
Debt service			
Principal retirement	995,000	995,000	-
Interest	413,063	413,063	-
Bond fees	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total expenditures	<u>7,549,776</u>	<u>2,990,246</u>	<u>4,559,530</u>
Excess of revenues over expenditures	<u>9,106,297</u>	<u>14,059,996</u>	<u>4,953,699</u>
OTHER FINANCING USES			
Transfers out	<u>(4,922,298)</u>	<u>(4,922,299)</u>	<u>(1)</u>
Total other financing uses	<u>(4,922,298)</u>	<u>(4,922,299)</u>	<u>(1)</u>
Net change in fund balance	<u>\$ 4,183,999</u>	9,137,697	<u>\$ 4,953,698</u>
Fund balance, January 1		<u>8,217,190</u>	
Fund balance, December 31		<u>\$ 17,354,887</u>	

City of Thornton, Colorado

**Governmental Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2021**

	<u>Budget</u>	<u>Actual</u>	Positive (negative) variance from actual
REVENUES			
Taxes - sales and use	\$ 8,915,250	\$ 13,565,424	\$ 4,650,174
Intergovernmental	4,037,586	3,757,742	(279,844)
Governmental grants	1,975,271	2,021,293	46,022
Lease	175,648	175,648	-
Investments			
Investment earnings (loss)	653,794	(290,524)	(944,318)
Miscellaneous			
Developers' contributions	1,323,064	772,279	(550,785)
Other	-	10,163	10,163
	<u>17,080,613</u>	<u>20,012,025</u>	<u>2,931,412</u>
EXPENDITURES			
Streets, traffic and engineering	3,107,750	3,036,385	71,365
Capital outlay	68,370,562	25,535,411	42,835,151
Debt service			
Principal retirement	3,616,501	3,616,500	1
Interest	928,816	928,816	-
Bond fees	2,250	2,250	-
	<u>76,025,879</u>	<u>33,119,362</u>	<u>42,906,517</u>
Deficiency of revenues under expenditures	<u>(58,945,266)</u>	<u>(13,107,337)</u>	<u>45,837,929</u>
OTHER FINANCING SOURCES			
Transfers in	2,923,781	2,923,782	1
Sales of general capital assets	-	78,293	78,293
	<u>2,923,781</u>	<u>3,002,075</u>	<u>78,294</u>
Net change in fund balance	<u>\$ (56,021,485)</u>	<u>(10,105,262)</u>	<u>\$ 45,916,223</u>
Fund balance, January 1		<u>43,144,135</u>	
Fund balance, December 31		<u>\$ 33,038,873</u>	

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

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

City of Thornton, Colorado

**Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2021**

	Special Revenue Funds				
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space
ASSETS					
Equity in pooled cash and investments					
Unrestricted	\$ 353,766	\$ 1,717,352	\$ 2,654,171	\$ 420,137	\$ 7,485,564
Restricted	-	-	-	-	-
Receivables, net					
Taxes	-	-	-	-	-
Accounts	324	-	-	-	9,600
Interest	712	3,477	4,972	844	15,078
Land held for resale	-	-	-	-	-
Total assets	<u>\$ 354,802</u>	<u>\$ 1,720,829</u>	<u>\$ 2,659,143</u>	<u>\$ 420,981</u>	<u>\$ 7,510,242</u>
LIABILITIES					
Accounts payable	8,499	-	68,022	1,005	171,435
Retainage payable	-	5,019	-	-	7,466
Third party advances	-	1,248,386	-	-	-
Unearned revenue	-	-	-	-	9,600
Other	-	-	-	-	-
Total liabilities	<u>8,499</u>	<u>1,253,405</u>	<u>68,022</u>	<u>1,005</u>	<u>188,501</u>
DEFERRED INFLOWS					
Unavailable revenue -					
Property taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted					
Parks and open space	-	-	2,591,121	419,976	7,321,741
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Public safety	-	-	-	-	-
Other purposes	68,975	-	-	-	-
Assigned					
Capital projects	-	-	-	-	-
Land held for resale	-	-	-	-	-
Parks and open space	-	467,424	-	-	-
Other purposes	277,328	-	-	-	-
Total fund balances	<u>346,303</u>	<u>467,424</u>	<u>2,591,121</u>	<u>419,976</u>	<u>7,321,741</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 354,802</u>	<u>\$ 1,720,829</u>	<u>\$ 2,659,143</u>	<u>\$ 420,981</u>	<u>\$ 7,510,242</u>

Special Revenue Funds

Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
\$ 4,398,994	\$ 5,449,229	\$ 50,400	\$ 442,469	\$ 22,972,082
-	-	-	-	-
899,124	857,843	154,637	255,202	2,166,806
596,180	-	-	-	606,104
8,914	12,856	151	1,929	48,933
-	-	-	-	-
<u>\$ 5,903,212</u>	<u>\$ 6,319,928</u>	<u>\$ 205,188</u>	<u>\$ 699,600</u>	<u>\$ 25,793,925</u>
199,106	325,526	-	-	773,593
14,715	358,053	-	-	385,253
-	-	-	-	1,248,386
-	-	-	-	9,600
-	-	-	-	-
<u>213,821</u>	<u>683,579</u>	<u>-</u>	<u>-</u>	<u>2,416,832</u>
-	-	154,637	-	154,637
899,124	-	-	-	899,124
<u>899,124</u>	<u>-</u>	<u>154,637</u>	<u>-</u>	<u>1,053,761</u>
4,790,267	-	-	-	15,123,105
-	5,636,349	-	-	5,636,349
-	-	-	-	-
-	-	-	699,600	699,600
-	-	-	-	68,975
-	-	50,551	-	50,551
-	-	-	-	-
-	-	-	-	467,424
-	-	-	-	277,328
<u>4,790,267</u>	<u>5,636,349</u>	<u>50,551</u>	<u>699,600</u>	<u>22,323,332</u>
<u>\$ 5,903,212</u>	<u>\$ 6,319,928</u>	<u>\$ 205,188</u>	<u>\$ 699,600</u>	<u>\$ 25,793,925</u>

City of Thornton, Colorado

Combining Balance Sheet Non-Major Governmental Funds December 31, 2021

	Capital Funds			Total Non-major Governmental Funds
	TDA South Capital	TDA 144th Capital	Total Capital Projects	
ASSETS				
Equity in pooled cash and investments				
Unrestricted	\$ 9,131,135	\$ 618,528	\$ 9,749,663	\$ 32,721,745
Restricted	-	2,259,645	2,259,645	2,259,645
Receivables, net				
Taxes	835,830	2,531,644	3,367,474	5,534,280
Accounts	-	-	-	606,104
Interest	18,394	1,164	19,558	68,491
Land held for resale	543,099	-	543,099	543,099
	<u>\$ 10,528,458</u>	<u>\$ 5,410,981</u>	<u>\$ 15,939,439</u>	<u>\$ 41,733,364</u>
LIABILITIES				
Accounts payable	48,090	-	48,090	821,683
Retainage payable	-	-	-	385,253
Third party advances	13,500	-	13,500	1,261,886
Unearned revenue	-	-	-	9,600
Other	-	914,419	914,419	914,419
	<u>61,590</u>	<u>914,419</u>	<u>976,009</u>	<u>3,392,841</u>
DEFERRED INFLOWS				
Unavailable revenue - property taxes	837,748	2,157,477	2,995,225	3,149,862
Intergovernmental	-	-	-	899,124
	<u>837,748</u>	<u>2,157,477</u>	<u>2,995,225</u>	<u>4,048,986</u>
FUND BALANCES				
Restricted				
Parks and open space	-	-	-	15,123,105
Capital projects	-	-	-	5,636,349
Debt service	-	2,258,550	2,258,550	2,258,550
Public safety	-	-	-	699,600
Other purposes	-	-	-	68,975
Assigned				
Capital projects	9,086,021	80,535	9,166,556	9,217,107
Land held for resale	543,099	-	543,099	543,099
Parks and open space	-	-	-	467,424
Other purposes	-	-	-	277,328
	<u>9,629,120</u>	<u>2,339,085</u>	<u>11,968,205</u>	<u>34,291,537</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,528,458</u>	<u>\$ 5,410,981</u>	<u>\$ 15,939,439</u>	<u>\$ 41,733,364</u>

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City of Thornton, Colorado

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-Major Governmental Funds For the year ended December 31, 2021

	Special Revenue Funds				
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space
REVENUES					
Taxes					
Sales and use	\$ -	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-	-
E911	-	-	-	-	-
Other	-	-	-	-	-
Intergovernmental	-	-	1,637,339	-	-
Governmental grants	77,600	-	-	-	-
Investments					
Investment earnings (loss)	(1,773)	(9,090)	(7,324)	(6,202)	(50,834)
Miscellaneous					
Developers' contributions	-	70,245	-	-	-
Other	2,813	-	-	-	9,735
Total revenues	78,640	61,155	1,630,015	(6,202)	(41,099)
EXPENDITURES					
Current					
Streets, traffic and engineering	-	-	-	-	-
Community services	81,718	-	-	-	-
Capital outlay	49,000	70,245	834,231	612,247	1,880,842
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Bond fees	-	-	-	-	-
Total expenditures	130,718	70,245	834,231	612,247	1,880,842
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	(52,078)	(9,090)	795,784	(618,449)	(1,921,941)
OTHER FINANCING SOURCES (USES)					
Transfers in	46,517	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	46,517	-	-	-	-
Net change in fund balances	(5,561)	(9,090)	795,784	(618,449)	(1,921,941)
Fund balances, January 1	351,864	476,514	1,795,337	1,038,425	9,243,682
Fund balances, December 31	\$ 346,303	\$ 467,424	\$ 2,591,121	\$ 419,976	\$ 7,321,741

Special Revenue Funds

Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	121,277	-	121,277
-	-	-	2,869,208	2,869,208
-	-	9,401	-	9,401
1,594,164	4,632,417	-	-	7,863,920
1,296,179	-	-	-	1,373,779
(5,032)	(46,239)	(158)	202	(126,450)
-	-	-	-	70,245
-	-	-	-	12,548
<u>2,885,311</u>	<u>4,586,178</u>	<u>130,520</u>	<u>2,869,410</u>	<u>12,193,928</u>
-	-	-	-	-
-	-	-	-	81,718
935,903	8,422,589	-	-	12,805,057
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>935,903</u>	<u>8,422,589</u>	<u>-</u>	<u>-</u>	<u>12,886,775</u>
<u>1,949,408</u>	<u>(3,836,411)</u>	<u>130,520</u>	<u>2,869,410</u>	<u>(692,847)</u>
-	-	-	-	46,517
-	-	(100,000)	(2,300,000)	(2,400,000)
-	-	(100,000)	(2,300,000)	(2,353,483)
1,949,408	(3,836,411)	30,520	569,410	(3,046,330)
<u>2,840,859</u>	<u>9,472,760</u>	<u>20,031</u>	<u>130,190</u>	<u>25,369,662</u>
<u>\$ 4,790,267</u>	<u>\$ 5,636,349</u>	<u>\$ 50,551</u>	<u>\$ 699,600</u>	<u>\$ 22,323,332</u>

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, 2021**

	Capital Funds			Total Non-major Governmental Funds
	TDA South Capital	TDA 144th Capital	Total Capital Projects	
REVENUES				
Taxes				
Sales and use	\$ -	\$ 1,301,203	\$ 1,301,203	\$ 1,301,203
Property	746,456	1,620,914	2,367,370	2,488,647
E911	-	-	-	2,869,208
Other	-	-	-	9,401
Intergovernmental	-	-	-	7,863,920
Governmental grants	-	-	-	1,373,779
Investments				
Investment earnings (loss)	(42,016)	(5,005)	(47,021)	(173,471)
Miscellaneous				
Developers' contributions	-	-	-	70,245
Other	-	-	-	12,548
Total revenues	704,440	2,917,112	3,621,552	15,815,480
EXPENDITURES				
Current				
Streets, traffic and engineering	-	914,419	914,419	914,419
Community services	-	-	-	81,718
Capital outlay	210,432	-	210,432	13,015,489
Debt service				
Principal retirement	-	710,000	710,000	710,000
Interest	-	1,098,794	1,098,794	1,098,794
Bond fees	-	2,500	2,500	2,500
Total expenditures	210,432	2,725,713	2,936,145	15,822,920
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	494,008	191,399	685,407	(7,440)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	46,517
Transfers out	(218,545)	(174,466)	(393,011)	(2,793,011)
Total other financing sources (uses)	(218,545)	(174,466)	(393,011)	(2,746,494)
Net change in fund balances	275,463	16,933	292,396	(2,753,934)
Fund balances, January 1	9,353,657	2,322,152	11,675,809	37,045,471
Fund balances, December 31	\$ 9,629,120	\$ 2,339,085	\$ 11,968,205	\$ 34,291,537

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Governmental grants	\$ 44,711	\$ 77,600	\$ 32,889
Investments			
Investment loss	-	(1,773)	(1,773)
Miscellaneous			
Other	884	2,813	1,929
Total revenues	<u>45,595</u>	<u>78,640</u>	<u>33,045</u>
EXPENDITURES			
Community services	118,689	81,718	36,971
Capital outlay	247,000	49,000	198,000
Total expenditures	<u>365,689</u>	<u>130,718</u>	<u>234,971</u>
Deficiency of revenues under expenditures	<u>(320,094)</u>	<u>(52,078)</u>	<u>268,016</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>\$ (273,577)</u>	(5,561)	<u>\$ 268,016</u>
Fund balance, January 1		<u>351,864</u>	
Fund balance, December 31		<u>\$ 346,303</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Investments			
Investment earnings (loss)	\$ 19,228	\$ (9,090)	\$ (28,318)
Miscellaneous			
Developers' contributions	<u>626,842</u>	<u>70,245</u>	<u>(556,597)</u>
Total revenues	<u>646,070</u>	<u>61,155</u>	<u>(584,915)</u>
EXPENDITURES			
Capital outlay	<u>573,586</u>	<u>70,245</u>	<u>503,341</u>
Total expenditures	<u>573,586</u>	<u>70,245</u>	<u>503,341</u>
Net change in fund balance	<u>\$ 72,484</u>	(9,090)	<u>\$ (81,574)</u>
Fund balance, January 1		<u>476,514</u>	
Fund balance, December 31		<u>\$ 467,424</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Intergovernmental - State lottery	\$ 1,336,178	\$ 1,637,339	\$ 301,161
Investments			
Investment earnings (loss)	<u>16,836</u>	<u>(7,324)</u>	<u>(24,160)</u>
Total revenues	<u>1,353,014</u>	<u>1,630,015</u>	<u>277,001</u>
EXPENDITURES			
Capital outlay	<u>2,579,837</u>	<u>834,231</u>	<u>1,745,606</u>
Total expenditures	<u>2,579,837</u>	<u>834,231</u>	<u>1,745,606</u>
Net change in fund balance	<u>\$ (1,226,823)</u>	795,784	<u>\$ 2,022,607</u>
Fund balance, January 1		<u>1,795,337</u>	
Fund balance, December 31		<u>\$ 2,591,121</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Investments			
Investment earnings (loss)	\$ 10,896	\$ (6,202)	\$ (17,098)
Total revenues	<u>10,896</u>	<u>(6,202)</u>	<u>(17,098)</u>
EXPENDITURES			
Capital outlay	<u>616,748</u>	<u>612,247</u>	<u>4,501</u>
Total expenditures	<u>616,748</u>	<u>612,247</u>	<u>4,501</u>
Net change in fund balance	<u>\$ (605,852)</u>	(618,449)	<u>\$ (12,597)</u>
Fund balance, January 1		<u>1,038,425</u>	
Fund balance, December 31		<u>\$ 419,976</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, 2021

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Governmental grants	\$ 4,101,233	\$ -	\$ (4,101,233)
Investments			
Investment earnings (loss)	105,096	(50,834)	(155,930)
Miscellaneous			
Other	-	9,735	9,735
Total revenues	4,206,329	(41,099)	(4,247,428)
EXPENDITURES			
Capital outlay	9,373,317	1,880,842	7,492,475
Total expenditures	9,373,317	1,880,842	7,492,475
Net change in fund balance	\$ (5,166,988)	(1,921,941)	\$ 3,245,047
Fund balance, January 1		9,243,682	
Fund balance, December 31		\$ 7,321,741	

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, 2021**

	<u>Budget</u>	<u>Actual</u>	Positive (negative) variance from actual
REVENUES			
Intergovernmental	\$ 1,357,909	\$ 1,594,164	\$ 236,255
Governmental grants	650,908	1,296,179	645,271
Investments			
Investment earnings (loss)	<u>23,804</u>	<u>(5,032)</u>	<u>(28,836)</u>
Total revenues	<u>2,032,621</u>	<u>2,885,311</u>	<u>852,690</u>
EXPENDITURES			
Capital outlay	<u>5,114,305</u>	<u>935,903</u>	<u>4,178,402</u>
Total expenditures	<u>5,114,305</u>	<u>935,903</u>	<u>4,178,402</u>
Net change in fund balance	<u>\$ (3,081,684)</u>	1,949,408	<u>\$ 5,031,092</u>
Fund balance, January 1		<u>2,840,859</u>	
Fund balance, December 31		<u>\$ 4,790,267</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Intergovernmental	\$ 3,403,971	\$ 4,632,417	\$ 1,228,446
Investments			
Investment earnings (loss)	<u>85,788</u>	<u>(46,239)</u>	<u>(132,027)</u>
Total revenues	<u>3,489,759</u>	<u>4,586,178</u>	<u>1,096,419</u>
EXPENDITURES			
Capital outlay	<u>10,288,396</u>	<u>8,422,589</u>	<u>1,865,807</u>
Total expenditures	<u>10,288,396</u>	<u>8,422,589</u>	<u>1,865,807</u>
Net change in fund balance	<u>\$ (6,798,637)</u>	(3,836,411)	<u>\$ 2,962,226</u>
Fund balance, January 1		<u>9,472,760</u>	
Fund balance, December 31		<u>\$ 5,636,349</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Property	\$ 100,000	\$ 121,277	\$ 21,277
Other	-	9,401	9,401
Investments			
Investment loss	-	(158)	(158)
	<u>100,000</u>	<u>130,520</u>	<u>30,520</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>	30,520	<u>\$ 30,520</u>
Fund balance, January 1		<u>20,031</u>	
Fund balance, December 31		<u>\$ 50,551</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes - E911	\$ 2,300,000	\$ 2,869,208	\$ 569,208
Investments			
Investment earnings	-	202	202
Total revenues	<u>2,300,000</u>	<u>2,869,410</u>	<u>569,410</u>
OTHER FINANCING USES			
Transfers out	<u>(2,300,000)</u>	<u>(2,300,000)</u>	-
Total other financing uses	<u>(2,300,000)</u>	<u>(2,300,000)</u>	-
Net change in fund balance	<u>\$ -</u>	569,410	<u>\$ 569,410</u>
Fund balance, January 1		<u>130,190</u>	
Fund balance, December 31		<u>\$ 699,600</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, 2021

	<u>Budget</u>	<u>Actual</u>	Positive (negative) variance from actual
REVENUES			
Taxes - property	\$ 957,576	\$ 746,456	\$ (211,120)
Investments			
Investment earnings (loss)	<u>90,569</u>	<u>(42,016)</u>	<u>(132,585)</u>
Total revenues	<u>1,048,145</u>	<u>704,440</u>	<u>(343,705)</u>
EXPENDITURES			
Capital outlay	<u>1,247,493</u>	<u>210,432</u>	<u>1,037,061</u>
Total expenditures	<u>1,247,493</u>	<u>210,432</u>	<u>1,037,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(199,348)</u>	<u>494,008</u>	<u>693,356</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><u>\$ (417,893)</u></u>	275,463	<u><u>\$ 693,356</u></u>
Fund balance, January 1		<u>9,353,657</u>	
Fund balance, December 31		<u><u>\$ 9,629,120</u></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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Sales and use	\$ 1,050,000	\$ 1,301,203	\$ 251,203
Property	2,013,000	1,620,914	(392,086)
Investments			
Investment earnings (loss)	<u>23,000</u>	<u>(5,005)</u>	<u>(28,005)</u>
Total revenues	<u>3,086,000</u>	<u>2,917,112</u>	<u>(168,888)</u>
EXPENDITURES			
Streets, traffic and engineering	960,000	914,419	45,581
Debt Service			
Principal Retirement	710,000	710,000	-
Interest	1,098,794	1,098,794	-
Bond fees	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total expenditures	<u>2,771,294</u>	<u>2,725,713</u>	<u>45,581</u>
Excess of revenues over expenditures	<u>314,706</u>	<u>191,399</u>	<u>(123,307)</u>
OTHER FINANCING USES			
Transfers out	<u>(174,466)</u>	<u>(174,466)</u>	<u>-</u>
Total other financing uses	<u>(174,466)</u>	<u>(174,466)</u>	<u>-</u>
Net change in fund balance	<u>\$ 140,240</u>	16,933	<u>\$ (123,307)</u>
Net position, January 1		<u>2,322,152</u>	
Net position, December 31		<u>\$ 2,339,085</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, 2021**

	<u>Budget</u>	<u>Actual</u>	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services pledged for debt	\$ 50,885,348	\$ 50,707,873	\$ (177,475)
Miscellaneous revenue	<u>118,000</u>	<u>117,788</u>	<u>(212)</u>
Total operating revenues	<u>51,003,348</u>	<u>50,825,661</u>	<u>(177,687)</u>
OPERATING EXPENSES			
Source of supply	7,182,471	7,004,691	177,780
Water treatment	12,236,862	12,143,903	92,959
Collection, transmission, and distribution	5,536,672	5,762,519	(225,847)
Other operating expenses	1,706,106	1,296,918	409,188
Administration	<u>10,750,285</u>	<u>10,287,273</u>	<u>463,012</u>
Total operating expenses	<u>37,412,396</u>	<u>36,495,304</u>	<u>917,092</u>
Operating income	<u>13,590,952</u>	<u>14,330,357</u>	<u>739,405</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	1,688,247	(1,174,583)	(2,862,830)
Capital outlay	(240,005,917)	(40,801,907)	199,204,010
Debt service			
Principal payment	(2,972,824)	(2,795,000)	177,824
Interest	(4,768,839)	(4,263,709)	505,130
Bond fees	(5,275)	(575)	4,700
Bond Issuance Expense	-	(760)	(760)
Miscellaneous revenue	<u>2,921,611</u>	<u>14,477,012</u>	<u>11,555,401</u>
Total nonoperating expenses	<u>(243,142,997)</u>	<u>(34,559,522)</u>	<u>208,583,475</u>
Loss before capital contributions and transfers	(229,552,045)	(20,229,165)	209,322,880
Grants and capital contributions	21,051,482	18,180,155	(2,871,327)
Transfers in	<u>-</u>	<u>446,113</u>	<u>446,113</u>
Deficiency of revenues under expenditures before reconciling items	<u>\$ (208,500,563)</u>	(1,602,897)	<u>\$ 206,897,666</u>
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments (administrative)		(164,461)	
Miscellaneous non-cash adjustments (ARO)		(5,000)	
Add back principal payment		2,795,000	
Change in accrued interest payable		254,226	
Gain on sale of capital assets		6,010,527	
Depreciation		(9,838,284)	
Capital asset additions (from the City's capital projects)		40,801,907	
Contributed capital assets		4,634,077	
Bond deferred premiums amortized		<u>454,720</u>	
Total reconciling items		<u>44,942,712</u>	
Change in net position		43,339,815	
Net position, January 1		<u>815,775,330</u>	
Net position, December 31		<u>\$ 859,115,145</u>	

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, 2021

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 16,238,080	\$ 16,210,386	\$ (27,694)
Total operating revenues	16,238,080	16,210,386	(27,694)
OPERATING EXPENSES			
Collection, transmission, and distribution	2,706,045	2,638,124	67,921
Sewage treatment-Metro Wastewater	8,784,655	8,784,655	-
Other operating expenses	210,829	167,034	43,795
Administration	1,482,274	1,482,274	-
Total operating expenses	13,183,803	13,072,087	111,716
Operating income	3,054,277	3,138,299	84,022
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	166,425	(75,336)	(241,761)
Capital outlay	(9,261,818)	(4,142,044)	5,119,774
Total nonoperating expenses	(9,095,393)	(4,217,380)	4,878,013
Loss before capital contributions and transfers	(6,041,116)	(1,079,081)	4,962,035
Capital contributions	1,558,490	1,535,179	(23,311)
Transfers out	(567,500)	(446,113)	121,387
Excess (Deficiency) of revenues over (under) expenditures before reconciling items	\$ (5,050,126)	9,985	\$ 5,060,111
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(17,894)	
Loss on disposal of capital assets		(38,271)	
Depreciation		(2,134,699)	
Capital asset additions (from the City's capital projects)		4,142,044	
Contributed capital assets		2,431,606	
Total reconciling items		4,382,786	
Change in net position		4,392,771	
Net position, January 1		79,179,980	
Net position, December 31		\$ 83,572,751	

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, 2021**

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
ASSETS			
Current assets			
Equity in pooled cash and investments - unrestricted	\$ 5,052,927	\$ 1,654,357	\$ 6,707,284
Receivables, net			
Accounts	618,335	170,439	788,774
Interest and other receivables	10,336	3,184	13,520
Prepays and other assets	13,090	4,045	17,135
Total current assets	5,694,688	1,832,025	7,526,713
Noncurrent assets			
Collection, transmission, and distribution	-	76,496,337	76,496,337
Transportation equipment	6,143,946	1,410,163	7,554,109
General equipment	403,212	1,175,336	1,578,548
Buildings and improvements	684,752	-	684,752
Less accumulated depreciation	(2,825,359)	(21,863,169)	(24,688,528)
Construction in progress	-	2,467,655	2,467,655
Total noncurrent assets	4,406,551	59,686,322	64,092,873
Total assets	10,101,239	61,518,347	71,619,586
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to OPEB	59,572	32,112	91,684
Total deferred outflows of resources	59,572	32,112	91,684

**Business-type Activities
Enterprise Funds**

	Environmental Services	Stormwater	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 184,739	\$ 599,600	\$ 784,339
Compensated absences	4,554	18,261	22,815
Total current liabilities	189,293	617,861	807,154
Long-term liabilities			
Total OPEB liability	185,310	101,041	286,351
Compensated absences	104,839	77,776	182,615
Total long-term liabilities	290,149	178,817	468,966
Total liabilities	479,442	796,678	1,276,120
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	24,046	12,673	36,719
Total deferred inflows of resources	24,046	12,673	36,719
NET POSITION			
Net investment in capital assets	4,406,551	59,686,322	64,092,873
Unrestricted	5,250,772	1,054,786	6,305,558
Total net position	\$ 9,657,323	\$ 60,741,108	\$ 70,398,431

City of Thornton, Colorado

**Statement of Revenues, Expenses and Changes in Net Position
Non-Major Proprietary Funds
For the year ended December 31, 2021**

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
OPERATING REVENUES			
Charges for services	\$ 5,871,538	\$ 4,290,048	\$ 10,161,586
Miscellaneous revenue	40,794	-	40,794
Total operating revenues	<u>5,912,332</u>	<u>4,290,048</u>	<u>10,202,380</u>
OPERATING EXPENSES			
Collection, transmission distribution, and trash removal	3,645,566	1,729,339	5,374,905
Other operating expenses	847,242	40,931	888,173
Administration	891,690	786,560	1,678,250
Depreciation	<u>798,192</u>	<u>1,695,078</u>	<u>2,493,270</u>
Total operating expenses	<u>6,182,690</u>	<u>4,251,908</u>	<u>10,434,598</u>
Operating income (loss)	<u>(270,358)</u>	<u>38,140</u>	<u>(232,218)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment loss	<u>(30,478)</u>	<u>(4,422)</u>	<u>(34,900)</u>
Total nonoperating expenses	<u>(30,478)</u>	<u>(4,422)</u>	<u>(34,900)</u>
Income (loss) before capital contributions and transfers	(300,836)	33,718	(267,118)
Grants and capital contributions	<u>-</u>	<u>5,639,473</u>	<u>5,639,473</u>
Change in net position	(300,836)	5,673,191	5,372,355
Net position, January 1	<u>9,958,159</u>	<u>55,067,917</u>	<u>65,026,076</u>
Net position, December 31	<u>\$ 9,657,323</u>	<u>\$ 60,741,108</u>	<u>\$ 70,398,431</u>

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City of Thornton, Colorado

**Statement of Cash Flows
Non- Major Proprietary Funds
For the year ended December 31, 2021**

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and others	\$ 5,963,263	\$ 4,328,199	\$ 10,291,462
Payments to suppliers	(2,991,369)	(732,882)	(3,724,251)
Payments to employees	(2,337,385)	(1,313,285)	(3,650,670)
Net cash provided by operating activities	<u>634,509</u>	<u>2,282,032</u>	<u>2,916,541</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases and construction of capital assets	(856,833)	(1,786,088)	(2,642,921)
Net cash used in capital and related financing activities	<u>(856,833)</u>	<u>(1,786,088)</u>	<u>(2,642,921)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	2,354,751	545,764	2,900,515
Purchases of investments	(3,403,701)	(1,123,864)	(4,527,565)
Interest on investments	36,890	12,521	49,411
Net cash used in investing activities	<u>(1,012,060)</u>	<u>(565,579)</u>	<u>(1,577,639)</u>
Net decrease in cash and cash equivalents	(1,234,384)	(69,635)	(1,304,019)
Cash and cash equivalents, Jan. 1	<u>3,078,601</u>	<u>678,416</u>	<u>3,757,017</u>
Cash and cash equivalents, Dec. 31	<u>\$ 1,844,217</u>	<u>\$ 608,781</u>	<u>\$ 2,452,998</u>
Cash and cash equivalents	\$ 1,844,217	\$ 608,781	\$ 2,452,998
Investments	3,208,710	1,045,576	4,254,286
Total cash and investments	<u>\$ 5,052,927</u>	<u>\$ 1,654,357</u>	<u>\$ 6,707,284</u>
Equity in pooled cash and investments	\$ 5,052,927	\$ 1,654,357	\$ 6,707,284
Total cash and investments	<u>\$ 5,052,927</u>	<u>\$ 1,654,357</u>	<u>\$ 6,707,284</u>

	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)	\$ (270,358)	\$ 38,140	\$ (232,218)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	798,192	1,695,078	2,493,270
Change in assets and liabilities:			
Decrease in accounts receivable, net	50,930	38,151	89,081
(Increase) in other assets	(13,090)	(4,045)	(17,135)
(Increase) in deferred outflows of resources OPEB Related	(16,146)	(8,649)	(24,795)
Increase in accounts payable	28,041	485,064	513,105
Increase in OPEB	4,071	26,702	30,773
Increase in other liabilities	42,312	5,936	48,248
Increase in deferred inflows of resources OPEB Related	10,557	5,655	16,212
Net cash provided by operating activities	<u>\$ 634,509</u>	<u>\$ 2,282,032</u>	<u>\$ 2,916,541</u>

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Investing Activities			
Decrease in the fair value of investments	\$ (66,296)	\$ (15,509)	\$ (81,805)
Sewer and stormwater lines contributed by developers	-	5,615,581	5,615,581
Contributed capital from other government	-	23,893	23,893

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, 2021**

	<u>Budget</u>	<u>Actual</u>	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 5,742,500	\$ 5,871,538	\$ 129,038
Miscellaneous revenue	-	40,794	40,794
Total operating revenues	<u>5,742,500</u>	<u>5,912,332</u>	<u>169,832</u>
OPERATING EXPENSES			
Trash removal	3,476,492	3,645,566	(169,074)
Other operating expenses	958,564	847,242	111,322
Administration	922,183	850,896	71,287
Total operating expenses	<u>5,357,239</u>	<u>5,343,704</u>	<u>13,535</u>
Operating income	<u>385,261</u>	<u>568,628</u>	<u>183,367</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	76,223	(30,478)	(106,701)
Capital outlay	<u>(917,347)</u>	<u>(856,833)</u>	<u>60,514</u>
Total nonoperating expenses	<u>(841,124)</u>	<u>(887,311)</u>	<u>(46,187)</u>
Loss before transfers	<u>(455,863)</u>	<u>(318,683)</u>	<u>137,180</u>
Deficiency of revenues under expenditures before reconciling items	<u>\$ (455,863)</u>	(318,683)	<u>\$ 137,180</u>
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(40,794)	
Depreciation		(798,192)	
Capital asset additions		856,833	
Total reconciling items		<u>17,847</u>	
Change in net position		(300,836)	
Net position, January 1		<u>9,958,159</u>	
Net position, December 31		<u>\$ 9,657,323</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, 2021

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 4,275,000	\$ 4,290,048	\$ 15,048
Total operating revenues	4,275,000	4,290,048	15,048
OPERATING EXPENSES			
Collection, transmission, and distribution	1,791,376	1,729,339	62,037
Other operating expenses	105,321	40,931	64,390
Administration	756,929	756,916	13
Total operating expenses	2,653,626	2,527,186	126,440
Operating income	1,621,374	1,762,862	141,488
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	9,381	(4,422)	(13,803)
Capital outlay	(7,992,329)	(1,786,089)	6,206,240
Debt service			
Bond issuance expense	(50,000)	-	50,000
Total nonoperating expenses	(8,032,948)	(1,790,511)	6,242,437
Loss before capital contributions and transfers	(6,411,574)	(27,649)	6,383,925
Deficiency of revenues under expenditures before reconciling items	\$ (6,411,574)	(27,649)	\$ 6,383,925
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(29,644)	
Depreciation		(1,695,078)	
Capital asset additions (from the City's capital projects)		1,786,089	
Contributed capital assets		5,615,581	
Capital Asset Additions (contributed from governmental activities)		23,892	
Total reconciling items		5,700,840	
Change in net position		5,673,191	
Net position, January 1		55,067,917	
Net position, December 31		\$ 60,741,108	

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, 2021

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Interfund services	\$ 7,621,032	\$ 7,614,002	\$ (7,030)
Total operating revenues	7,621,032	7,614,002	(7,030)
OPERATING EXPENSES			
Insurance and related expenses	1,290,150	1,356,671	(66,521)
Claims and reserves for claims	5,630,994	5,545,952	85,042
Administration	703,888	535,584	168,304
Total operating expenses	7,625,032	7,438,207	186,825
Operating income (loss)	(4,000)	175,795	179,795
NONOPERATING REVENUES (EXPENSES)			
Investment loss	-	(26,428)	(26,428)
Miscellaneous revenue	-	20,000	20,000
Total nonoperating expenses	-	(6,428)	(6,428)
Excess (Deficiency) of revenues over (under) expenditures before reconciling items	\$ (4,000)	169,367	\$ 173,367
RECONCILIATION TO US GAAP BASIS			
Incurred but not reported adjustment - property casualty		(66,076)	
Incurred but not reported adjustment - worker's compensation		1,643,151	
Incurred but not reported adjustment - dental		111,415	
Incurred but not reported adjustment - vision		21,691	
OPEB liability adjustment		(6,322)	
Miscellaneous non-cash adjustments		840	
Total reconciling items		1,704,699	
Change in net position		1,874,066	
Net position, January 1,		757,093	
Net position, December 31		\$ 2,631,159	

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OTHER SCHEDULES

City of Thornton, Colorado
Schedule of Investments
December 31, 2021

<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Fair Value</u>	<u>Par Value</u>
U. S Treasury	1.875%	02/28/22	\$ 2,964,727	\$ 3,008,444	\$ 3,000,000
	1.750%	09/30/22	4,950,781	5,053,320	5,000,000
	0.250%	10/31/25	1,956,563	1,933,828	2,000,000
Corp Coupon	2.600%	01/11/22	6,958,680	7,002,955	7,000,000
	3.400%	01/31/22	3,078,403	3,006,923	3,000,000
	2.498%	03/03/22	4,977,000	5,008,837	5,000,000
	2.650%	05/23/22	2,030,280	2,014,318	2,000,000
	2.150%	09/08/22	5,060,045	5,055,976	5,000,000
	2.150%	09/15/22	492,585	505,303	500,000
	2.250%	11/15/22	1,984,700	2,029,937	2,000,000
	1.571%	04/15/23	2,575,675	2,528,376	2,500,000
	2.400%	05/03/23	7,566,800	7,679,472	7,500,000
	0.300%	06/02/23	2,998,380	2,981,503	3,000,000
	3.400%	06/26/23	5,266,075	5,201,679	5,000,000
	3.300%	02/26/24	4,089,788	3,934,423	3,750,000
	0.500%	05/01/24	988,490	988,490	1,000,000
	0.550%	06/07/24	3,995,840	3,939,124	4,000,000
	0.202%	08/16/24	3,155,760	3,074,639	3,000,000
	0.700%	09/27/24	999,880	985,364	1,000,000
	2.700%	02/12/25	2,143,780	2,094,638	2,000,000
	1.800%	02/13/25	4,990,500	5,076,842	5,000,000
	1.554%	05/11/25	3,102,120	3,026,700	3,000,000
	3.250%	06/15/25	3,270,150	3,181,611	3,000,000
	0.875%	12/10/25	1,229,963	1,198,400	1,230,000
	3.150%	12/14/25	2,185,840	2,132,629	2,000,000
	0.850%	01/15/26	3,110,227	3,022,525	3,095,000
	0.700%	02/08/26	2,487,600	2,450,246	2,500,000
	3.250%	02/23/26	2,190,080	2,138,939	2,000,000
	1.618%	04/15/26	2,522,400	2,489,739	2,500,000
1.000%	05/12/26	1,991,360	1,981,465	2,000,000	
1.250%	05/13/26	2,000,000	1,972,957	2,000,000	
1.200%	06/03/26	2,999,850	2,951,277	3,000,000	
1.200%	07/16/26	7,034,490	6,862,519	7,000,000	
1.200%	09/01/26	4,487,369	4,408,413	4,500,000	
1.250%	09/14/26	1,938,421	1,928,490	1,970,000	
1.050%	09/17/26	998,110	989,362	1,000,000	
1.303%	09/20/26	1,000,000	974,975	1,000,000	
Federal Farm Credit	0.230%	01/19/24	1,999,140	1,988,104	2,000,000
	0.310%	07/22/24	3,000,000	2,958,249	3,000,000
	0.360%	09/24/24	2,995,320	2,952,388	3,000,000
	0.440%	11/04/24	3,000,000	2,952,905	3,000,000
	0.570%	08/12/25	2,496,875	2,445,299	2,500,000
	0.680%	09/22/25	4,000,000	3,925,249	4,000,000
	1.050%	03/25/26	3,000,000	2,975,948	3,000,000
	1.600%	12/14/26	3,000,000	2,999,018	3,000,000

City of Thornton, Colorado
Schedule of Investments
December 31, 2021

<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Fair Value</u>	<u>Par Value</u>
Federal Home	2.000%	09/09/22	4,999,968	5,060,188	5,000,000
Loan Bank	0.270%	03/28/24	3,000,000	2,965,284	3,000,000
	0.850%	03/28/24	2,000,000	1,999,788	2,000,000
	0.550%	07/22/24	2,500,000	2,484,937	2,500,000
	1.000%	11/25/24	3,000,000	2,996,742	3,000,000
	0.650%	12/09/24	5,000,000	4,897,741	5,000,000
	0.550%	12/17/24	2,000,000	1,981,787	2,000,000
	0.550%	12/19/24	3,000,000	2,976,645	3,000,000
	0.640%	01/27/25	3,000,000	2,983,648	3,000,000
	0.500%	03/10/25	2,500,000	2,453,983	2,500,000
	0.875%	10/22/25	2,500,000	2,469,955	2,500,000
	0.600%	08/27/25	2,498,750	2,451,533	2,500,000
	0.800%	10/28/25	3,000,000	2,955,394	3,000,000
	0.500%	01/28/26	3,000,000	2,910,733	3,000,000
	0.750%	02/24/26	2,477,500	2,447,201	2,500,000
	1.000%	03/30/26	2,498,750	2,477,333	2,500,000
	0.850%	03/30/26	3,000,000	2,956,063	3,000,000
	0.700%	04/28/26	3,000,000	2,983,435	3,000,000
	1.100%	09/28/26	5,000,000	4,947,265	5,000,000
	1.100%	10/13/26	2,493,750	2,477,968	2,500,000
	1.020%	10/14/26	2,998,500	2,956,457	3,000,000
	1.150%	10/19/26	2,750,000	2,718,055	2,750,000
	1.150%	10/26/26	3,000,000	2,979,874	3,000,000
	1.440%	12/03/26	5,000,000	4,990,265	5,000,000
Federal Home Loan	0.300%	12/29/23	2,999,400	2,982,420	3,000,000
Mortgage Corp.	0.320%	06/28/24	3,000,000	2,970,180	3,000,000
	0.375%	07/29/24	2,500,000	2,470,018	2,500,000
	1.500%	02/12/25	4,996,150	5,073,208	5,000,000
	0.570%	09/24/25	2,928,420	2,931,981	3,000,000
	0.600%	10/20/25	4,544,064	4,504,196	4,600,000
	0.625%	12/17/25	2,998,500	2,948,039	3,000,000
Federal National	2.000%	10/05/22	4,996,335	5,063,533	5,000,000
Mortgage Assoc.	0.310%	02/02/24	3,000,078	2,972,620	3,000,000
	0.375%	06/14/24	5,000,000	4,961,358	5,000,000
	0.420%	10/28/24	2,500,000	2,466,228	2,500,000
	0.375%	04/15/25	1,997,800	1,958,564	2,000,000
	0.500%	06/30/25	3,000,000	2,932,886	3,000,000
	0.600%	07/29/25	2,500,000	2,452,134	2,500,000
	0.375%	08/25/25	2,488,300	2,432,228	2,500,000
	0.625%	08/25/25	2,499,000	2,452,225	2,500,000
	0.580%	10/20/25	2,500,000	2,447,043	2,500,000

City of Thornton, Colorado
Schedule of Investments
December 31, 2021

<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Fair Value</u>	<u>Par Value</u>
International Bank for Reconstruction & Dev	0.500%	10/28/25	2,459,800	2,436,548	2,500,000
	0.650%	02/10/26	1,983,280	1,950,562	2,000,000
State & Local Govt Bonds	5.426%	06/30/22	1,423,414	1,423,455	1,379,517
	5.426%	06/30/23	330,680	330,690	320,483
	0.375%	04/01/23	2,494,725	2,486,667	2,500,000
	0.447%	12/15/23	1,450,000	1,439,635	1,450,000
	0.710%	03/01/24	230,000	228,394	230,000
	1.580%	05/01/24	3,097,200	3,031,431	3,000,000
	0.750%	06/01/24	2,525,725	2,484,971	2,500,000
	0.393%	07/01/24	2,500,000	2,461,348	2,500,000
	0.542%	10/01/24	987,330	987,330	1,000,000
	0.818%	12/15/24	1,750,000	1,735,109	1,750,000
	0.520%	03/01/25	2,500,000	2,449,570	2,500,000
	1.073%	04/01/25	501,395	491,424	500,000
	0.550%	06/01/25	3,000,000	2,931,358	3,000,000
	1.258%	07/01/25	1,000,000	997,060	1,000,000
	0.670%	08/01/25	2,000,000	1,959,862	2,000,000
	0.670%	08/01/25	994,370	978,554	1,000,000
	4.503%	11/01/25	886,207	882,157	815,000
	0.875%	12/01/25	2,605,876	2,567,100	2,610,000
	0.926%	02/01/26	1,524,900	1,466,535	1,500,000
	1.272%	03/01/26	450,000	444,924	450,000
1.104%	06/30/26	1,009,540	988,570	1,000,000	
1.323%	09/15/26	999,660	994,536	1,000,000	
1.121%	07/15/26	991,840	987,247	1,000,000	
1.283%	10/01/26	504,410	495,080	500,000	
1.411%	12/15/26	2,500,000	2,490,220	2,500,000	
Asset Backed Securities	0.530%	04/22/24	749,977	741,948	750,000
	0.550%	09/15/24	1,499,885	1,474,542	1,500,000
	0.490%	03/20/25	999,917	999,609	1,000,000
	1.060%	09/30/25	3,001,875	2,954,351	3,000,000
	0.900%	11/16/26	2,999,531	2,976,234	3,000,000
Certificate of Deposit	2.850%	02/07/22	240,000	240,658	240,000
	2.650%	04/04/22	240,000	241,502	240,000
	1.800%	12/13/22	250,000	253,459	250,000
	2.950%	02/07/23	240,000	246,780	240,000
	1.850%	03/27/23	250,000	254,396	250,000
	3.150%	02/06/24	240,000	252,379	240,000
	3.100%	02/07/24	240,000	252,141	240,000

City of Thornton, Colorado
Schedule of Investments
December 31, 2021

<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Fair Value</u>	<u>Par Value</u>
Certificate of Deposit	3.100%	02/07/24	240,000	252,141	240,000
(Continued)	3.100%	02/13/24	240,000	252,217	240,000
	2.800%	04/15/24	240,000	251,329	240,000
	2.650%	05/22/24	240,000	250,814	240,000
	2.650%	05/22/24	240,000	250,814	240,000
	0.700%	11/04/24	250,000	248,869	250,000
	0.750%	11/05/24	250,000	249,214	250,000
 Overnight Funds			<u>157,925,261</u>	<u>157,925,261</u>	<u>157,925,261</u>
			<u>\$ 481,206,110</u>	<u>\$ 478,241,928</u>	<u>\$ 479,475,261</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 2021
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This Information From The Records Of: City of Thornton, Colorado	Prepared By: Savannah Murphy, Accounting Technician Phone: 303-538-7692
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES
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ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	26,078,251
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,263,785
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,039,763
2. General fund appropriations	0	b. Snow and ice removal	696,256
3. Other local imposts (from page 2)	33,725,767	c. Other	2,271,751
4. Miscellaneous local receipts (from page 2)	5,027,064	d. Total (a. through c.)	5,007,770
5. Transfers from toll facilities	0	4. General administration & miscellaneous	597,955
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	8,833,220
a. Bonds - Original Issues	0	6. Total (1 through 5)	43,780,981
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	67,834
7. Total (1 through 6)	38,752,831	b. Redemption	831,196
B. Private Contributions	772,279	c. Total (a. + b.)	899,030
C. Receipts from State government		2. Notes:	
(from page 2)	5,010,780	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	144,121	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	44,680,011	3. Total (1.c + 2.c)	899,030
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	44,680,011

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,665,072	0	831,196	833,876
1. Bonds (Refunding Portion)	0	0	0	0
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	44,680,011	44,680,011	0	0

Notes and Comments:

0
0
0

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING: December 2021

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	26,524,118	a. Interest on investments	(46,239)
b. Other local imposts:		b. Traffic Fines & Penalties	1,309,991
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	7,201,649	g. Other Misc. Receipts	0
6. Total (1. through 5.)	7,201,649	h. Other	3,763,312
c. Total (a. + b.)	33,725,767	i. Total (a. through h.)	5,027,064
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,411,322	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	471,382	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	128,076	f. Other Federal	144,121
f. Total (a. through e.)	599,458	g. Total (a. through f.)	144,121
4. Total (1. + 2. + 3.f)	5,010,780	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	997,934	997,934
b. Engineering Costs	99,531	1,760,341	1,859,872
c. Construction:			
(1). New Facilities	0	4,498,578	4,498,578
(2). Capacity Improvements	0	11,706,021	11,706,021
(3). System Preservation	0	5,700,605	5,700,605
(4). System Enhancement & Operation	0	1,315,241	1,315,241
(5). Total Construction (1)+(2)+(3)+(4)	0	23,220,445	23,220,445
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	99,531	25,978,720	26,078,251
			(Carry forward to page 1)

Notes and Comments:

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STATISTICAL SECTION

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

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

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

	Fiscal Year									
	2012-restated	2013	2014-restated	2015	2016	2017-restated	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 301,429,951
Restricted	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	60,665,189
Unrestricted	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	126,236,037
Total governmental activities net position	\$ 365,938,104	\$ 361,575,788	\$ 364,409,647	\$ 379,558,463	\$ 392,951,483	\$ 411,013,441	\$ 443,746,023	\$ 435,669,727	\$ 450,450,206	\$ 488,331,177
Business-type activities										
Net investment in capital assets	\$ 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	\$ 751,240,496
Restricted	15,431,413	6,480,661	5,665,074	2,976,894	2,980,644	3,097,447	-	-	-	-
Unrestricted	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	261,845,831
Total business-type activities net position	\$ 609,983,897	\$ 619,445,534	\$ 636,261,354	\$ 659,974,189	\$ 703,187,751	\$ 749,622,450	\$ 801,392,750	\$ 902,456,891	\$ 959,981,386	\$ 1,013,086,327
Primary government										
Net investment in capital assets	\$ 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	\$ 1,052,670,447
Restricted	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	60,665,189
Unrestricted	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	388,081,868
Total primary government net position	\$ 975,922,001	\$ 981,021,322	\$ 1,000,671,001	\$ 1,039,532,652	\$ 1,096,139,234	\$ 1,160,635,891	\$ 1,245,138,773	\$ 1,338,126,618	\$ 1,410,431,592	\$ 1,501,417,504

Source: Current and prior year's financial statements.

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

	Fiscal Year									
	2012-restated	2013	2014-restated	2015	2016	2017-restated	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 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	\$ 35,649,989
Police	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	43,491,003
Fire	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	27,476,823
City development	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	11,517,896
Streets, traffic & eng.	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	36,432,653
Community services	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	42,131,617
Interest of long-term debt	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	4,972,854
Total government activities expenses	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	201,672,835
Business-type activities										
Water	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	50,054,147
Sewer	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	15,224,680
Environmental Services	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	6,182,690
Golf	-	1,227,092	1,653,285	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	-	3,074,617	3,698,035	4,251,908
Total business-type activities expenses	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	75,713,425
Total primary government expenses	\$ 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	\$ 277,386,260
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 8,713,494
Police	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	1,967,445
Fire	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	4,497,690
City Development	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	7,003,195
Community Services	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	6,235,619
Operating grants/contrib.	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	10,558,945
Capital grants/contrib.	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	22,125,244
Total government activities program revenues	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	61,101,632
Business-type activities:										
Charges for services:										
Water	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	50,707,873
Sewer	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	16,210,386
Environmental Services	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	5,871,538
Golf	1,130,711	1,282,893	1,368,959	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	-	3,001,616	4,181,998	4,290,048
Capital grants/contrib.	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	32,396,597

	Fiscal Year								
	2012-restated	2013	2014-restated	2015	2017-restated	2018	2019	2020	2021
Total business-type activities									
program revenues	\$ 66,395,435	\$ 56,799,918	\$ 59,222,223	\$ 69,478,799	\$ 91,959,181	\$ 103,745,890	\$ 114,060,658	\$ 116,730,204	\$ 109,476,442
Total primary government									
program revenues	\$ 95,720,528	\$ 89,520,181	\$ 92,386,631	\$ 109,278,599	\$ 136,293,712	\$ 149,847,914	\$ 158,038,127	\$ 178,340,324	\$ 170,578,074
Net (expense)/revenue	\$ (107,070,302)	\$ (104,436,741)	\$ (104,449,672)	\$ (103,628,933)	\$ (108,168,881)	\$ (114,178,102)	\$ (109,876,403)	\$ (143,346,787)	\$ (140,571,203)
Governmental activities	\$ 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
Business-type activities									
Total primary government	\$ (91,486,412)	\$ (98,294,549)	\$ (98,387,360)	\$ (88,586,613)	\$ (70,835,816)	\$ (73,281,265)	\$ (71,644,528)	\$ (100,598,071)	\$ (106,808,186)
net expense									
General Revenues and Other									
Changes in Assets									
Governmental activities									
Taxes									
Sales and use taxes	\$ 73,606,406	\$ 78,188,772	\$ 84,024,928	\$ 91,975,491	\$ 96,446,874	\$ 104,489,333	\$ 110,306,247	\$ 113,669,743	\$ 135,088,230
Property taxes	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	7,505,706	8,157,151	8,693,260	8,612,126	8,873,989	9,547,866	10,050,848	9,744,229	12,650,458
Loss on investments	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	24,402	-	206,932	152,381	188,110	148,555	-	31,958	-
Miscellaneous	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	\$ 93,800,507	\$ 100,074,425	\$ 107,283,531	\$ 118,777,749	\$ 121,561,901	\$ 132,240,060	\$ 142,608,985	\$ 158,127,266	\$ 178,452,174
Business-type activities									
Investment loss	1,198,760	553,078	2,012,676	1,553,374	948,963	1,537,970	2,981,846	6,384,386	(1,284,819)
Gain on sale of assets	28,964	16,259	942,423	5,038,541	722,012	221,759	202,890	2,430,704	3,994,650
Royalties ¹	-	-	-	-	-	-	-	-	8,896,723
Miscellaneous	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	\$ 14,676,327	\$ 3,319,445	\$ 10,753,508	\$ 8,670,515	\$ 5,880,497	\$ 5,537,862	\$ 13,538,425	\$ 56,700,627	\$ 19,341,924
Total primary government	\$ 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	\$ (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	\$ 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	\$ 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
									\$ 90,985,912

Notes: In the 2014 original presentation, loss on land held for resale was netted in General Government expenditures, with the 2016 presentation it is netted in investment earnings.
1. For years 2020 and before royalties revenue was within miscellaneous. 2021 and beyond royalties revenue will be reported as a separate line item.

Source: Current and prior year's financial statements.

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

	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
General Fund											
Nonspendable	\$ 219,622	\$ 276,656	\$ 256,407	\$ 224,102	\$ 252,741	\$ 247,410	\$ 130,616	\$ 114,577	\$ 78,387	\$ 115,013	
Restricted	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	7,497,378	
Committed	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	27,955,000	
Unassigned	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	41,630,276	
Total general fund	\$ 27,493,906	\$ 32,907,103	\$ 33,115,845	\$ 24,808,070	\$ 27,335,567	\$ 37,273,471	\$ 39,278,658	\$ 51,293,137	\$ 51,835,137	\$ 77,197,667	
All other governmental funds											
Nonspendable	\$ 23,667,937	\$ 15,951,159	\$ 15,220,076	\$ 1,985,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Restricted	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	45,000,273	
Committed	1,255,801	1,137,543	1,137,043	1,000,000	2,659	-	-	-	-	-	
Assigned	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	59,508,718	
Unassigned	(16,702,735)	(25,188,697)	(25,330,792)	-	-	-	-	-	-	-	
Total all other governmental funds	\$ 63,688,506	\$ 61,730,102	\$ 71,634,982	\$ 116,835,901	\$ 118,989,936	\$ 99,788,836	\$ 143,157,347	\$ 98,409,918	\$ 122,203,756	\$ 104,508,991	

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 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	\$ 177,238,302
Licenses and permits	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	7,011,036
Intergovernmental	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	19,188,941
Governmental grants	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	4,578,933
Charges for services	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	19,127,279
Fines and forfeitures	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	1,562,823
Lease	98,787	207,581	207,213	207,717	207,648	207,648	175,551	175,701	175,648	175,648
Investment loss	963,440	206,456	960,404	1,513,417	56,183	1,748,964	3,195,518	6,391,532	2,797,470	(793,395)
Miscellaneous	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	1,952,040
Total revenues	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	230,041,607
Expenditures										
General government	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	34,625,122
Police	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	41,324,207
Fire and Ambulance	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	25,070,216
City development	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	9,250,922
Streets, traffic and engineering	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	15,636,030
Community services	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	23,334,148
Capital outlay	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	59,844,258
Debt service										
Principal retirement	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	8,098,939
Interest	2,527,873	2,681,595	2,690,626	2,462,975	2,883,894	2,643,547	2,373,332	5,724,112	5,724,112	5,573,189
Bond fees	4,544	1,700	3,571	244,061	6,850	4,196	6,755	8,809	6,755	8,755
Bond issuance costs	-	-	-	168,985	-	-	541,368	-	511,526	-
Total Expenditures	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	222,765,786
Excess (deficiency) of revenues over (under) expenditures	(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)	7,275,821
Other financing sources (uses)										
Transfers in	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	7,761,827
Transfers out	(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)	(7,761,827)
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	-	-	-	297,597	230,660	255,931	217,062	189,013	104,630	391,944
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	391,944
Net change in fund balances	\$ (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	\$ 7,667,765
Debt service as a percentage of noncapital expenditures	7.1%	6.2%	6.6%	5.5%	6.6%	6.0%	5.4%	6.5%	7.2%	7.3%

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

Source: Current and prior year's financial statements.

City of Thornton
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	
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
2021		95,919,026		1,591,445		31,105,765		16,826,865		1,506,180		6,387,943		190,268		153,527,492

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		Telecomm. & Cable Utility	All Other	Total Sales Tax	Total Direct Tax ^{1,2} Rate
				Liquor & Food Service										
2012	\$ 16,167,270	\$ 7,194,036	\$ 3,271,534	\$ 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	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	3,350,827	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	4,194,684	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	4,427,382	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	4,839,698	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	5,785,369	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	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	7,190,528	5,492,629	12,388,526	3,951,818	3,417,652	83,627,429	3.75				
2021	37,336,448	10,611,147	4,189,337	7,947,253	6,404,478	14,950,390	3,837,870	4,139,382	95,919,026	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	
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%
2021	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**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Aggregate top ten filers ¹	\$ 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	\$ 40,657,228
Aggregate all other filers	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	55,261,798
Total sales tax	\$ 48,653,731	\$ 51,317,719	\$ 55,097,184	\$ 58,355,128	\$ 61,544,769	\$ 62,613,775	\$ 68,650,875	\$ 79,272,131	\$ 83,627,429	\$ 95,919,026
Top ten filers as a percentage of total sales	48.1%	47.9%	46.3%	45.4%	45.1%	46.2%	43.3%	42.3%	43.9%	42.4%

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			
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
2021	-	34,103,232	95,627,593	753,725	-	120,662,825	-	251,147,375	5.3%	1,717

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
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%	-
2021	-	-	-	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, 2021

Entity (1)	Assessed Valuation (2)	Debt Outstanding	Percentage Applicable to the City (3)	Estimated Share of Overlapping Debt
City of Thornton direct debt				\$ 130,484,550
Overlapping Debt				
Adams 12 Five Star School District	\$ 2,955,365,570	\$ 446,180,000	48.51	216,441,918
Adams County School District 1	977,200,760	123,625,000	16.90	20,892,625
Adams County School District 14	991,546,480	69,472,234	4.39	3,049,831
Amber Creek Metropolitan District	13,244,550	18,795,856	100.00	18,795,856
Aspen Reserve Metropolitan District	4,992,650	3,522,000	100.00	3,522,000
Brighton School District 27J	2,119,184,050	486,814,079	12.55	61,095,167
Bramming Farm Metropolitan District No. 1	4,920,300	3,880,000	100.00	3,880,000
Cherrylane Metropolitan District	4,419,730	3,719,000	100.00	3,719,000
Creekside Village Metropolitan District	1,107,980	11,502,000	100.00	11,502,000
Cundall Farms Metropolitan District	13,963,020	13,310,000	100.00	13,310,000
Fallbrook Metropolitan District	22,690,860	1,775,000	100.00	1,775,000
Heritage Todd Creek Metropolitan District	46,360,960	30,784,000	100.00	30,784,000
Highpointe Park Metropolitan District	10,133,920	7,046,000	88.99	6,270,235
Lambertson Lakes Metro District	21,850,370	4,170,000	100.00	4,170,000
Larkridge Metropolitan District No. 1	25,199,470	11,440,000	100.00	11,440,000
Larkridge Metropolitan District No. 2	13,594,180	15,270,000	100.00	15,270,000
Lewis Pointe Metropolitan District	15,851,550	10,051,628	100.00	10,051,628
Mayfield Metropolitan District	7,048,440	11,547,349	100.00	11,547,349
North Holly Metropolitan District	9,687,090	15,444,641	100.00	15,444,641
North Metro Fire Rescue FKA Fire Dist. 1	608,501,340	9,530,000	0.24	22,872
Orchard Farms Metropolitan District	14,282,420	9,740,000	100.00	9,740,000
PLA Metropolitan District	3,885,010	720,000	100.00	720,000
Rangeview Library District	7,064,409,000	27,131,675	27.01	7,328,265
RII-DII Business Improvement District	12,836,650	7,416,054	100.00	7,416,054
Talon Pointe Metropolitan District	6,823,020	23,910,000	100.00	23,910,000
Timberleaf Metropolitan District	2,825,610	7,697,000	100.00	7,697,000
Village at Dry Creek Metro No 2	27,684,810	16,973,000	100.00	16,973,000
Villas at Eastlake Reservoir Metro District	4,256,350	2,630,000	100.00	2,630,000
Westwood Metropolitan District	120,210	8,499,000	100.00	8,499,000
Willow Bend Metropolitan District	7,931,770	16,455,000	100.00	16,455,000
Subtotal, overlapping debt				\$ 564,352,441
Total direct and overlapping debt				\$ 694,836,991

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

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

(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										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Debt Limit ¹	\$ 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	\$ 177,525,237	
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 177,525,237	
Total net debt applicable as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	\$ 1,775,252,370
Debt limit (10% of total assessed value) ¹	177,525,237
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>\$ 177,525,237</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
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
2021	82,308,247	36,495,304	45,812,943	2,795,000	4,263,709	6.49

TDA North Tax Increment Bonds

Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
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
2021	11,914,925	995,000	413,063	8.46

TDA 144th Tax Increment Bonds

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

Sales and Use Tax Bonds

Fiscal Year	Sales Taxes	Principal	Interest	Coverage
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	-	-	-	-
2021	-	-	-	-

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 dollars)	Per Capita Personal Income	Unemployment Rate
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%
2021	146,270	4,766,793	32,589	4.3%

**City of Thornton
Schedule 15
Principal Employers**

2021

<u>Employer Type</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Retail Trade (429 Units)	8,394	1	27%
Health Care and Social Assistance (266 Units)	5,441	2	17%
Accommodation and Food Services (232 Units)	4,372	3	14%
Educational Services (79 Units)	3,042	4	10%
Public Administration (45 Units)	2,115	5	7%
Other Services (280 Units)	1,854	6	6%
Construction (200 Units)	1,326	7	4%
Professional, Service & Tech (151 Units)	777	8	3%
Arts, Entertainment & Recreation (44 Units)	732	9	2%
Finance and Insurance (139 Units)	691	10	2%
Total	<u>28,744</u>		<u>92%</u>

Total number of persons employed by Thornton establishments: 31,249

2012

<u>Employer Type</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Educational Services (21 Units)	5,498	1	28%
Retail Trade (175 units)	3,400	2	17%
Health Care and Social Assistance (165 Units)	2,356	3	12%
Accommodation and Food Services (141 Units)	2,287	4	11%
Administrative and support (112 Units)	1,862	5	9%
Construction (200 Units)	855	6	4%
Other Services (122 Units)	745	8	4%
Professional Services (235 Units)	658	7	3%
Information (23 Units)	497	9	2%
Wholesale trade (119 Units)	419	10	2%
Total	<u>18,577</u>		<u>92%</u>

Total number of persons employed by Thornton establishments: 19,932

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	156	156	158	165	168	175	182	191	201	196
Police										
Officers	159	158	171	178	233	244	247	243	243	242
Civilians	66	69	59	63	63	63	73	77	79	79
Fire										
Firefighters and officers	75	75	76	76	85	101	106	132	132	145
Ambulance	25	25	26	26	26	29	26	4	4	4
Civilians	3	3	3	3	3	3	3	3	3	3
City development	65	65	71	72	78	82	84	82	82	79
Streets, traffic, & engineering										
Engineering	40	34	33	33	36	35	37	40	41	38
Maintenance	30	31	32	31	31	32	33	23	23	23
Community services	84	85	96	98	99	100	106	124	129	126
Water & Sewer	77	85	86	90	92	95	97	100	102	104
Environmental Services	21	22	22	23	23	24	26	26	28	28
Stormwater	-	-	-	-	-	-	-	13	14	15
Total	801	808	833	858	937	983	1,020	1,058	1,081	1,082

Source: City of Thornton budget office.

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Patrol calls for service	100,969	98,634	94,355	113,756	103,910	111,238	122,943	153,608	142,754	139,584
Physical arrests	2,692	2,365	2,607	2,796	2,891	5,749	6,608	7,071	4,667	4,934
Traffic violations	20,796	17,993	17,085	13,351	9,843	15,125	20,959	20,635	13,981	16,766
Fire										
Calls for service	8,180	8,106	8,868	9,387	9,976	10,538	11,028	11,898	12,220	14,070
Fire incidents	245	190	214	212	282	277	248	223	284	273
EMS and other incidents	7,935	7,916	8,654	9,175	9,694	10,261	10,780	11,675	11,936	13,797
Inspections*	1,798	1,586	1,957	1,753	-	1,469	1,275	1,244	2,564	251
Ambulance										
Number of transports	4,517	4,193	4,624	5,129	5,355	5,693	5,903	5,850	6,284	7,240
City development										
Single-family permits	297	306	309	426	620	832	785	744	816	764
Commercial permits issued	10	10	18	19	19	31	25	23	26	24
Building inspections	26,212	28,473	30,103	37,755	57,437	52,873	66,945	44,370	44,980	35,600
Code violations & inspections	16,161	16,370	18,183	15,998	14,374	12,509	11,757	13,704	6,364	7,795
Graffiti incidents removed	1,798	1,526	1,016	880	795	534	160	178	266	344
Streets, traffic, & engineering										
Lane miles of streets maintained	1,222	1,227	1,232	1,238	1,244	1,252	1,255	1,258	1,267	1,278
Community services										
Carpenter Recreation center admissions	294,413	295,200	297,279	296,429	303,658	301,024	280,912	235,816	32,040	52,640
Trail Winds Recreation center admissions**	-	-	-	-	-	-	-	47,053	114,528	218,381
Water										
New connections	321	297	301	419	559	826	922	644	652	488
Average daily consumption (in gallons) (excludes Westminster)	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	17,619,820
Environmental Services										
Solid waste customers	26,623	26,919	27,060	27,317	27,671	28,328	29,233	29,899	30,763	31,202
Tons of refuse collected	32,729	34,029	34,249	34,574	36,529	36,571	37,724	37,811	43,332	43,026
Tons of recyclables collected	5,089	5,180	5,161	5,193	5,255	5,424	5,417	5,355	5,928	5,646

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	2	2	2	2
Patrol Units	75	74	77	92	95	119	125	134	139	149
Fire										
Fire Stations	5	5	5	5	5	5	6	6	6	6
Ambulances	6	6	6	6	6	7	8	7	5	5
Streets, traffic, & engineering										
Streets (miles)	403	404	406	409	411	414	417	421	424	433
Streetlights	8,514	8,565	8,521	8,783	8,824	9,125	9,140	9,316	9,583	9,617
Community services										
Parks acreage	645	683	697	723	733	757	879	851	881	1,007
Parks	81	81	82	84	88	90	92	93	93	90
Swimming Pools	3	3	3	3	3	3	3	4	4	4
Tennis Courts	13	17	17	17	17	17	17	17	16	16
Community Centers	3	3	3	3	3	3	3	4	4	4
Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	559	559	566	577	584	593	597	602	626	650
Fire Hydrants	4,686	4,699	4,688	4,847	4,950	5,073	5,132	5,194	5,261	5,539
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)	426	427	439	445	454	462	465	485	503	506
Environmental Services										
Collection Trucks	19	19	19	21	21	21	22	22	24	24
Stormwater										
Storm sewers (miles)	158	149	150	140	144	149	151	158	160	168

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

Sources: Various city departments.

