

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Year Ended December 31, 2024



City of Thornton, Colorado

Annual Comprehensive Financial Report
For the fiscal year ended
December 31, 2024

Prepared by the Finance Department

This Page Left Intentionally Blank

City of Thornton, Colorado

Table of Contents

Introductory Section	<u>Page</u>
Letter of Transmittal	v
City Officials	x
Organizational Chart	xi
Certificate of Achievement for Excellence in Financial Reporting	xii
 Financial Section	
Report of Independent Certified Public Accountants	1
Management's Discussion & Analysis (Unaudited)	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund	
Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	26
Notes to Financial Statements	28
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund - Non US GAAP Basis	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Parks and Open Space Fund - Non US GAAP Basis	73
Schedule of Pension Contributions Statewide Retirement Plan (SRP)	74
Schedule of Proportionate Share of the Net Pension Liability Statewide Retirement Plan	75
Schedule of Pension Contributions Statewide Defined Benefit Plan (SWDB)	76
Schedule of Proportionate Share of the Net Pension Liability SWDB	77
Schedule of Proportionate Share of the Net Pension Liability Statewide Hybrid Plan (SWH)	78
Schedule of Pension Contributions SWH	79
Schedule of Changes in Net Pension Liability and Related Ratios Old Fire Plan (Thornton Fire)	80
Schedule of Pension Contributions Old Hire Plan Thornton Fire	81
Schedule of Changes in Total OPEB and Related Ratios	82
Supplementary Information	
<i>Combining Statements and Budgetary Schedules</i>	
Fund Descriptions - Major Governmental Funds	84
Thornton Development Authority North Capital Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	85
Governmental Capital Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	86
Fund Descriptions - Non-Major Governmental Funds	87
Combining Balance Sheet - Non-Major Governmental Funds	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Non-Major Governmental Funds	92
Thornton Arts, Sciences, and Humanities Council Fund (TASHCO)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	95

City of Thornton, Colorado

Table of Contents

Supplementary Information (Continued)

	<u>Page</u>
Cash in Lieu Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	96
Conservation Trust Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	97
<i>Combining Statements and Budgetary Schedules (Continued)</i>	
Parks Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	98
Open Space Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	99
Adams County Open Space Sales Tax Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	100
Adams County Road & Bridge Sales Tax Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	101
136 th Avenue General Improvement District Tax Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	102
E911 Authority Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	103
Thornton Development Authority South Capital Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	104
Thornton Development Authority 144 th Capital Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	105
Fund Descriptions – Major Enterprise Funds	107
Water Fund	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	
– Non US GAAP Basis	110
Sewer Fund	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	
– Non US GAAP Basis	109
Fund Descriptions – Non-Major Enterprise Funds	111
Combining Statement of Net Position – Non-Major Enterprise Funds	112
Combining Statement of Revenues, Expenses, and Changes in Net Position –	
– Non-Major Enterprise Funds	114
Combining Statement of Cash Flows – Non-Major Enterprise Funds	116
Environmental Services Fund	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	
– Non US GAAP Basis	118
Stormwater Fund	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	
– Non US GAAP Basis	119
Fund Descriptions – Internal Service Funds	120
Risk Management Fund	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	
– Non US GAAP Basis	121
<i>Other Schedules</i>	
Local Highway Finance Report	124

City of Thornton, Colorado

Table of Contents

Statistical Section (Unaudited)	<u>Page</u>
Schedule 1 – Net Position by Component	129
Schedule 2 – Changes in Net Position	130
Schedule 3 – Fund Balances of Governmental Funds	132
Schedule 4 – Changes in Fund Balances of Governmental Funds	135
Schedule 5 – General Government Tax and Assessment Revenues by Source	134
Schedule 6 – Sales Tax Revenue by Type of Industry	135
Schedule 7 – Direct and Overlapping Sales Tax Rates	136
Schedule 8 – Principal Sales Taxpayers	137
Schedule 9 – Ratios of Outstanding Debt by Type	138
Schedule 10 – Ratios of General Bonded Debt Outstanding	139
Schedule 11 – Direct and Overlapping Governmental Activities Debt	140
Schedule 12 – Legal Debt Margin Information	141
Schedule 13 – Pledged-Revenue Coverage	142
Schedule 14 – Demographic and Economic Statistics	143
Schedule 15 – Principal Employers	144
Schedule 16 – Full-time Equivalent City Government Employees by Function	145
Schedule 17 – Operating Indicators by Function	146
Schedule 18 – Capital Asset Statistics by Function	147

This Page Left Intentionally Blank



Thornton City Hall
9500 Civic Center Drive
Thornton, CO 80229-4326

City Manager's Office
303-538-7002
FAX 303-538-7562
www.ThorntonCO.gov

June 27, 2025

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, 2024. 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, 2024, 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, 2024, 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 1,145 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 153,992 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 2024, including the following:

- Thornton Development Authority (TDA) gained control of the Thornton Shopping Center in 2024, finalizing the purchase of the site, tenant relocation, and building demolition. Remediation and redevelopment of the site will follow over the next several years.
- Phase II of the Police Training Facility, which includes a shooting range for officer training, was completed in mid-2024.
- Construction of Fire Station No. 8 began in 2024, with an anticipated opening in late 2025.
- Design and construction of Americans with Disabilities Act (ADA) improvements continued throughout the City in 2024 as part of a comprehensive Citywide effort to improve accessibility.
- The City, in partnership with Anythink Libraries, opened the newly constructed Thornton Community Center in mid-2024.
- Work continued on several large transportation and utility projects throughout the City, including the pipeline rehabilitation program, sewer main rehabilitation program, and the 100th Avenue Multimodal Path.
- Progress continued on the City's long-term water supply project, the Thornton Water Project. Activities in 2024 included permitting, land acquisition, construction, and the design and construction of multiple pipeline segments. Once completed, the project will bring water from northern Colorado into Thornton to ensure a reliable supply for current and future residents and businesses.
- Parks and Open Space secured over \$5.4 million in various grants to support capital projects and planning efforts. Some of the larger awards included \$1.5M for a bicycle/pedestrian infrastructure study, \$1.5M for Trail Winds artificial turf replacement, \$1.2M for playground and nature play rehab, and \$1.1M for various trail renovations.
- In 2024, the City reviewed 52 grant proposals and applied for 50 grants, totaling \$49,303,139. The City was awarded \$35,147,680, including a \$25M grant from the U.S. Department of Transportation's RAISE grant.

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

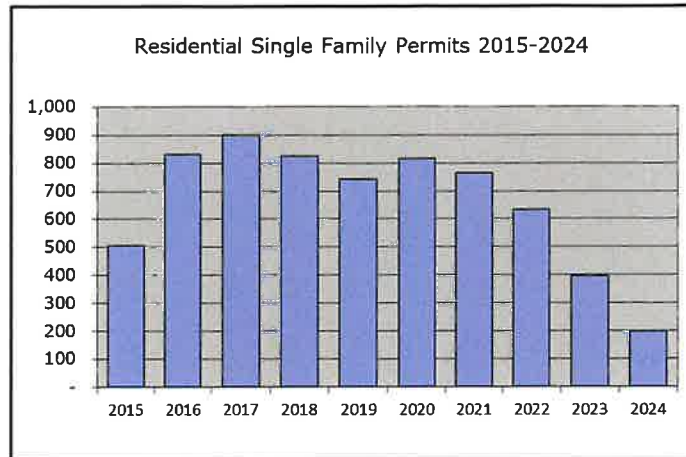
In 2024, the City continued to see a decline in the number of single-family permits issued compared to previous years. However, Thornton experienced growth in commercial businesses, with several new restaurants and retail locations opening, including Denver Liquor Outlet, Kpot Korean BBQ and Hot Pot, McDonald's, Snarfs, Snobahn, Chuck and Don's Pet Supplies, Outlaw Wings, and Cobblestone Auto Spa.

In addition to commercial growth, there was a significant increase in businesses obtaining licenses due to economic nexus requirements. These businesses, though not physically located in the City, are now required to collect and remit taxes to the City.

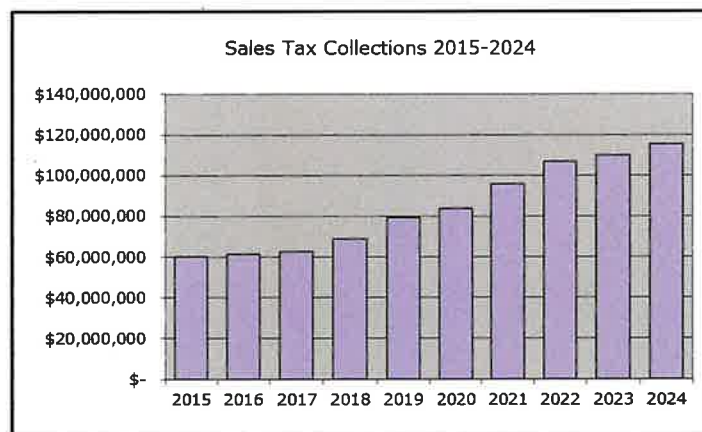
The City also saw growth among primary employers, with 10 new companies establishing themselves in 2024. Notable new primary employers include Forge Nano, Ace Thermal Systems, Vivacity Tech, Frito-Lay, and Hamon Infrastructure.

Local Economy (continued)

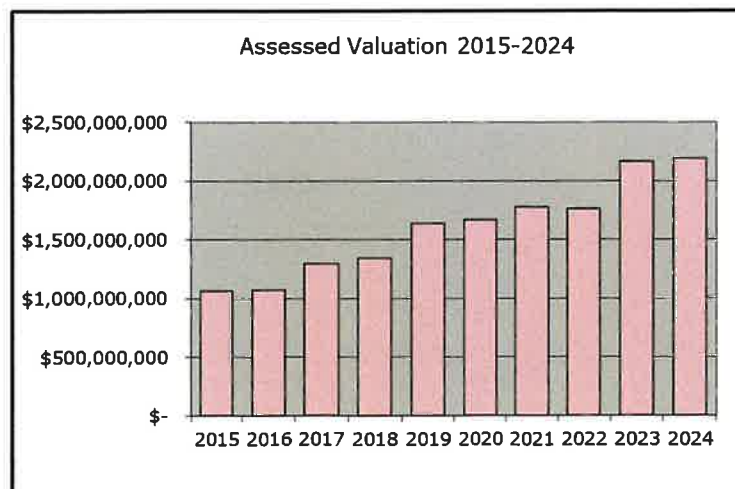
The City issued 198 single-family permits (attached and detached) for residential construction with an estimated value of \$90 million. The City issued 12 commercial building permits with an estimated value of \$48 million.



Sales tax collections increased 5.9% from 2023, totaling \$115.5 million, the single largest revenue stream received by the general government.



Property values increased 1.1% from 2023, totaling \$2.19 billion in assessed value for 2024. The property taxes associated with this assessed valuation will be collected in 2025.



Long Term Financial Planning

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

Credit Ratings

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

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

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

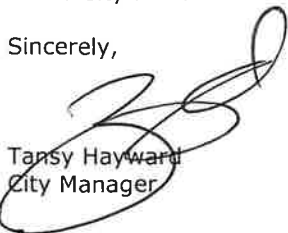
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Report for the fiscal year ended December 31, 2023. This is the thirty-ninth 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,



Tansy Hayward
City Manager



Kimberly Newhart
Finance Director

This Page Left Intentionally Blank

Thornton City Officials

December 31, 2024

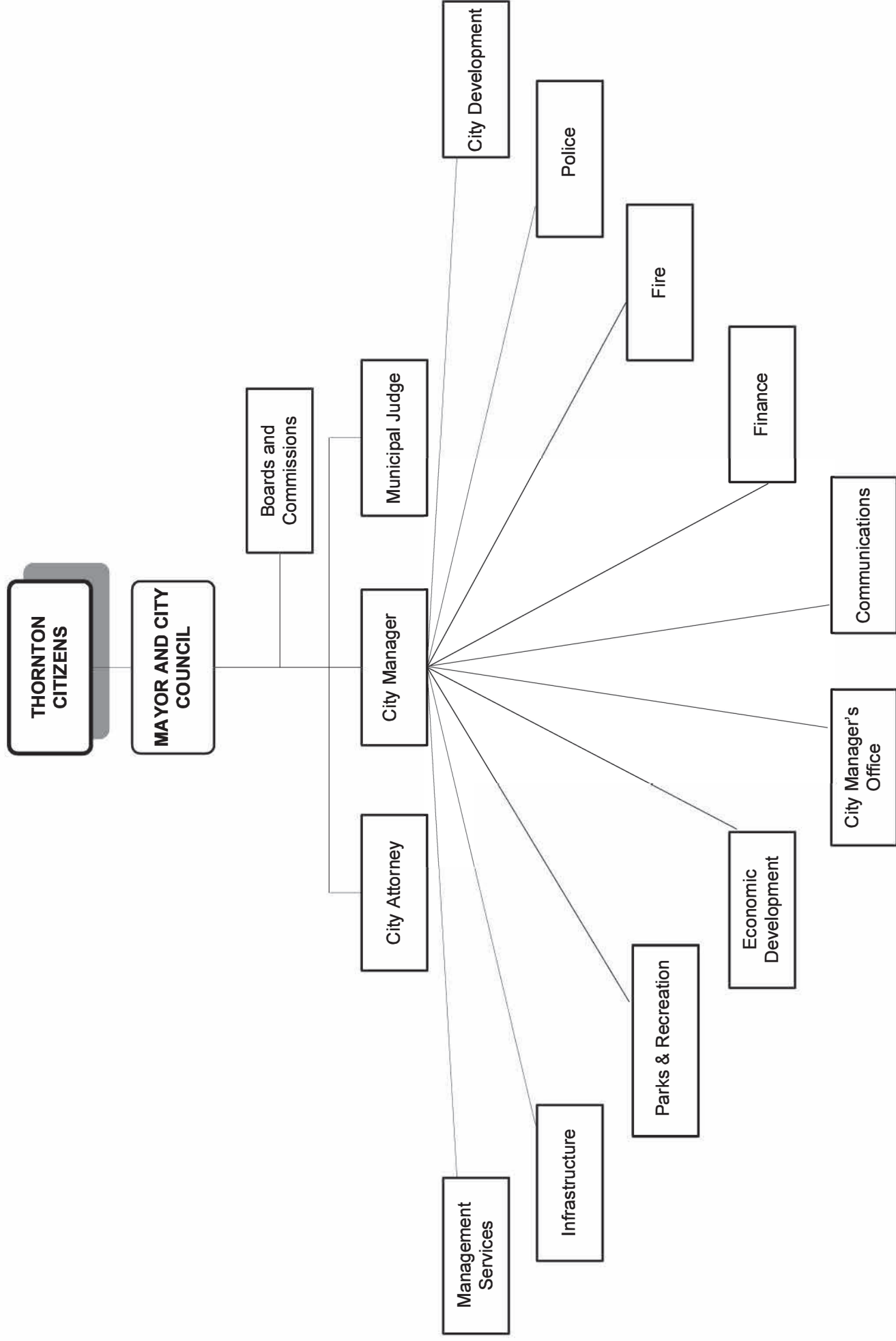
Mayor and City Council

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

Administrative

City Manager	Tansy Hayward
City Attorney	Tami Yellico
Municipal Judge	Tiffany Sorice
Deputy City Manager	Joyce Hunt
Deputy City Manager	Robb Kolstad
Director – City Development	Randy Grant
Executive Director – Infrastructure	Brett Henry
Executive Director – Management Services	Chris Molison
Director – Parks, Recreation & Community Services	Doug Romig
Interim Police Chief	Greg Reeves
Fire Chief	Stephen Kelley
Director – Economic Development	Adam Krueger
Director – Finance	Kimberly Newhart
City Clerk	Kristen Rosenbaum
Director – Communications	Todd Barnes
Director – Budget & Operations	Erika Senna

2024 City of Thornton Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Thornton
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

Independent Auditor's Report

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

Report on the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thornton, Colorado, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note a.23 to the basic financial statements, the beginning net position of the business-type activities and Water Fund as of January 1, 2024 were restated to correct an error related to capital assets. In addition, the beginning net position of the governmental activities, the business-type activities and the aggregate remaining fund information as of January 1, 2024 were restated due to the adoption of GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to these matters.

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, the General Fund and Parks and Open Space Fund budgetary comparison schedules, and the pension and other postemployment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 statement, budgetary comparison schedules, and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statement, budgetary comparison schedules, and other schedules, listed in the table of contents as supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

RSM US LLP

Kansas City, Missouri
June 26, 2025

This Page Left Intentionally Blank

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2024

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, 2024. 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 \$1,866,971,723. This total is divided between Governmental Activities of \$647,221,537 and Business-type Activities of \$1,219,749,736.
- The City's total net position increased by \$109,759,746. This total is divided between an increase in Governmental Activities of \$51,022,536 and an increase in Business-type Activities of \$58,737,210. There is also a restatement to the beginning net position of (\$3,800,677) due to implementing the Governmental Accounting Standards Board (GASB) Statement No. 101 related to compensated absences and (\$3,613,987) due to an error correction from 2023.
- The City's deferred outflows of resources decreased \$3,190,385 primarily related to a decrease in deferred outflows related to pensions. More details on pensions are provided in Note I, following the Basic Financial Statements.
- The City's deferred inflows of resources increased \$586,184 primarily related to an increase in deferred inflows related to pensions. More details on pensions are provided in Note I, following the Basic Financial Statements.
- The City's Governmental Activities show revenues of \$311,292,659. The largest revenue source is sales and use taxes (\$153,956,543) followed by property taxes (\$39,657,549), capital grants and contributions (\$39,168,425), and charges for services (\$36,201,393). The Charges for Services revenue category consists of the administrative fee charged to the enterprise funds (\$8,823,804, 24.4%), license, permits and inspection fees (\$7,961,691, 22.0%), recreation and related charges (\$9,395,603, 26.0%), ambulance charges (\$6,303,186, 17.4%), fines and forfeitures (\$1,659,519, 4.6%), and other miscellaneous charges (\$2,057,590, 5.6%). The Governmental expenses were \$261,798,372. More details are provided in the Government-wide Financial Analysis section.
- The City's Business-type Activities show revenues of \$154,082,126. The largest revenue source is charges for services (\$94,112,236) followed by capital grants and contributions (\$29,512,055). Capital grants and contributions consist of payments for connections to the City's water and sewer systems (\$16,170,514, 54.8%), infrastructure donated to the City by developers (\$9,770,208, 33.1%) and other funds (\$3,173,782, 10.8%) along with grants (\$397,551, 1.3%). The Business-type expenses were \$93,816,667. More details are provided in the Government-wide Financial Analysis section.
- The total fund balance for the General Fund increased by \$10,761,510, (16.4%) 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's budget, and Taxpayer Bill of Rights (TABOR) reserve per State Statute. At the end of the current fiscal year, total fund balance was \$76,246,422, or 38.6% of General Fund budgeted expenditures.

Overview of the Financial Statements

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

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

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

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

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2024

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 states and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City maintained fifteen individual governmental funds in 2024, of which four are considered major funds: the General Fund, the Thornton Development Authority North Capital Fund, 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 eleven funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-69 of this report.

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2024

Table 1
Net Position
As of December 31, 2024

	Governmental activities		Business-type activities		Total	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
Current and other assets	\$ 361,110,923	\$ 342,645,723	\$ 399,498,445	\$ 383,558,346	\$ 760,609,368	\$ 726,204,069
Capital assets, net	507,558,682	484,321,713	959,009,127	903,803,263	1,466,567,809	1,388,124,976
Total assets	868,669,605	826,967,436	1,358,507,572	1,287,361,609	2,227,177,177	2,114,329,045
Deferred outflows of resources	22,824,069	25,823,208	1,367,391	1,558,637	24,191,460	27,381,845
Long-term liabilities outstanding						
Due within one year	14,247,790	11,507,572	4,250,253	3,954,740	18,498,043	15,462,312
Due in more than one year	132,208,100	139,593,600	108,627,095	112,222,154	240,835,195	251,815,754
Other liabilities	53,721,140	62,141,039	26,152,365	9,716,183	79,873,505	71,857,222
Total liabilities	200,177,030	213,242,211	139,029,713	125,893,077	339,206,743	339,135,288
Deferred inflows of resources	44,095,107	43,349,432	1,095,514	1,255,005	45,190,621	44,604,437
Net position:						
Net investment in capital assets	391,581,412	365,255,619	848,249,365	790,965,323	1,239,830,777	1,156,220,942
Restricted	36,611,821	52,783,491	-	-	36,611,821	52,783,491
Unrestricted	219,028,304	178,159,891	371,500,371	370,047,203	590,528,675	548,207,094
Total net position	\$ 647,221,537	\$ 596,199,001	\$ 1,219,749,736	\$ 1,161,012,526	\$ 1,866,971,273	\$ 1,757,211,527

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 84-121 of this report. The Local Highway Finance Report can be found in other schedules on pages 124-125 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$1,866,971,273 at the close of the most recent fiscal year (see Table 1).

By far the largest portion of the City's net position (\$1,239,830,777, 66.4%) 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 (2.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$590,528,675, 31.6%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The government's net position increased by \$109,759,746 (after restatement of the beginning net position) during the current fiscal year. This increase is the result of revenues exceeding expenses (118.9%) for Governmental activities and (164.2%) for Business-type activities, which are explained below. The beginning net position was restated by (\$3,420,858) for Governmental activities and (\$379,819) for Business-type activities due to implementing GASB Statement No. 101 related to Compensated Absences liabilities. The beginning net position for Business-type activities was also restated by \$3,613,987 due to an error correction that reduced Construction-in-Progress. Please see Note A for more information on these restatements of Net Position.

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2024

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

- Governmental activities increased the City's net position by \$51,022,536 after restatement of the beginning net position. This accounts for 46% of the growth in the City's net position. The primary factors for this increase were increased capital grants and contributions (\$16,054,228) and taxes from sales/use, property, E911 and other taxes (\$11,931,374).
- Governmental revenues increased by \$30,444,352 (10.8%) in 2024 compared to 2023, this increase is primarily related to increases in capital grants and developer and other capital contributions (\$16,054,228), property taxes (\$7,579,577) and sales and use taxes (\$3,988,883). The capital contributions increase was primarily from \$6.2 million in developer contributions from developments at 25 North, Timberleaf Subdivision Phase 2, Willow Bend subdivision Phase 2 and 144th & Washington, and \$3.0 million release of an advance construction payment related to the York Street Bridge project. Property taxes increased due to Adams County's reassessment of property values which increased by over 21%. Sales and use taxes increased by \$3,988,883 or 2.7% due to increased sales tax transactions and licensed retailers within the City.
- Governmental expenses increased by \$24,754,868 (10.4%) in 2024 compared to 2023. The majority of this increase was related to personnel cost increases within General Government (\$9,099,876), Community Services (\$7,617,968), Police (\$4,371,829), and Streets, Traffic, & Engineering (\$4,219,916).

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

- Business-type activities increased the City's net position by \$58,737,210 before the beginning net position restatement of (\$3,613,987). This accounts for 53.5% of the total growth in the government's net position.
- Revenues increased by \$4,495,433 (3.0%) in 2024 compared to 2023. Charges for services (\$94,112,236, 61.1% of total revenues), tap fees (\$16,170,514, 10.5% of total revenues, which is included in the grants and contributions total), and oil and gas revenue received on property owned by the City (\$9,879,223, 63.0% of total revenues, royalties), represent the three largest inflows to business-type activities. The primary factor in the revenue increase in 2024 is due to user rate increases: Water by 7%, Sewer by 4%, and Environmental Services (Sanitation) by 30%.
- Expenses increased \$2,813,610 (3.1%) in 2024 compared to 2023, after a \$3,613,987 error correction restatement of 2023 in the Water Fund, and implementing GASB Statement No. 101 in Business-type activities, \$379,819. The Water Fund increased (\$2,966,341), the Sewer Fund decreased (\$615,471), the Environmental Services Fund increased (\$89,321) and the Stormwater Fund increased (\$373,419). In 2024, the primary factors causing the increase in the Water fund were the increased capital outlay for demolishment of the old Thornton Water Treatment Plant (\$1,414,213), abandonment of the Hammer Pipeline project (\$1,866,311), and equipment replacements (\$3,018,245). The primary factor causing the decrease in the Sewer Fund was the decrease in sewage treatment (\$721,656) costs by Metro Wastewater.

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2024

Table 2
Changes in Net Position
As of December 31, 2024

	Governmental activities		Business-type activities		Total	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 36,201,393	\$ 34,771,692	\$ 94,112,236	\$ 78,830,078	\$ 130,313,629	\$ 113,601,770
Operating grants and contributions	11,899,503	10,123,191	-	-	11,899,503	10,123,191
Capital grants and contributions	39,168,425	23,114,197	29,512,055	36,611,488	68,680,480	59,725,685
General revenues:						
Sales and use taxes	153,956,543	149,967,660	-	-	153,956,543	149,967,660
Property taxes	39,657,549	32,077,972	-	-	39,657,549	32,077,972
Franchise taxes	7,238,294	7,235,791	-	-	7,238,294	7,235,791
E911 taxes	4,064,060	3,710,005	-	-	4,064,060	3,710,005
Other taxes	3,323,779	3,317,423	-	-	3,323,779	3,317,423
Earnings on Investments	12,382,001	12,540,337	17,665,545	15,875,831	30,047,546	28,416,168
Gain on sale of capital assets	-	-	68,856	47,715	68,856	47,715
Royalties	-	-	9,879,223	13,867,823	9,879,223	13,867,823
Miscellaneous	3,401,112	3,990,039	2,844,211	4,353,758	6,245,323	8,343,797
Total revenues	311,292,659	280,848,307	154,082,126	149,586,693	465,374,785	430,435,000
Expenses:						
General government	55,308,847	46,208,971	-	-	55,308,847	46,208,971
Police	59,879,372	55,507,543	-	-	59,879,372	55,507,543
Fire and ambulance	34,743,630	34,403,691	-	-	34,743,630	34,403,691
City development	16,265,954	16,977,816	-	-	16,265,954	16,977,816
Streets, traffic & engineering	43,075,196	38,855,280	-	-	43,075,196	38,855,280
Community services	48,403,395	40,785,427	-	-	48,403,395	40,785,427
Interest on long-term debt	4,121,978	4,304,776	-	-	4,121,978	4,304,776
Water	-	-	61,804,148	58,837,807	61,804,148	58,837,807
Sewer	-	-	19,346,316	19,961,787	19,346,316	19,961,787
Environmental Services	-	-	7,482,791	7,393,470	7,482,791	7,393,470
Stormwater	-	-	5,183,412	4,809,993	5,183,412	4,809,993
Total expenses	261,798,372	237,043,504	93,816,667	91,003,057	355,615,039	328,046,561
Increase in net position before transfers	49,494,287	43,804,803	60,265,459	58,583,636	109,759,746	102,388,439
Transfers	1,528,249	-	(1,528,249)	-	-	-
Increase in net position after transfers	51,022,536	43,804,803	58,737,210	58,583,636	109,759,746	102,388,439
Net position, Jan 1, restated	596,199,001	552,394,198	1,161,012,526	1,102,428,890	1,757,211,527	1,654,823,088
Net position, Dec 31	\$ 647,221,537	\$ 596,199,001	\$ 1,219,749,736	\$ 1,161,012,526	\$ 1,866,971,273	\$ 1,757,211,527

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.

**City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2024**

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, unrestricted 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 \$239,091,165, an increase of \$21,471,330.
- The increase in fund balance is primarily related to the increase in various taxes: property taxes (\$7,579,577) and sales and use taxes (\$3,988,883), along with increased governmental grants (\$3,259,111).

Approximately 68% of year-end fund balance (\$162,900,859) is available for spending at the government's discretion. The remainder of fund balance (\$76,190,306) is nonspendable, restricted, or committed to indicate that it is not available for new spending. The largest component is restricted (\$39,135,931, 16.4%). The restricted balance decreased from 2023 as a result of spending down restricted sales and use tax collected in the Parks and Open Space fund received in 2023 from the sale of the Denver Broncos.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was 38.8% (\$29,554,100) of total fund balance (\$76,246,422). 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 (\$198,433,343). Unassigned fund balance represents 14.9% of total actual General Fund expenditures, while total fund balance represents 38.4% of that same amount. The total fund balance year over year primarily increased by (\$10,761,510) as a result of additional taxes as previously mentioned along with Transfers In from other funds (\$8,388,490). General Fund expenditures were higher by \$13.4 million or 7.4% primarily to fund increased personnel and other operating costs.

The Thornton Development Authority North Capital Fund is funded primarily with property taxes and sales and use taxes generated within the boundaries of the authority and provides for repair, replacement and planned growth of infrastructure within the boundaries of the authority. The total fund balance year over year increased (\$13,978,432). The primary factors for the increase from 2023 were \$2.1 million increase to property taxes and \$0.6 million increase from investment earnings while capital outlay expenditures decreased by \$2.1 million within the authority. At the end of the current fiscal year, the assigned fund balance was \$39,853,979, and the restricted fund balance was \$1,390,000 for a total fund balance of \$41,243,979.

The Governmental Capital Projects Fund is funded primarily with sales and use taxes and provides for the repair, replacement and planned growth of infrastructure and other capital assets of the City government. The total fund balance year over year had strong growth (\$12,286,932). The primary factors for the growth were increased revenues from governmental grants (\$3,778,726) and developer contributions (\$3,720,369). At the end of the current fiscal year, the assigned fund balance was \$85,360,659, and the restricted fund balance was \$948,628 for a total fund balance of \$86,309,287.

The Parks and Open Space Fund is considered a major fund in 2024 due to increased overall expenditures in 2024; the capital outlay increased by \$8,236,307 to \$23,586,896. The major reason for this increase was close to \$20 million in 2024 to fund the City's new Community Center / Library facility which was capitalized at close to \$33 million. There were also \$6,192,780 intergovernmental revenues received from the Rangeview Library District in 2024 which complemented City funding toward the library building construction costs.

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 (\$371,500,371 total) of the Water, Sewer, Environmental Services, and Stormwater funds at the end of the year amounted to \$355,807,242, \$12,545,033, \$3,148,096, and \$0 respectively. After restatement of the 2023 net position, the change in net position (\$58,737,210) for the funds was an increase in Water of \$50,048,186, an increase in Sewer of \$3,623,593, an increase in Environmental Services of \$598,944 and an increase in Stormwater of \$4,466,487. Increase in Water proprietary fund is primarily attributed to cash and investments in current assets, while increases in Sewer and Stormwater proprietary funds is primarily attributed to the Net investment in capital assets.

**City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2024**

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 \$8,408,491 or 4.4% in 2024 primarily related to licenses and permits (building permits). Fund expenditures were under budget by \$2,005,740 or 1.0% primarily due to 'Miscellaneous' expenditures which includes Worker's Compensation and Property / Casualty insurance payments.

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, 2024, amounts to \$1,466,567,809 (net of accumulated depreciation and amortization). This investment in capital assets includes land and water rights, building and improvements, leisure areas and improvements, general equipment, infrastructure, and right of use assets from leases including building and improvements and general equipment (see Table 3).

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

- Governmental capital assets increased in the current year by \$23,236,969 net of accumulated depreciation. The majority of this increase is related to costs associated with the new Community Center (\$32,839,134), and new Police Training Facility (\$7,457,278); these two projects were previously carried in construction in progress at \$16,760,232. In addition, three major street improvement projects were completed in 2024, impacting these city streets: Washington Street, 144th avenue, and 152nd totaling \$20,113,950; prior construction in progress from previous years totaled \$3,075,478. Spending in 2024 carried in construction in progress is related to two fire trucks (\$3,814,562), the York Street Bridge project (\$3,883,939) and multiple street improvement projects.
- Proprietary capital assets increased by \$55,205,864 net of accumulated depreciation. The majority of the increase was to Construction-in-progress related to these projects: Thornton water pipeline (\$34.7 million), water treatment improvements (\$2.8 million), East Sprat Platte Reservoir (\$2.1 million), Big Dry Creek Parallel Sewer line (\$3.5 million) and fleet replacements in Environmental Services (Sanitation) (\$1.6 million). The water project is expected to deliver water to meet the growing demand fueled by Thornton's continued development. The sewer project will improve the system's capacity to manage high sewage flow. The sanitation purchases are to place trash trucks into service and purchase additional vehicles in 2025.

Additional information on the City's capital assets can be found in note E on pages 42-43 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$198,605,000 (see Table 4). The City's debt represents certificates of participation of \$75,285,000 and revenue bonds of \$ 123,320,000. The revenue bonds outstanding are comprised of four issues: \$5,140,000 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; \$21,360,000 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; \$24,075,000 related to Water Enterprise Revenue Refunding Bonds S2013; and \$72,745,000 related to Water Enterprise Revenue Bonds S2020 supported by a pledge of charges for services of the Water Fund.

The City's total debt decreased by \$8,980,000 (4.3%) during the current fiscal year.

In 2024, the Standard & Poor's rating on the Water Enterprise Revenue Refunding Bonds, Series 2013 and Series 2020, was AA; on the Certificates of Participation S2018, and S2020 was AA-, and on the Tax Increment Bonds, Series 2015 and 2015B, was A+. In 2024, Moody's rated the Water Revenue Refunding Bonds Series 2013 and Series 2020, Aa2, and the Certificates of Participation (S2018, S2020), Aa2. The Tax Increment Bonds, Series 2015 and 2015B were not rated by Moody's.

Additional information on the City's long-term debt activity can be found on pages 44-50 of this report.

City of Thornton, Colorado
Management's Discussion and Analysis
December 31, 2024

Table 3
Capital Assets (net of depreciation/amortization)
As of December 31, 2024

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023 (Restated)	2024	2023 (Restated)
Land, water and land rights	\$ 52,205,075	\$ 53,572,530	\$ 219,875,090	\$ 219,469,857	\$ 272,080,165	\$ 273,042,387
Source of supply	-	-	130,149,987	129,350,266	130,149,987	129,350,266
Water treatment plant	-	-	130,556,704	133,533,843	130,556,704	133,533,843
Collection, transmission, & distribution	-	-	307,777,510	293,868,209	307,777,510	293,868,209
Streets, traffic, and engineering	165,211,278	146,417,079	-	-	165,211,278	146,417,079
Buildings, structures and improvements	183,854,563	147,592,882	13,140,008	12,953,411	196,994,571	160,546,293
Leisure areas and improvements	51,211,052	45,894,892	-	-	51,211,052	45,894,892
General equipment	23,655,382	22,527,416	10,706,372	9,535,104	34,361,754	32,062,520
Construction in progress	26,845,678	66,191,281	146,578,485	104,783,588	173,424,163	170,974,869
Right to use assets being amortized:						
Buildings and improvements	-	82,396	-	-	-	82,396
General equipment	2,759,416	1,044,721	15,528	31,068	2,774,944	1,075,789
Subscription arrangements	1,816,238	998,516	209,443	277,917	2,025,681	1,276,433
Total	\$ 507,558,682	\$ 484,321,713	\$ 959,009,127	\$ 903,803,263	\$ 1,466,567,809	\$ 1,388,124,976

Table 4
Outstanding Debt (Revenue Bonds and Certificates of Participation)
As of December 31, 2024

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ 26,500,000	\$ 28,430,000	\$ 96,820,000	\$ 100,335,000	\$ 123,320,000	\$ 128,765,000
Certificates of participation	75,285,000	78,820,000	-	-	75,285,000	78,820,000
Total	\$ 101,785,000	\$ 107,250,000	\$ 96,820,000	\$ 100,335,000	\$ 198,605,000	\$ 207,585,000

Economic Factors and Next Year's Budgets and Rates

- The December 31, 2024, unemployment rate for the City was 4.4%, which is higher than last year at 3.2%. The City has a lower unemployment rate than the state (4.5%), lower than the county's (Adams) rate of 5.1%, and higher than the national rate of 3.8%.
- The national inflation rate decreased in 2024 to 2.90% from 3.07% in 2023. The Consumer Price Index for the Denver area decreased in 2024 to 2.27% from 3.20% in 2023.
- In 2024, the City's occupancy rate is approximately 95.8% for retail space, 89.5% for office space and 84.4% for industrial space.
- The City's population has decreased by 69 people to 153,992.
- The City's yield on cash and investments increased to 3.46% in 2024. The current projection for 2025's rate is 3.30%. 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 2025 fiscal year.

Ending unassigned fund balance in the General Fund was \$29,554,100. 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, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 275,727,793	\$ 385,839,604	\$ 661,567,397
Receivables, net			
Taxes	60,022,582	-	60,022,582
Accounts	12,374,129	8,790,790	21,164,919
Leases	606,360	887,951	1,494,311
Interest and other	1,847,591	2,661,342	4,508,933
Inventory of supplies	98,058	-	98,058
Prepays and other assets	50,317	2,950	53,267
Due from other funds	967,236		967,236
Internal Balances	2,131,689	(2,131,689)	-
Land held for resale	3,608,166	-	3,608,166
Restricted assets			
Equity in pooled cash and investments	3,677,002	3,447,497	7,124,499
Capital assets			
Land, water rights, and construction in progress	79,050,753	496,603,562	575,654,315
Depreciable buildings, property, and equipment, net	423,932,275	462,180,594	886,112,869
Right to use assets			
Leases: buildings and general equipments, net	2,759,416	15,528	2,774,944
Subscription-based IT arrangements, net	1,816,238	209,443	2,025,681
Total assets	<u>868,669,605</u>	<u>1,358,507,572</u>	<u>2,227,177,177</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,143,283	1,143,283
Deferred outflow related to ARO	218,292	20,000	238,292
Deferred outflow related to OPEB	1,205,714	204,108	1,409,822
Deferred outflow related to pension	21,400,063	-	21,400,063
Total deferred outflows of resources	<u>22,824,069</u>	<u>1,367,391</u>	<u>24,191,460</u>
LIABILITIES			
Accounts payable	20,414,873	21,814,056	42,228,929
Retainage payable	2,464,508	2,552,360	5,016,868
Accrued interest payable	465,325	282,270	747,595
Third party development advances	13,853,457	-	13,853,457
Unearned revenue	6,941,196	389,506	7,330,702
Due to other funds	-	967,236	967,236
Other	9,581,781	146,937	9,728,718
Noncurrent liabilities			
Due within one year - other liabilities	14,247,790	4,250,253	18,498,043
Due within one year - OPEB	660,273	-	660,273
Due in more than one year			
Due in more than one year - other	120,554,557	107,428,530	227,983,087
Due in more than one year - Total OPEB liability	6,563,843	1,198,565	7,762,408
Due in more than one year - Net pension liability	4,429,427	-	4,429,427
Total liabilities	<u>200,177,030</u>	<u>139,029,713</u>	<u>339,206,743</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - property taxes	41,833,358	-	41,833,358
Deferred inflows - leases	556,383	834,157	1,390,540
Deferred gain on refunding	14,657	-	14,657
Deferred inflows related to OPEB	1,539,035	261,357	1,800,392
Deferred inflows related to pensions	151,674	-	151,674
Total deferred inflows of resources	<u>44,095,107</u>	<u>1,095,514</u>	<u>45,190,621</u>
NET POSITION			
Net investment in capital assets	391,581,412	848,249,365	1,239,830,777
Restricted for			
Capital projects	8,388,394	-	8,388,394
Communications	1,100,057	-	1,100,057
Emergencies	8,046,708	-	8,046,708
Parks and open space	15,350,435	-	15,350,435
Public safety	1,827,324	-	1,827,324
Opioi, stadium, and other purposes	1,898,903	-	1,898,903
Unrestricted	219,028,304	371,500,371	590,528,675
Total net position	<u>\$ 647,221,537</u>	<u>\$ 1,219,749,736</u>	<u>\$ 1,866,971,273</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, 2024

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
Governmental:						
General government	\$ 55,308,847	\$ 9,916,085	\$ 574,965	\$ 30,729	\$ (44,787,068)	\$ (44,787,068)
Police	59,879,372	2,382,203	2,183,372	4,634,397	(50,679,400)	(50,679,400)
Fire and ambulance	34,743,630	6,653,203	337,388	1,401,010	(26,352,029)	(26,352,029)
City development	16,265,954	7,854,299	308,574	-	(8,103,081)	(8,103,081)
Streets, traffic & engineering	43,075,196	-	7,083,749	20,512,557	(15,478,890)	(15,478,890)
Community services	48,403,395	9,395,603	1,411,455	12,589,732	(25,006,605)	(25,006,605)
Interest on long-term debt	4,121,978	-	-	-	(4,121,978)	(4,121,978)
Total governmental activities	261,798,372	36,201,393	11,899,503	39,168,425	(174,529,051)	(174,529,051)
Business-type:						
Water	61,804,148	62,281,370	-	20,412,619	20,889,841	20,889,841
Sewer	19,346,316	19,584,578	-	2,773,021	3,011,283	3,011,283
Environmental Services	7,482,791	7,582,931	-	-	100,140	100,140
Stormwater	5,183,412	4,663,357	-	6,326,415	5,806,360	5,806,360
Total business-type activities	93,816,667	94,112,236	-	29,512,055	29,807,624	29,807,624
Total City of Thornton	\$ 355,615,039	\$ 130,313,629	\$ 11,899,503	\$ 68,680,480	(174,529,051)	(144,721,427)
General revenues:						
Sales and use taxes					153,956,543	153,956,543
Property taxes					39,657,549	39,657,549
Franchise taxes					7,238,294	7,238,294
E911 taxes					4,064,060	4,064,060
Motel, specific ownership, and other taxes					3,323,779	3,323,779
Earnings on investments					12,382,001	12,382,001
Gain on sale of capital assets					17,665,545	17,665,545
Royalties					68,856	68,856
Miscellaneous					3,401,112	3,401,112
Transfers					1,528,249	(1,528,249)
Total general revenues and special items					225,551,587	225,551,587
Change in net position					51,022,536	58,737,210
Net position, January 1, as previously reported					599,619,859	1,165,006,332
Change in accounting principle (GASB 101)					(3,420,858)	(379,819)
Error correction					-	(3,613,987)
Net Position, as adjusted or restated					596,199,001	1,161,012,526
Net position, December 31					\$ 647,221,537	\$ 1,219,749,736
						\$ 1,866,971,273

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

This Page Left Intentionally Blank

FUND FINANCIAL STATEMENTS

City of Thornton, Colorado

**Balance Sheet
Governmental Funds
December 31, 2024**

	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	\$ 78,910,825	\$ 39,051,076	\$ 106,335,262	\$ 6,640,715	\$ 27,283,035	\$ 258,220,913
Restricted	-	1,401,795	-	-	2,275,207	3,677,002
Receivables, net						
Taxes	33,529,741	17,550,252	1,957,951	1,011,094	5,973,544	60,022,582
Accounts	3,144,997	-	6,629,325	50,002	1,319,805	11,144,129
Leases	606,360	-	-	-	-	606,360
Interest and other	517,246	260,349	716,077	50,748	188,220	1,732,640
Inventory of supplies	98,058	-	-	-	-	98,058
Prepaid items and other assets	50,317	-	-	-	-	50,317
Due from other funds	-	-	967,236	-	-	967,236
Advance to other funds	-	-	2,131,689	-	-	2,131,689
Land held for resale	-	-	-	-	3,608,166	3,608,166
Total assets	\$ 116,857,544	\$ 58,263,472	\$ 118,737,540	\$ 7,752,559	\$ 40,647,977	\$ 342,259,092
LIABILITIES						
Accounts payable	13,197,747	46,826	2,736,092	818,614	2,428,841	19,228,120
Retainage payable	-	-	630,343	1,438,836	395,329	2,464,508
Third party development advances	-	-	12,552,274	-	1,301,183	13,853,457
Unearned revenue	38,387	-	6,902,809	-	-	6,941,196
Other	3,559,293	113,456	3,688,778	-	2,220,254	9,581,781
Total liabilities	16,795,427	160,282	26,510,296	2,257,450	6,345,607	52,069,062
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	21,553,369	16,859,211	-	-	3,420,778	41,833,358
Unavailable revenue - intergovernmental	-	-	4,279,777	-	1,035,222	5,314,999
Unavailable revenue - grants	1,705,943	-	713,740	50,002	-	2,469,685
Unavailable revenue - lease	556,383	-	-	-	-	556,383
Unavailable revenue - opioid	-	-	924,440	-	-	924,440
Total deferred inflows of resources	23,815,695	16,859,211	5,917,957	50,002	4,456,000	51,098,865
FUND BALANCES						
Nonspendable						
Inventories	98,058	-	-	-	-	98,058
Prepays	50,317	-	-	-	-	50,317
Restricted						
Parks and open space	-	-	-	5,445,107	9,905,328	15,350,435
Capital projects	-	-	-	-	8,388,394	8,388,394
Communications	1,100,057	-	-	-	-	1,100,057
Debt service	-	1,390,000	-	-	2,258,550	3,648,550
Emergencies - TABOR	8,046,708	-	-	-	-	8,046,708
Public safety	491,182	-	-	-	1,136,142	1,627,324
Stadium, and other purposes	-	-	948,628	-	25,835	974,463
Committed						
Emergencies	36,906,000	-	-	-	-	36,906,000
Assigned						
Capital projects	-	39,853,979	85,360,659	-	3,830,818	129,045,456
Land held for resale	-	-	-	-	3,608,166	3,608,166
Parks and open space	-	-	-	-	582,325	582,325
Other purposes	-	-	-	-	110,812	110,812
Unassigned	29,554,100	-	-	-	-	29,554,100
Total fund balances	76,246,422	41,243,979	86,309,287	5,445,107	29,846,370	239,091,165
Total liabilities, deferred inflows of resources and fund balances	\$ 116,857,544	\$ 58,263,472	\$ 118,737,540	\$ 7,752,559	\$ 40,647,977	\$ 342,259,092

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, 2024

Total fund balances for governmental funds (page 20) \$ 239,091,165

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	52,205,075	
Construction in progress	26,845,678	
Streets, Traffic & Engineering, net of \$293,064,209 accumulated depreciation	165,211,278	
Buildings and improvements, net of \$52,912,053 accumulated depreciation	183,854,563	
Leisure areas & improvements, net of \$68,308,329 accumulated depreciation	51,211,052	
General equipment, net of \$49,046,301 accumulated depreciation	23,655,382	
Total capital assets		502,983,028

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

General equipment, net of \$1,834,424 accumulated amortization	2,759,416	
Subscription IT Assets, net of \$775,130 accumulated amortization	1,816,238	
Total right to use leased/subscription based assets		4,575,654

Risk Management, an internal service fund is used by the City to account for a

The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.

10,846,058

Governmental funds report the effect of deferred gain 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

(14,657)

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, 2024 are:

Accrued interest on bonds and certificates of participation	(360,480)	
Bonds payable, net of unamortized premium	(28,016,488)	
Obligation under certificates of participation	(81,066,232)	
Accrued interest on leases	(75,570)	
Accrued interest on subscription-based assets	(29,275)	
Obligation under leases	(2,634,547)	
Obligation under subscription agreements	(1,780,838)	
Total OPEB liability	(7,190,705)	
Compensated absences	(14,144,460)	
Net pension liability	(4,429,427)	
Asset retirement obligation	(375,000)	
Total long-term liabilities		(140,103,022)

Deferred outflows related to asset retirement obligation

218,292

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

Deferred inflows related to intergovernmental	5,314,999
Deferred inflows related to grants	2,469,685

8,709,124

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:

Deferred outflows relating to OPEB	1,199,502	
Deferred outflows relating to pensions	21,400,063	
Deferred inflows relating to OPEB	(1,531,996)	
Deferred inflows relating to pensions	(151,674)	
Total deferred items		20,915,895

Total net position governmental activities (page 14)

\$ 647,221,537

City of Thornton, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the year ended December 31, 2024

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Parks & Open Space Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Sales and use	\$ 113,990,712	\$ 7,587,644	\$ 20,513,254	\$ 10,318,925	\$ 1,546,008	\$ 153,956,543
Property	22,879,256	13,760,591	-	-	3,017,702	39,657,549
Franchise	7,238,294	-	-	-	-	7,238,294
E911	-	-	-	-	4,064,060	4,064,060
Other	3,313,232	-	-	-	10,547	3,323,779
Licenses and permits	7,961,691	-	-	-	-	7,961,691
Intergovernmental	8,982,224	-	4,313,927	6,192,780	9,009,158	28,498,089
Governmental grants	1,425,078	-	9,658,652	307,387	176,130	11,567,247
Charges for services	25,301,786	-	-	-	-	25,301,786
Fines and forfeitures	1,659,519	-	-	-	-	1,659,519
Leases	45,108	-	-	-	-	45,108
Investment earnings	3,507,094	1,587,882	4,984,162	705,857	1,597,006	12,382,001
Miscellaneous	1,312,827	-	4,680,372	-	69,832	6,063,031
Total revenues	197,616,821	22,936,117	44,150,367	17,524,949	19,490,443	301,718,697
EXPENDITURES						
Current						
General government	43,253,785	-	-	-	-	43,253,785
Police	55,773,165	-	-	-	-	55,773,165
Fire and ambulance	32,730,138	-	-	-	-	32,730,138
City development	12,015,022	-	-	-	-	12,015,022
Streets, traffic and engineering	13,975,267	-	3,620,791	-	900,449	18,496,507
Community services	33,254,660	-	-	-	50,789	33,305,449
Capital outlay	6,097,639	1,739,074	31,608,611	23,586,896	18,138,776	81,170,996
Debt service						
Principal retirement	1,272,741	1,140,000	842,654	2,941,759	790,000	6,987,154
Interest and bond fees	60,926	269,763	610,366	2,725,269	1,020,594	4,686,918
Total expenditures	198,433,343	3,148,837	36,682,422	29,253,924	20,900,608	288,419,134
Excess (deficiency) of revenues over (under) expenditures	(816,522)	19,787,280	7,467,945	(11,728,975)	(1,410,165)	13,299,563
OTHER FINANCING SOURCES (USES)						
Transfers in	8,388,490	-	2,922,032	-	3,079,317	14,389,839
Transfers out	(14,250)	(5,808,848)	-	-	(5,501,674)	(11,324,772)
Issuance of long-term lease	2,617,154	-	-	-	-	2,617,154
Issuance of SBITA	384,559	-	936,039	-	-	1,320,598
Sale of general capital assets	202,079	-	960,916	-	5,953	1,168,948
Total other financing sources (uses)	11,578,032	(5,808,848)	4,818,987	-	(2,416,404)	8,171,767
Net change in fund balances	10,761,510	13,978,432	12,286,932	(11,728,975)	(3,826,569)	21,471,330
Fund balances, January 1, as previously presented	65,484,912	27,265,547	74,022,355	-	50,847,021	217,619,835
Change within financial reporting entity (nonmajor to major fund)	-	-	-	17,174,082	(17,174,082)	-
Fund balances, January 1, as adjusted	65,484,912	27,265,547	74,022,355	17,174,082	33,672,939	217,619,835
Fund balances, December 31	\$ 76,246,422	\$ 41,243,979	\$ 86,309,287	\$ 5,445,107	\$ 29,846,370	\$ 239,091,165

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, 2024

Net change in fund balances - total governmental funds (page 22) \$ 21,471,330

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 (\$50,982,944) less work in progress deletions (\$7,463,754), exceeded depreciation (\$26,742,965) RTU asset amortization (\$1,487,731) in the current period. 15,288,493

The net effect of various miscellaneous transactions involving capital assets is to increase net position (contributions of \$9,385,842 less the loss of \$266,117 less the revenue recognized at the fund level of \$1,168,948 on the sale of capital assets) 7,950,777

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	1,930,000	
To Capital Asset Finance Corporation for certificates of participation	3,535,000	
Obligation under leases	1,038,543	
Obligation under subscription-based IT arrangements	483,610	
Net adjustment		6,987,153

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. (3,311,884)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes:

Adjustment to compensated absences	(655,074)	
Accrued interest on bonds	22,771	
Accrued interest on leases	(72,790)	
Accrued interest on subscription-based IT arrangements	(10,907)	
Asset Retirement Obligation Expense	(26,118)	
Combined adjustment		(742,118)

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	34,290	
Grant revenues	163,704	
Opioid revenues	349,425	
Combined adjustment		547,419

Other postemployment benefits and pension expenses are reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, the increase or decrease in the other postemployment benefit liability and the net pension liabilities are not reported as an expenditure or (credit) in the government funds.

Other Postemployment benefit expenses	(537,411)
Pension Gain	1,768,089

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.

1,600,688

Change in net position governmental activities (page 15) \$ 51,022,536

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

City of Thornton, Colorado

Statement of Net Position Proprietary Funds December 31, 2024

	Business-type Activities Enterprise Funds			Governmental Activities	
	Other Enterprise Funds			Internal Service Risk Fund	
	Water	Sewer		Total	
ASSETS					
Current assets					
Equity in pooled cash and investments - unrestricted	\$ 367,232,328	\$ 11,426,562	\$ 7,180,714	\$ 385,839,604	\$ 17,506,880
Equity in pooled cash and investments - restricted	3,447,497	-	-	3,447,497	-
Receivables, net					
Accounts	5,391,995	2,215,936	1,182,859	8,790,790	1,230,000
Leases	375,939	-	-	375,939	-
Interest and other	2,531,744	81,177	48,421	2,661,342	114,951
Prepays and other assets	2,950	-	-	2,950	-
Total current assets	378,982,453	13,723,675	8,411,994	401,118,122	18,851,831
Noncurrent assets					
Lease receivable	512,012	-	-	512,012	-
Capital assets					
Land and water rights	219,457,683	417,407	-	219,875,090	-
Source of supply	130,149,987	-	-	130,149,987	-
Water treatment plant	177,499,118	-	-	177,499,118	-
Collection, transmission, and distribution	278,176,980	123,739,284	93,879,399	495,795,663	-
Transportation equipment	2,454,393	1,856,868	8,573,224	12,884,485	-
General equipment	12,815,254	1,134,647	1,782,018	15,731,919	-
Buildings and improvements	22,270,646	2,428,376	684,752	25,383,774	-
Leisure areas and improvements	-	-	-	-	-
Less accumulated depreciation	(175,528,022)	(58,435,720)	(31,150,623)	(265,114,365)	-
Construction in progress	134,009,156	9,278,386	3,290,943	146,578,485	-
Right to use assets					
General equipment	62,148	-	-	62,148	-
Less leases accumulated amortization	(46,620)	-	-	(46,620)	-
SBITAs	328,219	-	-	328,219	-
Less SBITAs accumulated amortization	(118,776)	-	-	(118,776)	-
Total noncurrent assets	802,042,178	80,419,248	77,059,713	959,521,139	-
Total assets	1,181,024,631	94,142,923	85,471,707	1,360,639,261	18,851,831
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to OPEB	129,250	22,313	52,545	204,108	6,212
Deferred outflow related to ARO	20,000	-	-	20,000	-
Deferred charge on refunding	1,143,283	-	-	1,143,283	-
Total deferred outflows of resources	1,292,533	22,313	52,545	1,367,391	6,212

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	\$ 19,088,270	\$ 1,040,116	\$ 1,685,670	\$ 21,814,056	\$ 1,186,753
Retainage payable	2,236,651	265,085	50,624	2,552,360	-
Other	146,937	-	-	146,937	-
Unearned revenue	389,506	-	-	389,506	-
Due to other funds	-	-	967,236	967,236	-
Payable from restricted assets					
Accrued bond interest payable	282,270	-	-	282,270	-
Revenue bonds payable	3,670,000	-	-	3,670,000	-
Lease payable	15,712	-	-	15,712	-
SBITAs payable	62,441	-	-	62,441	-
Compensated absences	425,489	3,742	72,869	502,100	26,190
Outstanding reserves and incurred but not reported claims	-	-	-	-	3,032,914
Total current liabilities	26,317,276	1,308,943	2,776,399	30,402,618	4,245,857
Long-term liabilities					
Revenue bonds payable, excluding current portion, net of other unamortized costs	105,232,798	-	-	105,232,798	-
Total OPEB liability	773,407	111,291	313,867	1,198,565	33,411
Compensated absences	811,943	27,810	307,663	1,147,416	47,602
Advance from other fund	-	-	2,131,689	2,131,689	-
SBITAs	137,090	-	-	137,090	-
Other obligations	911,226	-	-	911,226	-
Outstanding reserves and incurred but not reported claims	-	-	-	-	3,678,076
Total long-term liabilities	107,866,464	139,101	2,753,219	110,758,784	3,759,089
Total liabilities	134,183,740	1,448,044	5,529,618	141,161,402	8,004,946
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	173,268	17,996	70,093	261,357	7,039
Deferred inflows related to leases	834,157	-	-	834,157	-
Total deferred inflows of resources	1,007,425	17,996	70,093	1,095,514	7,039
NET POSITION					
Net investment in capital assets	691,318,757	80,154,163	76,776,445	848,249,365	-
Restricted - Public Safety	-	-	-	-	200,000
Unrestricted	355,807,242	12,545,033	3,148,096	371,500,371	10,646,058
Total net position	\$ 1,047,125,999	\$ 92,699,196	\$ 79,924,541	\$ 1,219,749,736	\$ 10,846,058

City of Thornton, Colorado

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2024**

	Business-type Activities Enterprise Funds			Governmental Activities
	Water	Sewer	Other Enterprise Funds	Internal Service Risk Fund
OPERATING REVENUES				
Charges for services pledged for debt	\$ 62,281,370	\$ -	\$ -	\$ 62,281,370
Charges for services	-	19,584,578	12,246,288	31,830,866
Miscellaneous revenue	156,911	-	295,640	452,551
Interfund services	-	-	-	-
				17,432,738
Total operating revenues	62,438,281	19,584,578	12,541,928	94,564,787
OPERATING EXPENSES				
Source of supply	8,756,016	-	-	8,756,016
Water treatment	17,577,324	-	-	17,577,324
Collection, transmission, distribution, and trash removal	7,944,875	2,067,026	6,615,942	16,627,843
Sewage treatment-Metro Wastewater	-	12,759,309	-	12,759,309
Insurance premiums	-	-	-	-
Claims and reserves for claims	-	-	-	-
Other operating expenses	2,481,662	139,040	1,255,311	3,876,013
Administration	11,663,968	1,766,041	1,865,828	15,295,837
Depreciation/Amortization	10,304,100	2,614,900	2,830,197	15,749,197
				-
Total operating expenses	58,727,945	19,346,316	12,567,278	90,641,539
Operating income (loss)	3,710,336	238,262	(25,350)	3,923,248
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on sale (disposal) of capital assets	30,782	(7,920)	45,994	68,856
Investment earnings	16,699,251	620,748	345,546	17,665,545
Interest and bond amortization expense	(3,076,203)	-	(98,925)	(3,175,128)
Royalties	9,879,223	-	-	9,879,223
Miscellaneous, net	2,392,178	(518)	-	2,391,660
				20,000
Total nonoperating revenues	25,925,231	612,310	292,615	26,830,156
Income before capital contributions	29,635,567	850,572	267,265	30,753,404
Grants and capital contributions	20,412,619	2,773,021	6,326,415	29,512,055
Transfers Out	-	-	(1,528,249)	(1,528,249)
Change in net position	50,048,186	3,623,593	5,065,431	58,737,210
Net position, January 1, as previously reported	1,000,978,290	89,083,218	74,944,824	1,165,006,332
Change in acctg principle (GASB 101)	(286,490)	(7,615)	(85,714)	(379,819)
Error correcton	(3,613,987)	-	-	(3,613,987)
Net Position, as adjusted or restated	997,077,813	89,075,603	74,859,110	1,161,012,526
Net position, December 31	\$ 1,047,125,999	\$ 92,699,196	\$ 79,924,541	\$ 1,219,749,736
				\$ 10,846,058

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

This Page Left Intentionally Blank

City of Thornton, Colorado

Statement of Cash Flows Proprietary Funds For the year ended December 31, 2024

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Sewer	Other Enterprise Funds	Total	Internal Service Risk Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and others	\$ 71,678,930	\$ 19,886,106	\$ 12,331,939	\$ 103,896,975	\$ -
Receipts from interfund services	-	-	-	-	16,797,738
Payments to suppliers	(16,756,811)	(16,587,735)	(4,310,758)	(37,655,304)	(13,532,718)
Payments to employees	(14,039,875)	(1,320,689)	(4,583,327)	(19,943,891)	(713,280)
Net cash provided by operating activities	40,882,244	1,977,682	3,437,854	46,297,780	2,551,740
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant	1,428,036	-	-	1,428,036	-
Receipts from leases & royalties	11,884,210	-	-	11,884,210	-
Net cash provided by noncapital financing activities	13,312,246	-	-	13,312,246	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases and construction of capital assets	(50,808,458)	(5,392,564)	(5,311,286)	(61,512,308)	-
Proceeds from sale of capital assets	30,782	3,884	67,746	102,412	-
Principal paid on bonds and other obligations	(3,515,000)	-	-	(3,515,000)	-
Interest and fees paid on capital debt	(3,536,657)	-	-	(3,536,657)	-
Lease/SBITAs Principal	(80,206)	-	-	(80,206)	-
Lease/SBITAs Interest	(14,844)	-	-	(14,844)	-
Capital contributions	15,341,812	828,703	-	16,170,515	-
Net cash used in capital and related financing activities	(42,582,571)	(4,559,977)	(5,243,540)	(52,386,088)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments	357,335,095	13,408,992	8,618,165	379,362,252	15,053,579
Purchases of investments	(359,599,192)	(11,096,351)	(6,967,476)	(377,663,019)	(16,967,095)
Interest on investments	11,985,551	405,294	237,066	12,627,911	683,932
Net cash provided by (used in) investing activities	9,721,454	2,717,935	1,887,755	14,327,144	(1,229,584)
Net increase in cash and cash equivalents	21,333,373	135,640	82,069	21,551,082	1,322,156
Cash and cash equivalents, Jan. 1	55,636,685	2,175,951	1,409,267	59,221,903	2,309,666
Cash and cash equivalents, Dec. 31	\$ 76,970,058	\$ 2,311,591	\$ 1,491,336	\$ 80,772,985	\$ 3,631,822
Cash and cash equivalents	\$ 76,970,058	\$ 2,311,591	\$ 1,491,336	\$ 80,772,985	\$ 3,631,822
Investments	293,709,767	9,114,971	5,689,378	308,514,116	13,875,058
Total cash and investments	\$ 370,679,825	\$ 11,426,562	\$ 7,180,714	\$ 389,287,101	\$ 17,506,880
Equity in pooled cash and investments	\$ 367,232,328	\$ 11,426,562	\$ 7,180,714	\$ 385,839,604	\$ 17,506,880
Restricted cash and investments	3,447,497	-	-	3,447,497	-
Total cash and investments	\$ 370,679,825	\$ 11,426,562	\$ 7,180,714	\$ 389,287,101	\$ 17,506,880

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

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Sewer	Other Enterprise Funds	Total	Internal Service Risk Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 3,710,336	\$ 238,262	\$ (25,350)	\$ 3,923,248	\$ 850,682
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization expense	10,304,100	2,614,900	2,830,197	15,749,197	-
Miscellaneous receipts	634,131	-	-	634,131	20,000
Other expenses	(5,000)	(518)	-	(5,518)	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable, net	8,447,017	301,528	(209,990)	8,538,555	(655,000)
Decrease in loans receivable	20,599	-	-	20,599	-
(Increase) in other assets	(2,950)	-	-	(2,950)	-
Decrease in deferred outflows of resources					
Other	5,000	-	-	5,000	-
Decrease in deferred outflows of resources					
OPEB Related	47,378	4,449	19,130	70,957	1,779
Increase (decrease) in accounts payable	17,888,183	(1,182,188)	782,845	17,488,840	879,848
Increase in OPEB	15,680	1,473	6,331	23,484	589
Increase (decrease) in other liabilities	(316,386)	221	36,608	(279,557)	1,454,020
Increase in unearned revenue	138,902	-	-	138,902	-
Decrease in deferred inflows of resources					
OPEB Related	(4,746)	(445)	(1,917)	(7,108)	(178)
Net cash provided by operating activities	<u>\$ 40,882,244</u>	<u>\$ 1,977,682</u>	<u>\$ 3,437,854</u>	<u>\$ 46,297,780</u>	<u>\$ 2,551,740</u>

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

Investing Activities					
Increase in the fair value of investments	\$ 3,820,424	\$ 202,862	\$ 96,283	\$ 4,119,569	\$ 138,264
Financing Activities					
Bond amortization premiums	454,720	-	-	454,720	-
Capital Activities					
Loss on disposal of capital assets	-	(11,539)	(21,752)	(33,291)	-
Water, sewer, and stormwater lines contributed by developers	3,959,325	1,666,327	4,144,556	9,770,208	-
Contributed capital from other government	713,932	277,991	653,610	1,645,533	-

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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 organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes but is not limited to, appointment of a voting majority of the organizations governing body, ability to impose its will on the organization, and potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

With oversight from the City Council as the governing board, the management of the City has operational responsibility for each of the following component units, and therefore, they are included within the reporting entity (in blended presentation):

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

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

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

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation

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

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

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

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

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.

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

Additionally, the City reports the following fund type:

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting

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

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service fund are charges to customers for sales or services. Operating expenses for the 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, 2024

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 2024, all governmental funds had legally adopted annual budgets. Notes 4g. and 4h. explain funds with budgets that are on a non-GAAP basis. Note 4i. explains budgetary practices for capital project funds/accounts.
- g. Budgets for governmental capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that the City includes the capital outlay costs for purchases of land intended for resale and excludes subsequent gains or losses on the resale of the land. In addition, the City excludes gain or loss on disposal of capital assets, acquisition of leases, any balances transferred due to closure of a fund and miscellaneous non-cash adjustments.
- h. Budgets for proprietary funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that the City excludes depreciation, amortization, gain or loss on disposal of capital assets, and incurred but not reported claims and includes debt service principal and interest payments and capital outlay. In addition, any balances transferred due to closure of a fund and miscellaneous non-cash adjustments are not budgeted. Budget to Actual schedules for each proprietary fund can be found in the Combining & Individual Statements & Schedules section.
- i. The City adopts a multi-year appropriation for certain capital projects, identified as long term in nature, where unexpended funds will not automatically lapse at year end, but remain appropriated until project completion. Unspent and unencumbered appropriations for those projects that are short term in nature (annual) will continue to lapse at year end.
- j. The City Council may legally amend the budget by ordinance or resolution once it has been approved. Budgeted amounts, including all amendments, are shown as adopted by the City Council.

In 2024, six budget amendments were approved by ordinance or resolution. The effect of these amendments was an overall increase in appropriations of \$ 12,057,649, broken down by fund type as follows:

General Fund	\$ 1,192,415
Special Revenue Funds	2,000,005
Capital Projects Funds	8,730,758
Enterprise Funds	134,471
	<u>\$ 12,057,649</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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 non-spendable inventories, is equal to the amount of inventory on hand to indicate that a portion of the General Fund, fund balance is not available for future expenditures.

8. Construction Advances

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

9. Capital Assets

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

GASB Statement No. 51 Accounting and Financial Reporting for Intangible Assets requires that all intangible assets be classified as capital assets and recognized in the statement of net position. The term depreciation includes amortization of intangible assets.

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

<u>Asset Class</u>	<u>Estimated useful life</u>
Infrastructure	5-75 years
Buildings, Structures and improvements	10-50 years
Leisure Areas and Improvements	5-50 years
Collection, transmission, and distribution	7-50 years
Equipment	2-30 years
Intangibles	3-50 years

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Leases

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

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of, the lease term or its useful life.

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

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

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

Lease payments included in the measurement of the lease asset/liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor of 85 leases of land used for farming or grazing purposes under the Water Enterprise Fund. The City is also the lessor of 1 cell tower lease and 1 building lease under the General Fund. The City recognizes a lease receivable and a deferred inflows of resources in both the government-wide and fund financial statements. The City is the lessor for the Anythink Library at the Thornton Community Center and the Aylor Open Lands Property. These nominal leases are for one dollar a year for fifty years for each location. These agreements allow for the ongoing library operations in the city.

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

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

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

The lease term includes the noncancellable period of the lease.

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

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Subscription-Based Information Technology Arrangements (SBITA)

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

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

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

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

Preliminary Project Stage: Outlays are expensed as incurred.

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

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

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

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

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

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

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

The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription liability and will remeasure if certain changes occur that are expected to significantly affect the amount of the subscription liability.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Compensated Absences

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

13. Long-Term Obligations

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

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

GASB Statement No. 49 addresses accounting and financial reporting for pollution remediation obligations. The Thornton Development Authority, a component unit of the City, owns property which falls under voluntary remediation and has a plan with the State to actively treat subsurface contamination. The total estimate needed for clean-up which started in 2023 is \$12,745,000 of which \$1,074,707 was spent in 2024.

14. Fund Balance

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

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

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

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

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Net Position

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

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

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

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

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

16. Interfund Transactions

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

17. Statement of Cash Flows

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

18. Contraband Forfeitures

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

19. Use of Estimates

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

20. Sales Tax

As a home rule city, Thornton collects its own sales taxes. Within the general government, the ten largest retailers remit approximately 43.8% of the sales tax collected.

21. Deferred Outflows and Deferred Inflows of Resources

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

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

22. Implementation of New GASB Statements

Beginning in fiscal year 2024, the City implemented the following statements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 101, *Compensated Absences*. In June 2022, GASB issued statement No. 101, *Compensated Absences*. This Statement was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Application of this statement is effective for the City's fiscal year ending December 31, 2024.

As a result of implementing GASB 101, the City was required to restate the beginning net position of governmental activities, business-type activities and the proprietary funds (Change in Accounting Principle). As of December 31, 2024, there is an additional \$3,610,057 for governmental activities and additional \$418,739 for business activities compensated absences liabilities to comply with GASB 101.

23. Prior Period Restatements

The City's implementation of GASB 101, *Compensated Absences*, required restatement of Beginning Net Position. In addition, the Parks and Open Space Fund changed from a Non-Major to Major Fund in 2024. In accordance with GASB 100, *Accounting Changes and Error Corrections*, this change has been reported by adjusting the current reporting period's beginning fund balance, where applicable, for the effect of the change, as if the change occurred as of the beginning of the reporting period. Lastly, there is an error correction in the Water Fund due to expensing prior year Construction-in-Progress of \$3,613,987 in 2024.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	Parks and Open Space Fund	Non-major Governmental	Governmental Activities	Governmental Activities Total	Internal Services - Risk Fund
<u>Governmental Activities:</u>					
12/31/23, as previously reported	\$ -	\$ 50,847,021	\$ 548,772,838	\$ 599,619,859	\$ 9,260,209
Change from non-major to major fund	17,174,082	(17,174,082)	-	-	-
Change in accounting principle GASB (101)	-	-	(3,406,019)	(3,406,019)	(14,839)
1/1/24, as adjusted or restated	\$ 17,174,082	\$ 33,672,939	\$ 545,366,819	\$ 596,213,840	\$ 9,245,370
<u>Business-Type Activities:</u>			Other Enterprise Funds	Business Activities Total	
12/31/23, as previously reported	\$ 1,000,978,290	\$ 89,083,218	\$ 74,944,824	\$ 1,165,006,332	
Change in accounting principle GASB (101)	(286,490)	(7,615)	(85,714)	(379,819)	
Error correction - expense previously capitalized costs	(3,613,987)	-	-	(3,613,987)	
1/1/24, as adjusted or restated	\$ 997,077,813	\$ 89,075,603	\$ 74,859,110	\$ 1,161,012,526	

24. Fund Balance Deficit

The Open Space Fund deficit of \$187,305 resulted primarily from a \$1.3 million contribution from the Rangeview Library District toward a joint library and park project. The City incorporated these proceeds into the capital project budget in 2024, however, these funds are considered advances of funds until the project is completed. The City should reduce or eliminate this deficit in 2025 via the receipts of sales tax revenues into this fund.

25. Future Accounting Pronouncements

This report does not incorporate GASB Statement No. 102, *Certain Risk Disclosures*, Statement No. 103, *Financial Reporting Model Improvements*, nor Statement No. 104, *Disclosure of Certain Capital Assets*.

City's management is still evaluating GASB Statement No. 102, 103, and 104 for possible impact on the financial statements. Application of GASB statement 102 will be effective for the City's fiscal year ending December 31, 2025. Application of GASB statement 103 and 104 will be effective for the City's fiscal year ending December 31, 2026.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

26. Jointly Governed Organization

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

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance with Finance-Related Legal and Contractual Provisions

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C - DEPOSITS AND INVESTMENTS

1. Equity in Pooled Cash and Investments

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

2. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the City's deposits had a carrying amount of \$5,155,639 and a bank balance of \$9,216,826. Of the bank balance, \$770,770 was covered by federal depository insurance. The remainder of the bank balance, \$8,446,056, 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, Supranational Securities, 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, 2024, the City had the following investments and maturities:

Investment Type	Fair Value	< 1 Year	2-3 Years	4-7 Years
U.S. Government Treasuries	\$ 21,698,109	\$ 21,698,109	\$ -	\$ -
Corp Bonds	213,317,536	39,561,443	82,661,156	91,094,938
U.S. Government Agencies	203,349,384	80,665,025	84,120,506	38,563,853
Supranationals	21,503,078	5,405,918	4,856,265	11,240,895
Commercial Paper	43,957,973	43,957,973	-	-
State & Local Government Bonds	62,994,241	15,865,286	34,876,969	12,251,987
Asset Backed Securities	7,913,023	2,926,767	4,986,256	-
Certificate of Deposit	-	-	-	-
Local Gov't Investment Pools	62,326,842	62,326,842	-	-
Money Market	26,476,066	26,476,066	-	-
Total	\$ 663,536,253	\$ 242,934,583	\$ 276,934,812	\$ 102,815,163

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

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

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

Level 3: Unobservable inputs for an asset or liability

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

3. Investments (Continued)

There have been no significant changes in the valuation techniques during the year ended December 31, 2024. 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, 2024, U.S. Government Treasuries, Corporate Bonds, State and Local Government bonds, U.S. Government Agencies, Supranational Securities, Asset Backed Securities and Certificate of Deposits, are classified within Level 2 hierarchy. Participant balances in the Local government pools Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colotrust) are stated at net asset value. Money market funds are recorded at amortized cost. The underlying securities in CSAFE are measured at amortized cost and are so close to fair value when measured at amortized cost that they are generally equivalent. Securities in Colotrust, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities, repurchase agreements are recorded at cost, which approximates fair value.

Interest Rate Risk – The City's internal investment policy is designed to reduce interest rate risk. The maximum duration of the portfolio is limited to 7.0 years. At December 31, 2024, the weighted-average maturity of the City's portfolio was 20.90 months.

Credit Risk – The City minimizes credit risk, the risk of loss due to the failure of the security issuers or banker, by diversifying the investment portfolio so that potential losses on individual securities are minimized and by limiting investments to specified credit ratings. Per the City's Investment Policy, at the time of purchase, a security must be rated A- or the equivalent by at least two Nationally Recognized Statistical Rating Organizations (NRSRO) including Standard & Poor's, Moody's, or Fitch 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, 2024, the City's investment in U.S. Treasuries, FHLB, FFCB, FHLMC, and Corporates were all rated A- or better by two NRSRO's. As of December 31, 2024, no City investments are rated below A- or the equivalent of two NRSRO's. Per the City's Investment Policy, at the time of purchase of supranational securities, the United States government must be its largest shareholder, and it must be rated AAA or the equivalent by two NRSRO's. No more than 20% of the portfolio may be invested in supranational securities, and no more than 10% of the portfolio may be invested in any single supranational. As of December 31, 2024, all supranational securities owned by the city were rated AAA.

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, 2024, 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 or asset-backed security, no more than 10% may be invested in any one state and local bond issuer or Supranational, and no more than 30% may be invested in a single government sponsored enterprise. As of December 31, 2024, the City's investment in U.S. Treasuries were 3.3%, FHLB were 14.6%, FFCB was 7.9%, FHLMC was 4.2%, FNMA was 3.0%, FAMCA was 1.1%, Supranational Securities were 3.2%, State & Local Bonds were 9.5%, Asset Backed Securities were 1.2%, Commercial Paper were 6.6%, and Corporate Bonds were 32.2%. The City's investment in Local Government Investment Pools are excluded from this disclosure requirement.

Local Government Investment Pools – As of December 31, 2024, the City had \$26,712,489 invested in Colotrust and \$31,951,002 invested in CSAFE. These investment vehicles were established for local government entities in Colorado to pool surplus resources; it is overseen by the Colorado Securities Commissioner and governed by CRS 24-75-701. A designated custodial bank provides safekeeping and depository services. The custodian's internal records identify the investments owned by the participating governments. Both pools operate similarly to a money market fund and each share is equal to \$1.00 in value. Colotrust is rated AAAM by Standard & Poor's. CSAFE is rated AAAMmf by Fitch Ratings.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

3. Investments (Continued)

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

NOTE D - PROPERTY TAXES AND RECEIVABLES

1. Property Taxes

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

2. Receivables

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

Ambulance receivables and revenues are reported net of contractual allowances and uncollectible amounts. As of December 31, 2024, total accounts receivable was \$1,782,814 with an allowance for bad debt of \$1,740,506. Write-offs, which include contractual allowances and uncollectible amounts related to the current period, are \$5,279,335.

3. Lease Receivables

Lease Receivables Governmental Activities –

Cell Tower - In 2023, the City entered into a five year noncancelable lease with two additional five year terms that the City is reasonably certain will be exercised, totaling a 15 year lease term, with a third party to place and operate a cell tower on a piece of land located at approximately 136th Ave. and Quebec St. The City will receive payments of \$3,750 per month beginning May 1, 2022 through April 30, 2027. Monthly payments shall increase 25% effective for the five-year term beginning May 1, 2027 and increase another 25% for the five-year term beginning May 1, 2032. In no event shall payment for any year decrease. The City recognized \$45,108 in lease revenue and \$18,622 in interest revenue during the current fiscal year related to this lease. As of December 31, 2024, the City's receivable for lease payments is \$606,360. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2024, the balance of the deferred inflow of resources is \$556,383.

Lease Receivables Business Type Activities –

Farmland - The City enters into numerous three to five year noncancelable leases with various third parties for land used for agricultural purposes located in Ault, CO. During the lease period there could be adjustments related to ditch crossing assessment, however these cannot be calculated at the time of the lease agreement and will therefore flow through as an increase or decrease in deferred inflow of resources as applicable in the period the adjustment becomes effective. The City recognized \$1,209,451 in lease revenue and \$24,450 in interest revenue during the current fiscal year related to these leases. As of December 31, 2024, the City's receivable for lease payments is \$887,951. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2024, the balance of the deferred inflow of resources is \$834,157.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning balances (as restated)	Additions & transfers	Deletions & transfers	Ending balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 53,572,530	\$ -	\$ (1,367,455)	\$ 52,205,075
Construction in progress	66,191,281	12,747,858	(52,093,461)	26,845,678
Total capital assets not being depreciated	119,763,811	12,747,858	(53,460,916)	79,050,753
Capital assets being depreciated:				
Streets, traffic, and engineering	426,965,648	31,312,839	-	458,278,487
Buildings and improvements	195,849,981	40,916,635	-	236,766,616
Leisure areas and improvements	109,872,800	9,647,897	(1,316)	119,519,381
General equipment	67,681,803	6,435,511	(1,415,631)	72,701,683
Right to use assets being amortized:				
Buildings and improvements	309,892	-	(309,892)	-
General equipment	1,976,686	2,617,154	-	4,593,840
Subscription arrangements	1,270,770	1,320,598	-	2,591,368
Total capital & RTU assets being depreciated	803,927,580	92,250,634	(1,726,839)	894,451,375
Less accumulated depreciation for:				
Streets, traffic, and engineering	280,548,569	12,518,640	-	293,067,209
Buildings and improvements	48,257,099	4,654,954	-	52,912,053
Leisure areas and improvements	63,977,908	4,331,737	(1,316)	68,308,329
General equipment	45,154,387	5,237,634	(1,345,720)	49,046,301
Less accumulated amortization for:				
Buildings and improvements	227,496	82,396	(309,892)	-
General equipment	931,965	902,459	-	1,834,424
Subscription arrangements	272,254	502,876	-	775,130
Total accumulated depreciation/amortization	439,369,678	28,230,696	(1,656,928)	465,943,446
Total capital & RTU assets being depreciated, net	364,557,902	64,019,938	(69,911)	428,507,929
Governmental activity capital & RTU assets, net	\$484,321,713	\$ 76,767,796	\$(53,530,827)	\$507,558,682
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land and water rights	\$219,469,857	\$ 405,233	\$ -	\$219,875,090
Source of supply	129,350,266	799,721	-	130,149,987
Construction in progress (Restated)	104,783,588	56,173,758	(14,378,861)	146,578,485
Total capital assets not being depreciated	453,603,711	57,378,712	(14,378,861)	496,603,562
Capital assets being depreciated:				
Water treatment plant	176,791,898	707,220	-	177,499,118
Collection, transmission, and distribution	472,327,473	23,539,896	(71,706)	495,795,663
Transportation equipment	12,258,746	1,621,606	(995,867)	12,884,485
General equipment	14,497,737	1,466,267	(232,085)	15,731,919
Buildings and improvements	24,729,995	653,779	-	25,383,774
Right to use assets being amortized:				
General equipment	62,148	-	-	62,148
Subscription arrangements	328,219	-	-	328,219
Total capital & RTU assets being depreciated	700,996,216	27,988,768	(1,299,658)	727,685,326
Less accumulated depreciation for:				
Water treatment plant	43,258,055	3,684,359	-	46,942,414
Collection, transmission, and distribution	178,459,264	9,622,498	(63,609)	188,018,153
Transportation equipment	6,949,023	1,236,925	(995,867)	7,190,081
General equipment	10,272,356	654,219	(206,624)	10,719,951
Buildings and improvements	11,776,584	467,182	-	12,243,766
Less accumulated amortization for:				
General equipment	31,080	15,540	-	46,620
Subscription arrangements	50,302	68,474	-	118,776
Total accumulated depreciation/amortization	250,796,664	15,749,197	(1,266,100)	265,279,761
Total capital & RTU assets being depreciated, net	450,199,552	12,239,571	(33,558)	462,405,565
Business-type capital & RTU assets, net	\$903,803,263	\$ 69,618,283	\$(14,412,419)	\$959,009,127

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE E - CAPITAL ASSETS (CONTINUED)

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

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

Governmental activities:

Capital Assets:

General government	\$ 1,631,556
Police	2,382,166
Fire	1,921,461
City development	260,493
Streets, traffic & engineering	13,242,763
Community services	<u>7,304,526</u>
Capital asset depreciation	<u>26,742,965</u>

Right to use assets:

General government	644,594
Police	501,979
Fire	48,848
City development	28,869
Streets, traffic & engineering	112,860
Community services	<u>150,581</u>
Right to use asset amortization	<u>1,487,731</u>

Additions and transfers per Note E for accumulated depreciation & amortization for government activities	<u>\$ 28,230,696</u>
--	----------------------

Business-type activities:

Capital Assets:

Water	\$ 10,220,087
Sewer	2,614,900
Environmental Services	811,771
Stormwater	<u>2,018,426</u>
Capital asset depreciation	<u>15,665,184</u>

Right to use assets:

Water	<u>84,014</u>
Right to use asset amortization	<u>84,014</u>

Additions and transfers per Note E for accumulated depreciation & amortization for business-type activities	<u>\$ 15,749,198</u>
---	----------------------

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The outstanding interfund balance consists of a payable in the amount of \$967,236 in the Stormwater Fund due to the Governmental Capital Fund, to be paid in 2025. The repayment schedule consists of three annual installments beginning in 2025, related to a long-term advance recorded during the year ended December 31, 2023. The outstanding interfund receivable and payable balances, including accrued interest at December 31, 2024 are as follows:

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Governmental Capital	Stormwater	\$ 2,131,689

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. The composition of transfers at December 31, 2024 is as follows:

Transfers out:	Transfers in:			Total
	General	Governmental Capital	Governmental Non Major	
General	\$ -	\$ -	\$ 14,250	\$ 14,250
TDA North Capital Fund	2,886,816	2,922,032	-	5,808,848
Governmental Non-Major	5,501,674	-	-	5,501,674
	<u>\$ 8,388,490</u>	<u>\$ 2,922,032</u>	<u>\$ 14,250</u>	<u>\$ 11,324,772</u>

In the year ended December 31, 2024, governmental activities received a transfer in of \$3,065,067 due to re-classifying a CIP asset at the government-wide level to a financial asset (Land held for resale). There is no offsetting transfer out.

In the year ended December 31, 2024, business-type activities made the following one-time transfer:

The Stormwater fund contributed \$1,528,249 in capital assets to Governmental Activities.

NOTE G - LONG-TERM DEBT

1. Bonds Payable

Bonds payable at December 31, 2024 are comprised of:

Revenue Bonds

\$39,380,000, April 29, 2013 Water Enterprise Revenue Refunding Bonds, Series 2013, annual installments of \$1,970,000 to \$2,765,000 through December 1, 2034, interest at 3.00% to 4.00% \$ 24,075,000

\$78,255,000, October 29, 2020 Water Enterprise Revenue Bonds, Series 2020, annual installments of \$1,545,000 to \$4,080,000 through December 1, 2050, interest at 3.00% to 5.00% 72,745,000

Plus unamortized premium 12,082,798

\$ 108,902,798

At December 31, 2024, deferred charges were \$1,143,283 for the Water Enterprise Revenue Refunding Bonds.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE G - LONG-TERM DEBT (CONTINUED)

1. Bonds Payable (Continued)

Tax Increment Bonds

\$13,900,000, September 22, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Refunding Bonds, Series 2015, annual installments of \$1,140,000 to \$1,365,000 through December 1, 2028, interest at 3.25% to 5.00%. This issue will be serviced solely by 50% of the property tax increment and 50% of the sales tax collected within the boundaries of the North Washington Street Corridor Area. Although the obligation is reported within the governmental activities, it is not a general obligation of the City (primary government). For the year ended December 31, 2024, pledged sales and property taxes were \$14,467,939. Principal and interest paid were \$1,140,000 and \$267,012, respectively.

\$ 5,140,000

\$27,580,000, December 2, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Bonds, Series 2015B, annual installments of \$790,000 to \$2,170,000 through December 1, 2037, interest at 3.38% to 5.00%. This issue will be serviced solely by the pledged property tax increment and sales tax collected, net other obligations, within the boundaries of the East 144th Avenue and I-25 Area. Although the obligation is reported within the governmental activities, it is not a general obligation of the City (primary government). For the year ended December 31, 2024, pledged sales and property taxes were \$3,709,036. Principal and interest paid were \$790,000 and \$1,017,844, respectively.

21,360,000

Plus unamortized premium

1,516,488

\$ 28,016,488

At December 31, 2024, the deferred gain was \$14,657 for the Tax Increment Revenue Refunding Bonds.

There are limitations and restrictions in the various bond indentures. As of December 31, 2024 the City believes it is in compliance with all significant limitations and restrictions.

2. Certificates of Participation

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

The City issued 2018 Certificates of Participation (COPs) totaling \$65,280,000, evidencing proportionate interests in the base rentals under the Lease Purchase Agreement. The proceeds of the issuance will be used to finance or reimburse the City for the costs of the new Trail Winds Recreation Center, a new Public Safety Facility, and other capital improvements. The base rentals are due in annual installments of \$2,395,000 to \$4,610,000 through December 1, 2039 with interest at 4.00% to 5.00% and currently amounts to \$52,750,000. The 2018 Lease Purchase Agreement unamortized premium was \$3,006,825 at December 31, 2024.

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

The City issued 2020 COPs totaling \$26,785,000, evidencing proportionate interests in the base rentals under the 2020 Amended Lease Purchase Agreement. The proceeds of the issuance will be used to finance or reimburse the City for the costs of the new Active Adult Center and rehabilitating the aquatics facility at the Margaret W. Carpenter Recreation Center. The base rentals are due in annual installments of \$1,200,000 to \$1,995,000 through December 1, 2038 with interest at 3.00% to 5.00% and currently amounts to \$22,535,000. The 2020 Amended Lease Purchase Agreement unamortized premium was \$2,774,407 at December 31, 2024.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE G - LONG-TERM DEBT (CONTINUED)

3. Other Obligations

In 1986, the City entered into a settlement agreement with the Water Supply and Storage Company ("the Company"), a mutual ditch company. Among the terms and conditions of the settlement, the City agreed to make certain capital contributions to the Company in the form of direct payments in the years 1987, 1988, and 1989, and committed to contribute an additional \$5,000,000 toward future mutually beneficial capital projects or improvements to the system. As of December 31, 2024 the remaining amount owed under this portion of the agreement is \$861,226. This balance does not accrue interest and is not required to be paid before any specific date in accordance with the agreement.

In 2019, the implementation of GASB Statement No. 83, Certain Asset Retirement Obligations, resulted in recording the following liabilities and were outstanding at the end of December 31, 2024:

In the governmental activities, a liability of \$375,000 is remaining for obligations related to three underground and two aboveground fuel tanks (capacities ranging from 4,000 to 10,000 gallons), these tanks provide fuel for the City's vehicles and equipment. The obligation is legally enforceable by a Colorado State Regulation from the Division of Oil and Public Safety for both aboveground and underground storage tanks. The methods and assumptions used to measure liability was based on historical cost for tank abandonment provided by the Fleet Manager. The estimated remaining life of the three underground fuel tanks is 8 years. The estimated remaining life of the two aboveground tanks is 14 years. There are no legal funding requirements or assurances, or restricted amounts for the payment of these liabilities.

In the business-type activities, a liability of \$50,000 is remaining for an obligation related to a 4,000 gallon underground fuel tank that provides fuel for a backup generator to one of the City's pump stations. The obligation is legally enforceable by a Colorado State Regulation from the Division of Oil and Public Safety for Storage Tanks. The methods and assumptions used to measure liability was based on a direct quote obtained by the Utilities Manager. The estimated remaining life of the underground fuel tank is 5 years. There are no legal funding requirements or assurances, or restricted amounts for the payment of this liability.

4. Lease Obligations

Lease Obligations Governmental Activities General Equipment –

Wirtgen Milling Machine – In February 2021, the City entered into a five-year lease agreement on one Wirtgen milling machine with canopy. This lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$451,447. As of December 31, 2024 the lease liability is \$113,680. The City is required to make annual principal and interest payments of \$115,357. The lease has an interest rate of 1.48%. The equipment had an initial useful life of ten years. The City has the option to purchase the equipment for \$119,200 when the lease ends on February 25, 2026. The net book value of the right to use asset as of December 31, 2024 is \$112,867 with accumulated amortization of \$338,580.

Axon Tasers – In June 2019, the City entered into a five-year lease agreement on tasers. Previously recognized as an operating lease, this lease was remeasured under the new GASB 87 guidance effective 1/1/2022. The City recorded an initial lease liability of \$374,775. Effective January 1, 2025, the City Amended this lease agreement to extend for an additional five years and to include bodycams as well as tasers. as a result of this amendment, the city remeasured its initial lease liability as \$2,991,929. As of December 31, 2024, the lease liability was \$2,055,981. The City is required to make annual principal and interest payments of \$561,173. The lease has an interest rate of 3.61%. The equipment had an initial useful life of five years. The net book value of the right to use asset as of December 31, 2024 is \$2,190,119 with accumulated amortization of \$801,810.

Canon Copiers – In February 2020, the City entered into a five-year lease agreement on citywide printer and copier equipment. Previously recognized as an operating lease, this lease was remeasured under the new GASB 87 guidance effective January 1, 2022. The City recorded an initial lease liability of \$534,241. As of December 31, 2024, the lease liability is \$38,171. The City is required to make monthly principal and interest payments of \$12,751. The lease has an interest rate of 1.23%. The equipment had an initial useful life of five years. The net book value of the right to use asset as of December 31, 2024 is \$41,113 with accumulated amortization of \$493,128. This lease includes a variable usage payment covering the five-year lease agreement. As of December 31, 2024, this variable payment not included in the liability above is \$102,082.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE G - LONG-TERM DEBT (CONTINUED)

4. Lease Obligations (Continued)

Lease Obligations Governmental Activities General Equipment – (Continued)

Golf Carts – In April 2023, the City entered into a five-year lease agreement on 77 club cars. The City recorded an initial lease liability of \$485,272. As of December 31, 2024, the lease liability is \$337,417. The City is required to make monthly principal and interest payments of \$9,109. The lease has an interest rate of 4.95%. The equipment has a useful life of five years. The net book value of the right to use asset as of December 31, 2024 is \$327,060 with accumulated amortization of \$158,212.

Konica Minolta Copiers – In April 2023, the City entered into a five-year lease agreement on two reprographics copiers. The City recorded an initial lease liability of \$130,951. As of December 31, 2024 the lease liability is \$89,298. The City is required to make monthly principal and interest payments of \$2,352. The lease has an interest rate of 3.09%. The equipment has a useful life of five years. The net book value of the right to use asset as of December 31, 2024 is \$88,257 with accumulated amortization of \$42,694. This lease includes a variable usage payment covering the five-year lease agreement. As of December 31, 2024, this variable payment not included in the liability above is \$8,627.

The lease obligations listed above are included in Note E in the governmental activities as right to use general equipment.

Obligations under leases at December 31, 2024 are as follows:

<u>Governmental Activities</u>			
Year	Principal	Interest	Total
2025	\$ 759,419	\$ 92,896	\$ 852,315
2026	630,746	67,959	698,705
2027	654,824	43,881	698,705
2028	589,558	20,355	609,913
Totals	<u>\$ 2,634,547</u>	<u>\$ 225,091</u>	<u>\$ 2,859,638</u>

Lease Obligations Business-Type Activities –

Liquid Oxygen Tank – In July 2019, the City entered into a one-year lease agreement effective January 1, 2021 with four additional one-year options that the City is likely to exercise on a liquid oxygen tank at the Thornton water treatment plant. Previously recognized as an operating lease, this lease was remeasured under the new GASB 87 guidance effective January 1, 2022. The City recorded an initial lease liability of \$62,148. As of December 31, 2024, the lease liability is \$15,712. The City is required to make monthly principal and interest payments of \$1,315. The lease has an interest rate of 0.80%. The equipment had an initial useful life of 30 years. The net book value of the right to use asset as of December 31, 2024 is \$15,528 with accumulated amortization of \$46,620, which is included in general equipment in business-type activities in Note E. This lease includes a variable monthly maintenance payment covering the five-year lease agreement. As of December 31, 2024, this variable payment not included in the liability above is \$63,264.

Obligations under lease at December 31, 2024 are as follows:

<u>Business-Type Activities</u>			
Year	Principal	Interest	Total
2025	15,712	68	15,780
Totals	<u>\$ 15,712</u>	<u>\$ 68</u>	<u>\$ 15,780</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE G - LONG-TERM DEBT (CONTINUED)

5. Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into subscription-based information technology arrangements (SBITAs) for various administrative and operational purposes. These subscriptions include services related to cloud-based software applications, data storage, and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 3 to 10 years. The calculated interest rate will vary depending on the length of the term and the date of the underlying agreement.

SBITAs Governmental Activities -

As of December 31, 2024, the capitalized right-to-use assets related to SBITAs for Governmental Activities was \$2,591,368 with a net book value of \$1,816,238, including accumulated amortization of \$775,130. The total subscription liability was \$1,780,838, of which \$479,958 is due within the next fiscal year. For the year ended December 31, 2024, the City recognized \$58,787 of interest expense related to these arrangements for Governmental Activities.

SBITAs at December 31, 2024 are as follows:

<u>Governmental Activities</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 479,958	\$ 59,764	\$ 539,722
2026	350,112	43,489	393,601
2027	365,454	31,521	396,975
2028	283,403	20,207	303,610
2029	161,953	10,539	172,492
2030-2034	139,958	10,195	150,153
Totals	<u>\$ 1,780,838</u>	<u>\$ 175,715</u>	<u>\$ 1,956,553</u>

SBITAs Business-Type Activities -

As of December 31, 2024, the capitalized right-to-use assets related to SBITAs for Business-type Activities was \$328,219 with a net book value of \$209,443, including accumulated amortization of \$118,776. The total subscription liability was \$199,531, of which \$62,441 is classified as current liability representing the portion due within the next fiscal year. For the year ended December 31, 2024, the City recognized \$7,230 of interest expense related to these arrangements for Business-type Activities.

In addition, the City recognized \$267,201 in subscription expenses for variable payments not previously included in the measurement of the subscription liability.

SBITAs at December 31, 2024, are as follows:

<u>Business-Type Activities</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 62,441	\$ 5,287	\$ 67,728
2026	66,468	3,300	69,768
2027	70,622	1,186	71,808
Totals	<u>\$ 199,531</u>	<u>\$ 9,773</u>	<u>\$ 209,304</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE G - LONG-TERM DEBT (CONTINUED)

6. Long-Term Obligation Activity

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

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balances (As Restated)	Increases	Decreases	Ending Balances	Due Within One Year
<u>Governmental activities:</u>					
Tax increment bonds	\$ 28,430,000	\$ -	\$ 1,930,000	\$ 26,500,000	\$ 2,030,000
Add unamortized premium	1,698,736	-	182,248	1,516,488	-
Total bonds payable	30,128,736	-	2,112,248	28,016,488	2,030,000
Certificates of participation	78,820,000	-	3,535,000	75,285,000	3,715,000
Add unamortized premium	6,192,020	-	410,788	5,781,232	-
Total certificate of participation payable	85,012,020	-	3,945,788	81,066,232	3,715,000
Leases	1,053,877	2,617,154	1,036,484	2,634,547	759,419
Subscription leases	977,136	1,320,598	516,896	1,780,838	479,958
Compensated absences	13,556,672	9,968,604	9,307,024	14,218,252	4,230,499
Risk - claims liability	5,263,477	11,222,581	9,775,068	6,710,990	3,032,914
Other - asset retirement obligation	375,000	-	-	375,000	-
Governmental activities: Total long-term liabilities	<u>\$ 136,366,918</u>	<u>\$ 25,128,937</u>	<u>\$ 26,693,508</u>	<u>\$ 134,802,347</u>	<u>\$ 14,247,790</u>
<u>Business-type activities:</u>					
Revenue bonds	\$ 100,335,000	\$ -	\$ 3,515,000	\$ 96,820,000	\$ 3,670,000
Add unamortized premium	12,652,807	-	570,009	12,082,798	-
Total bonds payable	112,987,807	-	4,085,009	108,902,798	3,670,000
Leases	31,300	-	15,588	15,712	15,712
Subscription leases	264,149	-	64,618	199,531	62,441
Compensated absences	1,566,970	1,437,406	1,354,860	1,649,516	502,100
Other	911,226	-	-	911,226	-
Business-type activities: Total long-term liabilities	<u>\$ 115,761,452</u>	<u>\$ 1,437,406</u>	<u>\$ 5,520,075</u>	<u>\$ 111,678,783</u>	<u>\$ 4,250,253</u>

Governmental activities, claims and judgments are generally liquidated by the general fund.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE G - LONG-TERM DEBT (CONTINUED)

7. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2024 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
2025	\$ 2,030,000	\$ 1,188,357	\$ 3,715,000	\$ 3,137,400	\$ 3,670,000	\$ 3,387,244
2026	2,575,000	1,086,857	3,900,000	2,951,650	3,840,000	3,224,194
2027	2,705,000	958,104	4,090,000	2,756,650	4,005,000	3,053,544
2028	2,820,000	845,957	4,300,000	2,552,150	4,185,000	2,875,443
2029	1,505,000	752,487	4,515,000	2,337,150	4,350,000	2,712,294
2030-2034	8,660,000	2,623,000	25,785,000	8,465,000	24,220,000	11,070,650
2035-2039	6,205,000	565,400	28,980,000	3,209,500	13,650,000	7,368,500
2040-2044	-	-	-	-	16,125,000	4,896,300
2045-2049	-	-	-	-	18,695,000	2,328,000
2050	-	-	-	-	4,080,000	122,400
	<u>\$ 26,500,000</u>	<u>\$ 8,020,162</u>	<u>\$ 75,285,000</u>	<u>\$ 25,409,500</u>	<u>\$ 96,820,000</u>	<u>\$ 41,038,569</u>

8. Revenues Pledged for Debt Service

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$39,380,000 in water revenue refunding bonds and \$78,255,000 in water revenue bonds. Proceeds from the revenue refunding bonds, Series 2013, were used for rejuvenation of the water treatment facilities, improving and expanding water storage, and various other projects and the proceeds from the revenue bonds, Series 2020, were used to construct a water treatment plant. The bonds are payable solely from water customer net revenues and are payable through 2050. Annual principal and interest payments on the bonds are expected to require less than 13% of net revenues. The total principal and interest remaining to be paid on the bonds is approximately \$138 million. For the year ended December 31, 2024 net available revenues were \$55,226,916, principal and interest paid were \$3,515,000, and \$3,543,294, respectively.

NOTE H - UNEARNED REVENUE

The General Fund includes unearned revenue of \$38,387, which is related to funds received for prefunded permit fees, grants. The Governmental Capital Fund has \$6,902,809 related to funds received from American Rescue Plan Act of 2021. The Water Fund has \$389,506 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 Retirement Plan.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

At December 31, 2024, the City reported the following aggregate amounts related to the FPPA plans to which it contributes:

Statement of Net Position and Statement of Activities	FPPA Old Hire	FPPA SRP	Governmental Activities
Net pension liability	\$ 4,429,427	\$ -	\$ 4,429,427
Net pension asset	-	-	-
Deferred outflows of resources	1,750,830	19,649,233	21,400,063
Deferred inflows of resources	-	151,674	151,674
Pension expense	1,356,142	2,565,783	3,921,925

All plans are administered by outside trustees and do not meet the standards US GAAP for inclusion as part of the reporting entity.

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

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

A description of each plan and selected financial information follows.

1. Defined Contribution Money Purchase Plans

a. Regular Employee Money Purchase Plan

Plan Description. The Regular Employee Money Purchase Plan is a single-employer defined contribution plan maintained for regular employees. Assets are administered and held by Nationwide. The plan requires mandatory employee pre-tax contributions to the plan of 6.5% of base pay. The City also contributes 7.6% of employees' base pay to the plan. The plan requires employee participation in the plan immediately upon date of hire. Vesting of employer contributions is as follows: 20% per year after the first year of service to be 100% vested after 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

Funding. Employer contributions are funded every pay period by the governmental and proprietary funds. The City's contributions for 2024 were \$6,107,175 (which includes the City's match for voluntary contributions, which is further explained on Note J). City employees' contributions for 2024 were \$9,938,721. The City's contributions were offset by \$421,668 in employee forfeitures.

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

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

Funding. Employer contributions are funded every pay period by the General Fund and the terms of the plan are negotiated periodically as a part of their employment contract. The City and employee contributions for 2024 were \$51,907 and \$55,140 respectively.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

1. Defined Contribution Money Purchase Plans (Continued)

c. Firefighters Money Purchase Plan

Plan Description. The Firefighters Employee Money Purchase Plan is a single employer defined contribution plan maintained for all full-time firefighters hired on or after January 1, 1994 and before July 10, 2017. Firefighters hired before July 10, 2017 were given the option to remain in the City's local money purchase plan or reenter FPPA. Assets are administered and held by Nationwide. The plan requires mandatory employee contributions of 10.0% of base pay. The City's contribution is 10.0% of base pay. Vesting of employer contributions is as follows: 20% per year after the first year of service to be 100% vested after 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

Funding. Employer contributions are funded every pay period from the General Fund. The City's contributions for 2024 were \$319,059. The City firefighters' mandatory contributions for 2024 were \$318,238.

d. Police Money Purchase Plan

Plan Description. The Police Money Purchase Plan is a single employer defined contribution plan maintained for all full-time, sworn police officers hired before July 10, 2017. Sworn police hired before July 10, 2017 were given the option to remain in the City's local money purchase plan or reenter FPPA. Assets are administered and held by Nationwide. The plan requires mandatory employee contributions of 10% of base pay. The City's contribution is 10% of base pay. Vesting of employer contributions is as follows: 20% per year after the first year of service to be 100% vested after 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

Funding. Employer contributions are funded every pay period from the General Fund. The City's contributions for 2024 were \$217,727. The City police employees' mandatory contributions for 2024 were \$217,727. The City's contributions were offset by \$9,465 in employee forfeitures.

e. Fire and Police Statewide Money Purchase Component of the Statewide Retirement Plan (SRP)

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

Funding. Contributions to the Money Purchase Component 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 10.0% of base pay, which is matched by the City. For Police Officer members the plan requires mandatory employee contributions of 10% of base pay, which is matched by the City.

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

Employees are permitted to make contributions to the pension component, up to applicable Internal Revenue Code limits. Employer contributions are funded every pay period from the General Fund. For the year ended December 31, 2024, City and employee contributions were both \$43,592.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans

a. Fire and Police Pension Old Hire Fire Pension Plan

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

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

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

Funding Policy. Contributions are funded from the General Fund, the City's contributions for 2024 were \$496,596.

As of December 31, 2024, there are no active participants and 18 inactive employees or beneficiaries currently receiving benefits. In 2024, there were no contributions made by participants.

Pension Liability. At December 31, 2024, the City reported a net pension liability of \$4,429,427 related to the Old Hire Plan. The net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2023.

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Single Discount Rate	4.50%
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, 2022, determined the contribution amounts for 2023 and 2024, which follow the standard one-year lag.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

Long-Term Expected Rate of Return on Pension Plan Investments. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Cash	10.0%	5.5%
Fixed Income - Rates	70.0%	5.4%
Fixed Income - Credit	10.0%	5.9%
Diversifiers	0.0%	7.4%
Long Short	0.0%	7.0%
Global Public Equity	10.0%	8.3%
Private Markets	0.0%	10.2%
Total	<u>100.0%</u>	

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

For the purpose of the valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 3.77% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%.

Changes in the Net Pension Liability.

	<u>Total Pension Liability (a)</u>	<u>Increase (Decrease) Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at December 31, 2023	<u>\$ 8,116,444</u>	<u>\$ 3,605,054</u>	<u>\$ 4,511,390</u>
Changes for the year:			
Interest on total pension liability	501,451	-	501,451
Differences between expected and actual experience	(19,187)	-	(19,187)
Contributions - employer	-	1,401,259	(1,401,259)
Net investment income	-	293,669	(293,669)
Benefit payments, including refunds of employee contributions	(816,480)	(816,480)	-
Administrative expense	-	(6,698)	6,698
Change in assumptions	<u>1,124,003</u>	<u>-</u>	<u>1,124,003</u>
Net changes	<u>789,787</u>	<u>871,750</u>	<u>(81,963)</u>
Balances at December 31, 2024	<u><u>\$ 8,906,231</u></u>	<u><u>\$ 4,476,804</u></u>	<u><u>\$ 4,429,427</u></u>

At December 31, 2024, the Old Hire Plan fiduciary net position as a percentage of the total pension liability was 50.27%.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate. The following presents the Old Hire Plan's net pension liability, calculated using a Single Discount Rate of 4.50%, as well as what the Old Hire Plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 3.50%	Single Discount Rate Assumption 4.50%	1% Increase 5.50%
City's net pension liability	\$ 5,135,951	\$ 4,429,427	\$ 3,811,499

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

Pension Income. For the year ended December 31, 2024, the City recognized a pension expense of \$1,356,142 for the Old Hire Plan.

Pension Deferred Outflows/Inflows of Resources. At December 31, 2024, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings	\$ 211,620
City contributions subsequent to the measurement date	496,596
Total	<u>\$ 708,216</u>

The \$496,596 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, 2025. Other amounts reported as deferred outflows of resources related to the Old Hire Plan will be recognized in pension expense as follows:

Year Ending December 31	Amount
2025	\$ 40,675
2026	68,851
2027	110,263
2028	(8,169)
2029	-
Total	<u>\$ 211,620</u>

b. Fire and Police Pension Statewide Retirement Plan

Plan Description. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the former Statewide Defined Benefit Plan (SWDB) and the Statewide Hybrid Plan (SWH) to form the Statewide Retirement Plan (SRP) effective January 1, 2023. The SWDB Plan became the Defined Benefit Component of the SRP and the SWH Plan became the Statewide Hybrid Defined Benefit Component of the SRP. The Statewide Retirement Plan (SRP Plan) is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 230 participating employer fire and police departments.

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Retirement Plan (Continued)

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various options offered by an outside investment manager.

The Plan is administered by the Fire & Police Pension Association of Colorado. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

The FPPA Board of Directors may change the retirement age on an annual basis, depending on the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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.

The annual retirement benefit for the Defined Benefit Component is 2% of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5% of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement for the Social Security Component is 1% of the average of the member's highest three years' base salary for each year of credited service up to ten years plus 1.25% of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member received annually, calculated as if the social security benefit started as of age 62. The City does not currently have any employees who are members of the Social Security Component.

The annual retirement benefit of the Hybrid Defined Component is 1.9% of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5% of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Retirement Plan (Continued)

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions along with 5% as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Funding Policy. Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12% of base salary, and the current employer contribution is 10% of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contributions will increase 0.5% annually through 2030 to a total of 13% of base salary.

Reentry members of the Defined Benefit Component contribute 10% of base salary, and the current employer contribution is also 10% of base salary. Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5% annually.

The City's contributions to the Defined Benefit Component for the year ending December 31, 2024 were \$3,953,489.

The City does not currently have any employees who are members of the Social Security Component.

Members of the Hybrid Defined Component contribute 10% of base salary, and the current employer contribution is also 10% of base salary. The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase 0.125% annually until they reach a minimum rate of 9% each and at least a combined rate of 18% in 2030.

The Hybrid Defined Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2024 was 13.90 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the SRP plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the SRP Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

The City's contributions to the Hybrid Defined Component for the year ending December 31, 2024 were \$153,723.

Pension Liability. At December 31, 2024, the City reported a net pension liability of \$0 for its proportionate share of the SRP Plan net pension liability. The net pension liability was measured as of December 31, 2023. The collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The proportionate share of 3.62% was calculated based on City of Thornton contributions for the year ended December 31, 2023 as a percentage of total employer contributions from all participating agencies and was a decrease of .03% from the prior year proportionate share of the Statewide Defined Benefit Plan and the Statewide Hybrid plan.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Retirement Plan (Continued)

The City's reported liability at December 31, 2024, decreased to \$0 from the City's prior year net liability of \$3,022,495. Prior year net liability of \$3,022,495 consisted of a liability of \$3,143,848 for the previous Statewide Defined Benefit Plan and an asset of \$121,353 for the previous Statewide Hybrid Plan, both of which are now components of the Statewide Retirement Plan. The Plan's publicly available financial report and related memo provides details on the change in the net pension liability/(asset), and in particular, to the combining of the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the SRP effective January 1, 2023.

The City's proportion of the net pension liability was based on City contributions to the SRP Plan for the calendar year 2023 relative to the total contributions of participating employers to the SRP Plan. The City's proportion measured as of December 31, 2023, was 3.617062%, which was a decrease of 0.034629% from its proportion measured as of December 31, 2022. The change in proportion measured at December 31, 2022 was adjusted to 3.651691 due to the combining of the previous Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the SRP at January 1, 2023.

Pension Income and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2024, the City recognized a pension expense for the SRP of \$2,565,783. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the SRP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,557,522	\$ -
Changes of assumptions	3,995,599	-
Net difference between projected and actual investment earnings	4,945,308	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	151,674
City contributions subsequent to the measurement date	4,150,804	-
Total	<u>\$ 19,649,233</u>	<u>\$ 151,674</u>

The \$4,150,804 reported as deferred outflows of resources related to the SRP 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, 2025. Other amounts reported as deferred outflows of resources related to the SRP Plan will be recognized in pension expense as follows:

Year Ending December 31	Amount
2024	\$ 2,332,890
2025	3,594,177
2026	5,513,624
2027	995,875
2028	1,128,164
Thereafter	1,782,025
Total	<u>\$ 15,346,755</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Retirement Plan (Continued)

Actuarial Assumptions. The actuarial valuations for the SRP were used to determine the total pension liability for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability
Actuarial Valuation Date	January 1, 2024
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 years
Long-term Investment Rate of Return, net*	7.0%
Projected Salary Increases*	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and the projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption used Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projections scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The Actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	35.0%	8.3%
Equity Long/Short	6.0%	7.3%
Private Markets	34.0%	10.3%
Fixed Income - Rates	10.0%	5.4%
Fixed Income - Credit	5.0%	5.9%
Absolute Return	9.0%	6.4%
Cash	1.0%	4.3%
Total	<u>100.0%</u>	

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

b. Fire and Police Pension Statewide Retirement Plan (Continued)

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SRP 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.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0% was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0%, then a COLA assumption of 0% will be used and a Net Pension Liability will be reported.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7%; the municipal bond rate is 3.77% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the SRP's net pension liability, calculated using a Single Discount Rate of 7%, as well as SRP'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 6.0%	Single Discount Rate Assumption 7.0%	1% Increase 8.0%
City's proportionate share of the net pension liability	\$ 20,282,285	\$ -	\$ -

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

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 \$23,000 per year (\$30,500 if age 50 or more). The City matches 100% of employee contributions up to a maximum of 1% of base pay for general employees and Police, and up to 2% for Fire. For 2024, the general employees' voluntary contributions were \$3,401,093, the police employees' voluntary contributions were \$1,263,871 and the fire employees' voluntary contributions were \$983,171 for a total of \$5,648,135. Withdrawals must begin at age 73, or can be made upon termination of employment, death, or unforeseeable emergency. Withdrawals due to unforeseeable emergency may be subject to IRS penalties for early withdrawal.

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE K – OTHER POSTEMPLOYMENT BENEFITS

1. Defined Benefit Post-Employment Health Care Plan

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

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

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

Contributions. Retirees pay 100% of the total premium. There is an explicit City contribution of 90% of the premium for disabled retirees, and 100% of the highest priced employee-only coverage high deductible medical plan for public safety employees with retirement dates in 2021 or later. There is no explicit City contribution for other retirees. The 2024 monthly premiums for retirees are shown in the table below.

Coverage Category	2024 Monthly Premium Rate						
	CIGNA	CIGNA HDHP	Kaiser HMO	Kaiser HDHP	Dental EPO	Dental Premier	Vision
Retiree	\$ 1,083.70	\$ 832.62	\$ 672.44	\$ 517.26	\$ 27.35	\$ 46.54	\$ 8.60
Retiree + 1	2,156.60	1,664.38	1,357.64	1,034.66	51.14	86.59	14.61
Retiree + Family	3,056.06	2,356.64	1,941.78	1,494.74	94.36	153.82	26.10

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Total OPEB Liability. The City's total OPEB liability is \$8,422,680 as of December 31, 2024 and was determined by the application of roll forward procedures to the liability determined as of December 31, 2023. In a rollforward valuation, the census date and most assumptions used in the prior year's valuation are rolled forward to the new measurement date with only minimal changes. The roll forward procedures included two steps:

- Change the valuation date from December 31, 2023 to December 31, 2024
- Update the discount rate to reflect the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2024

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, 2024
Census Data	All data was provided by the City. The census data was provided in January 2023.
Liability Components	Medical: An implicit liability exists due to age. There is also an explicit subsidy due to the City's contributions for disabled retirees and public safety retirees. Dental and Vision: We assumed there is no implicit liability due to age. There is an explicit subsidy due to the City's contributions for disabled retirees.
Cost Method	Entry age normal, determined as a level percent of projected pay
Funding Method	Pay as you go
Discount Rate	4.06% Source: S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2024
Payroll Growth	3.0% Source: Colorado PERA Local Government Division 12/31/2022 Actuarial Valuation
General Inflation	3% per year
Mortality Rate	RP-2014 Generational Table using MP 2015 projections scale applied on a gender-specific basis
Termination Before Retirement	Source: Colorado PERA Local Government Division 12/31/2022 Actuarial Valuation
Disability Rate	Source: Colorado PERA Local Government Division 12/31/2022 Actuarial Valuation
Retirement Rate	Source: Colorado PERA Local Government Division 12/31/2022 Actuarial Valuation
Participation Rate	45% of active employees are assumed to elect the City's healthcare coverage in retirement. Source: Study of 2020 through 2023 retirements
Spousal Coverage	45% of retirees who take coverage will also cover spouses. Actual spouse information is used where available; otherwise, husbands are assumed to be 3 years older than their wives. Source: Study of 2020 – 2023 retirements
Medical Trend Rate	The medical claims and premiums are assumed to increase at the following rates. Source: Deloitte 2023 Study of Economic Assumptions. 6.26% in 2023 down 1.64% to 4.62% in 2030
Dental and Vision Trend Rate	Dental – 0% Vision – 0% Source: Recent City experience
Medical Aging Factors	Source: Society of Actuaries 2013 Study "Health Care Costs – From Birth to Death"
Age Adjusted Medical Claims	Blended Plans, Annual
Admin Costs	Calculated as 15% of average annual premium, not age adjusted

Change in Total OPEB Liability.

	Total OPEB Liability
Balance as of December 31, 2023	\$ 8,254,097
Changes for the year:	
Service cost	406,311
Interest	335,116
Change of benefit terms	-
Difference between expected and actual experience	(369,236)
Changes in assumptions or other inputs	(51,917)
Benefit payments	(151,691)
Net changes	168,583
Balance as of December 31, 2024	\$ 8,422,680
Due within one year (applicable to general government only)	\$ 660,273

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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 4.00% to 4.06%	S&P Municipal Bond 20-Year High Grade Rate Index as of 12/31/2024	(\$51,917)

Employer Contributions. The roll forward of employer contributions was calculated as follows:

Description	Amount
Employer Contributions from 12/31/23 Valuation	\$143,078
2024 Medical Trend Assumption from 12/31/22 Valuation	X 1.0602
Roll Forward Employer Contributions 12/31/24	\$151,691

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

	1% Decrease (3.06%)	Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB Liability	\$ 9,339,863	\$ 8,422,680	\$ 7,612,071

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

	1% Decrease (5.02% graded)	Trend Rates (6.02% graded)	1% Increase (7.02% graded)
Total OPEB Liability	\$ 7,427,778	\$ 8,422,680	\$ 9,607,647

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, 2024 is 7.32 years.

Amounts reported as Deferred Outflows of Resources related to OPEB as of December 31, 2024 will be recognized in OPEB Expense as follows:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 949,447	\$ 533,767
Changes in assumptions or other inputs	460,376	1,266,625
Total	<u>\$ 1,409,823</u>	<u>\$ 1,800,392</u>

City of Thornton, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

Year Ending December 31	Amount
2025	\$ 62,295
2026	(86,130)
2027	(95,605)
2028	(149,323)
2029	(62,051)
2030	(41,340)
2031	(18,415)
Total	<u>\$ (390,569)</u>

For the year ended December 31, 2024 the City recognized \$626,934 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 2024 the plan had 1,134 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 2024, the amount contributed was \$200,900.

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. CIRSA's separately issued financial report can be obtained at [Annual Report - CIRSA](#). 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 2024, 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 2024, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for property/casualty claims of \$1,524,080. 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.

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE L - RISK MANAGEMENT (CONTINUED)

1. General Liability Insurance Pool (Continued)

	<u>2024</u>	<u>2023</u>
Reserve for unpaid claims, January 1,	\$ 1,202,950	\$ 1,548,507
Claims & changes in estimates	81,593	1,050,616
Restitution/(Claim payments)	<u>239,537</u>	<u>(1,396,173)</u>
Reserve for unpaid claims, December 31,	<u>\$ 1,524,080</u>	<u>\$ 1,202,950</u>
Unpaid claims to be paid in 1 year	<u>\$ 638,502</u>	<u>\$ 651,535</u>

Summary of the most recently available financial information for CIRSA (December 31, 2023) is as follows:

Assets	<u>\$ 58,998,531</u>
Liabilities, including incurred but not reported claims	\$ 47,932,635
Members' fund balance	
Accumulated members' equity	<u>11,065,896</u>
Total liabilities and fund balance	<u>\$ 58,998,531</u>
Revenues	\$ 36,911,003
Expenses	<u>49,878,922</u>
Net decrease in members' fund balance	<u>\$ (12,967,919)</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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, 2023 **	City of Thornton's contribution ratio	City of Thornton's share of surplus as of December 31, 2023
1996	Loss Fund	\$ 55,430	0.000%	\$ -
1997	Loss Fund	38,414	0.000%	-
1999	Loss Fund	1,936	0.000%	-
2000	Loss Fund	(12)	0.000%	-
2001	Loss Fund	792	0.000%	-
2003	Loss Fund	350,413	0.000%	-
2004	Loss Fund	1,317,831	0.768%	10,116
2006	Loss Fund	2,571,142	0.349%	8,963
2007	Loss Fund	7,407	0.000%	-
2008	Loss Fund	2,406,274	0.000%	-
2009	Loss Fund	2,157,618	0.000%	-
2010	Loss Fund	15,174	0.000%	-
2011	Loss Fund	193,122	0.000%	-
2012	Loss Fund	1,671,852	0.000%	-
2013	Loss Fund	1,864,747	0.000%	-
2014	Loss Fund	2,196,260	0.000%	-
2015	Loss Fund	829,465	0.000%	-
2016	Loss Fund	1,964,129	0.000%	-
2017	Loss Fund	1,021,124	0.000%	-
2018	Loss Fund	6,285,412	0.000%	-
2019	Loss Fund	629,437	0.000%	-
2020	Loss Fund	5,111,468	0.000%	-
2021	Loss Fund	(352,373)	0.000%	-
2022	Loss Fund	(3,395,102)	0.000%	-
2023	Loss Fund	(24,712,523)	0.000%	-
ALL	Operating fund	22,123,100	3.848%	851,361
ALL	Excess fund	(22,264,013)	6.799%	(1,513,650)
ALL	Reserve fund	8,977,372	0.191%	17,125
		<u>\$ 11,065,896</u>		<u>\$ (626,085)</u>

* Years 1983 through 1995, 1998, 2002 and 2005 no longer have balances remaining.

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

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE L - RISK MANAGEMENT (CONTINUED)

2. Workers' Compensation

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

All operating funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay current year claims and to establish a reserve for catastrophe losses. In 2024, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for workers' compensation of \$4,676,910. There have been no significant reductions in insurance coverage from the prior year. There has been one claim that exceeded the City's risk retention in the last ten years.

	2024	2023
Reserve for unpaid claims, January 1,	\$ 3,435,527	\$ 3,191,601
Claims & changes in estimates	2,835,154	1,837,073
Claim payments	<u>(1,593,771)</u>	<u>(1,593,147)</u>
Reserve for unpaid claims, December 31,	<u>\$ 4,676,910</u>	<u>\$ 3,435,527</u>
Unpaid claims to be paid in 1 year	<u>\$ 1,884,412</u>	<u>\$ 1,459,844</u>

3. Self-Funded Dental Insurance

The City established two self-funded dental programs effective January 1, 2007: Delta EPO and Delta Premier. The purpose of these programs is to pay the dental claims of eligible City employees and their covered dependents. As of January 1, 2007 the City entered into an administrative services only arrangement with Delta Dental of Colorado, whereby the City pays Delta Dental a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The City has recorded a liability in this fund totaling \$31,000 for open and estimated claims not yet reported at December 31, 2024.

	2024	2023
Reserve for unpaid claims, January 1,	\$ 27,000	\$ 25,000
Claims & changes in estimates	789,329	767,758
Claim payments	<u>(785,329)</u>	<u>(765,758)</u>
Reserve for unpaid claims, December 31,	<u>\$ 31,000</u>	<u>\$ 27,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 31,000</u>	<u>\$ 27,000</u>

City of Thornton, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE L - RISK MANAGEMENT (CONTINUED)

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, 2024.

	2024	2023
Reserve for unpaid claims, January 1,	\$ 6,000	\$ 9,000
Claims & changes in estimates	115,619	113,719
Claim payments	<u>(114,619)</u>	<u>(116,719)</u>
Reserve for unpaid claims, December 31,	<u>\$ 7,000</u>	<u>\$ 6,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 7,000</u>	<u>\$ 6,000</u>

5. Self-Funded Medical Insurance

The City established two self-funded medical programs effective January 1, 2022: Cigna Local Plus and Cigna HDHP Local Plus. The purpose of this program is to pay the medical claims of eligible City employees and their covered dependents. As of January 1, 2022 the City entered into an administrative services only arrangement with Cigna, whereby the City pays Cigna a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims and carries an additional stop loss policy to cover claims in excess of \$100,000. At the end of the year, the City retains any money not spent on claims. The City has a recorded liability in this fund totaling \$472,000 for open and estimated claims not yet reported at December 31, 2024.

	2024	2023
Reserve for unpaid claims, January 1,	\$ 592,000	\$ 400,000
Claims & changes in estimates	7,400,886	7,289,974
Claim payments	<u>(7,520,886)</u>	<u>(7,097,974)</u>
Reserve for unpaid claims, December 31,	<u>\$ 472,000</u>	<u>\$ 592,000</u>
Unpaid claims to be paid in 1 year	<u>\$ 472,000</u>	<u>\$ 592,000</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 2024, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled \$8,046,708. 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, 2024

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 \$1,524,080 for general liability and \$4,676,910 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 \$20,136,154 and \$5,066,607 in outstanding contracts with various contractors for the Governmental Capital Fund and all other governmental funds, respectively. The City has \$196,988,280, \$368,386 and \$795,546 in outstanding contracts with various contractors for the Water Fund, Sewer Fund, and all other proprietary funds, respectively.

The City has a collective bargaining agreement between the City of Thornton and the Thornton Firefighters Local Number 2376, International Association of Firefighters for the line firefighters. The current agreement is for three years and expires January 1, 2025, with a subsequent three-year agreement that expires January 1, 2028.

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, 2025.

Certain City employees have contracts through the fiscal year 2024. Some contracts include severance packages, not exceeding twelve months, if the employee is involuntarily terminated.

NOTE O – TAX ABATEMENTS

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

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

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 2024, the City's expenditures include \$2,077,872 in tax abatements.

NOTE P – SUBSEQUENT EVENTS

Subsequent to year-end, President Trump signed several executive orders (EOs) ordering the pause or termination of federal assistance for programs that do not align with the new administration's policies. The Administration has tasked federal departments with evaluating all federal programs they administer to determine if the funding being provided falls under any of the EOs. During the year ended December 31, 2024, the City recognized federal financial assistance totaling \$10,891,858, and at December 31, 2024 had outstanding federal receivables of \$3,277,938. The City has not experienced any issues with the collectability of the receivables as a result of the EOs. As of the date of this report, the full impact of President Trump's EOs on the City's federal programs and funding has not been determined. Management is actively monitoring the situation and assessing the potential effects on the City's basic financial statements.

This Page Left Intentionally Blank

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, 2024

	Budgeted Amounts		Actual Amounts	Positive (Negative) Variance - Actual From Final
	Original	Final		
REVENUES				
Taxes				
Sales and use	\$ 113,486,000	\$ 113,486,000	\$ 113,990,712	\$ 504,712
Property	21,929,500	21,929,500	22,879,256	949,756
Franchise	8,006,468	8,006,468	7,238,294	(768,174)
Other	3,400,000	3,400,000	3,313,232	(86,768)
Licenses and permits	4,825,340	4,825,340	7,961,691	3,136,351
Intergovernmental	8,543,110	8,543,110	8,982,224	439,114
Governmental grants	710,458	710,458	1,425,078	714,620
Charges for services	23,837,904	23,837,904	25,301,786	1,463,882
Fines and forfeitures	1,312,400	1,312,400	1,659,519	347,119
Leases	-	-	45,108	45,108
Investment earnings	2,300,000	2,300,000	3,507,094	1,207,094
Miscellaneous	857,150	857,150	1,312,827	455,677
Total revenues	<u>189,208,330</u>	<u>189,208,330</u>	<u>197,616,821</u>	<u>8,408,491</u>
EXPENDITURES				
Current				
General government				
Legislative	3,727,780	3,727,780	3,625,618	102,162
City manager	5,141,451	5,141,451	5,472,390	(330,939)
General services	30,311,514	30,311,514	28,580,185	1,731,329
Miscellaneous	7,955,399	7,955,399	5,552,396	2,403,003
Police	54,907,032	55,439,962	55,767,236	(327,274)
Fire and ambulance	31,042,520	31,304,078	32,730,424	(1,426,346)
City development	12,209,380	12,209,380	12,010,267	199,113
Streets, traffic and engineering	14,317,102	14,468,529	13,960,588	507,941
Community services	33,483,124	33,729,624	33,249,206	480,418
Capital outlay	3,095,926	3,095,926	3,095,926	-
Debt service				
Principal retirement	-	-	1,272,741	(1,272,741)
Interest and bond fees	-	-	60,926	(60,926)
Total expenditures	<u>196,191,228</u>	<u>197,383,643</u>	<u>195,377,903</u>	<u>2,005,740</u>
Excess (deficiency) of revenues over (under) expenditures	(6,982,898)	(8,175,313)	2,238,918	10,414,231
OTHER FINANCING SOURCES (USES)				
Transfers in	8,388,490	8,388,490	8,388,490	-
Transfers out	(10,000)	(10,000)	(14,250)	(4,250)
Sale of general capital assets	-	-	202,079	202,079
Total other financing sources	<u>8,378,490</u>	<u>8,378,490</u>	<u>8,576,319</u>	<u>197,829</u>
Excess of revenues and other sources over expenditures and other sources before reconciling items	<u>\$ 1,395,592</u>	<u>\$ 203,177</u>	10,815,237	<u>\$ 10,612,060</u>
RECONCILIATION TO US GAAP BASIS				
Lease acquisition			(2,617,154)	
Leased asset - right to use			2,617,154	
Subscription-based IT arrangement (SBITA) acquisition			(384,559)	
Subscription asset - right to use			384,559	
RHS & sick payout			(53,727)	
Total reconciling items			<u>(53,727)</u>	
Net change in fund balances			10,761,510	
Fund balances, January 1			<u>65,484,912</u>	
Fund balances, December 31			<u>\$ 76,246,422</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, 2024

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes - sales and use	\$ 10,037,600	\$ 10,318,925	\$ 281,325
Intergovernmental	-	6,192,780	6,192,780
Governmental grants	973,000	307,387	(665,613)
Investments			
Investment earnings	308,500	705,857	397,357
Total revenues	11,319,100	17,524,949	6,205,849
EXPENDITURES			
Capital outlay	28,125,057	23,586,896	4,538,161
Debt service			
Principal retirement	2,941,759	2,941,759	-
Interest	2,719,484	2,719,484	-
Bond fees	4,130	5,785	(1,655)
Total expenditures	33,790,430	29,253,924	4,536,506
Deficiency of revenues under expenditures	(22,471,330)	(11,728,975)	10,742,355
Net change in fund balance	<u>\$ (22,471,330)</u>	<u>(11,728,975)</u>	<u>\$ 10,742,355</u>
Fund balance, January 1		17,174,082	
Fund balance, December 31		<u>\$ 5,445,107</u>	

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Retirement Plan (SRP)
Defined Benefit Component and Hybrid Defined Component

	2024
Statutorily required contribution	\$ 4,107,212
Contributions in relation to the statutorily required contribution	4,107,212
Contribution deficiency (excess)	\$ -
Covered payroll firefighters	\$ 15,307,690
Covered payroll police	25,764,430
Contributions as a percentage of covered payroll	10.00%

Note: Information is not available prior to 2024. In future reports, additional years will be added until 10 years of historical data are presented.

City of Thornton, Colorado

Schedule of Proportionate Share of the Net Pension Liability Statewide Retirement Plan (SRP)
Defined Benefit Component and Hybrid Defined Component

	2024
City's proportion of the net pension liability	3.617062%
City's proportionate share of the net pension liability (asset)	\$ -
Covered payroll firefighters	\$ 13,815,495
Covered payroll police	22,929,466
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	100.00%

Note: Information is not available prior to 2024. In future reports, additional years will be added until 10 years of historical data are presented.

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

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Defined Benefit Plan (SWDB)

	2015	2016	2017 (1)	2018	2019	2020	2021	2022	2023	(See Note) 2024
Statutorily required contribution	\$ 54,522	\$ 31,646	\$ 486,813	\$ 2,063,822	\$ 2,239,975	\$ 2,478,812	\$ 2,538,034	\$ 2,865,576	\$ 3,394,288	0.00%
Contributions in relation to the statutorily required contribution	54,522	31,646	486,813	2,063,822	2,239,975	2,478,812	2,538,034	2,865,576	3,394,288	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll firefighters	\$ 681,525	\$ 395,575	\$ 2,027,550	\$ 7,431,738	\$ 8,487,588	\$ 9,717,275	\$ 10,620,800	\$ 11,983,156	\$ 13,173,663	\$ -
Covered payroll police new hire	-	-	309,775	2,132,838	3,279,363	4,566,300	5,170,882	7,035,044	9,981,126	-
Covered payroll police reentry	-	-	2,998,270	12,986,550	12,986,190	13,361,270	11,957,410	11,539,380	11,945,840	-
Contributions as a percentage of covered payroll										
Firefighters	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.50%	9.00%	9.50%	0.00%
Police new hire	-	-	8.00%	8.00%	8.00%	8.00%	8.50%	9.00%	9.50%	0.00%
Police reentry	-	-	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	0.00%

Note: Information is not available after 2023 due to the combining of this plan into the new Statewide Retirement Plan (SRP). In future reports, years will be eliminated until there is no historical data presented.

Other information:

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

City of Thornton, Colorado

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

	2015	2016	2017	2018 (1)	2019	2020	2021	2022	2023	(See Note) 2024
City's proportion of the net pension liability	0.221023%	0.140685%	0.077294%	4.001789%	3.833744%	3.798771%	3.857703%	3.478948%	3.541925%	0.00%
City's proportionate share of the net pension liability (asset)	\$ (249,441)	\$ (2,478)	\$ 27,931	\$ (1,686,561)	\$ 4,846,906	\$ (2,148,444)	\$ (8,375,088)	\$ (18,853,591)	\$ 3,143,848	\$ -
Covered payroll firefighters	\$ 993,945	\$ 681,525	\$ 395,575	\$ 2,027,550	\$ 7,431,738	\$ 8,487,588	\$ 9,717,275	\$ 10,620,800	\$ 11,983,156	\$ -
Covered payroll police new hire	-	-	-	309,775	2,132,838	3,279,363	4,566,300	5,170,882	7,035,044	-
Covered payroll police reentry	-	-	-	2,998,270	12,986,550	12,986,190	13,361,270	11,957,410	11,539,380	-
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-25.10%	-0.36%	7.06%	-31.61%	21.49%	-8.68%	-30.30%	-67.94%	10.29%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	106.80%	100.10%	98.21%	106.30%	95.20%	101.90%	106.70%	116.20%	97.60%	0.00%

Note: Information is not available after 2023 due to the combining of this plan into the new Statewide Retirement Plan (SRP). In future reports, years will be eliminated until there is no historical data presented.

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

Other information:

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

City of Thornton, Colorado

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

	2018 (1)	2019	2020	2021	2022	2023	(See Note) 2024
City's proportion of the net pension liability	8.867137%	8.541335%	8.732019%	8.417390%	8.767776%	8.320595%	0.00%
City's proportionate share of the net pension asset	\$ (1,097,401)	\$ (1,178,999)	\$ (1,700,476)	\$ (2,315,210)	\$ (3,324,712)	\$ (121,353)	\$ -
Covered payroll firefighters	\$ 143,551	\$ 603,713	\$ 635,675	\$ 567,338	\$ 589,471	\$ 544,100	\$ -
Covered payroll police	198,039	878,330	884,970	975,790	983,380	1,042,020	-
City's proportionate share of the net pension asset as a percentage of covered payroll	-321.26%	-79.55%	-111.83%	-150.03%	-211.38%	-7.65%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	138.86%	123.46%	130.06%	137.99%	149.01%	101.38%	0.00%

Note: Information is not available prior to 2018. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017.

Note: Information is not available after 2023 due to the combining of this plan into the new Statewide Retirement Plan (SRP). In future reports, years will be eliminated until there is no historical data presented.

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

Other information:

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

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Hybrid Plan (SWH)

	2018	2019	2020	2021	2022	2023	(See Note) 2024
Statutorily required contribution	\$ 136,129	\$ 139,351	\$ 143,275	\$ 148,443	\$ 153,171	\$ 161,225	\$ -
Contributions in relation to the statutorily required contribution	136,129	139,351	143,275	148,443	153,171	161,225	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll firefighters	\$ 603,713	\$ 635,675	\$ 567,338	\$ 589,471	\$ 544,100	\$ 641,832	\$ -
Covered payroll police	878,330	884,970	975,790	983,380	1,042,020	1,002,500	-
Contributions as a percentage of covered payroll							
Firefighters	8.00%	8.00%	8.00%	8.50%	9.00%	9.50%	0.00%
Police reentry	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	0.00%

Note: Information is not available prior to 2018. Plan was offered to Sworn Police and Firefighters hired before July 10, 2017 that elected to reaffiliate with FPPA in 2017.

Note: Information is not available after 2023 due to the combining of this plan into the new Statewide Retirement Plan (SRP). In future reports, years will be eliminated until there is no historical data presented.

City of Thornton, Colorado

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Interest on total pension liability	\$ 566,974	\$ 549,907	\$ 427,182	\$ 393,042	\$ 535,048	\$ 516,740	\$ 484,628	\$ 466,116	\$ 519,004	\$ 501,451
Benefit changes	-	-	-	281,477	-	-	337,920	-	1,006,495	-
Differences between expected and actual experience of the total pension liability	-	(305,110)	-	389,958	-	2,990	-	107,012	-	(19,187)
Changes of assumptions	-	2,319,410	312,071	(2,243,221)	-	478,713	-	-	-	1,124,003
Benefit payments, including refunds of employee contributions	(806,304)	(782,322)	(749,075)	(788,438)	(788,438)	(769,517)	(769,517)	(769,332)	(762,480)	(816,480)
Net change in total pension liability	(239,330)	1,781,885	(9,822)	(1,967,182)	(253,390)	228,926	53,031	(196,204)	763,019	789,787
Total pension liability - beginning	7,955,511	7,716,181	9,498,066	9,488,244	7,521,062	7,267,672	7,496,598	7,549,629	7,353,425	8,116,444
Total pension liability - ending	<u>\$ 7,716,181</u>	<u>\$ 9,498,066</u>	<u>\$ 9,488,244</u>	<u>\$ 7,521,062</u>	<u>\$ 7,267,672</u>	<u>\$ 7,496,598</u>	<u>\$ 7,549,629</u>	<u>\$ 7,353,425</u>	<u>\$ 8,116,444</u>	<u>\$ 8,906,231</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ -	\$ 239,804	\$ -	\$ 551,130	\$ 269,653	\$ 337,419	\$ 337,419	\$ 697,637	\$ 359,717	\$ 1,401,259
Net investment income	352,452	90,586	220,309	607,804	7,900	502,911	387,301	461,655	(323,251)	293,669
Benefit payments, including refunds of employee contributions	(806,304)	(782,322)	(749,075)	(788,438)	(788,438)	(769,517)	(769,517)	(769,332)	(762,480)	(816,480)
Pension plan administrative expense	(11,060)	(9,397)	(10,095)	(4,259)	(8,772)	(5,154)	(7,867)	(5,202)	(8,439)	(6,698)
Net change in plan fiduciary net position	(464,912)	(461,329)	(538,861)	366,237	(519,657)	65,659	(52,664)	384,758	(734,453)	871,750
Plan fiduciary net position - beginning	5,560,276	5,095,364	4,634,035	4,095,174	4,461,411	3,941,754	4,007,413	3,954,749	4,339,507	3,605,054
Plan fiduciary net position - ending	<u>\$ 5,095,364</u>	<u>\$ 4,634,035</u>	<u>\$ 4,095,174</u>	<u>\$ 4,461,411</u>	<u>\$ 3,941,754</u>	<u>\$ 4,007,413</u>	<u>\$ 3,954,749</u>	<u>\$ 4,339,507</u>	<u>\$ 3,605,054</u>	<u>\$ 4,476,804</u>
Net pension liability	2,620,817	4,864,031	5,393,070	3,059,651	3,325,918	3,489,185	3,594,880	3,013,918	4,511,390	4,429,427
Plan fiduciary net position as a percentage of total pension liability	66.03%	48.79%	43.16%	59.32%	54.24%	53.46%	52.38%	59.01%	44.42%	50.27%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

City of Thornton, Colorado

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

	2015	2016	2017 (2)	2018	2019	2020	2021 (3)	2022	2023 (4)	2024 (5)
Actuarially determined contribution (1)	\$ 239,804	\$ 269,653	\$ 269,653	\$ 269,653	\$ 337,419	\$ 337,419	\$ 359,717	\$ 359,717	\$ 394,764	\$ 445,680
Contributions in relation to the actuarial determined contribution (1)	239,804	-	551,130	269,653	337,419	337,419	697,637	359,717	1,401,259	496,596
Contribution deficiency (excess)	\$ -	\$ 269,653	\$ (281,477)	\$ -	\$ -	\$ -	\$ (337,920)	\$ -	\$ (1,006,495)	\$ (50,916)
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Single Discount Rate	4.50%
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.

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

Other information:

- (1) Actuarially determined contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.
- (2) 2017 includes a one time contribution of \$281,477 to pay for an unfunded liability that resulted from an increase to monthly benefits of certain participants.
- (3) 2021 includes a one time contribution of \$337,920 to cover the difference in the unfunded accrued liability that resulted from a one-time-cost-of-living adjustment (COLA) effective January 1, 2021 to all current retired members and beneficiaries.
- (4) 2023 includes a one time contribution of \$1,006,495 to cover the difference in the unfunded accrued liability for 2023 and 2024 that resulted from a plan amendment that benefits paid to all current retired members and beneficiaries be increased by \$250 per month as a one-time COLA effective January 1, 2023.
- (5) 2024 includes a payment for the 2023 increase in the actuarially required contribution from \$394,764 to \$445,680 that resulted from a plan amendment that benefits paid to all current retired members and beneficiaries be increased by \$250 per month as a one-time COLA effective January 1, 2023.

City of Thornton, Colorado

Schedule of Changes in Total OPEB and Related Ratios

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	\$ 225,863	\$ 208,610	\$ 300,857	\$ 466,575	\$ 292,781	\$ 422,931	\$ 406,311
Interest	290,800	144,867	86,468	129,695	331,437	256,129	335,116
Benefit changes	(5,134,249)	-	-	792,031	200,000	288,896	-
Differences between expected and actual experience	1,425,291	(93,021)	(389,508)	1,265,741	(244,733)	513,616	(369,236)
Assumption changes	(222,345)	(85,101)	1,346,383	(626,331)	(1,558,240)	312,366	(51,917)
Benefit payments	(130,583)	(138,940)	(60,154)	(102,005)	(107,952)	(143,078)	(151,691)
Net change in total OPEB liability	(3,545,223)	36,415	1,284,046	1,925,706	(1,086,707)	1,650,860	168,583
Total OPEB liability - beginning	7,989,000	4,443,777	4,480,192	5,764,238	7,689,944	6,603,237	8,254,097
Total OPEB liability - ending	<u>\$ 4,443,777</u>	<u>\$ 4,480,192</u>	<u>\$ 5,764,238</u>	<u>\$ 7,689,944</u>	<u>\$ 6,603,237</u>	<u>\$ 8,254,097</u>	<u>\$ 8,422,680</u>
Covered-employee payroll	\$ 80,735,374	\$ 87,662,142	\$ 93,230,794	\$ 97,311,878	\$ 102,955,832	\$ 118,561,794	\$ 129,941,797
Total OPEB liability as a percentage of covered-employee payroll	5.50%	5.11%	6.18%	7.90%	6.41%	6.96%	6.48%
Notes to Schedule:							
Major Assumptions							
Discount Rate	3.64%	3.26%	1.93%	2.25%	4.31%	4.00%	4.06%
Medical Trend Rate	6.60%	6.40%	6.30%	5.80%	5.83%	6.26%	6.02%

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

Information for Fiscal Year 2015 through 2017 is not available.

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

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Sales and use	\$ 8,845,200	\$ 7,587,644	\$ (1,257,556)
Property	15,500,000	13,760,591	(1,739,409)
Investments			
Investment earnings	859,800	1,587,882	728,082
Total revenues	<u>25,205,000</u>	<u>22,936,117</u>	<u>(2,268,883)</u>
EXPENDITURES			
Capital outlay	8,100,552	1,739,074	6,361,478
Debt service			
Principal retirement	1,140,000	1,140,000	-
Interest	267,013	267,013	-
Bond fees	2,750	2,750	-
Total expenditures	<u>9,510,315</u>	<u>3,148,837</u>	<u>6,361,478</u>
Excess of revenues over expenditures	<u>15,694,685</u>	<u>19,787,280</u>	<u>4,092,595</u>
OTHER FINANCING USES			
Transfers out	(5,808,848)	(5,808,848)	-
Total other financing uses	<u>(5,808,848)</u>	<u>(5,808,848)</u>	<u>-</u>
Net change in fund balance	<u>\$ 9,885,837</u>	13,978,432	<u>\$ 4,092,595</u>
Fund balance, January 1		<u>27,265,547</u>	
Fund balance, December 31		<u>\$ 41,243,979</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, 2024

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Taxes - sales and use	\$ 20,027,000	\$ 20,513,254	\$ 486,254
Intergovernmental	4,311,000	4,313,927	2,927
Governmental grants	14,248,588	9,658,652	(4,589,936)
Investments			
Investment earnings	1,200,000	4,984,162	3,784,162
Miscellaneous			
Developers' contributions	3,664,205	4,303,409	639,204
Other	56,873	376,963	320,090
Total revenues	<u>43,507,666</u>	<u>44,150,367</u>	<u>642,701</u>
EXPENDITURES			
Streets, traffic and engineering	3,658,000	3,620,791	37,209
Capital outlay	94,466,888	30,672,572	63,794,316
Debt service			
Principal retirement	593,242	842,654	(249,412)
Interest	594,666	609,276	(14,610)
Bond fees	545	1,090	(545)
Total expenditures	<u>99,313,341</u>	<u>35,746,383</u>	<u>63,566,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,805,675)</u>	<u>8,403,984</u>	<u>64,209,659</u>
OTHER FINANCING SOURCES			
Transfers in	2,922,031	2,922,032	1
Sales of general capital assets	-	960,916	960,916
Total other financing sources	<u>2,922,031</u>	<u>3,882,948</u>	<u>960,917</u>
RECONCILIATION TO US GAAP BASIS			
Subscription-based IT arrangement (SBITA) acquisition		(936,039)	
Subscription asset - right to use		936,039	
Total reconciling items		<u>-</u>	
Net change in fund balance	<u>\$ (52,883,644)</u>	12,286,932	<u>\$ 65,170,576</u>
Fund balance, January 1		<u>74,022,355</u>	
Fund balance, December 31		<u>\$ 86,309,287</u>	

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

Special Revenue Funds

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

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

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

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

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

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

Parks and Open Space Fund – This fund is a Major Fund in 2024.

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, 2024

	Special Revenue Funds				
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space
ASSETS					
Equity in pooled cash and investments					
Unrestricted	\$ 136,162	\$ 1,859,465	\$ 2,397,500	\$ 616,559	\$ 544,332
Restricted	-	-	-	-	-
Receivables, net					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	1,319,805
Interest	926	12,461	15,836	4,178	4,706
Land held for resale	-	-	-	-	-
Total assets	<u>\$ 137,088</u>	<u>\$ 1,871,926</u>	<u>\$ 2,413,336</u>	<u>\$ 620,737</u>	<u>\$ 1,868,843</u>
LIABILITIES					
Accounts payable	441	1,918	220,350	37,174	585,004
Retainage payable	-	-	84,312	-	151,339
Third party advances	-	1,287,683	-	-	-
Other	-	-	-	-	1,319,805
Total liabilities	<u>441</u>	<u>1,289,601</u>	<u>304,662</u>	<u>37,174</u>	<u>2,056,148</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					
Nonspendable					
Restricted					
Parks and open space	-	-	2,108,674	583,563	(187,305)
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Public safety	-	-	-	-	-
Other purposes	25,835	-	-	-	-
Assigned					
Capital projects	-	-	-	-	-
Land held for resale	-	-	-	-	-
Parks and open space	-	582,325	-	-	-
Other purposes	110,812	-	-	-	-
Total fund balances	<u>136,647</u>	<u>582,325</u>	<u>2,108,674</u>	<u>583,563</u>	<u>(187,305)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 137,088</u>	<u>\$ 1,871,926</u>	<u>\$ 2,413,336</u>	<u>\$ 620,737</u>	<u>\$ 1,868,843</u>

Special Revenue Funds				
Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
\$ 7,635,742	\$ 8,566,734	\$ 25,151	\$ 791,419	\$ 22,573,064
-	-	-	-	-
1,035,222	985,720	221,633	333,668	2,576,243
-	-	-	-	1,319,805
51,957	55,127	595	11,055	156,841
-	-	-	-	-
<u>\$ 8,722,921</u>	<u>\$ 9,607,581</u>	<u>\$ 247,379</u>	<u>\$ 1,136,142</u>	<u>\$ 26,625,953</u>
213,838	1,132,974	-	-	2,191,699
73,465	86,213	-	-	395,329
-	-	-	-	1,287,683
-	-	-	-	1,319,805
<u>287,303</u>	<u>1,219,187</u>	<u>-</u>	<u>-</u>	<u>5,194,516</u>
-	-	220,825	-	220,825
1,035,222	-	-	-	1,035,222
<u>1,035,222</u>	<u>-</u>	<u>220,825</u>	<u>-</u>	<u>1,256,047</u>
7,400,396	-	-	-	9,905,328
-	8,388,394	-	-	8,388,394
-	-	-	-	-
-	-	-	1,136,142	1,136,142
-	-	-	-	25,835
-	-	26,554	-	26,554
-	-	-	-	-
-	-	-	-	582,325
-	-	-	-	110,812
<u>7,400,396</u>	<u>8,388,394</u>	<u>26,554</u>	<u>1,136,142</u>	<u>20,175,390</u>
<u>\$ 8,722,921</u>	<u>\$ 9,607,581</u>	<u>\$ 247,379</u>	<u>\$ 1,136,142</u>	<u>\$ 26,625,953</u>

City of Thornton, Colorado

Combining Balance Sheet (Continued) Non-Major Governmental Funds December 31, 2024

	Capital Funds			Total Non-major Governmental Funds
	TDA South Capital	TDA 144th Capital	Total Capital Projects	
ASSETS				
Equity in pooled cash and investments				
Unrestricted	\$ 3,621,075	\$ 1,088,896	\$ 4,709,971	\$ 27,283,035
Restricted	-	2,275,207	2,275,207	2,275,207
Receivables, net				
Taxes	959,578	2,437,723	3,397,301	5,973,544
Accounts	-	-	-	1,319,805
Interest	24,254	7,125	31,379	188,220
Land held for resale	3,608,166	-	3,608,166	3,608,166
Total assets	<u>\$ 8,213,073</u>	<u>\$ 5,808,951</u>	<u>\$ 14,022,024</u>	<u>\$ 40,647,977</u>
LIABILITIES				
Accounts payable	181,189	55,953	237,142	2,428,841
Retainage payable	-	-	-	395,329
Third party advances	13,500	-	13,500	1,301,183
Other	-	900,449	900,449	2,220,254
Total liabilities	<u>194,689</u>	<u>956,402</u>	<u>1,151,091</u>	<u>6,345,607</u>
DEFERRED INFLOWS				
Unavailable revenue - property taxes	959,578	2,240,375	3,199,953	3,420,778
Intergovernmental	-	-	-	1,035,222
Total deferred inflows of resources	<u>959,578</u>	<u>2,240,375</u>	<u>3,199,953</u>	<u>4,456,000</u>
FUND BALANCES				
Nonspendable				
Restricted				
Parks and open space	-	-	-	9,905,328
Capital projects	-	-	-	8,388,394
Debt service	-	2,258,550	2,258,550	2,258,550
Public safety	-	-	-	1,136,142
Other purposes	-	-	-	25,835
Assigned				
Capital projects	3,450,640	353,624	3,804,264	3,830,818
Land held for resale	3,608,166	-	3,608,166	3,608,166
Parks and open space	-	-	-	582,325
Other purposes	-	-	-	110,812
Total fund balances	<u>7,058,806</u>	<u>2,612,174</u>	<u>9,670,980</u>	<u>29,846,370</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,213,073</u>	<u>\$ 5,808,951</u>	<u>\$ 14,022,024</u>	<u>\$ 40,647,977</u>

This Page Left Intentionally Blank

City of Thornton, Colorado

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended December 31, 2024**

	Special Revenue Funds					Formerly Non-major Fund Parks & Open Space
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space	
REVENUES						
Taxes						
Sales and use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property	-	-	-	-	-	-
E911	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	1,669,324	-	-	-
Governmental grants	25,835	-	-	-	95,295	-
Investments						
Investment earnings	8,462	79,878	162,598	61,781	82,029	-
Miscellaneous						
Developers' contributions	-	25,710	-	-	-	-
Other	3,522	-	25,000	-	9,600	-
Total revenues	37,819	105,588	1,856,922	61,781	186,924	-
EXPENDITURES						
Current						
Streets, traffic and engineering	-	-	-	-	-	-
Community services	50,789	-	-	-	-	-
Capital outlay	76,600	25,710	3,950,902	1,386,935	3,417,033	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond fees	-	-	-	-	-	-
Total expenditures	127,389	25,710	3,950,902	1,386,935	3,417,033	-
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	(89,570)	79,878	(2,093,980)	(1,325,154)	(3,230,109)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	14,250	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Sale of general capital assets	-	-	5,953	-	-	-
Total other financing sources (uses)	14,250	-	5,953	-	-	-
Net change in fund balances	\$ (75,320)	\$ 79,878	\$ (2,088,027)	\$ (1,325,154)	\$ (3,230,109)	\$ -
Fund balances, January 1 as previously presented	211,967	502,447	4,196,701	1,908,717	3,042,804	17,174,082
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	(17,174,082)
Fund balances, January 1, as adjusted	211,967	502,447	4,196,701	1,908,717	3,042,804	-
Fund balances, December 31	\$ 136,647	\$ 582,325	\$ 2,108,674	\$ 583,563	\$ (187,305)	\$ -

Special Revenue Funds

Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	211,919	-	211,919
-	-	-	4,064,060	4,064,060
-	-	10,547	-	10,547
1,947,422	5,392,412	-	-	9,009,158
55,000	-	-	-	176,130
359,161	347,720	4,478	72,974	1,179,081
-	-	-	-	25,710
-	-	-	-	38,122
<u>2,361,583</u>	<u>5,740,132</u>	<u>226,944</u>	<u>4,137,034</u>	<u>14,714,727</u>
-	-	-	-	-
-	-	-	-	50,789
2,027,882	4,712,857	-	-	15,597,919
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,027,882</u>	<u>4,712,857</u>	<u>-</u>	<u>-</u>	<u>15,648,708</u>
<u>333,701</u>	<u>1,027,275</u>	<u>226,944</u>	<u>4,137,034</u>	<u>(933,981)</u>
-	-	-	-	14,250
-	-	(257,390)	(4,029,800)	(4,287,190)
-	-	-	-	5,953
<u>-</u>	<u>-</u>	<u>(257,390)</u>	<u>(4,029,800)</u>	<u>(4,266,987)</u>
\$ 333,701	\$ 1,027,275	\$ (30,446)	\$ 107,234	\$ (5,200,968)
<u>7,066,695</u>	<u>7,361,119</u>	<u>57,000</u>	<u>1,028,908</u>	<u>42,550,440</u>
-	-	-	-	(17,174,082)
<u>7,066,695</u>	<u>7,361,119</u>	<u>57,000</u>	<u>1,028,908</u>	<u>25,376,358</u>
<u>\$ 7,400,396</u>	<u>\$ 8,388,394</u>	<u>\$ 26,554</u>	<u>\$ 1,136,142</u>	<u>\$ 20,175,390</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, 2024

	Capital Funds			Total
	TDA South Capital	TDA 144th Capital	Total Capital Projects	Non-major Governmental Funds
REVENUES				
Taxes				
Sales and use	\$ -	\$ 1,546,008	\$ 1,546,008	\$ 1,546,008
Property	711,996	2,093,787	2,805,783	3,017,702
E911	-	-	-	4,064,060
Other	-	-	-	10,547
Intergovernmental	-	-	-	9,009,158
Governmental grants	-	-	-	176,130
Investments	-	-	-	-
Investment earnings	244,092	173,833	417,925	1,597,006
Miscellaneous	-	-	-	-
Developers' contributions	-	-	-	25,710
Other	6,000	-	6,000	44,122
Total revenues	962,088	3,813,628	4,775,716	19,490,443
EXPENDITURES				
Current				
Streets, traffic and engineering	-	900,449	900,449	900,449
Community services	-	-	-	50,789
Capital outlay	2,540,857	-	2,540,857	18,138,776
Debt service	-	-	-	-
Principal retirement	-	790,000	790,000	790,000
Interest	-	1,017,844	1,017,844	1,017,844
Bond fees	-	2,750	2,750	2,750
Total expenditures	2,540,857	2,711,043	5,251,900	20,900,608
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	(1,578,769)	1,102,585	(476,184)	(1,410,165)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,065,067	-	3,065,067	3,079,317
Transfers out	(238,812)	(975,672)	(1,214,484)	(5,501,674)
Sale of general capital assets	-	-	-	5,953
Total other financing sources (uses)	2,826,255	(975,672)	1,850,583	(2,416,404)
Net change in fund balances	1,247,486	126,913	1,374,399	(3,826,569)
Fund balances, January 1 as previously presented	5,811,320	2,485,261	8,296,581	50,847,021
Change within financial reporting entity (nonmajor to major fund)				(17,174,082)
Fund balances, January 1, as adjusted	5,811,320	2,485,261	8,296,581	33,672,939
Fund balances, December 31	\$ 7,058,806	\$ 2,612,174	\$ 9,670,980	\$ 29,846,370

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Governmental grants	\$ 24,250	\$ 25,835	\$ 1,585
Investments			
Investment earnings	5,000	8,462	3,462
Miscellaneous			
Other	<u>1,000</u>	<u>3,522</u>	<u>2,522</u>
Total revenues	<u>30,250</u>	<u>37,819</u>	<u>7,569</u>
EXPENDITURES			
Community services	54,958	50,789	4,169
Capital outlay	<u>146,500</u>	<u>76,600</u>	<u>69,900</u>
Total expenditures	<u>201,458</u>	<u>127,389</u>	<u>74,069</u>
Deficiency of revenues under expenditures	<u>(171,208)</u>	<u>(89,570)</u>	<u>81,638</u>
OTHER FINANCING SOURCES			
Transfers in	<u>14,250</u>	<u>14,250</u>	<u>-</u>
Total other financing sources	<u>14,250</u>	<u>14,250</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (156,958)</u></u>	<u>(75,320)</u>	<u><u>\$ 81,638</u></u>
Fund balance, January 1		<u>211,967</u>	
Fund balance, December 31		<u><u>\$ 136,647</u></u>	

City of Thornton, Colorado

Cash in Lieu Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Investments			
Investment earnings	\$ 40,000	\$ 79,878	\$ 39,878
Miscellaneous			
Developers' contributions	<u>133,614</u>	<u>25,710</u>	<u>(107,904)</u>
Total revenues	<u>173,614</u>	<u>105,588</u>	<u>(68,026)</u>
EXPENDITURES			
Capital outlay	<u>927,452</u>	<u>25,710</u>	<u>901,742</u>
Total expenditures	<u>927,452</u>	<u>25,710</u>	<u>901,742</u>
Net change in fund balance	<u>\$ (753,838)</u>	79,878	<u>\$ 833,716</u>
Fund balance, January 1		<u>502,447</u>	
Fund balance, December 31		<u>\$ 582,325</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, 2024

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Intergovernmental - State lottery	\$ 1,840,400	\$ 1,669,324	\$ (171,076)
Investments			
Investment earnings	120,000	162,598	42,598
Miscellaneous			
Other	-	25,000	25,000
Total revenues	<u>1,960,400</u>	<u>1,856,922</u>	<u>(103,478)</u>
EXPENDITURES			
Capital outlay	<u>5,508,975</u>	<u>3,950,902</u>	<u>1,558,073</u>
Total expenditures	<u>5,508,975</u>	<u>3,950,902</u>	<u>1,558,073</u>
Deficiency of revenues under expenditures	<u>(3,548,575)</u>	<u>(2,093,980)</u>	<u>1,454,595</u>
OTHER FINANCING SOURCES			
Sales of general capital assets	-	5,953	5,953
Total other financing sources	-	5,953	5,953
Net change in fund balance	<u>\$ (3,548,575)</u>	<u>(2,088,027)</u>	<u>\$ 1,460,548</u>
Fund balance, January 1		<u>4,196,701</u>	
Fund balance, December 31		<u>\$ 2,108,674</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, 2024

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Investments			
Investment earnings	\$ 11,000	\$ 61,781	\$ 50,781
Total revenues	11,000	61,781	50,781
EXPENDITURES			
Capital outlay	1,864,303	1,386,935	477,368
Total expenditures	1,864,303	1,386,935	477,368
Deficiency of revenues under expenditures	(1,853,303)	(1,325,154)	528,149
Net change in fund balance	\$ (1,853,303)	(1,325,154)	\$ 528,149
Fund balance, January 1		1,908,717	
Fund balance, December 31		\$ 583,563	

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, 2024

	Budget	Actual	Positive (negative) variance from actual
REVENUES			
Governmental grants	\$ 1,421,512	\$ 95,295	\$ (1,326,217)
Investments			
Investment earnings	100,000	82,029	(17,971)
Miscellaneous			
Other	-	9,600	9,600
Total revenues	<u>1,521,512</u>	<u>186,924</u>	<u>(1,334,588)</u>
EXPENDITURES			
Capital outlay	<u>9,209,744</u>	<u>3,417,033</u>	<u>5,792,711</u>
Total expenditures	<u>9,209,744</u>	<u>3,417,033</u>	<u>5,792,711</u>
Deficiency of revenues under expenditures	<u>(7,688,232)</u>	<u>(3,230,109)</u>	<u>4,458,123</u>
Net change in fund balance	<u>\$ (7,688,232)</u>	(3,230,109)	<u>\$ 4,458,123</u>
Fund balance, January 1		<u>3,042,804</u>	
Fund balance, December 31		<u>\$ (187,305)</u>	

City of Thornton, Colorado

Adams County Open Space Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the year ended December 31, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Intergovernmental	\$ 2,021,000	\$ 1,947,422	\$ (73,578)
Governmental grants	985,489	55,000	(930,489)
Investments			
Investment earnings	180,000	359,161	179,161
Total revenues	<u>3,186,489</u>	<u>2,361,583</u>	<u>(824,906)</u>
EXPENDITURES			
Capital outlay	<u>8,236,462</u>	<u>2,027,882</u>	<u>6,208,580</u>
Total expenditures	<u>8,236,462</u>	<u>2,027,882</u>	<u>6,208,580</u>
Net change in fund balance	<u>\$ (5,049,973)</u>	333,701	<u>\$ 5,383,674</u>
Fund balance, January 1		<u>7,066,695</u>	
Fund balance, December 31		<u>\$ 7,400,396</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Intergovernmental	\$ 5,275,000	\$ 5,392,412	\$ 117,412
Investments			
Investment earnings	<u>190,000</u>	<u>347,720</u>	<u>157,720</u>
Total revenues	<u>5,465,000</u>	<u>5,740,132</u>	<u>275,132</u>
EXPENDITURES			
Capital outlay	<u>7,089,818</u>	<u>4,712,857</u>	<u>2,376,961</u>
Total expenditures	<u>7,089,818</u>	<u>4,712,857</u>	<u>2,376,961</u>
Net change in fund balance	<u>\$ (1,624,818)</u>	1,027,275	<u>\$ 2,652,093</u>
Fund balance, January 1		<u>7,361,119</u>	
Fund balance, December 31		<u>\$ 8,388,394</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Property	\$ 218,070	\$ 211,919	\$ (6,151)
Other	-	10,547	10,547
Investments			
Investment earnings	<u>2,000</u>	<u>4,478</u>	<u>2,478</u>
Total revenues	<u>220,070</u>	<u>226,944</u>	<u>6,874</u>
OTHER FINANCING USES			
Transfers out	<u>(257,390)</u>	<u>(257,390)</u>	<u>-</u>
Total other financing uses	<u>(257,390)</u>	<u>(257,390)</u>	<u>-</u>
Net change in fund balance	<u>\$ (37,320)</u>	(30,446)	<u>\$ 6,874</u>
Fund balance, January 1		<u>57,000</u>	
Fund balance, December 31		<u>\$ 26,554</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes - E911	\$ 3,659,800	\$ 4,064,060	\$ 404,260
Investments			
Investment earnings	<u>20,000</u>	<u>72,974</u>	<u>52,974</u>
Total revenues	<u>3,679,800</u>	<u>4,137,034</u>	<u>457,234</u>
OTHER FINANCING USES			
Transfers out	<u>(4,029,800)</u>	<u>(4,029,800)</u>	<u>-</u>
Total other financing uses	<u>(4,029,800)</u>	<u>(4,029,800)</u>	<u>-</u>
Net change in fund balance	<u>\$ (350,000)</u>	107,234	<u>\$ 457,234</u>
Fund balance, January 1		<u>1,028,908</u>	
Fund balance, December 31		<u>\$ 1,136,142</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes - property	\$ 938,700	\$ 711,996	\$ (226,704)
Investments			
Investment earnings	105,000	244,092	139,092
Miscellaneous			
Other	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Total revenues	<u>1,043,700</u>	<u>962,088</u>	<u>(81,612)</u>
EXPENDITURES			
Capital outlay	<u>5,927,982</u>	<u>2,540,857</u>	<u>3,387,125</u>
Total expenditures	<u>5,927,982</u>	<u>2,540,857</u>	<u>3,387,125</u>
Deficiency of revenues under expenditures	<u>(4,884,282)</u>	<u>(1,578,769)</u>	<u>3,305,513</u>
OTHER FINANCING USES			
Transfers out	<u>(238,812)</u>	<u>(238,812)</u>	<u>-</u>
Total other financing uses	<u>(238,812)</u>	<u>(238,812)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (5,123,094)</u></u>	<u>(1,817,581)</u>	<u><u>\$ 3,305,513</u></u>
RECONCILIATION TO US GAAP BASIS			
Capital project expenditures recorded as land held for resale		<u>3,065,067</u>	
Total reconciling items		<u>3,065,067</u>	
Net change in fund balance		1,247,486	
Fund balance, January 1		<u>5,811,320</u>	
Fund balance, December 31		<u><u>\$ 7,058,806</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Positive (negative) variance from actual</u>
REVENUES			
Taxes			
Sales and use	\$ 1,696,000	\$ 1,546,008	\$ (149,992)
Property	2,127,700	2,093,787	(33,913)
Investments			
Investment earnings	<u>132,000</u>	<u>173,833</u>	<u>41,833</u>
Total revenues	<u>3,955,700</u>	<u>3,813,628</u>	<u>(142,072)</u>
EXPENDITURES			
Streets, traffic and engineering	1,070,000	900,449	169,551
Debt Service			
Principal Retirement	790,000	790,000	-
Interest	1,017,844	1,017,844	-
Bond fees	<u>2,750</u>	<u>2,750</u>	<u>-</u>
Total expenditures	<u>2,880,594</u>	<u>2,711,043</u>	<u>169,551</u>
Excess of revenues over expenditures	<u>1,075,106</u>	<u>1,102,585</u>	<u>27,479</u>
OTHER FINANCING USES			
Transfers out	<u>(975,672)</u>	<u>(975,672)</u>	<u>-</u>
Total other financing uses	<u>(975,672)</u>	<u>(975,672)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ 99,434</u></u>	126,913	<u><u>\$ 27,479</u></u>
Net position, January 1		<u>2,485,261</u>	
Net position, December 31		<u><u>\$ 2,612,174</u></u>	

This Page Left Intentionally Blank

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, 2024

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services pledged for debt	\$ 53,928,400	\$ 62,281,370	\$ 8,352,970
Miscellaneous revenue	157,000	156,911	(89)
Total operating revenues	54,085,400	62,438,281	8,352,881
OPERATING EXPENSES			
Source of supply	7,347,370	8,756,016	(1,408,646)
Water treatment	14,276,889	17,577,324	(3,300,435)
Collection, transmission, and distribution	4,119,977	7,944,875	(3,824,898)
Other operating expenses	1,481,218	2,481,662	(1,000,444)
Administration	11,747,280	11,559,937	187,343
Total operating expenses	38,972,734	48,319,814	(9,347,080)
Operating income	15,112,666	14,118,467	(994,199)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	8,383,875	16,699,251	8,315,376
Capital outlay	(381,214,727)	(50,808,458)	330,406,269
Debt service			
Principal payment	(3,515,000)	(3,515,000)	-
Interest	(3,543,294)	(3,543,294)	-
Bond fees	(633)	(633)	-
Other Principal (leases & SBITAs)	-	(80,206)	(80,206)
Other Interest (leases & SBITAs)	-	(7,422)	(7,422)
Royalties	13,500,000	9,879,223	(3,620,777)
Miscellaneous revenue	2,392,000	2,404,600	12,600
Total nonoperating expenses	(363,997,779)	(28,971,939)	335,025,840
Loss before capital contributions and transfers	(348,885,113)	(14,853,472)	334,031,641
Grants and capital contributions	21,090,265	15,739,362	(5,350,903)
Excess (deficiency) of revenues over (under) expenditures before reconciling items	<u>\$ (327,794,848)</u>	885,890	<u>\$ 328,680,738</u>
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments (administrative)		(104,031)	
Miscellaneous non-cash adjustments (ARO)		(5,000)	
Add back principal payment (debt)		3,515,000	
Add back principal payment (leases/SBITAs)		80,206	
Change in accrued interest payable		13,004	
Gain on sale of capital assets		30,782	
Depreciation		(10,220,086)	
Amortization (leases/SBITAs)		(84,014)	
Capital asset additions (from the City's capital projects)		50,808,458	
Contributed capital assets		4,673,257	
Bond deferred premiums amortized		454,720	
Total reconciling items		49,162,296	
Change in net position		50,048,186	
Net position, January 1, as previously reported		1,000,978,290	
Change in accounting principle (GASB 101)		(286,490)	
Error correction		(3,613,987)	
Net position, as adjusted or restated		997,077,813	
Net position, December 31		<u>\$ 1,047,125,999</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, 2024

	Budget	Actual	Positive (Negative) Variance From Actual
OPERATING REVENUES			
Charges for services	\$ 18,169,000	\$ 19,584,578	\$ 1,415,578
Total operating revenues	18,169,000	19,584,578	1,415,578
OPERATING EXPENSES			
Collection, transmission, and distribution	2,627,441	2,067,026	560,415
Sewage treatment-Metro Wastewater	12,807,931	12,759,309	48,622
Other operating expenses	110,718	139,040	(28,322)
Administration	1,760,348	1,760,344	4
Total operating expenses	17,306,438	16,725,719	580,719
Operating income	862,562	2,858,859	1,996,297
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	420,000	620,748	200,748
Capital outlay	(10,910,281)	(5,378,340)	5,531,941
Miscellaneous expense	-	(518)	(518)
Total nonoperating expenses	(10,490,281)	(4,758,110)	5,732,171
Loss before capital contributions and transfers	(9,627,719)	(1,899,251)	7,728,468
Capital contributions	1,287,000	828,703	(458,297)
Deficiency of revenues under expenditures before reconciling items	\$ (8,340,719)	(1,070,548)	\$ 7,270,171
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(5,697)	
Loss on disposal of capital assets		(7,920)	
Depreciation		(2,614,900)	
Capital asset additions (from the City's capital projects)		5,378,340	
Contributed capital assets		1,944,318	
Total reconciling items		4,694,141	
Change in net position		3,623,593	
Net position, January 1, as previously reported		89,083,218	
Change in accounting principle (GASB 101)		(7,615)	
Net position, as adjusted or restated		89,075,603	
Net position, December 31		\$ 92,699,196	

This Page Left Intentionally Blank

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, 2024

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
ASSETS			
Current assets			
Equity in pooled cash and investments - unrestricted	\$ 3,981,822	\$ 3,198,892	\$ 7,180,714
Receivables, net			
Accounts	939,186	243,673	1,182,859
Interest and other receivables	26,251	22,170	48,421
Total current assets	4,947,259	3,464,735	8,411,994
Noncurrent assets			
Capital assets			
Collection, transmission, and distribution	-	93,879,399	93,879,399
Transportation equipment	6,946,061	1,627,163	8,573,224
General equipment	403,212	1,378,806	1,782,018
Buildings and improvements	684,752	-	684,752
Less accumulated depreciation	(4,174,419)	(26,976,204)	(31,150,623)
Construction in progress	1,632,844	1,658,099	3,290,943
Total noncurrent assets	5,492,450	71,567,263	77,059,713
Total assets	10,439,709	75,031,998	85,471,707
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to OPEB	34,086	18,459	52,545
Total deferred outflows of resources	\$ 34,086	\$ 18,459	\$ 52,545

Business-type Activities Enterprise Funds			
	Environmental Services	Stormwater	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 1,364,600	\$ 321,070	\$ 1,685,670
Retainage payable	-	50,624	50,624
Due to other funds	-	967,236	967,236
Compensated absences	51,693	21,176	72,869
Total current liabilities	1,416,293	1,360,106	2,776,399
Long-term liabilities			
Total OPEB liability	203,227	110,640	313,867
Compensated absences	167,951	139,712	307,663
Advances from other funds	-	2,131,689	2,131,689
Total long-term liabilities	371,178	2,382,041	2,753,219
Total liabilities	1,787,471	3,742,147	5,529,618
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	45,778	24,315	70,093
Total deferred inflows of resources	45,778	24,315	70,093
NET POSITION			
Net investment in capital assets	5,492,450	71,283,995	76,776,445
Unrestricted	3,148,096	-	3,148,096
Total net position	\$ 8,640,546	\$ 71,283,995	\$ 79,924,541

City of Thornton, Colorado

Statement of Revenues, Expenses and Changes in Net Position Non-Major Proprietary Funds For the year ended December 31, 2024

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
OPERATING REVENUES			
Charges for services	\$ 7,582,931	\$ 4,663,357	\$ 12,246,288
Miscellaneous revenue	295,640	-	295,640
Total operating revenues	7,878,571	4,663,357	12,541,928
OPERATING EXPENSES			
Collection, transmission distribution, and trash removal	4,434,196	2,181,746	6,615,942
Other operating expenses	1,208,457	46,854	1,255,311
Administration	1,028,367	837,461	1,865,828
Depreciation	811,771	2,018,426	2,830,197
Total operating expenses	7,482,791	5,084,487	12,567,278
Operating income (loss)	395,780	(421,130)	(25,350)
NONOPERATING REVENUES (EXPENSES)			
Gain on sale of capital assets	-	45,994	45,994
Investment earnings	203,164	142,382	345,546
Interest expense	-	(98,925)	(98,925)
Total nonoperating revenues	203,164	89,451	292,615
Income (loss) before capital contributions and transfers	598,944	(331,679)	267,265
Grants and capital contributions	-	6,326,415	6,326,415
Transfers Out	-	(1,528,249)	(1,528,249)
Change in net position	598,944	4,466,487	5,065,431
Net position, January 1, as previously reported	8,089,996	66,854,828	74,944,824
Change in acctg principle (GASB 101)	(48,394)	(37,320)	(85,714)
Net Position, as adjusted or restated	8,041,602	66,817,508	74,859,110
Net position, December 31	\$ 8,640,546	\$ 71,283,995	\$ 154,783,651

This Page Left Intentionally Blank

City of Thornton, Colorado

Statement of Cash Flows Non-Major Proprietary Funds For the year ended December 31, 2024

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and others	\$ 7,662,866	\$ 4,669,073	\$ 12,331,939
Payments to suppliers	(2,488,016)	(1,822,742)	(4,310,758)
Payments to employees	(2,969,359)	(1,613,968)	(4,583,327)
Net cash provided by operating activities	2,205,491	1,232,363	3,437,854
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases and construction of capital assets	(2,812,348)	(2,498,938)	(5,311,286)
Proceeds from sale of capital assets	-	67,746	67,746
Net cash used in capital and related financing activities	(2,812,348)	(2,431,192)	(5,243,540)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	4,459,776	4,158,389	8,618,165
Purchases of investments	(3,870,820)	(3,096,656)	(6,967,476)
Interest on investments	131,525	105,541	237,066
Net cash provided by investing activities	720,481	1,167,274	1,887,755
Net increase (decrease) in cash and cash equivalents	113,624	(31,555)	82,069
Cash and cash equivalents, Jan. 1	714,844	694,423	1,409,267
Cash and cash equivalents, Dec. 31	\$ 828,468	\$ 662,868	\$ 1,491,336
Cash and cash equivalents	\$ 828,468	\$ 662,868	\$ 1,491,336
Investments	3,153,354	2,536,024	5,689,378
Total cash and investments	\$ 3,981,822	\$ 3,198,892	\$ 7,180,714
Equity in pooled cash and investments	\$ 3,981,822	\$ 3,198,892	\$ 7,180,714
Restricted cash and investments	-	-	-
Total cash and investments	\$ 3,981,822	\$ 3,198,892	\$ 7,180,714

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 395,780	\$ (421,130)	\$ (25,350)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	811,771	2,018,426	2,830,197
Change in assets and liabilities:			
Decrease (increase) in accounts receivable, net	(215,706)	5,716	(209,990)
Decrease in deferred outflows of resources OPEB Related	12,457	6,673	19,130
Increase (decrease) in accounts payable	1,163,962	(381,117)	782,845
Increase in OPEB	4,122	2,209	6,331
Increase in other liabilities	34,353	2,255	36,608
Decrease in deferred inflows of resources OPEB Related	(1,248)	(669)	(1,917)
Net cash provided by operating activities	<u>\$ 2,205,491</u>	<u>\$ 1,232,363</u>	<u>\$ 3,437,854</u>

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

Investing Activities			
Increase in the fair value of investments	\$ 68,027	\$ 28,256	\$ 96,283
Capital Activities			
Loss on disposal of capital assets	-	(21,752)	(21,752)
Stormwater lines contributed by developers	-	4,144,556	4,144,556
Contributed capital from other government	-	653,610	653,610

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, 2024

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 6,095,000	\$ 7,582,931	\$ 1,487,931
Miscellaneous revenue	33,000	295,640	262,640
Total operating revenues	6,128,000	7,878,571	1,750,571
OPERATING EXPENSES			
Trash removal	4,682,390	4,434,196	248,194
Other operating expenses	1,233,309	1,208,457	24,852
Administration	1,072,346	978,683	93,663
Total operating expenses	6,988,045	6,621,336	366,709
Operating income (loss)	(860,045)	1,257,235	2,117,280
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	47,000	203,164	156,164
Capital outlay	(3,251,306)	(2,812,349)	438,957
Total nonoperating expenses	(3,204,306)	(2,609,185)	595,121
Deficiency of revenues under expenditures before reconciling items	\$ (4,064,351)	(1,351,950)	\$ 2,712,401
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(49,684)	
Depreciation		(811,771)	
Capital asset additions		2,812,349	
Total reconciling items		1,950,894	
Change in net position		598,944	
Net position, January 1, as previously reported		8,089,996	
Change in accounting principle (GASB 101)		(48,394)	
Net position, as adjusted or restated		8,041,602	
Net position, December 31		\$ 8,640,546	

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, 2024

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Charges for services	\$ 4,495,000	\$ 4,663,357	\$ 168,357
Total operating revenues	4,495,000	4,663,357	168,357
OPERATING EXPENSES			
Collection, transmission, and distribution	2,241,626	2,181,746	59,880
Other operating expenses	85,693	46,854	38,839
Administration	826,988	826,992	(4)
Total operating expenses	3,154,307	3,055,592	98,715
Operating income	1,340,693	1,607,765	267,072
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	6,000	142,382	136,382
Capital outlay	(3,925,688)	(2,498,939)	1,426,749
Total nonoperating expenses	(3,919,688)	(2,356,557)	1,563,131
Deficiency of revenues under expenditures before reconciling items	\$ (2,578,995)	(748,792)	\$ 1,830,203
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(10,469)	
Change in accrued interest payable		(98,925)	
Gain on sale of capital assets		45,994	
Depreciation		(2,018,426)	
Capital asset additions (from the City's capital projects)		2,498,939	
Contributed capital assets		6,326,415	
Transfer Out		(1,528,249)	
Total reconciling items		5,215,279	
Change in net position		4,466,487	
Net position, January 1, as previously reported		66,854,828	
Change in accounting principle (GASB 101)		(37,320)	
Net position, as adjusted or restated		66,817,508	
Net position, December 31		\$ 71,283,995	

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, 2024

	Budget	Actual	Positive (negative) variance from actual
OPERATING REVENUES			
Interfund services	\$ 18,800,701	\$ 17,432,738	\$ (1,367,963)
Total operating revenues	18,800,701	17,432,738	(1,367,963)
OPERATING EXPENSES			
Insurance and related expenses	4,487,199	4,500,515	(13,316)
Claims and reserves for claims	13,443,313	11,998,572	1,444,741
Administration	874,969	850,264	24,705
Total operating expenses	18,805,481	17,349,351	1,456,130
Operating income (loss)	(4,780)	83,387	88,167
NONOPERATING REVENUES			
Investment earnings	402,000	730,006	328,006
Miscellaneous revenue	20,000	20,000	-
Total nonoperating revenues	422,000	750,006	328,006
Excess of revenues over expenditures before reconciling items	\$ 417,220	833,393	\$ 416,173
RECONCILIATION TO US GAAP BASIS			
Incurred but not reported adjustment - property casualty		1,111,633	
Incurred but not reported adjustment - worker's compensation		(375,501)	
Incurred but not reported adjustment - dental		(8,948)	
Incurred but not reported adjustment - vision		48,807	
OPEB liability adjustment		(2,190)	
Miscellaneous non-cash adjustments		(6,506)	
Total reconciling items		767,295	
Change in net position		1,600,688	
Net position, January 1, as previously reported		9,260,209	
Change in accounting principle (GASB 101)		(14,839)	
Net position, as adjusted or restated		9,245,370	
Net position, December 31		\$ 10,846,058	

This Page Left Intentionally Blank

OTHER SCHEDULES

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Thornton, Colorado	
		YEAR ENDING : December 2024	
This Information From The Records Of: City of Thornton, Colorado		Prepared By: Jeff Jasper, Accountant Phone: 303-538-7261	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway- User Taxes
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	20,396,236
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,311,927
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,703,416
2. General fund appropriations	0	b. Snow and ice removal	925,219
3. Other local imposts (from page 2)	26,234,958	c. Other	2,202,681
4. Miscellaneous local receipts (from page 2)	6,081,600	d. Total (a. through c.)	5,831,316
5. Transfers from toll facilities	0	4. General administration & miscellaneous	771,177
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	11,573,892
a. Bonds - Original Issues	0	6. Total (1 through 5)	42,884,548
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	32,316,558	b. Redemption	0
B. Private Contributions	4,157,387	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	5,708,579	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	702,024	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	42,884,548	3. Total (1.c + 2.c)	0
		C. Pavments to State for highways	0
		D. Pavments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	42,884,548
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)	0	0	0
1. Bonds (Refunding Portion)	0	0	0
B. Notes (Total)	0	0	0
V. LOCAL ROAD AND STREET FUND BALANCE			
A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
0	42,884,548	42,884,548	0
E. Reconciliation			
0			
0			
0			

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING: December 2024	

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	18,266,672	a. Interest on investments	347,719
b. Other local imposts:		b. Traffic Fines & Penalties	1,408,419
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	7,968,286	g. Other Misc. Receipts	0
6. Total (1. through 5.)	7,968,286	h. Other	4,325,462
c. Total (a. + b.)	26,234,958	i. Total (a. through h.)	6,081,600
	(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	4,969,388	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	437,775	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	301,416	f. Other Federal	702,024
f. Total (a. through e.)	739,191	g. Total (a. through f.)	702,024
4. Total (1. + 2. + 3.f)	5,708,579	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	579,560	0	579,560
b. Engineering Costs	0	3,397,628	3,397,628
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	5,443,233	5,443,233
(3). System Preservation	0	8,680,832	8,680,832
(4). System Enhancement & Operation	0	2,294,983	2,294,983
(5). Total Construction (1)+(2)+(3)+(4)	0	16,419,048	16,419,048
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	579,560	19,816,676	20,396,236
			(Carry forward to page 1)

Notes and Comments:

This Page Left Intentionally Blank

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	129
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	132
These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax.	
Debt Capacity	138
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	143
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	144
The number of employees per business is confidential therefore the City is providing employee totals by sector.	
Operating Information	146
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.	

This Page Left Intentionally Blank

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

	Fiscal Year					
	2015	2016	2017-restated	2018	2019	2020
					2021-restated	2022-restated
					2023-restated	2024
Governmental activities						
Net investment in capital assets	\$ 247,691,323	\$ 259,179,659	\$ 289,933,156	\$ 297,988,545	\$ 288,245,136	\$ 287,482,862
Restricted	8,062,689	8,241,309	40,196,389	70,807,361	37,653,387	63,312,275
Unrestricted	123,804,451	125,530,515	80,883,896	74,950,117	109,771,204	99,655,069
Total governmental activities net position	\$ 379,558,463	\$ 392,951,483	\$ 411,013,441	\$ 443,746,023	\$ 435,669,727	\$ 450,450,206
Business-type activities						
Net investment in capital assets	\$ 543,600,154	\$ 560,279,776	\$ 579,737,175	\$ 611,217,991	\$ 713,190,231	\$ 697,623,613
Restricted	2,976,894	2,980,644	3,097,447	-	-	-
Unrestricted	113,397,141	139,927,331	166,787,828	190,174,759	189,266,660	262,357,773
Total business-type activities net position	\$ 659,974,189	\$ 703,187,751	\$ 749,622,450	\$ 801,392,750	\$ 902,456,891	\$ 959,981,386
Primary government						
Net investment in capital assets	\$ 791,291,477	\$ 819,459,435	\$ 869,670,331	\$ 909,206,536	\$ 1,001,435,367	\$ 985,106,475
Restricted	11,039,583	11,221,953	43,293,836	70,807,361	37,653,387	63,312,275
Unrestricted	237,201,592	265,457,846	247,671,724	265,124,876	299,037,864	362,012,842
Total primary government net position	\$ 1,039,532,652	\$ 1,096,139,234	\$ 1,160,635,891	\$ 1,245,138,773	\$ 1,338,126,618	\$ 1,410,431,592
2021-restated						
2022-restated						
2023-restated						
2024						

Source: Current and prior year's financial statements.

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

	Fiscal Year									
	2015	2016	2017-restated	2018	2019	2020	2021-restated	2022	2023-restated	2024
Expenses										
Governmental activities:										
General government	\$ 18,362,528	\$ 21,317,628	\$ 21,298,512	\$ 20,132,128	\$ 36,684,800	\$ 45,830,438	\$ 35,702,297	\$ 37,954,100	\$ 46,208,971	\$ 55,308,847
Police	30,700,874	32,573,830	39,488,938	41,095,050	37,984,510	41,367,619	43,491,003	43,658,172	55,507,543	59,879,372
Fire and ambulance	14,323,859	18,718,470	19,276,932	17,169,938	19,329,627	23,152,345	27,476,823	26,946,828	34,403,691	34,743,630
City development	15,937,319	16,511,773	18,300,626	17,541,537	16,307,495	11,029,371	11,517,896	13,235,902	16,977,816	16,265,954
Streets, traffic & engineering	33,558,931	33,737,170	33,728,799	32,562,600	41,806,524	42,049,922	36,432,653	36,323,712	38,855,280	43,075,196
Community services	27,788,576	26,938,495	32,799,109	33,151,759	30,208,698	36,564,491	42,131,617	37,857,779	40,785,427	48,403,395
Interest on long-term debt	2,756,646	2,706,046	2,442,527	2,515,628	4,654,459	4,962,721	4,972,854	4,639,875	4,304,776	4,121,978
Total governmental activities										
expenses	143,428,733	152,503,412	167,335,443	164,168,640	186,976,113	204,956,907	201,725,143	200,616,368	237,043,504	261,798,372
Business-type activities:										
Water	35,912,922	34,885,132	36,467,628	38,867,160	44,118,390	47,840,352	50,054,147	49,849,565	58,837,807	61,804,148
Sewer	13,721,652	15,011,361	14,206,094	21,447,839	16,670,678	16,432,487	15,224,680	18,839,909	19,961,787	19,346,316
Environmental services	4,801,905	4,729,623	5,120,014	5,199,016	5,833,459	6,010,614	6,182,690	6,437,147	7,393,470	7,482,791
Golf	-	-	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	3,074,617	3,698,035	4,251,908	4,395,447	4,809,993	5,183,412
Total business-type activities										
activities expenses	54,436,479	54,626,116	55,793,736	65,514,015	69,697,144	73,981,488	75,713,425	79,522,068	91,003,057	93,816,667
Total primary government expenses	\$ 197,865,212	\$ 207,129,528	\$ 223,129,179	\$ 229,682,655	\$ 256,673,257	\$ 278,938,395	\$ 277,438,568	\$ 280,138,436	\$ 328,046,561	\$ 355,615,039
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 4,923,991	\$ 4,879,909	\$ 4,730,914	\$ 4,952,737	\$ 9,396,628	\$ 8,153,917	\$ 8,713,494	\$ 8,138,798	\$ 10,642,693	\$ 9,916,085
Police	1,964,945	1,284,687	1,717,764	2,346,799	2,357,553	1,696,738	1,967,445	1,596,231	1,883,755	2,382,203
Fire and ambulance	1,887,235	2,350,600	2,622,926	2,530,075	3,271,005	4,568,578	4,497,690	5,139,561	4,957,936	6,653,203
City development	4,061,961	4,899,797	7,540,989	6,586,129	6,456,272	6,092,697	7,003,195	6,651,209	8,653,188	7,854,299
Community services	4,634,472	4,618,949	3,038,920	3,917,705	5,323,552	3,496,636	6,235,619	7,522,478	8,634,120	9,395,603
Operating grants/contrib.	5,958,882	5,941,237	6,322,021	8,068,103	9,442,526	18,800,681	10,558,945	10,135,553	10,123,191	11,899,503
Capital grants/contrib.	16,368,314	20,359,352	27,183,807	25,890,689	32,388,427	18,800,873	22,125,244	33,432,417	23,114,197	39,168,425
Total governmental activities										
program revenues	39,799,800	44,334,531	53,157,341	54,292,237	68,635,963	61,610,120	61,101,632	72,616,247	68,009,080	87,269,321
Business-type activities:										
Charges for services										
Water	34,348,429	42,610,157	45,776,729	47,875,449	47,009,075	53,413,467	50,707,873	55,379,075	49,369,788	62,281,370
Sewer	14,191,006	14,388,579	15,128,165	15,092,464	15,466,882	15,838,431	16,210,386	16,278,144	18,899,137	19,584,578
Environmental services	5,024,225	5,109,703	5,292,541	5,416,199	5,548,190	5,718,387	5,871,538	5,952,958	6,068,005	7,582,931
Golf	-	-	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	3,001,616	4,181,998	4,290,048	4,398,364	4,493,148	4,663,357
Capital grants/contrib.	15,915,139	29,850,742	30,493,138	35,361,778	43,034,895	37,577,921	32,396,597	46,406,812	36,611,488	29,512,055
Total business-type activities										
program revenues	69,478,799	91,959,181	96,690,573	103,745,890	114,060,658	116,730,204	109,476,442	128,415,353	115,441,566	123,624,291
Total primary government program revenues	\$ 109,278,599	\$ 136,293,712	\$ 149,847,914	\$ 158,038,127	\$ 182,696,621	\$ 178,340,324	\$ 170,578,074	\$ 201,031,600	\$ 183,450,646	\$ 210,893,612

	Fiscal Year									
	2015	2016	2017-restated	2018	2019	2020	2021-restated	2022	2023-restated	2024
Net (expense)/revenue										
Governmental activities	\$ (103,628,933)	\$ (108,168,881)	\$ (114,178,102)	\$ (109,876,403)	\$ (118,340,150)	\$ (143,346,787)	\$ (140,623,511)	\$ (128,000,121)	\$ (169,034,424)	\$ (174,529,051)
Business-type activities	15,042,320	37,333,065	40,896,837	38,231,875	44,363,514	42,748,716	33,763,017	48,893,285	24,438,509	29,807,624
Total primary government net expense	\$ (88,586,613)	\$ (70,835,816)	\$ (73,281,265)	\$ (71,644,528)	\$ (73,976,636)	\$ (100,598,071)	\$ (106,860,494)	\$ (79,106,836)	\$ (144,595,915)	\$ (144,721,427)

General Revenues and Special Items

Governmental activities										
Taxes										
Sales and use taxes	\$ 91,975,491	\$ 96,446,874	\$ 104,489,333	\$ 110,306,247	\$ 110,473,089	\$ 113,669,743	\$ 135,088,230	\$ 147,877,508	\$ 149,967,660	\$ 153,956,543
Property taxes	12,571,291	14,503,019	14,798,204	17,448,489	20,335,200	29,247,725	29,499,614	32,544,945	32,077,972	39,657,549
Other taxes	8,612,126	8,873,989	9,547,866	10,050,848	10,249,895	9,744,229	12,650,458	14,072,699	14,263,219	14,626,133
Earnings (loss) on investments	1,513,417	56,183	1,748,964	3,195,518	6,391,532	2,797,470	(793,395)	(7,631,404)	12,540,337	12,382,001
Gain on sale of capital assets	152,381	188,110	148,555	-	31,958	-	-	-	-	-
Miscellaneous	2,186,632	1,493,726	1,507,138	1,607,883	1,913,175	4,906,366	2,031,160	2,401,016	3,990,039	3,401,112
Special item	-	-	-	-	-	-	-	2,850,686	-	-
Transfers	1,766,411	-	-	-	(39,130,995)	(2,238,267)	(23,893)	-	-	1,528,249

Total governmental activities	118,777,749	121,561,901	132,240,060	142,608,985	110,263,854	158,127,266	178,452,174	192,115,450	212,839,227	225,551,587
Business-type activities										
Earnings (loss) on investments	1,553,374	948,963	1,537,970	2,981,846	6,384,386	4,502,457	(1,284,819)	(9,722,992)	15,875,831	17,665,545
Gain on sale of capital assets	5,038,541	722,012	221,759	202,890	2,430,704	3,994,650	5,972,256	32,816	47,715	68,856
Royalties ¹	-	-	-	-	-	-	8,896,723	12,497,787	13,867,823	9,879,223
Miscellaneous	3,845,011	4,209,522	3,778,133	10,353,689	8,754,542	4,040,405	5,733,871	6,950,422	4,353,758	2,844,211
Special item	-	-	-	-	-	-	-	30,691,245	-	-
Transfers	(1,766,411)	-	-	-	39,130,995	2,238,267	23,893	-	-	(1,528,249)

Total business-type activities	8,670,515	5,880,497	5,537,862	13,538,425	56,700,627	14,775,779	19,341,924	40,449,278	34,145,127	28,929,586
Total primary government	\$ 127,448,264	\$ 127,442,398	\$ 137,777,922	\$ 156,147,410	\$ 166,964,481	\$ 172,903,045	\$ 197,794,098	\$ 232,564,728	\$ 246,984,354	\$ 254,481,173

Change in Net Position

Governmental activities	\$ 15,148,816	\$ 13,393,020	\$ 18,061,958	\$ 32,732,582	\$ (8,076,296)	\$ 14,780,479	\$ 37,828,663	\$ 64,115,329	\$ 43,804,803	\$ 51,022,536
Business-type activities	23,712,835	43,213,562	46,434,699	51,770,300	101,064,141	57,524,495	53,104,941	89,342,563	58,583,636	58,737,210
Total primary government	\$ 38,861,651	\$ 56,606,582	\$ 64,496,657	\$ 84,502,882	\$ 92,987,845	\$ 72,304,974	\$ 90,933,604	\$ 153,457,892	\$ 102,388,439	\$ 109,759,746

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

¹ For years prior to 2021, royalties revenue was included within miscellaneous revenue. In 2021 and beyond, royalties revenue will be reported as a separate line item.

Source: Current and prior year's financial statements.

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 224,102	\$ 252,741	\$ 247,410	\$ 130,616	\$ 114,577	\$ 78,387	\$ 115,013	\$ 593,668	\$ 123,646	\$ 148,375
Restricted	4,926,372	5,170,463	5,384,063	5,892,808	6,295,661	6,663,749	7,497,378	8,086,353	8,871,198	9,637,947
Committed	19,138,386	20,990,233	22,028,000	23,127,000	25,138,000	25,186,000	27,955,000	31,025,176	33,444,408	36,906,000
Unassigned	519,210	922,130	9,613,998	10,128,234	19,744,899	19,907,001	41,630,276	39,970,888	23,045,660	29,554,100
Total general fund	\$ 24,808,070	\$ 27,335,567	\$ 37,273,471	\$ 39,278,658	\$ 51,293,137	\$ 51,835,137	\$ 77,197,667	\$ 79,676,085	\$ 65,484,912	\$ 76,246,422
All other governmental funds										
Nonspendable	\$ 1,985,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,812	\$ -	\$ -
Restricted	3,759,428	39,383,427	34,812,326	68,483,103	40,138,102	62,004,594	45,000,273	50,238,647	46,684,475	29,497,984
Committed	1,000,000	2,659	-	-	-	-	-	-	-	-
Assigned	110,090,600	79,603,850	64,976,510	74,674,244	58,271,816	60,199,162	59,508,718	66,609,381	105,450,448	133,346,759
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 116,835,901	\$ 118,989,936	\$ 99,788,836	\$ 143,157,347	\$ 98,409,918	\$ 122,203,756	\$ 104,508,991	\$ 116,852,840	\$ 152,134,923	\$ 162,844,743

Source: Current and prior year's financial statements.

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

	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021-restated	2022	2023 (Restated)	2024	
Revenues											
Taxes	\$ 113,158,908	\$ 119,823,882	\$ 128,835,403	\$ 137,805,584	\$ 141,058,184	\$ 152,661,697	\$ 177,238,302	\$ 194,495,152	\$ 196,308,851	\$ 208,240,225	
Licenses and permits	4,031,530	4,959,615	7,623,869	6,600,980	6,478,463	6,131,257	7,011,036	6,708,666	8,793,297	7,961,691	
Intergovernmental	13,782,495	14,704,196	14,829,335	17,671,923	17,990,353	18,228,395	19,188,941	21,725,379	23,960,243	28,498,089	
Governmental grants	5,120,376	4,653,577	4,296,608	5,184,780	3,905,434	16,094,122	4,578,933	10,636,649	8,308,136	11,567,247	
Charges for services	11,224,156	11,295,406	9,690,537	10,733,941	17,452,032	15,570,267	19,127,279	20,464,371	23,775,721	25,301,786	
Fines and forfeitures	1,833,930	1,249,962	1,662,594	2,198,926	2,230,512	1,540,140	1,562,823	1,200,599	1,416,230	1,659,519	
Lease	207,710	207,792	207,648	175,551	175,701	175,889	175,648	30,072	45,108	45,108	
Investment earnings (loss)	1,513,417	56,183	1,748,964	3,195,518	6,391,532	2,797,470	(793,395)	(7,631,404)	12,540,337	12,382,001	
Miscellaneous	1,220,633	874,594	1,380,925	2,438,256	1,488,837	5,794,929	1,952,040	2,404,963	2,913,869	6,063,031	
Total revenues	152,093,155	157,825,207	170,275,883	186,005,459	197,171,048	218,994,166	230,041,607	250,034,447	278,061,792	301,718,697	
Expenditures											
General government	16,347,304	17,574,494	19,108,028	19,130,535	32,344,427	31,921,508	34,677,430	38,615,549	39,709,166	43,253,785	
Police	28,867,622	30,733,098	36,305,515	39,539,105	37,937,011	39,208,799	41,324,207	44,176,348	51,134,871	55,773,165	
Fire and ambulance	13,630,141	15,123,637	17,693,181	19,272,739	19,750,199	20,734,126	25,070,216	26,776,865	31,525,668	32,730,138	
City development	8,289,288	8,456,322	9,265,248	10,391,186	9,347,955	9,291,154	9,250,922	9,725,080	11,098,497	12,015,022	
Streets, traffic and engineering	12,713,416	12,730,210	13,524,537	14,343,779	15,122,054	13,216,978	15,636,030	16,463,430	17,920,676	18,496,507	
Community services	20,628,287	21,378,664	20,553,513	23,460,086	22,017,406	20,964,588	23,334,148	26,841,337	29,468,715	33,305,449	
Capital outlay	36,650,789	38,277,166	54,287,245	75,174,464	83,093,427	73,985,088	59,844,258	62,570,434	66,843,565	81,170,996	
Debt service											
Principal retirement	4,580,000	6,210,000	6,410,000	6,098,539	6,224,347	7,663,858	8,098,939	8,966,463	6,171,251	6,987,154	
Interest	2,462,975	2,883,894	2,643,547	2,373,332	5,281,123	5,724,112	5,573,189	5,234,669	4,897,070	4,674,543	
Bond fees	244,061	6,850	4,196	6,755	8,809	6,755	8,755	11,480	10,175	12,375	
Bond issuance costs	168,985	-	-	541,368	-	511,526	-	-	-	-	
Total expenditures	144,582,868	153,374,335	179,795,010	210,331,888	231,126,758	223,228,492	222,818,094	239,381,655	258,779,654	288,419,134	
Excess (deficiency) of revenues over (under) expenditures	7,510,287	4,450,872	(9,519,127)	(24,326,429)	(33,955,710)	(4,234,326)	7,223,513	10,652,792	19,282,138	13,299,563	
Other financing sources (uses)											
Transfers in	14,482,662	5,672,765	9,298,637	9,287,257	7,347,294	7,183,995	7,761,827	9,058,934	12,347,112	14,389,839	
Transfers out	(14,259,537)	(5,672,765)	(9,298,637)	(9,341,044)	(6,313,547)	(9,248,912)	(7,761,827)	(9,058,934)	(12,347,112)	(11,324,772)	
Bonds issued	41,480,000	-	-	69,536,852	-	26,785,000	-	-	-	-	
Premium on bonds issued	3,187,135	-	-	-	-	3,745,451	-	-	-	-	
Payments to underwriter on bonds issued	(15,805,000)	-	-	-	-	-	-	-	-	-	
Lease acquisition	-	-	-	-	-	-	-	1,218,908	616,223	2,617,154	
SBITA acquisition	-	-	-	-	-	-	-	-	1,036,813	1,320,598	
Sale of general capital assets	297,597	230,660	255,931	217,062	189,013	104,630	391,944	99,881	155,736	1,168,948	
Total other financing sources	29,382,857	230,660	255,931	69,700,127	1,222,760	28,570,164	391,944	1,318,789	1,808,772	8,171,767	
Special item											
Proceeds from sale of mineral rights	-	-	-	-	-	-	-	2,850,686	-	-	
Net change in fund balances	\$ 36,893,144	\$ 4,681,532	\$ (9,263,196)	\$ 45,373,698	\$ (32,732,950)	\$ 24,335,838	\$ 7,615,457	\$ 14,822,267	\$ 21,090,910	\$ 21,471,330	
Debt service as a percentage of noncapital expenditures	5.5%	6.6%	6.0%	5.4%	6.5%	7.2%	7.3%	7.3%	5.2%	4.9%	

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

Source: Current and prior year's financial statements.

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

Fiscal Year	Sales tax	Motel tax	Use tax	Property tax	Specific ownership tax	Franchise tax	Cigarette tax	Total
2015	\$ 60,194,735	\$ 1,124,700	\$ 19,200,063	\$ 9,233,929	\$ 836,278	\$ 5,308,812	\$ 198,949	\$ 96,097,466
2016	61,544,769	1,179,445	20,895,946	10,681,366	925,272	5,387,163	199,494	100,813,455
2017	62,613,775	1,260,891	26,085,453	10,826,288	1,093,409	5,809,945	193,693	107,883,454
2018	68,650,875	1,320,551	29,049,758	13,124,438	1,194,177	6,117,914	185,622	119,643,335
2019	79,272,131	1,457,730	24,178,694	13,575,713	1,177,076	6,195,392	181,998	126,038,734
2020	83,627,429	924,955	22,641,658	16,537,713	1,325,554	6,011,074	239,902	131,308,285
2021	95,919,026	1,591,445	31,105,765	16,826,865	1,506,180	6,387,943	190,268	153,527,492
2022	106,674,390	1,941,416	31,113,792	18,003,374	1,437,486	7,288,978	28,290	166,487,726
2023	109,737,245	1,875,929	30,875,277	17,972,435	1,334,713	7,235,791	25,781	169,057,171
2024	115,542,128	2,072,374	29,280,763	23,091,175	1,182,727	7,238,294	-	178,407,461

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

Source: City of Thornton Finance Department

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

Fiscal Year	General Merchandise	Grocery	Electric & Natural Gas	Automotive	Construction	Furniture & Electronics	Restaurants Liquor & Food Service	Telecomm. & Cable Utility	All Other	Total Sales Tax	Total Direct Tax ^{1,2} Rate
2015	\$ 17,356,120	\$ 8,723,066	\$ 3,499,658	\$ 4,276,950	\$ 4,194,684	\$ 4,366,301	\$ 9,067,627	\$ 4,955,275	\$ 1,915,447	\$ 58,355,128	3.75
2016	18,154,195	8,954,343	3,378,819	4,877,990	4,427,382	4,906,621	9,227,279	5,613,605	2,004,535	61,544,769	3.75
2017	18,341,139	9,149,265	3,478,793	4,881,463	4,839,698	4,384,954	9,721,763	5,496,744	2,319,956	62,613,775	3.75
2018	21,008,470	9,695,714	3,601,649	5,204,670	5,785,369	6,006,502	10,257,476	4,610,663	2,480,362	68,650,875	3.75
2019	28,565,769	10,046,758	3,771,659	5,711,395	6,589,401	4,901,396	11,732,720	4,422,165	3,530,868	79,272,131	3.75
2020	31,039,638	10,722,258	3,723,885	5,700,495	7,190,528	5,492,629	12,388,526	3,951,818	3,417,652	83,627,429	3.75
2021	37,336,448	10,611,147	4,189,337	6,502,721	7,947,253	6,404,478	14,950,390	3,837,870	4,139,382	95,919,026	3.75
2022	42,670,495	12,041,035	4,992,838	7,258,110	8,868,275	6,551,781	15,817,791	3,778,632	4,691,137	106,670,093	3.75
2023	44,571,928	11,745,093	5,053,796	7,571,564	8,593,110	5,950,423	16,508,972	3,791,975	5,950,384	109,737,245	3.75
2024	46,491,532	12,218,289	5,227,450	8,009,776	10,540,265	5,685,822	16,967,345	4,743,036	5,658,613	115,542,128	3.75

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

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

Source: City of Thornton Sales and Use Tax Reports

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

Fiscal Year	City of Thornton	Total Direct Sales Tax Rate	Overlapping Rates					Total Overlapping Sales Tax Rate
			State of Colorado	Adams County	Rapid Transit District RTD	Cultural Facilities District	Football Stadium District	
2015	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2016	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2017	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2018	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2019	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2020	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2021	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2022	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2023	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2023	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%

Source: City of Thornton Sales and Use Tax Reports

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

City of Thornton, Colorado
Schedule 8
Principal Sales Taxpayers

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Aggregate top ten filers ¹	\$ 26,511,596	\$ 27,750,234	\$ 28,899,319	\$ 29,705,410	\$ 33,553,048	\$ 36,736,395	\$ 40,657,228	\$ 46,367,619	\$ 49,242,522	\$ 50,661,609
Aggregate all other filers	31,843,532	33,794,535	33,714,456	38,945,465	45,719,083	46,891,034	55,261,798	60,306,771	60,494,723	64,880,519
Total sales tax	\$ 58,355,128	\$ 61,544,769	\$ 62,613,775	\$ 68,650,875	\$ 79,272,131	\$ 83,627,429	\$ 95,919,026	\$ 106,674,390	\$ 109,737,245	\$ 115,542,128
Top ten filers as a percentage of total sales	45.4%	45.1%	46.2%	43.3%	42.3%	43.9%	42.4%	43.5%	44.9%	43.8%

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

Source: City of Thornton Sales and Use Tax Reports

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

Fiscal Year	Governmental Activities				Business-Type Activities							Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Sales and Use Tax Bonds	Tax Incremental Bonds	Participation of Certificates		Leases	Subscription Leases	General Obligation Bonds	Revenue Bonds	Notes and Loan Payable	Leases	Subscription Leases			
2015	\$ 5,000,000	\$ 41,480,000	\$ 21,360,000	\$	-	\$ -	\$ -	\$ 38,955,000	\$ -	\$ -	-	\$ 106,795,000	3.0%	\$ 811
2016	3,635,796	42,989,472	18,123,982		-	-	-	40,519,469	-	-	-	105,268,719	2.8%	785
2017	1,839,451	41,317,224	14,884,985		-	-	-	38,898,452	-	-	-	96,940,112	2.5%	705
2018	-	39,584,976	81,639,055		547,937	-	-	37,232,435	-	-	-	159,004,403	3.8%	1,132
2019	-	37,812,728	76,932,351		433,591	-	-	35,506,418	-	-	-	150,685,088	3.3%	1,048
2020	-	35,990,480	102,177,378		314,733	-	-	124,027,834	-	-	-	262,510,425	5.5%	1,793
2021	-	34,103,232	95,627,593		753,725	-	-	120,662,825	-	-	-	251,147,375	5.3%	1,717
2022	-	32,155,984	88,792,808		1,100,271	233,957	-	116,907,816	-	46,765	12,369	239,249,970	4.6%	1,610
2023	-	30,128,736	85,012,020		1,053,857	977,136	-	112,987,807	-	31,300	264,149	230,455,005	3.8%	1,496
2024	-	28,016,488	81,477,020		2,634,547	1,780,838	-	108,902,798	-	15,712	199,531	223,026,934	3.5%	1,448

¹ See Schedule 14 for personal income and population data.

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

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

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

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

Source: Current and prior year's financial statements.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita¹
2015	\$ -	\$ -	\$ -	0.00%	\$ -
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	-	-	0.00%	-

¹ See Schedule 14 for population data.

Source: Current and prior year's financial statements.

City of Thornton, Colorado
Schedule 11
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

Entity (1)	Assessed Valuation (2)	Debt Outstanding	Percentage Applicable to the City (3)	Estimated Share of Overlapping Debt
City of Thornton direct debt				\$ 113,498,105
Overlapping Debt				
Adams 12 Five Star School District	\$ 3,522,075,020	\$ 295,320,000	48.84	144,234,288
Adams County School District 1	1,247,474,010	133,493,169	15.15	20,224,215
Adams County School District 14	1,257,148,630	52,539,364	3.59	1,886,163
Amber Creek Metropolitan District	24,108,510	15,226,000	99.86	15,204,684
Aspen Reserve Metropolitan District	6,256,810	2,935,000	99.89	2,931,772
Brighton School District 27J	3,370,643,280	1,011,166,053	11.68	118,104,195
Bramming Farm Metropolitan District No. 1	6,113,210	5,041,236	100.00	5,041,236
Cherrylane Metropolitan District	5,189,380	3,660,000	99.87	3,655,242
Creekside Village Metropolitan District	3,359,080	10,354,000	100.00	10,354,000
Cundall Farms Metropolitan District	16,807,770	12,938,000	99.92	12,927,650
Heritage Todd Creek Metropolitan District	59,827,920	31,785,000	98.08	31,174,728
Highpointe Park Metropolitan District	11,051,320	6,881,000	100.00	6,881,000
Home Place Metropolitan District	7,373,300	7,864,000	100.00	7,864,000
Homestead Hills Metropolitan District	3,496,090	2,922,000	99.81	2,916,448
Larkridge Metropolitan District No. 1	26,138,800	17,186,785	100.00	17,186,785
Larkridge Metropolitan District No. 2	17,936,350	27,770,644	100.00	27,770,644
Lewis Pointe Metropolitan District	19,111,900	8,190,000	99.96	8,186,724
Mayfield Metropolitan District	14,240,800	9,847,000	100.00	9,847,000
North Holly Metropolitan District	17,232,100	12,603,475	99.96	12,598,434
Orchard Farms Metropolitan District	20,410,430	13,850,000	99.90	13,836,150
PLA Metropolitan District	4,547,180	450,000	100.00	450,000
Rangeview Library District	9,750,898,530	59,445,000	24.08	14,314,356
RII-DII Business Improvement District	66,502,600	7,697,974	100.00	7,697,974
Riverdale Peaks II Metropolitan District	3,653,530	3,065,000	0.74	22,681
Riverdale Ranch Metropolitan District	5,406,170	4,478,000	99.88	4,472,626
Talon Pointe Metropolitan District	12,195,310	23,820,000	99.84	23,781,888
Timberleaf Metropolitan District	9,318,430	7,697,000	99.93	7,691,612
Village at Dry Creek Metro No 2	25,682,240	10,173,000	100.00	10,173,000
Village at Dry Creek Metro No 3	8,258,120	9,755,000	100.00	9,755,000
Villas at Eastlake Reservoir Metro District	4,470,160	2,440,000	99.85	2,436,340
Westwood Metropolitan District	4,558,230	8,100,000	100.00	8,100,000
Willow Bend Metropolitan District	23,849,900	16,320,000	99.94	16,310,208
Subtotal, overlapping debt				\$ 578,031,043
Total direct and overlapping debt				\$ 691,529,148

- (1) The following entities also overlap the City but have no reported general obligation debt outstanding:
- | | |
|--|---|
| 25 Commerce Park Metropolitan District | North Washington Water and Sanitation District |
| Adams County | Parterre Metropolitan Districts |
| Adams County Fire Protection District | Quebec Highlands Metropolitan District |
| Ash Meadows Metropolitan District | Regional Transportation District |
| Brittany Place Metropolitan District | River Valley Village Metropolitan District |
| Central Colorado Water Conservancy | South Adams County Fire Protection District |
| City of Thornton 136th Ave GID | South Adams Water and Sanitation District |
| Eastcreek Farm Metropolitan District | Talon Pointe Coordinating Metro District |
| Fallbrook Metropolitan District | The Village at North Creek Metropolitan District |
| Fallbrook Villas Metropolitan District | Urban Drainage and Flood Control District |
| Fire District 6 Greater Brighton | Urban Drainage and Flood Control District - S. Platte |
| Hyland Hills Metro Park & Recreation | Village at Dry Creek Metro Districts No 1,4 |
| Lambertson Lakes Metro District | Washington 25 Metro Districts |
| Lees Farm Metropolitan District | Wright Farms Metropolitan District |
| North End Metropolitan Districts | York Station Metropolitan District |
| North Metro Fire Bond (FKA FD1B) | York Street Metropolitan District |
| North Metro Fire Rescue FKA Fire Dist. 1 | |

(2) Assessed values certified in 2024 are for collection of ad valorem property taxes in 2025.

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

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

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

City of Thornton, Colorado
Schedule 12
Legal Debt Margin Information

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022 - restated ²	2023	2024
Debt Limit ¹	\$ 106,189,059	\$ 107,150,843	\$ 129,656,445	\$ 133,967,394	\$ 164,035,556	\$ 166,486,507	\$ 177,525,237	\$ 176,355,177	\$ 216,354,038	\$ 218,788,607
Total net debt applicable to limit	-	-	-	-	-	-	-	1,393,362	2,326,442	4,630,628
Legal debt margin	\$ 106,189,059	\$ 107,150,843	\$ 129,656,445	\$ 133,967,394	\$ 164,035,556	\$ 166,486,507	\$ 177,525,237	\$ 177,748,539	\$ 218,680,480	\$ 223,419,235
Total net debt applicable as a percentage of debt limit	-	-	-	-	-	-	-	0.79%	1.08%	2.12%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	\$ 2,187,886,068
Debt limit (10% of total assessed value) ¹	218,788,607
Debt applicable to limit	-
General obligation bonds	-
Less: Amount set aside for repayment of RTU & SBITA - lease obligations	4,630,628
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	4,630,628
Legal debt margin	\$ 214,157,979

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

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

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

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

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

Water Revenue and Revenue Refunding Bonds						
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2015	\$ 51,226,351	\$ 27,647,167	\$ 23,579,184	\$ 225,000	\$ 1,449,344	14.08
2016	70,365,957	26,443,298	43,922,659	1,410,000	1,442,594	15.40
2017	72,913,829	27,490,432	45,423,397	1,455,000	1,400,294	15.91
2018	89,000,301	29,300,163	59,700,138	1,500,000	1,356,644	20.90
2019	83,876,134	35,386,006	48,490,128	1,560,000	1,296,644	16.97
2020	85,243,075	37,983,262	47,259,813	1,620,000	1,234,244	16.56
2021	82,308,247	36,495,304	45,812,943	2,795,000	4,263,709	6.49
2022	126,851,008	36,039,168	90,811,840	3,185,000	3,870,044	12.87
2023	105,602,129	40,057,315	65,544,814	3,350,000	3,710,794	9.28
2024	107,292,477	55,834,279	51,458,198	3,515,000	3,536,657	7.30

TDA North Tax Increment Bonds				
Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
2015	\$ 6,257,149	\$ -	\$ 702,573	8.91
2016	6,317,948	850,000	557,963	4.49
2017	6,632,204	865,000	540,963	4.72
2018	6,545,747	905,000	506,363	4.64
2019	7,818,057	920,000	488,263	5.55
2020	11,292,373	960,000	451,463	8.00
2021	11,914,925	995,000	413,063	8.46
2022	13,544,965	1,035,000	373,263	9.62
2023	13,108,866	1,090,000	321,513	9.29
2024	14,467,939	1,140,000	267,012	10.28

TDA 144th Tax Increment Bonds				
Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
2015	\$ 2,008,437	\$ -	\$ -	N/A
2016	2,555,008	615,000	1,192,921	1.41
2017	2,795,074	625,000	1,183,944	1.55
2018	2,812,899	645,000	1,165,194	1.55
2019	2,326,090	670,000	1,139,394	1.29
2020	2,187,764	680,000	1,125,994	1.21
2021	2,103,045	710,000	1,098,794	1.16
2022	4,276,799	730,000	1,077,494	2.37
2023	3,751,395	755,000	1,055,594	2.07
2024	3,709,036	790,000	1,055,594	2.01

Sales and Use Tax Bonds				
Fiscal Year	Sales Taxes	Principal	Interest	Coverage
2015	\$ 80,057,239	\$ 1,555,000	\$ 246,650	44.44
2016	84,106,064	1,605,000	200,000	46.60
2017	91,378,445	1,665,000	135,800	50.74
2018	97,700,633	1,730,000	69,200	54.30
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

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

City of Thornton, Colorado
Schedule 14
Demographic and Economic Statistics

Fiscal Year	Population	Personal Income (thousands of of dollars)	Per Capita Personal Income	Unemployment Rate
2015	131,761	\$ 3,528,823	\$ 26,782	3.5%
2016	134,149	3,704,927	27,618	2.7%
2017	137,443	3,916,713	28,497	3.0%
2018	140,509	4,228,478	30,094	3.8%
2019	143,788	4,499,270	31,291	2.4%
2020	146,427	4,756,974	32,487	8.6%
2021	146,270	4,766,793	32,589	4.3%
2022	148,623	5,228,706	35,181	2.9%
2023	154,061	5,989,275	38,876	3.2%
2024	153,992	6,447,491	41,869	4.4%

City of Thornton, Colorado
Schedule 15
Principal Employers

<u>Employer Type</u>	2024		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Retail Trade (414 Units)	8,194	1	26%
Health Care and Social Assistance (339 Units)	4,991	2	16%
Accommodation and Food Services (250 Units)	4,268	3	14%
Educational Services (86 Units)	2,939	4	9%
Public Administration (50 Units)	2,001	5	7%
Other Services (334 Units)	1,886	6	6%
Construction (240 Units)	1,340	7	4%
Professional, Scientific & Tech Services (185 Units)	1,117	8	4%
Information (54 Units)	635	9	2%
Finance and Insurance (124 Units)	627	10	2%
Total	<u>27,998</u>		<u>90%</u>

Total number of persons employed by Thornton establishments: 31,038

<u>Employer Type</u>	2015		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Retail Trade (420 units)	6,633	1	24%
Accommodation and Food Services (208 Units)	3,986	2	14%
Health Care and Social Assistance (234 Units)	3,856	3	14%
Educational Services (92 Units)	3,530	4	13%
Public Administration (44 Units)	1,908	5	7%
Other Services (310 Units)	1,248	6	5%
Construction (265 Units)	1,190	7	4%
Professional, Service & Tech (171 Units)	1,162	8	4%
Finance & Insurance (238 Units)	641	9	2%
Real Estate, Rental & Leasing (172 Units)	604	10	2%
Total	<u>24,758</u>		<u>89%</u>

Total number of persons employed by Thornton establishments: 27,603

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

Source: City of Thornton - Economic Development

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	165	168	175	182	191	201	196	197	197	203
Police										
Officers	178	233	244	247	243	243	242	247	248	264
Civilians	63	63	63	73	77	79	79	81	83	79
Fire										
Firefighters and officers	76	85	101	106	132	132	145	138	142	144
Ambulance	26	26	29	26	4	4	4	4	6	7
Civilians	3	3	3	3	3	3	3	10	10	10
City development	72	78	82	84	82	82	79	82	84	83
Streets, traffic, & engineering										
Engineering	33	36	35	37	40	41	38	36	35	38
Maintenance	31	31	32	33	23	23	23	25	25	25
Community services	98	99	100	106	124	129	126	131	135	143
Water & Sewer	90	92	95	97	100	102	104	104	104	106
Environmental Services	23	23	24	26	26	28	28	28	28	28
Stormwater	-	-	-	-	13	14	15	15	15	15
Total	858	937	983	1,020	1,058	1,081	1,082	1,098	1,112	1,145

City of Thornton, Colorado
Schedule 17
Operating Indicators by Function

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Patrol calls for service	113,756	103,910	111,238	122,943	153,608	142,754	139,584	130,726	136,848	159,106
Physical arrests	2,796	2,891	5,749	6,608	7,071	4,667	4,934	6,805	6,671	6,755
Traffic violations	13,351	9,843	15,125	20,959	20,635	13,981	16,766	12,996	15,556	18,497
Fire										
Calls for service	9,387	9,976	10,538	11,028	11,898	12,220	14,070	16,736	16,748	17,165
Fire incidents	212	282	277	248	223	284	273	314	284	299
EMS and other incidents	9,175	9,694	10,261	10,780	11,675	11,936	13,797	16,422	16,464	16,864
Inspections*	1,753	-	1,469	1,275	1,244	2,564	251	1,216	1,240	1,087
Ambulance										
Number of transports	5,129	5,355	5,693	5,903	5,850	6,284	7,240	7,094	6,857	7,199
City development										
Single-family permits	505	832	902	824	744	816	764	632	397	198
Commercial permits issued	19	19	31	25	23	26	24	21	16	12
Building inspections	37,755	57,437	52,873	66,945	44,370	44,980	35,600	45,219	37,182	36,205
Code violations & inspections	15,998	14,374	12,509	11,757	13,704	6,364	7,795	6,654	9,531	9,615
Graffiti incidents removed	880	795	534	160	178	266	344	394	404	526
Streets, traffic, & engineering										
Lane miles of streets maintained	1,238	1,244	1,252	1,255	1,258	1,267	1,278	1,307	1,308	1,319
Community services										
Carpenter Recreation center admissions	296,429	303,658	301,024	280,912	235,816	32,040	52,640	151,264	234,492	206,609
Trail Winds Recreation center admission	-	-	-	-	47,053	114,528	218,381	273,814	310,762	333,608
Water										
New connections	419	559	826	922	644	652	488	745	718	309
Average daily consumption (in gallons) (excludes Westminster)										
Environmental Services	15,580,590	16,820,855	16,263,868	17,459,644	16,379,225	18,523,145	17,619,820	18,121,940	15,288,380	19,420,888
Solid waste customers	27,317	27,671	28,328	29,233	29,899	30,763	31,202	31,708	32,208	32,533
Tons of refuse collected	34,574	36,529	36,571	37,724	37,811	43,332	43,026	40,449	41,752	41,848
Tons of recyclables collected	5,193	5,255	5,424	5,417	5,355	5,928	5,646	5,763	5,442	5,499

Note: Indicators are not available for the general government function.
* Indicator was not tracked in 2016.
** Indicator was not tracked prior to 2019 - Trail Winds Recreation Center opened November 2019
Sources: Various city departments.

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	2	2	2	2	2	2	2
Patrol Units	92	95	119	125	134	139	149	148	145	138
Fire										
Fire Stations	5	5	5	6	6	6	6	6	7	7
Ambulances	6	6	7	8	7	5	5	5	5	5
Streets, traffic, & engineering										
Streets (miles)	409	411	414	417	421	424	433	442	443	447
Streetlights	8,783	8,824	9,125	9,140	9,316	9,583	9,617	9,673	9,751	9,622
Community services										
Parks acreage	723	733	757	879	851	881	1,007	1,016	1,001	871
Parks	84	88	90	92	93	93	90	91	87	86
Trail Miles*										173
Swimming Pools	3	3	3	3	4	4	4	4	4	4
Tennis Courts	17	17	17	17	17	16	16	16	16	16
Pickleball Courts*										9
Community Centers	3	3	3	3	4	4	4	4	4	4
Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	577	584	593	597	602	626	650	658	667	675
Fire Hydrants	4,847	4,950	5,073	5,132	5,194	5,261	5,539	5,696	5,774	5,857
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)	445	454	462	465	485	503	506	511	515	522
Environmental Services										
Collection Trucks	21	21	21	22	22	24	24	25	25	26
Stormwater										
Storm sewers (miles)	140	144	149	151	158	160	168	172	179	181

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

* Indicators for Trail Miles and Pickleball Courts were tracked effective 2024.

Sources: Various city departments.



THORNTON COMMUNITY CENTER

2211 EPPINGER BLVD



THORNTON
COLORADO