Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

THORNTON

City of Thornton, Colorado

Annual Comprehensive Financial Report
For the fiscal year ended
December 31, 2025

Prepared by the Finance Department

City of Thornton, Colorado

Table of Contents

City of Thornton, Colorado

Table of Contents

Financial Section (Continued) Page

Supplementary Information (Continued)

Combining Statements and Budgetary Schedules (Continued)

City of Thornton, Colorado

Table of Contents

Statistical Section (Un-audited) Page

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, 2026

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, 2025. 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, 2025, 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, 2025, 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 1,171 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 153,090 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 2025, including the following:

- Redevelopment of Thornton Shopping Center - The Thornton Development Authority (TDA) completed acquisition of the Thornton Shopping Center in 2024, followed by tenant relocation and demolition activities. Environmental remediation is ongoing, with redevelopment of the site planned to support future economic activity and community benefit.

- Public Safety Infrastructure – Construction of Fire Station No. 8 was substantially completed in late 2025. The new facility enhances emergency response capabilities and improves service delivery within the surrounding service area.

- ADA Accessibility Improvements - The City continued implementation of Americans with Disabilities Act (ADA) improvements across public facilities and infrastructure as part of a comprehensive, citywide effort to enhance accessibility and compliance.

- Aylor Open Space Development - In partnership with Anythink Libraries, the City continued development at Aylor Open Space. The new library is anticipated to open in August 2026 and will expand access to educational and community resources.

- Transportation and Utility Infrastructure Investment - The City advanced several critical infrastructure initiatives in 2025, including the pipeline rehabilitation program, sewer main rehabilitation program, and the 100th Avenue Multimodal Path. These projects support long-term system reliability, mobility, and quality of life.

- Thornton Water Project - Progress continued on the City's long-term water supply project. Key 2025 activities included land acquisition, construction, and design of multiple pipeline segments. Upon completion, the project will provide a sustainable and reliable water supply to meet the needs of current and future residents and businesses.

- Grant Funding and External Resources - The City pursued 55 grant opportunities in 2025, totaling $28.5 million. As of year-end, 33 grants were awarded, 18 were not selected, and 4 remain pending. Awarded funding of approximately $10.7 million supports investments in public safety, infrastructure, sustainability, housing, arts and culture, recreation, and open space.

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

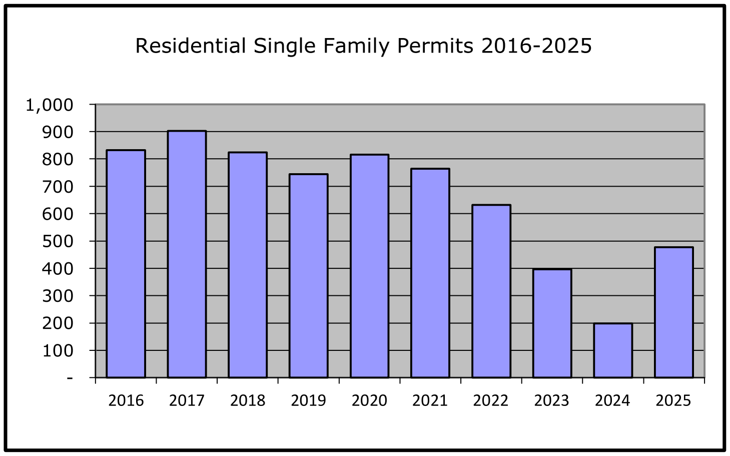
In 2025, the City issued 477 single-family permits, this was an increase from 2024 of 199. In addition, Thornton experienced growth in commercial businesses, with several new restaurants and retail locations opening, including Denver Liquor Outlet, Kpot Korean BBQ and Hot Pot, McDonald's, Snarfs, Snobahn, 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.

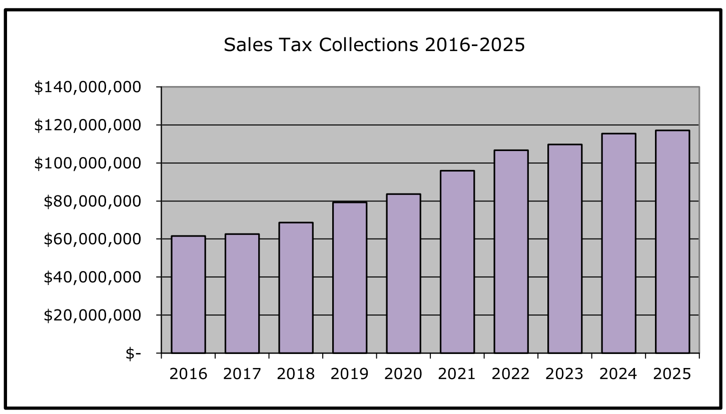
The City also saw growth among primary employers, with 10 new companies establishing themselves in 2025. Notable new primary employers include Forge Nano, Ace Thermal Systems, Vivacity Tech, Frito-Lay, and Hamon Infrastructure.

Local Economy (continued)

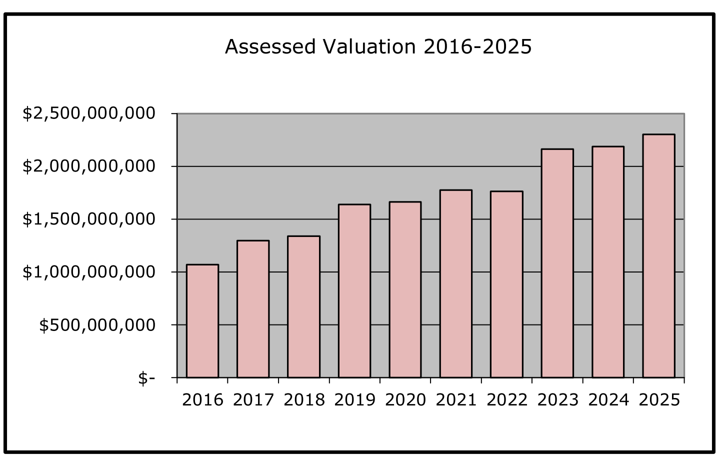
The City issued 477 single-family permits (attached and detached) for residential construction with an estimated value of $192 million. The City issued 10 commercial building permits with an estimated value of $40 million.



Sales tax collections increased 1.4% from 2024, totaling $117.1 million, the single largest revenue stream received by the general government.



Property values increased 5.4% from 2024, totaling $2.3 billion in assessed value for 2025. The property taxes associated with this assessed valuation will be collected in 2026.



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's 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, 2024. This is the fortieth 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,

Kim Newhart

Tansy Hayward
City Manager

Kim Newhart
Finance Director

This Page Left Intentionally Blank

Thornton City Officials

as of December 2025

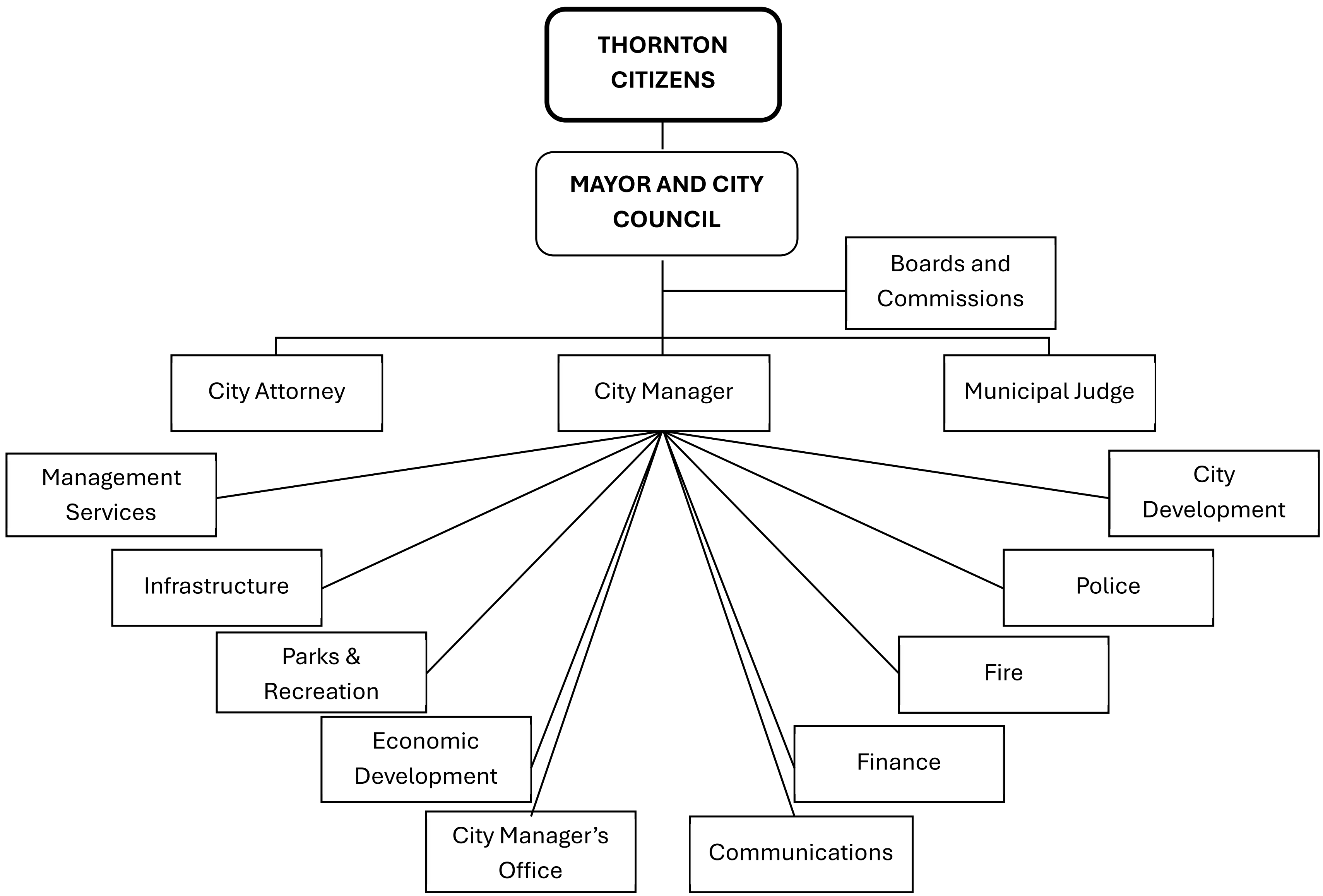
Mayor and City Council

Mayor	Jan Kulmann
Council Members	
Ward 1	Cherish Salazar
Ward 1	Justin Martinez
Ward 2	Roberta Ayala
Ward 2	John Alge
Ward 3	Devin Byrd
Ward 3	David Acunto
Ward 4	Drew Morris
Ward 4	Chris Russell

Administrative

City Manager	Tansy Hayward
City Attorney	Tami Yellico
Presiding Municipal Judge	Tiffany Sorice
Deputy City Manager	Joyce Hunt
Deputy City Manager	Robb Kolstad
Executive Director - City Development	Jason O’Shea
Executive Director – Infrastructure	Brett Henry
Executive Director – Management Services	Chris Molison
Executive Director – Parks, Recreation & Community Services	Chris Steinke
Police Chief	Jim Baird
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

2025 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, 2024

Christopher P. Morrill

Executive Director/CEO

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thornton, Colorado (the City), as of and for the year ended December 31, 2025, 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, 2025, 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.

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 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 statements, budgetary comparison schedules, and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and other schedules, 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, and other schedules, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

San Antonio, Texas
June 25, 2026

This Page Left Intentionally Blank

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, 2025. 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 financial position remained strong in 2025, with assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by $1,992,632,251. Net position totaled $680,534,759 for Governmental Activities and $1,312,097,492 for Business-type Activities.
- Total net position increased by $125,660,978, reflecting stable governmental operations and strong growth in business-type activities. Governmental Activities increased by $33,313,222, while Business-type Activities increased by $92,347,756.
- Deferred outflows of resources decreased $713,141 primarily due to a decrease in deferred outflows related to pensions of $1,419,522 offset by an increase to other postemployment benefits (OPEB) of $852,788. More details on pensions and OPEB are provided in Notes I and K, following the Basic Financial Statements.
- The City's deferred inflows of resources increased $6,757,878 largely driven by the changes in deferred tax revenues $4,871,014, leases of $1,157,563, and deferred gain from a bond refunding of $793,545. More details on the bond refunding are provided in Note G, following the Basic Financial Statements.
- Governmental Activities generated $317,829,206 in revenues, an increase of 2.1% over 2024. This growth was primarily driven by increases in charges for services, operating grants, and sales and use taxes. Sales and use taxes remained the City's largest revenue source at $157,216,095, followed by charges for services, property taxes, and capital grants and contributions. Governmental expenses totaled $285,218,212, reflecting increased personnel costs and ongoing investment in core services.
- Business-type Activities reported revenues of $187,884,824, an increase of 21.9% over 2024. This growth was driven by user rate adjustments across utilities, strong development activity resulting in higher connection fees and developer contributions, and a one-time $9,864,625 PFAS settlement. Expenses totaled $94,834,840, increasing modestly by 1.1%. More details are provided in the Government-wide Financial Analysis section.
- The General Fund reported an increase in total fund balance of $30,079,561 (39.5%), ending the year at $106,325,983. This represents 48.9% of General Fund budgeted expenditures, exceeding the City Council's policy minimum of 17% plus the required Tax Payer's Bill of Rights (TABOR) reserve, and reflects strong revenue performance and prudent expenditure management.

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 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).

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.

Government-wide financial statements (Continued)

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 2025, of which three are considered major funds: the General Fund, the Thornton Development Authority North Capital Fund, and the Governmental Capital Fund. Information for these three funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The remaining twelve 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 70 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 28-68 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the basic financial statements. Combining statements and budgetary schedules can be found on pages 82-119 of this report. The Local Highway Finance Report can be found in other schedules on pages 122-123 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 $1,992,632,251 at the close of the most recent fiscal year (see Table 1).

By far the largest portion of the City's net position ($1,404,778,574, 70.5%) 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 ($42,799,031, 2.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($545,054,646, 27.4%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Table 1
Net Position
As of December 31, 2025

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 382,156,075	$ 361,110,923	$ 354,972,481	$ 399,498,445	$ 737,128,556	$ 760,609,368
Capital assets, net	517,436,631	507,558,682	1,103,554,405	959,009,127	1,620,991,036	1,466,567,809
Total assets	899,592,706	868,669,605	1,458,526,886	1,358,507,572	2,358,119,592	2,227,177,177
Deferred outflows of resources	22,113,729	22,824,069	1,364,590	1,367,391	23,478,319	24,191,460
Long-term liabilities outstanding						
Due within one year	15,329,033	14,247,790	4,293,408	4,250,253	19,622,441	18,498,043
Due in more than one year	125,558,295	132,208,100	102,574,244	108,627,095	228,132,539	240,835,195
Other liabilities	50,572,442	53,721,140	38,689,738	26,152,365	89,262,180	79,873,505
Total liabilities	191,459,770	200,177,030	145,557,390	139,029,713	337,017,160	339,206,743
Deferred inflows of resources	49,711,906	44,095,107	2,236,593	1,095,514	51,948,499	45,190,621
Net position:						
Net investment in capital assets	411,705,491	391,581,412	993,073,083	848,249,365	1,404,778,574	1,239,830,777
Restricted	42,799,031	36,611,821	-	-	42,799,031	36,611,821
Unrestricted	226,030,237	219,028,304	319,024,409	371,500,371	545,054,646	590,528,675
Total net position	$ 680,534,759	$ 647,221,537	$ 1,312,097,492	$ 1,219,749,736	$ 1,992,632,251	$ 1,866,971,273

The government's net position increased by $125,660,978 during the current fiscal year. This increase is the result of revenues exceeded expenses by (11.4%) for Governmental activities and (52.2%) for Business-type activities, which are explained below.

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

- Governmental activities increased the City's net position by $33,313,222. This accounts for 26.5% of the growth in the City's net position. The primary factors for this increase were increased total assets of $30,923,101 derived from an increase in current assets such as cash, investments, and receivables ($21,045,152) and increased net capital assets ($9,877,949).
- Governmental revenues increased by $6,536,547 (2.1%) in 2025 compared to 2024. Sales and Use Tax ($157,216,095, representing 49.5% of total revenues), charges for services ($42,536,591, representing 13.4% of total revenues), and property tax ($38,518,478, representing 12.1% of total revenues) represented the three largest revenue sources for business-type activities. This increase in revenues is attributable to higher revenues in charges for services ($6,335,198), operating grants and contributions ($2,482,602), and sales and use taxes ($3,259,552). Major increases in the charges for services category include fines and forfeitures ($1,955,692), ambulance transport fees ($1,802,794), administrative fees charged to proprietary funds ($1,173,936), Recreation Fees ($757,472), and other charges for services ($645,304). The increase in ambulance transport fees included a nonrecurring one-time adjustment of $1.2 million due to a change in accounting estimates (see Note D). In addition, fines and forfeitures revenues include approximately $1.3 million received from federal law enforcement forfeitures cases.

Government-wide Financial Analysis (Continued)

- Governmental expenses increased by $23,419,840 (8.9%) in 2025 compared to 2024. This increase was primarily attributable to personnel related costs associated with the hiring of additional full-time employees and other staffing increases within Fire and ambulance ($8,972,413), City Development expenses increased ($5,527,895) largely due to 2025 environmental remediation cost. Streets, Traffic, & Engineering increased by ($3,902,028) due to higher street improvement project costs. Police expenses increased ($3,099,907), primarily as a result of higher personnel cost and OPEB and pension expenses ($3,352,480).

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

- Business-type activities increased the City's net position by $92,347,756 in 2025. This accounts for 73.5% of the total growth in the government's net position.
- Business-type activity revenues increased by $33,802,699 (21.9%) in 2025 compared to 2024. Charges for services ($101,089,350, representing 53.8% of total revenues), water and sewer connection fees ($29,891,984, representing 15.9% of total revenues), and developer capital contributions included in the capital grants and contributions total ($18,441,685, representing 9.8% of total revenues) represented the three largest revenue sources for business-type activities. The increase in charges for services was primarily attributable to utility rate increases implemented in 2025, including water rates of 11.0%, sewer and stormwater rates of 3.4%, and environmental services (sanitation) rates of 8.6%. In addition, other revenues increased $9,864,625 due to PFAS (polyfluoroalkyl substances) settlement proceeds received from private companies to help offset the costs associated with water contamination remediation. Partially offsetting these increases was a decrease in oil and gas royalty revenues ($3,859,700) on city owned properties. Investment earnings increased $1,166,878 compared to prior year.
- Expenses increased $1,018,173 (1.1%) in 2025 compared to 2024. The Water Fund decreased ($1,193,669), the Sewer Fund increased ($1,645,713), the Environmental Services Fund increased ($567,636) and the Stormwater Fund decreased ($1,507). In 2025, the three primary areas of additional costs were from collection/transmission/distribution/trash removal ($2,598,390), administration ($1,343,214), and depreciation ($867,256). The City's water treatment costs decreased in 2025 by ($801,476) along with lower bond amortization costs in 2025 ($2,362,519).

Government-wide Financial Analysis (Continued)

Table 2
Changes in Net Position
As of December 31, 2025

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 42,536,591	$ 36,201,393	$ 101,089,350	$ 94,112,236	$ 143,625,941	$ 130,313,629
Operating grants and contributions	14,382,105	11,899,503	-	-	14,382,105	11,899,503
Capital grants and contributions	33,710,524	39,168,425	49,808,348	29,512,055	83,518,872	68,680,480
General revenues:						
Sales and use taxes	157,216,095	153,956,543	-	-	157,216,095	153,956,543
Property taxes	38,518,478	39,657,549	-	-	38,518,478	39,657,549
Franchise taxes	7,573,657	7,238,294	-	-	7,573,657	7,238,294
E911 taxes	4,136,849	4,064,060	-	-	4,136,849	4,064,060
Other taxes	3,419,636	3,323,779	-	-	3,419,636	3,323,779
Earnings on Investments	14,331,556	12,382,001	18,832,423	17,665,545	33,163,979	30,047,546
Loss on sale of assets	-	-	(354,116)	68,856	(354,116)	68,856
Royalties	-	-	6,019,523	9,879,223	6,019,523	9,879,223
PFAS settlement payments	-	-	9,864,625	-	9,864,625	-
Miscellaneous	2,003,715	3,401,112	2,624,671	2,844,211	4,628,386	6,245,323
Total revenues	317,829,206	311,292,659	187,884,824	154,082,126	505,714,030	465,374,785
Expenses:						
General government	57,468,626	55,308,847	-	-	57,468,626	55,308,847
Police	62,979,279	59,879,372	-	-	62,979,279	59,879,372
Fire and ambulance	43,716,043	34,743,630	-	-	43,716,043	34,743,630
City development	21,793,849	16,265,954	-	-	21,793,849	16,265,954
Streets, traffic & engineering	46,977,224	43,075,196	-	-	46,977,224	43,075,196
Community services	49,464,475	48,403,395	-	-	49,464,475	48,403,395
Interest on long-term debt	2,818,716	4,121,978	-	-	2,818,716	4,121,978
Water	-	-	60,610,479	61,804,148	60,610,479	61,804,148
Sewer	-	-	20,992,029	19,346,316	20,992,029	19,346,316
Environmental Services	-	-	8,050,427	7,482,791	8,050,427	7,482,791
Stormwater	-	-	5,181,905	5,183,412	5,181,905	5,183,412
Total expenses	285,218,212	261,798,372	94,834,840	93,816,667	380,053,052	355,615,039
Increase in net position before transfers	32,610,994	49,494,287	93,049,984	60,265,459	125,660,978	109,759,746
Transfers	702,228	1,528,249	(702,228)	(1,528,249)	-	-
Increase in net position after transfers	33,313,222	51,022,536	92,347,756	58,737,210	125,660,978	109,759,746
Net position, Jan 1	647,221,537	596,199,001	1,219,749,736	1,161,012,526	1,866,971,273	1,757,211,527
Net position, Dec 31	$ 680,534,759	$ 647,221,537	$ 1,312,097,492	$ 1,219,749,736	$ 1,992,632,251	$ 1,866,971,273

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following details are contained in the fund financial statements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 $265,811,124, an increase of $26,719,959.
- The increase in fund balance is primarily related to the increase in governmental grants ($5,441,099), charges for services ($3,909,556) and taxes ($2,624,490). In addition, capital outlay expenditures were lower in 2025 by $16,484,293.

Approximately 69.1% of year-end fund balance ($183,761,067) is available for spending at the government's discretion. The remainder of fund balance ($82,050,057) is nonspendable, restricted, or committed to indicate that it is not available for new spending. The largest component is restricted ($44,132,281, 16.6%) which increased by $6.2 million. This increase in restricted fund balance was primarily generated by the Parks and Open Space, which increased by $3.7 million; there are five City funds that are legally restricted for parks and open space purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was 53.3% ($56,689,500) of total fund balance ($106,325,983). 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 ($209,802,589). Unassigned fund balance represents 27.0% of total actual General Fund expenditures, while total fund balance represents 50.7% of that same amount. The total fund balance increase from 2024 was primarily derived from increases to these revenues: charges for services ($3,909,556 explained in detail earlier), sales and use taxes ($3,259,552), and investment earnings ($1,949,555). General Fund expenditures were higher than 2024 by $13.0 million, the primary factors include: the hiring of new full-time employees and other personnel increases within Fire and ambulance ($7.8 million), Community Services expenditures increased ($2.3 million), primarily reflecting a full year of operating costs for the Community Center following its renovation and reopening, and worker's compensation and property insurance cost increases ($1.0 million).

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 ($13,264,635). The primary factors for the increase from 2024 were revenues from property taxes ($13,585,524) and sales taxes ($7,379,179) within the authority, along with investment earnings ($2,642,093) that exceeded expenditures for capital outlay ($4,126,568) and debt service ($1,413,038). At the end of the current fiscal year, the assigned fund balance was $53,118,614, and the restricted fund balance was $1,390,000 for a total fund balance of $54,508,614.

The Governmental Capital Projects Fund utilized accumulated fund balances and governmental grants rather than sales and use taxes to fund capital projects in 2025. This Fund provides for the repair, replacement and planned growth of infrastructure and other capital assets of the City's government. The total fund balance year over year declined by ($19,140,679) primarily due to $37.8 million in capital outlay that exceeded total revenues of $20.4 million, generated primarily from governmental grants ($10,538,316), investment earnings ($4,841,192), and intergovernmental revenues ($4,293,558). At the end of the current fiscal year, nonspendable fund balance for prepaids was $1,765, assigned fund balance for capital projects was $66,465,853, and restricted fund balance was $700,990 for a total fund balance of $67,168,608.

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 ($319,024,409 total) of the Water, Sewer, Environmental Services, and Stormwater funds at the end of the year amounted to $299,389,411, $14,873,919, $3,856,983, and $904,096 respectively. In 2025, the change in net position ($92,347,756) for the funds was an increase in Water of $77,900,903, an increase in Sewer of $5,100,181, an increase in Environmental Services of $1,536,282 and an increase in Stormwater of $7,810,390.

The $77.9 million increase is primarily attributed to the increase in the Water Fund's net position: $139.0 million capital asset additions, $29.9 million grants and capital contributions, $17.8 million operating income, $17.7 million investment earnings, and $6.0 million in royalties' revenues. These additions to net position were partially offset by $139.0 million in capital outlay for the year. The Water Fund also received $9.9 million in PFAS legal settlement receipts that are not legally restricted and will be used to fund future capital projects for PFAS remediation. The Stormwater Fund increased net position mainly due to $7.6 million increase in capital assets contributed by developers.

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 $11,160,805 or 5.1% in 2025 primarily related to these revenue sources above budget: charges for services ($2,893,217), investment earnings ($2,788,618), and governmental grants ($2,360,554). Fund expenditures were under budget by $8,891,178 or 4.1% primarily due to positive budget variances in these functional areas: police ($2,305,759), general government ($4,459,832), and community services ($1,798,317). The positive expenditure budget variance derived from unfilled personnel position savings, lower snow supply purchases, and lower contracted service expenditures as compared to the budget.

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, 2025, amounts to $1,620,991,036 (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 $9,877,949 net of accumulated depreciation. The majority of this change is related to an increase in Construction in progress of $8.6 million. This increase is primarily due to a new fire station project, which accounts for $9.0 million of the $64.7 million Governmental capital outlay. This project, however, is carried in Construction in progress at December 31, 2025, at $9.5 million as it will open in early 2026. There were decreases to Construction in progress for the York Street Bridge and pedestrian underpass projects totaling $4.6 million. The other major capital outlay spend in 2025 was related to $8.8 million in street improvement projects, $3.4 million fleet replacement vehicles, the Grange Hall Creek Trail for $2.5 million, and $1.1 million for a new Payroll/Human Resources enterprise software system. The York Street Bridge project was capitalized in 2025 at $6.1 million.
- Proprietary capital assets increased by $144,545,278 net of accumulated depreciation. The majority of the increase was $108.4 million in Construction in progress and primarily related to these projects: Thornton water pipeline ($119.6 million), treated water storage tank ($6.9 million), and PFAS treatment ($2.6 million). The water pipeline project is expected to deliver water to meet the growing demand fueled by Thornton's continued development. These major projects were capitalized in 2025 from previous years' Construction in progress: treatment plant clarifiers that improve flow capacity ($3.9 million), treatment plant alluvial wells ($2.5 million), and the Zadel reservoir ($3.3 million). In 2025, the Environmental Services Fund purchased four trash trucks for $1.6 million. There was also a $5.9 million reclassification of pump station assets in the Water Fund from the Buildings, Structures, and Improvements category to the Collection, Transmission, and Distribution category, with no impact on total capital assets.

Additional information on the City's capital assets can be found in note E on pages 41-42 of this report.

Table 3
Capital Assets (net of depreciation/amortization)
As of December 31, 2025

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Land, water and land rights	$ 52,289,946	$ 52,205,075	$ 220,927,780	$ 219,875,090	$ 273,217,726	$ 272,080,165
Source of supply	-	-	134,153,763	130,149,987	134,153,763	130,149,987
Water treatment plant	-	-	129,994,385	130,556,704	129,994,385	130,556,704
Collection, transmission, & distribution	-	-	340,035,658	307,777,510	340,035,658	307,777,510
Streets, traffic, and engineering	174,033,706	165,211,278	-	-	174,033,706	165,211,278
Buildings, structures and improvements	179,627,231	183,854,563	6,439,395	13,140,008	186,066,626	196,994,571
Leisure areas and improvements	49,293,850	51,211,052	-	-	49,293,850	51,211,052
General equipment	22,252,721	23,655,382	16,914,877	10,706,372	39,167,598	34,361,754
Construction in progress	35,465,847	26,845,678	254,944,035	146,578,485	290,409,882	173,424,163
Right to use assets being amortized:						
General equipment	2,715,868	2,759,416	-	15,528	2,715,868	2,774,944
Subscription arrangements	1,757,462	1,816,238	144,512	209,443	1,901,974	2,025,681
Total	$ 517,436,631	$ 507,558,682	$ 1,103,554,405	$ 959,009,127	$ 1,620,991,036	$ 1,466,567,809

Capital Asset and Debt Administration (Continued)

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of $186,840,000 (see Table 4). The City's debt represents certificates of participation of $71,570,000 and revenue bonds of $ 115,270,000. The revenue bonds outstanding are comprised of four issues: $3,940,000 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; $18,180,000 related to the Thornton Development Authority Tax Increment Revenue Bonds, Series 2025, 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; $22,030,000 related to Water Enterprise Revenue Refunding Bonds S2013; and $71,120,000 related to Water Enterprise Revenue Bonds S2020 supported by a pledge of charges for services of the Water Fund.

In reference to the above Tax Increment Revenue Bonds, Series 2025, the Thornton Development Authority issued $19,235,000 of Tax Increment Revenue Refunding Bonds using the bond proceeds plus existing bond reserves to refund $21,360,000 of the 2015 Tax Increment Revenue Bonds, Series 2015B, to reduce total future debt service payments. Please see Note G-9 on page 49 for more details. The City's total debt decreased by $11,765,000 (5.9%) during the current fiscal year.

In 2025, 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 2025, was A+. In 2025, 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 2025 were not rated by Moody's.

Additional information on the City's long-term debt activity can be found on pages 44-49 of this report.

Table 4
Outstanding Debt (Revenue Bonds and Certificates of Participation)
As of December 31, 2025

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue bonds	$ 22,120,000	$ 26,500,000	$ 93,150,000	$ 96,820,000	$ 115,270,000	$ 123,320,000
Certificates of participation	71,570,000	75,285,000	-	-	71,570,000	75,285,000
Total	$ 93,690,000	$ 101,785,000	$ 93,150,000	$ 96,820,000	$ 186,840,000	$ 198,605,000

Economic Factors and Next Year's Budgets and Rates

- The December 31, 2025, unemployment rate for the City was 3.6%, which is lower than last year at 4.4%. The City has an equal unemployment rate to the state of 3.6%, lower than the county's (Adams) rate of 3.9%, and lower than the national rate of 4.1%.
- The national inflation rate increased in 2025 to 3.24% from 3.15% in 2024. The Consumer Price Index for the Denver area increased in 2025 to 3.35% from 3.27% in 2024.
- In 2025, the City's occupancy rate is approximately 96.8% for retail space, 95.5% for office space and 84.5% for industrial space.
- The City's population has decreased by 902 people to 153,090.
- The City's yield on cash and investments increased from 3.46% in 2024 to 3.75% in 2025. The current projection for 2026's rate is 3.50%. 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 2026 fiscal year.

Ending unassigned fund balance in the General Fund was $56,689,500. 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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and investments	$ 292,257,956	$ 338,480,275	$ 630,738,231
Receivables, net			
Taxes	65,820,346	-	65,820,346
Accounts	12,424,387	10,246,126	22,670,513
Leases	579,179	2,067,260	2,646,439
Interest and other	2,301,571	2,790,234	5,091,805
Inventory of supplies	91,699	-	91,699
Prepaids and other assets	487,077	74,990	562,067
Internal Balances	2,134,481	(2,134,481)	-
Land held for resale	3,548,086	-	3,548,086
Restricted assets			
Equity in pooled cash and investments	2,511,293	3,448,077	5,959,370
Capital assets			
Land, water rights, and construction in progress	87,755,793	610,025,578	697,781,371
Depreciable buildings, property, and equipment, net	425,207,508	493,384,315	918,591,823
Right to use assets			
Leases: buildings and general equipments, net	2,715,868	-	2,715,868
Subscription-based IT arangements, net	1,757,462	144,512	1,901,974
Total assets	899,592,706	1,458,526,886	2,358,119,592
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,027,994	1,027,994
Deferred outflow related to ARO	192,174	15,000	207,174
Deferred outflow related to OPEB	1,941,014	321,596	2,262,610
Deferred outflow related to pension	19,980,541	-	19,980,541
Total deferred outflows of resources	22,113,729	1,364,590	23,478,319
LIABILITIES			
Accounts payable	20,425,106	30,096,180	50,521,286
Retainage payable	1,491,496	7,923,058	9,414,554
Accrued interest payable	420,276	268,683	688,959
Third party development advances	14,033,777	-	14,033,777
Unearned revenue	305,011	224,640	529,651
Other	5,958,952	177,178	6,136,130
Noncurrent liabilities			
Due within one year - other liabilities	19,010,782	4,293,408	23,304,190
Due within one year - OPEB	737,777	-	737,777
Due in more than one year			
Due in more than one year - other	114,437,939	100,895,978	215,333,917
Due in more than one year - Total OPEB liability	9,488,578	1,678,266	11,166,844
Due in more than one year - Net pension liability	5,150,076	-	5,150,076
Total liabilities	191,459,770	145,557,391	337,017,161
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - taxes	46,704,372	-	46,704,372
Deferred inflows - leases	511,275	2,036,828	2,548,103
Deferred gain on refunding	808,202	-	808,202
Deferred inflows related to OPEB	1,153,553	199,765	1,353,318
Deferred inflows related to pensions	534,504	-	534,504
Total deferred inflows of resources	49,711,906	2,236,593	51,948,499
NET POSITION			
Net investment in capital assets	411,705,491	993,073,083	1,404,778,574
Restricted for			
Capital projects	9,189,337	-	9,189,337
Communications	1,084,170	-	1,084,170
Emergencies	8,847,809	-	8,847,809
Parks and open space	19,474,922	-	19,474,922
Public safety	2,399,088	-	2,399,088
Opioid, stadium, and other purposes	1,803,705	-	1,803,705
Unrestricted	226,030,237	319,024,409	545,054,646
Total net position	$ 680,534,759	$ 1,312,097,492	$ 1,992,632,251

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

City of Thornton, Colorado

Statement of Activities
For the year ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Activities	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental:							
General government	$ 57,468,626	$ 11,288,979	$ 259,822	$ 13,225	$ (45,906,600)		$ (45,906,600)
Police	62,979,279	4,851,681	2,304,790	190,666	(55,632,142)		(55,632,142)
Fire and ambulance	43,716,043	8,684,401	1,943,344	6,764,993	(26,323,305)		(26,323,305)
City development	21,793,849	7,558,456	-	-	(14,235,393)		(14,235,393)
Streets, traffic & engineering	46,977,224	-	7,240,756	20,479,740	(19,256,728)		(19,256,728)
Community services	49,464,475	10,153,074	2,633,393	6,261,900	(30,416,108)		(30,416,108)
Interest on long-term debt	2,818,716	-	-	-	(2,818,716)		(2,818,716)
Total governmental activities	285,218,212	42,536,591	14,382,105	33,710,524	(194,588,992)		(194,588,992)
Business-type:							
Water	60,610,479	66,625,302	-	36,059,661		42,074,484	42,074,484
Sewer	20,992,029	20,630,460	-	4,877,870		4,516,301	4,516,301
Environmental Services	8,050,427	8,953,318	-	-		902,891	902,891
Stormwater	5,181,905	4,880,270	-	8,870,817		8,569,182	8,569,182
Total business-type activities	94,834,840	101,089,350	-	49,808,348		56,062,858	56,062,858
Total City of Thornton	$ 380,053,052	$ 143,625,941	$ 14,382,105	$ 83,518,872	(194,588,992)	56,062,858	(138,526,134)
	General revenues:						
	Sales and use taxes				157,216,095	-	157,216,095
	Property taxes				38,518,478	-	38,518,478
	Franchise taxes				7,573,657	-	7,573,657
	E911 taxes				4,136,849	-	4,136,849
	Motel, specific ownership, and other taxes				3,419,636	-	3,419,636
	Earnings on investments				14,331,556	18,832,423	33,163,979
	Loss on sale of capital assets				-	(354,116)	(354,116)
	Royalties				-	6,019,523	6,019,523
	PFAS settlement receipts				-	9,864,625	9,864,625
	Miscellaneous				2,003,715	2,624,671	4,628,386
	Transfers				702,228	(702,228)	-
	Total general revenues				227,902,214	36,284,898	264,187,112
	Change in net position				33,313,222	92,347,756	125,660,978
	Net position, January 1				647,221,537	1,219,749,736	1,866,971,273
	Net position, December 31				$ 680,534,759	$ 1,312,097,492	$ 1,992,632,251

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, 2025

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments					
Unrestricted	$ 101,484,182	$ 52,289,314	$ 85,312,831	$ 33,740,211	$ 272,826,538
Restricted	-	1,466,634	-	1,044,659	2,511,293
Receivables, net					
Taxes	37,886,484	21,146,798	-	6,787,064	65,820,346
Accounts	3,299,030	-	6,612,913	1,260,444	11,172,387
Leases	579,179	-	-	-	579,179
Interest and other	787,393	415,575	668,961	275,112	2,147,041
Inventory of supplies	91,699	-	-	-	91,699
Prepaid items and other assets	485,312	-	1,765	-	487,077
Due from other funds	-	-	1,002,332	-	1,002,332
Advance to other funds	-	-	1,132,149	-	1,132,149
Land held for resale	-	-	-	3,548,086	3,548,086
Total assets	$ 144,613,279	$ 75,318,321	$ 94,730,951	$ 46,655,576	$ 361,318,127
LIABILITIES					
Accounts payable	12,337,167	294,557	5,103,535	1,393,153	19,128,412
Retainage payable	-	-	896,322	595,174	1,491,496
Third party development advances	-	-	12,477,369	1,556,408	14,033,777
Unearned revenue	295,411	-	-	9,600	305,011
Other	2,079,267	70,625	2,811,345	997,715	5,958,952
Total liabilities	14,711,845	365,182	21,288,571	4,552,050	40,917,648
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	23,054,113	20,444,525	-	3,205,734	46,704,372
Unavailable revenue - intergovernmer	-	-	4,280,908	1,042,071	5,322,979
Unavailable revenue - grants	10,063	-	908,864	47,802	966,729
Unavailable revenue - lease	511,275	-	-	-	511,275
Unavailable revenue - opioid	-	-	1,084,000	-	1,084,000
Total deferred inflows of resourc	23,575,451	20,444,525	6,273,772	4,295,607	54,589,355
FUND BALANCES					
Nonspendable					
Inventories	91,699	-	-	-	91,699
Prepaids	485,312	-	1,765	-	487,077
Restricted					
Parks and open space	-	-	-	19,474,922	19,474,922
Capital projects	-	-	-	9,189,337	9,189,337
Communications	1,084,170	-	-	-	1,084,170
Debt service	-	1,390,000	-	1,027,250	2,417,250
Emergencies - TABOR	8,847,809	-	-	-	8,847,809
Public safety	1,788,493	-	-	610,595	2,399,088
Stadium, and other purposes	-	-	700,990	18,715	719,705
Committed					
Emergencies	37,339,000	-	-	-	37,339,000
Assigned					
Capital projects	-	53,118,614	66,465,853	3,144,294	122,728,761
Land held for resale	-	-	-	3,548,086	3,548,086
Parks and open space	-	-	-	693,577	693,577
Other purposes	-	-	-	101,143	101,143
Unassigned	56,689,500	-	-	-	56,689,500
Total fund balances	106,325,983	54,508,614	67,168,608	37,807,919	265,811,124
Total liabilities, deferred inflows of resources and fund balances	$ 144,613,279	$ 75,318,321	$ 94,730,951	$ 46,655,576	$ 361,318,127

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, 2025

Total fund balances for governmental funds (page 20)		$ 265,811,124
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	52,289,946	
Construction in progress	35,465,847	
Streets, Traffic & Engineering, net of $305,324,827 accumulated depreciation	174,033,706	
Buildings and improvements, net of $57,937,601 accumulated depreciation	179,627,231	
Leisure areas & improvements, net of $72,403,208 accumulated depreciation	49,293,850	
General equipment, net of $51,501,933 accumulated depreciation	22,252,721	
Total capital assets		512,963,301
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 $1,502,910 accumulated amortization	2,715,868	
Subscription IT Asets, net of $1,377,872 accumulated amortization	1,757,462	
Total right to use leased/subscription based assets		4,473,330
Risk Management, an internal service fund is used by the City to account for a comprehensive insurance management program provided to other internal departments. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		11,910,574
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		(808,202)
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, 2025 are:		
Accrued interest on bonds and certificates of participation	(334,222)	
Bonds payable, net of unamortized premium	(23,510,414)	
Obligation under certificates of participation	(75,463,304)	
Accrued interest on leases	(60,330)	
Accrued interest on subscription-based assets	(25,724)	
Obligation under leases	(2,707,833)	
Obligation under subscription agreements	(1,749,891)	
Total OPEB liability	(10,178,000)	
Compensated absences	(14,117,378)	
Net pension liability	(5,150,076)	
Remediation liability	(7,937,824)	
Asset retirement obligation	(375,000)	
Total long-term liabilities		(141,609,996)
Deferred outflows related to asset retirement obligation and, therefore, are not reported in the funds:		192,174
Deferred inflows related to unearned revenues are not available for current expenditures		
Deferred inflows related to intergovernmental	5,322,979	
Deferred inflows related to grants	966,729	
Deferred inflows related to opioid	1,084,000	
		7,373,708
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	1,931,142	
Deferred outflows relating to pensions	19,980,541	
Deferred inflows relating to OPEB	(1,148,433)	
Deferred inflows relating to pensions	(534,504)	
Total deferred items		20,228,746
Total net position governmental activities (page 14)		$ 680,534,759

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

City of Thornton, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2025

	General Fund	TDA North Capital Fund	Governmental Capital Fund	Formerly Major Fund Parks & Open Space Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Sales and use	$ 137,757,400	$ 7,379,179	$ -	$ -	$ 12,079,516	157,216,095
Property	21,870,490	13,585,524	-	-	3,062,464	38,518,478
Franchise	7,573,657	-	-	-	-	7,573,657
E911	-	-	-	-	4,136,849	4,136,849
Other	3,408,428	-	-	-	11,208	3,419,636
Licenses and permits	7,529,165	-	-	-	-	7,529,165
Intergovernmental	9,158,176	-	4,293,558	-	10,908,577	24,360,311
Governmental grants	2,951,587	-	10,538,316	-	3,518,443	17,008,346
Charges for services	29,194,857	-	-	-	16,485	29,211,342
Fines and forfeitures	3,615,211	-	-	-	-	3,615,211
Leases	45,108	-	-	-	-	45,108
Investment earnings	4,949,616	2,642,093	4,841,192	-	1,898,655	14,331,556
Miscellaneous	2,303,437	-	731,011	-	61,507	3,095,955
Total revenues	230,357,132	23,606,796	20,404,077	-	35,693,704	310,061,709
EXPENDITURES						
Current						
General government	44,622,505	1,500	52,827	-	-	44,676,832
Police	56,243,495	-	-	-	-	56,243,495
Fire and ambulance	40,542,993	-	-	-	-	40,542,993
City development	11,676,266	-	-	-	-	11,676,266
Streets, traffic and engineering	14,140,389	-	3,321,353	-	999,215	18,460,957
Community services	35,579,652	-	-	-	43,506	35,623,158
Capital outlay	5,559,719	4,126,568	37,844,268	-	17,156,148	64,686,703
Debt service						
Principal retirement	1,264,546	1,200,000	845,225	-	4,147,034	7,456,805
Interest and bond fees	173,024	213,038	570,156	-	3,285,289	4,241,507
Bond issuance costs	-	-	-	-	244,361	244,361
Total expenditures	209,802,589	5,541,106	42,633,829	-	25,875,553	283,853,077
Excess (deficiency) of revenues over (under) expenditures	20,554,543	18,065,690	(22,229,752)	-	9,818,151	26,208,632
OTHER FINANCING SOURCES (USES)						
Transfers in	8,155,376	-	2,924,531	-	35,000	11,114,907
Proceeds of refunding bonds	-	-	-	-	20,595,646	20,595,646
Payment to refunded bond agent	-	-	-	-	(21,653,503)	(21,653,503)
Transfers out	(245,946)	(4,801,055)	-	-	(6,278,852)	(11,325,853)
Issuance of long-term lease	985,401	-	-	-	-	985,401
Issuance of SBITA	379,424	-	164,542	-	-	543,966
Sale of general capital assets	250,763	-	-	-	-	250,763
Total other financing sources (uses)	9,525,018	(4,801,055)	3,089,073	-	(7,301,709)	511,327
Net change in fund balances	30,079,561	13,264,635	(19,140,679)	-	2,516,442	26,719,959
Fund balances, January 1, as previously presented	76,246,422	41,243,979	86,309,287	5,445,107	29,846,370	239,091,165
Change within financial reporting entity (major to nonmajor fund)	-	-	-	(5,445,107)	5,445,107	-
Fund balances, January 1, as adjusted	76,246,422	41,243,979	86,309,287	-	35,291,477	239,091,165
Fund balances, December 31	$ 106,325,983	$ 54,508,614	$ 67,168,608	$ -	$ 37,807,919	265,811,124

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, 2025

Net change in fund balances - total governmental funds (page 22)		$ 26,719,959
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 ($31,889,204) less work in progress deletions ($3,166,519), exceeded depreciation ($26,697,929) RTU asset amortization ($1,631,691) in the current period.		393,064
The net effect of various miscellaneous transactions involving capital assets is to increase net position (contributions of $9,433,933 less the loss of $33,023 less the revenue recognized at the fund level of $250,763 on the sale of capital assets)		9,150,147
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	2,255,000	
To Trustee for certificates of participation	3,715,000	
Obligation under leases	912,114	
Obligation under subscription-based IT arrangements	574,691	
Net adjustment		7,456,805
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 of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these difference in the treatment of long-term debt and related items.		1,237,624
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	27,080	
Accrued interest on bonds	26,258	
Accrued interest on leases	15,240	
Accrued interest on subscription-based IT arrangements	3,551	
Asset Retirement Obligation Expense	(26,118)	
Combined adjustment		46,011
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	7,980	
Grant revenues	(1,632,140)	
Opioid revenues	159,560	
Combined adjustment		(1,464,600)
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		(1,872,093)
Pension Expense		(1,480,387)
Remediation Expense		(7,937,824)
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.		1,064,516
Change in net position governmental activities (page 15)		$ 33,313,222

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

City of Thornton, Colorado

Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	**Sewer**	**Other Enterprise Funds**	**Total**	**Internal Service Risk Fund**
ASSETS					
Current assets					
Equity in pooled cash and investments - unrestricted	$ 316,534,488	$ 14,488,606	$ 7,457,181	$ 338,480,275	$ 19,431,418
Equity in pooled cash and investments - restricted	3,448,077	-	-	3,448,077	-
Receivables, net					
Accounts	6,608,817	2,362,751	1,274,558	10,246,126	1,252,000
Leases	1,129,166	-	-	1,129,166	-
Interest and other	2,607,564	120,582	62,088	2,790,234	154,530
Prepaids and other assets	55,810	4,045	15,135	74,990	-
Total current assets	330,383,922	16,975,984	8,808,962	356,168,868	20,837,948
Noncurrent assets					
Lease receivable	938,094	-	-	938,094	-
Capital assets					
Land and water rights	220,510,373	417,407	-	220,927,780	-
Source of supply	134,153,763	-	-	134,153,763	-
Water treatment plant	180,991,509	-	-	180,991,509	-
Collection, transmission, and distribution	299,792,138	134,899,791	103,183,884	537,875,813	-
Transportation equipment	2,447,471	2,141,530	10,423,285	15,012,286	-
General equipment	17,461,844	1,129,359	1,553,753	20,144,956	-
Buildings and improvements	15,549,199	2,361,959	684,752	18,595,910	-
Less accumulated depreciation	(185,653,906)	(61,020,513)	(32,561,740)	(279,236,159)	-
Construction in progress	249,534,500	3,129,535	2,280,000	254,944,035	-
Right to use assets					
SBITAs	315,850	-	-	315,850	-
Less SBITAs accumulated amortization	(171,338)	-	-	(171,338)	-
Total noncurrent assets	935,869,497	83,059,068	85,563,934	1,104,492,499	-
Total assets	1,266,253,419	100,035,052	94,372,896	1,460,661,367	20,837,948
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to OPEB	207,941	29,633	84,022	321,596	9,872
Deferred outflow related to ARO	15,000	-	-	15,000	-
Deferred charge on refunding	1,027,994	-	-	1,027,994	-
Total deferred outflows of resources	1,250,935	29,633	84,022	1,364,590	9,872

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	$ 26,089,864	$ 1,936,126	$ 2,070,190	$ 30,096,180	$ 1,296,694
Retainage payable	7,737,980	133,610	51,468	7,923,058	-
Other	177,178	-	-	177,178	-
Unearned revenue	224,640	-	-	224,640	-
Due to other funds	-	-	1,002,332	1,002,332	-
Payable from restricted assets					
Accrued bond interest payable	268,683	-	-	268,683	-
Revenue bonds payable	3,840,000	-	-	3,840,000	-
SBITAs payable	66,468	-	-	66,468	-
Compensated absences	312,288	2,436	72,216	386,940	26,769
Outstanding reserves and incurred but not reported claims	-	-	-	-	3,346,526
Total current liabilities	38,717,101	2,072,172	3,196,206	43,985,479	4,669,989
Long-term liabilities					
Revenue bonds payable, excluding current portion, net of other unamortized costs	98,606,836	-	-	98,606,836	-
Total OPEB liability	1,094,702	141,179	442,385	1,678,266	48,355
Compensated absences	908,122	37,799	361,373	1,307,294	53,124
Advance from other fund	-	-	1,132,149	1,132,149	-
SBITAs	70,622	-	-	70,622	-
Other obligations	911,226	-	-	911,226	-
Outstanding reserves and incurred but not reported claims	-	-	-	-	4,160,658
Total long-term liabilities	101,591,508	178,978	1,935,907	103,706,393	4,262,137
Total liabilities	140,308,609	2,251,150	5,132,113	147,691,872	8,932,126
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	132,015	14,158	53,592	199,765	5,120
Deferred inflows related to leases	2,036,828	-	-	2,036,828	-
Total deferred inflows of resources	2,168,843	14,158	53,592	2,236,593	5,120
NET POSITION					
Net investment in capital assets	825,637,491	82,925,458	84,510,134	993,073,083	-
Unrestricted	299,389,411	14,873,919	4,761,079	319,024,409	11,910,574
Total net position	$ 1,125,026,902	$ 97,799,377	$ 89,271,213	$ 1,312,097,492	$ 11,910,574

City of Thornton, Colorado

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2025

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Sewer	Other Enterprise Funds	Total	Internal Service Risk Fund
OPERATING REVENUES					
Charges for services pledged for debt	$ 66,625,302	$ -	$ -	$ 66,625,302	$ -
Charges for services	-	20,630,460	13,833,588	34,464,048	-
Miscellaneous revenue	181,451	2,349	230,320	414,120	-
Interfund services	-	-	-	-	19,720,706
Total operating revenues	66,806,753	20,632,809	14,063,908	101,503,470	19,720,706
OPERATING EXPENSES					
Source of supply	8,945,636	-	-	8,945,636	-
Water treatment	16,775,848	-	-	16,775,848	-
Collection, transmission, distribution, and trash removal	8,515,317	3,058,943	7,651,973	19,226,233	-
Sewage treatment-Metro Wastewater	-	12,741,558	-	12,741,558	-
Insurance premiums	-	-	-	-	5,060,777
Claims and reserves for claims	-	-	-	-	13,501,179
Other operating expenses	2,309,060	154,034	1,421,717	3,884,811	-
Administration	12,691,208	2,239,070	1,708,773	16,639,051	1,089,203
Depreciation/amortization	10,670,076	2,798,424	3,147,953	16,616,453	-
Total operating expenses	59,907,145	20,992,029	13,930,416	94,829,590	19,651,159
Operating income (loss)	6,899,608	(359,220)	133,492	6,673,880	69,547
NONOPERATING REVENUES (EXPENSES)					
Loss on disposal of capital assets	(207,168)	(85,455)	(61,493)	(354,116)	-
Investment earnings	17,669,541	759,122	403,760	18,832,423	994,135
Interest and bond amortization expense	(703,334)	-	(109,275)	(812,609)	-
Royalties	6,019,523	-	-	6,019,523	-
PFAS settlement receipts	9,864,625	-	-	9,864,625	-
Miscellaneous, net	2,207,890	(2,960)	5,621	2,210,551	834
Total nonoperating revenues	34,851,077	670,707	238,613	35,760,397	994,969
Income before capital contributions and transfers	41,750,685	311,487	372,105	42,434,277	1,064,516
Grants and capital contributions	36,059,661	4,877,870	8,870,817	49,808,348	-
Transfers In	90,557	-	255,799	346,356	-
Transfers Out	-	(89,176)	(152,049)	(241,225)	-
Change in net position	77,900,903	5,100,181	9,346,672	92,347,756	1,064,516
Net position, January 1	1,047,125,999	92,699,196	79,924,541	1,219,749,736	10,846,058
Net position, December 31	$ 1,125,026,902	$ 97,799,377	$ 89,271,213	$ 1,312,097,492	$ 11,910,574

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, 2025

	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	$ 66,625,444	$ 20,485,994	$ 13,755,134	$ 100,866,572	$ -
Receipts from other operating cash payments	-	-	428,021	428,021	-
Receipts from interfund services	-	-	-	-	19,698,706
Payments to suppliers	(21,052,734)	(15,773,723)	(5,168,224)	(41,994,681)	(17,967,983)
Payments to employees	(14,632,099)	(1,361,775)	(4,874,528)	(20,868,402)	(760,741)
Other operating receipts (PFAS Settlement)	9,864,625	-	-	9,864,625	-
Net cash provided by operating activities	40,805,236	3,350,496	4,140,403	48,296,135	969,982
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant	673,298	-	-	673,298	-
Repayment from (to) other funds	90,557	-	-	90,557	-
Receipts from leases & royalties	7,935,782	-	-	7,935,782	-
Net cash provided by noncapital financing activities	8,699,637	-	-	8,699,637	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases and construction of capital assets	(139,082,911)	(2,373,863)	(3,813,348)	(145,270,122)	-
Proceeds from sale of capital assets	55,922	8,790	26,292	91,004	-
Transfer to other funds	-	(89,176)	606,746	517,570	-
Repayment to other funds	-	-	(964,444)	(964,444)	-
Principal paid on bonds and other obligations	(3,670,000)	-	-	(3,670,000)	-
Interest and fees paid on capital debt	(3,387,593)	-	(109,275)	(3,496,868)	-
Lease/SBITAs Principal	(78,153)	-	-	(78,153)	-
Lease/SBITAs Interest	(5,355)	-	-	(5,355)	-
Capital contributions	28,445,653	1,446,080	-	29,891,733	-
Net cash used in capital and related financing activities	(117,722,437)	(1,008,169)	(4,254,029)	(122,984,635)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments	428,077,528	15,232,357	8,689,822	451,999,707	21,667,606
Purchases of investments	(368,863,567)	(16,666,843)	(8,552,722)	(394,083,132)	(22,368,659)
Interest on investments	12,140,807	536,871	342,129	13,019,807	956,777
Net cash provided by (used in) investing activities	71,354,768	(897,615)	479,229	70,936,382	255,724
Net increase in cash and cash equivalents	3,137,204	1,444,712	365,603	4,947,519	1,225,706
Cash and cash equivalents, Jan. 1	76,970,058	2,311,591	1,491,336	80,772,985	3,631,822
Cash and cash equivalents, Dec. 31	$ 80,107,262	$ 3,756,303	$ 1,856,939	$ 85,720,504	$ 4,857,528
Cash and cash equivalents	$ 80,107,262	$ 3,756,303	$ 1,856,939	$ 85,720,504	$ 4,857,528
Investments	239,875,302	10,732,303	5,600,242	256,207,847	14,573,890
Total cash and investments	$ 319,982,564	$ 14,488,606	$ 7,457,181	$ 341,928,351	$ 19,431,418
Equity in pooled cash and investments	$ 316,534,488	$ 14,488,606	$ 7,457,181	$ 338,480,275	$ 19,431,418
Restricted cash and investments	3,448,077	-	-	3,448,077	-
Total cash and investments	$ 319,982,565	$ 14,488,606	$ 7,457,181	$ 341,928,352	$ 19,431,418

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)	$ 6,899,608	$ (359,220)	$ 133,492	$ 6,673,880	$ 69,547
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization expense	10,670,076	2,798,424	3,147,953	16,616,453	-
PFAS Settlement receipts	9,864,625	-	-	9,864,625	-
Miscellaneous receipts	341,301	-	216,566	557,867	834
Other expenses	(3,278)	(2,960)	-	(6,238)	-
Change in assets and liabilities:					
Increase in accounts receivable, net	(412,568)	(146,815)	(91,699)	(651,082)	(22,000)
Decrease in loans receivable	18,527	-	-	18,527	-
(Increase) in other assets	(52,860)	(4,045)	(15,135)	(72,040)	-
Decrease in deferred outflows of resources Other	5,000	-	-	5,000	-
(Increase) in deferred outflows of resources OPEB Related	(78,691)	(7,320)	(31,477)	(117,488)	(3,660)
Increase in accounts payable	13,390,507	1,037,699	615,629	15,043,835	109,941
Increase in OPEB	321,295	29,888	128,518	479,701	14,944
Increase in other liabilities	11,515	8,683	53,057	73,255	802,295
(Decrease) in unearned revenue	(128,568)	-	-	(128,568)	-
Decrease in deferred inflows of resources OPEB Related	(41,253)	(3,838)	(16,501)	(61,592)	(1,919)
Net cash provided by operating activities	$ 40,805,236	$ 3,350,496	$ 4,140,403	$ 48,296,135	$ 969,982
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Investing Activities					
Increase in the fair value of investments	$ 5,420,892	$ 184,534	$ 107,976	$ 5,713,402	$ 257,842
Financing Activities					
Bond amortization premiums	2,670,673	-	-	2,670,673	-
Capital Activities					
Loss on disposal of capital assets	(263,090)	(94,245)	(87,785)	(445,120)	-
Water, sewer, and stormwater lines contributed by developers	6,139,078	2,816,423	8,870,817	17,826,318	-
Contributed capital (to) and from other government	20,318	615,366	(107,195)	528,489	-
RTU - Lease/SBITA Assets	78,153	-	-	78,153	-

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.

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 2015 – financed by sales and property tax incremental increases within the boundaries of the North Washington Urban Renewal Area. The bonds are due in semi-annual payments until maturity in 2028.

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

The City reports the following major enterprise funds:

Water Utility Fund. This fund accounts for the provision of water services to residents of the City and some residents of unincorporated Adams County.

Sewer Utility Fund. This fund accounts for the provision of sewer services to residents of the City and some residents of unincorporated Adams County.

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

Additionally, the City reports the following fund type:

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

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 other activities. Elimination of these charges would distort the costs and program revenues reported for the various functions.

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 2025, 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 2025, three budget amendments were approved by ordinance or resolution. The effect of these amendments was an overall increase in appropriations of $ 31,307,205, broken down by fund type as follows: General Fund $465,094, Special Revenue Funds $1,465,404, Capital Projects Funds $26,878,341 and Enterprise Funds $2,498,36, totaling $31,307,205.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 $10,000 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:

Asset Class	Estimated useful life
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

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, office space, and golf carts for the Thorncreek Golf Course under the General 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.

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 82 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 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 also 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.

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. 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.

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. The City has adopted GASB Statement No. 101, *Compensated Absences*, which requires a liability to be recorded for compensated absences and reported in the government-wide and proprietary financial statements for (a) leave that has not been used and (b) leave that has been used but not yet paid. Compensated absence liability includes vacation leave, sick leave, and compensatory time, measured using the employee's pay rate as of the financial statement date. Leave that has not been used is only recognized if the employee has performed the services required to earn the leave, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash.

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, *Accounting and Financial Reporting for Pollution Remediation Obligations* addresses accounting and financial reporting for pollution remediation obligations. The Thornton Development Authority (TDA), a component unit of the City, has environmental remediation obligations related to certain Authority-owned properties. During 2025, the TDA incurred monitoring costs of approximately $144,043 for two sites and remediation costs of approximately $1,276,025 for a third site undergoing active remediation. Of the 2025 remediation costs, approximately $1.2 million was paid by the TDA and approximately $37,000 was paid from governmental funds. The total estimated remediation cost for the active site is approximately $13.7 million, of which approximately $5.8 million has been incurred through December 31, 2025. The remaining estimated liability of approximately $7.9 million is reported in governmental activities. Estimates are based on current remediation plans and available information and may change as work progresses.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balance (continued)

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

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 43.6% 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. Deferred Outflows and Deferred Inflows of Resources (continued)

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.

22. Implementation of New GASB Statements

Beginning in fiscal year 2025, the City implemented the following GASB statements:
GASB Statement No. 102, *Certain Risk Disclosures*. This GASB requires assessment of risk exposure due to Concentration risk (i.e. major revenues tied to few major employers or industries or funding sources) and review of possible Constraint risks (a limitation can be imposed by an external party such as to limit voter-approved taxes, state-imposed debt limits) that may limit the City's ability to acquire resources or control spending. Application of this statement is effective for the City's fiscal year ending December 31, 2025. The City completed this risk assessment for the 2025 fiscal year and determined no concentration nor constraint risks exist.

23. Prior Period Restatements

The Parks and Open Space Fund changed from a Major to Non-Major Fund in 2025. In accordance with GASB Statement No. 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.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

Governmental Activities:	Parks and Open Space Fund	Non-major Governmental	Governmental Funds Total
12/31/24, as previously reported	$ 5,445,107	$ 29,846,370	$ 239,091,165
Change from major to non-major fund	(5,445,107)	5,445,107	-
1/1/25, as adjusted or restated	$ -	$ 35,291,477	$ 239,091,165

24. Future Accounting Pronouncements

GASB has issued several statements not yet implemented by the City as of December 31, 2025. The City is currently evaluating the impact these statements will have on its financial statements. The following statements are expected to be implemented in future reporting periods: GASB Statement No. 103*, Financial Reporting Model Improvements,* GASB Statement No. 104*, Disclosure of Certain Capital Assets, and GASB* Statement No. 105, *Subsequent Events.* Management has not yet determined the effect these statements will have on the City's financial statements or disclosures*.*

25. 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 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 Authority's financial statements may be obtained from the City of Thornton.

26. Significant Transactions

During 2025, the City's Water Fund received approximately $9,864,625 from settlement agreements related to PFAS (per- and polyfluoroalkyl substances) contamination claims. The settlement proceeds are reported within business-type activities as PFAS settlement receipts in the Statement of Activities. The proceeds are intended to support water treatment, monitoring, and other costs associated with PFAS-related compliance and response efforts.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance with Finance-Related Legal and Contractual Provisions

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

NOTE C - DEPOSITS AND INVESTMENTS

1. Equity in Pooled Cash and Investments

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

2. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The 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, 2025, the City's deposits had a carrying amount of $36,756,619 and a bank balance of $49,449,706. Of the bank balance, $846,901 was covered by federal depository insurance. The remainder of the bank balance, $48,602,805, 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, Asset Backed Securities, 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, 2025, the City had the following investments and maturities:

Investment Type	Fair Value	< 1 Year	2-3 Years	4-7 Years
U.S. Government Treasuries	$ 20,059,672	$ 20,059,672	$ -	$ -
Corporate Bonds	214,722,064	54,231,977	62,434,946	98,055,141
U.S. Government Agencies	173,569,526	60,187,857	15,893,977	97,487,692
Supranational Securities	27,663,197	1,993,284	4,480,240	21,189,673
Commercial Paper	34,484,714	34,484,714	-	-
State and Local Government Bonds	53,559,048	17,825,243	18,934,662	16,799,143
Asset Backed Securities	5,888,861	-	618,284	5,270,577
Local Government Investment Pools	51,740,598	51,740,598	-	-
Money Market	18,253,303	18,253,303	-	-
Total	$ 599,940,983	$ 258,776,648	$ 102,362,109	$ 238,802,226

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

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, 2025. 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, 2025, 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 Investment 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. At the time of purchase, some investments may have a maturity up to but no greater than 7.0 years from the date of settlement to the maximum possible maturity date. The maximum duration of the portfolio is limited to 4.0 years. At December 31, 2025, the weighted-average maturity of the City's portfolio was 26.4 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. 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, 2025, the City's investment in U.S. Government Treasuries, Federal Home Loan Banks (FHLB), Federal Farm Credit Banks Funding Corp (FFCB), Federal Home Loan Mortgage Corp (FHLMC), Federal National Mortgage Association (FNMA), and Tennessee Valley Authority (TVA) were all rated A- or better by two NRSRO's. Apart from one Corporate Bond rated BBB+ (rating has been downgraded since the date of purchase), all Corporate Bonds were rated A- or better by 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, 2025, 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, 2025, no investments were held by a counterparty, and all investments were registered in the City's name. See the "Deposits" section of Note C for discussion regarding custodial credit risk for deposits.

Concentration of Credit Risk – The City's internal investment policy limits the amount the City may invest in one issuer except for U.S. Government 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, 2025, the City's investment in U.S. Government Treasuries were 3.0%, FHLB were 15.6%, FFCB was 9.1%, FHLMC was 2.5%, FNMA was 0.8%, TVA was 0.8%, Supranational Securities were 4.6%, State and Local Government Bonds were 8.9%, Asset Backed Securities were 1.0%, Commercial Paper were 5.7%, and Corporate Bonds were 35.8%. The City's investment in Local Government Investment Pools are excluded from this disclosure requirement.

Local Government Investment Pools – As of December 31, 2025, the City had $38,102,978 invested in Colotrust and $13,637,620 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 cash pools operate similarly to a money market fund and each share is equal to $1.00 in value. CSAFE Core pool shares are equal to $2.00 in value. Colotrust is rated AAAm by Standard & Poor's. CSAFE is rated AAAmmf by Fitch Ratings.

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

3. Investments (Continued)

Money Market Mutual Funds - Shares of any money market fund (MMF) 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 MMF. No more than 50% of the portfolio may be invested in the securities of any single MMF 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, 2025, total accounts receivable was $2,168,845 with an allowance for bad debt of $319,529. Write-offs, which include contractual allowances and uncollectible amounts related to the current period, are $3,971,099.

During fiscal year ended December 31, 2025, the City revised its methodology for estimating the allowance for doubtful accounts related to ambulance billings based on additional experience and information available. The change resulted in an approximately $1.2 million reduction in bad debt expense.

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 $17,819 in interest revenue during the current fiscal year related to this lease. As of December 31, 2025, the City’s receivable for lease payments is $579,179. 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, 2025, the balance of the deferred inflow of resources is $511,275.

Lease Receivables Business Type Activities –

Farmland - The City enters into numerous three to eight 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 $1,155,873 in lease revenue and $61,030 in interest revenue during the current fiscal year related to these leases. As of December 31, 2025, the City’s receivable for lease payments is $2,067,260. 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, 2025, the balance of the deferred inflow of resources is $2,036,828.

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning balances	Additions & transfers	Deletions & transfers	Ending balances
Governmental activities:				
Capital assets not being depreciated:				
Land and land rights	$ 52,205,075	$ 84,871	$ -	$ 52,289,946
Construction in progress	26,845,678	20,606,590	(11,986,421)	35,465,847
	-	-	-	-
Total capital assets not being depreciated	79,050,753	20,691,461	(11,986,421)	87,755,793
Capital assets being depreciated:				
Streets, traffic, and engineering	458,278,487	21,080,046	-	479,358,533
Buildings and improvements	236,766,616	798,216	-	237,564,832
Leisure areas and improvements	119,519,381	2,249,522	(71,845)	121,697,058
General equipment	72,701,683	4,210,771	(3,157,800)	73,754,654
Right to use assets being amortized:				
General equipment	4,593,840	985,401	(1,360,463)	4,218,778
Subscription arrangements	2,591,368	543,966	-	3,135,334
Total capital & RTU assets being depreciated	894,451,375	29,867,922	(4,590,108)	919,729,189
Less accumulated depreciation for:				
Streets, traffic, and engineering	293,067,209	12,257,618	-	305,324,827
Buildings and improvements	52,912,053	5,025,548	-	57,937,601
Leisure areas and improvements	68,308,329	4,166,724	(71,845)	72,403,208
General equipment	49,046,301	5,248,038	(2,792,406)	51,501,933
Less accumulated amortization for:				
General equipment	1,834,424	1,028,949	(1,360,463)	1,502,910
Subscription arrangements	775,130	602,742	-	1,377,872
Total accumulated depreciation/amortization	465,943,446	28,329,619	(4,224,714)	490,048,351
Total capital & RTU assets being depreciated, net	428,507,929	1,538,303	(365,394)	429,680,838
Governmental activity capital & RTU assets, net	$507,558,682	$ 22,229,764	$(12,351,815)	$ 517,436,631
Business-type activities:				
Capital assets not being depreciated:				
Land and water rights	$219,875,090	$ 1,053,623	$ (933)	$ 220,927,780
Source of supply	130,149,987	4,003,776	-	134,153,763
Construction in progress	146,578,485	134,844,196	(26,478,646)	254,944,035
Total capital assets not being depreciated	496,603,562	139,901,595	(26,479,579)	610,025,578
Capital assets being depreciated:				
Water treatment plant	177,499,118	3,492,391	-	180,991,509
Collection, transmission, and distribution	495,795,663	42,671,246	(591,096)	537,875,813
Transportation equipment	12,884,485	4,136,386	(2,008,585)	15,012,286
General equipment	15,731,919	4,769,803	(356,766)	20,144,956
Buildings and improvements	25,383,774	-	(6,787,864)	18,595,910
Right to use assets being amortized:				
General equipment	62,148	-	(62,148)	-
Subscription arrangements	328,219	-	(12,369)	315,850
Total capital & RTU assets being depreciated	727,685,326	55,069,826	(9,818,828)	772,936,324
Less accumulated depreciation for:				
Water treatment plant	46,942,414	4,054,710	-	50,997,124
Collection, transmission, and distribution	188,018,153	9,813,953	(342,949)	197,489,157
Transportation equipment	7,190,081	1,512,924	(1,861,801)	6,841,204
General equipment	10,719,951	755,060	(73,850)	11,401,161
Buildings and improvements	12,243,766	399,347	(135,600)	12,507,513
Less accumulated amortization for:				
General equipment	46,620	15,528	(62,148)	-
Subscription arrangements	118,776	64,931	(12,369)	171,338
Total accumulated depreciation/amortization	265,279,761	16,616,453	(2,488,717)	279,407,497
Total capital & RTU assets being depreciated, net	462,405,565	38,453,373	(7,330,111)	493,528,827
Business-type capital & RTU assets, net	$959,009,127	$ 178,354,968	$(33,809,690)	$1,103,554,405

NOTE E - CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
Capital Assets:	
General government	$ 1,664,681
Police	2,596,365
Fire	1,883,464
City development	244,614
Streets, traffic & engineering	12,928,990
Community services	7,379,814
Capital asset depreciation	26,697,928
Right to use assets:	
General government	706,000
Police	772,847
Fire	55,790
Community services	97,054
Right to use asset amortization	1,631,691
Additions and transfers per Note E for accumulated depreciation & amortization for government activities	$ 28,329,619
Business-type activities:	
Capital Assets:	
Water	$ 10,589,617
Sewer	2,798,424
Environmental Services	1,094,765
Stormwater	2,053,188
Capital asset depreciation	16,535,994
Right to use assets:	
Water	80,459
Right to use asset amortization	80,459
Additions and transfers per Note E for accumulated depreciation & amortization for business-type activities	$ 16,616,453

NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The outstanding interfund balance consists of a payable amount of $1,002,332 in the Stormwater Fund (Non-Major Business Type) due to the Governmental Capital Fund, to be paid in 2026. 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, 2025 are as follows:

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Governmental Capital	Stormwater	$1,132,149

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 interfund transfers for the year ended December 31, 2025 is as follows:

	Transfers out:			
Transfers in:	General	TDA North	Governmental Non-Major	Total
General	$ -	$ 1,876,524	$ 6,278,852	$ 8,155,376
Governmental Cap	-	2,924,531	-	2,924,531
Proprietary Non-Major	210,946	-	-	210,946
Governmental Non-Major	35,000	-	-	35,000
	$ 245,946	$ 4,801,055	$ 6,278,852	$ 11,325,853

The Statement of Activities includes the above transfer of $210,946 from the General Fund to the Environmental Services Fund (Proprietary Non-major Fund) for city-wide shopping bag fees, and capital asset transfers of $807,359 from the Stormwater Fund (Proprietary Non-Major Fund) to Governmental Activities and $105,815 capital asset transfers from Governmental Activities to the Stormwater Fund. These transfers total $702,228.

NOTE G - LONG-TERM DEBT

1. Bonds Payable

Bonds payable at December 31, 2025 are comprised of:

Revenue Bonds

$39,380,000, April 29, 2013 Water Enterprise Revenue Refunding Bonds, Series 2013, annual installments of $2,135,000 to $2,765,000 through December 1, 2034, interest at 3.00% to 4.00%	$ 22,030,000
$78,255,000, October 29, 2020 Water Enterprise Revenue Refunding Bonds, Series 2020, annual installments of $1,705,000 to $4,080,000 through December 1, 2050, interest at 3.00% to 5.00%	71,120,000
Plus unamortized premium	9,296,836
	$ 102,446,836

At December 31, 2025, deferred charges on bond refunding were $1,027,994 for the Water Enterprise Revenue Refunding Bonds.

Tax Increment Bonds

$13,900,000, September 22, 2015 Thornton Development Authority (component unit) Tax Increment Revenue Refunding Bonds, Series 2015, annual installments of $1,255,000 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, 2025, pledged sales and property taxes were $14,171,940. Principal and interest paid were $1,200,000 and $210,013, respectively.	$ 3,940,000
$19,235,000, September 4, 2025 Thornton Development Authority (component unit) Tax Increment Revenue Refunding Bonds, Series 2025, annual installments of $1,140,000 to $1,955,000 through December 1, 2037, interest at 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, 2025, pledged sales and property taxes were $4,074,323. Principal and interest paid were $1,055,000 and $216,394, respectively.	18,180,000
Plus unamortized premium	1,390,414
	$ 23,510,414

At December 31, 2025, the deferred gain was $808,202 for the Tax Increment Revenue Refunding Bonds.

There are limitations and restrictions in the various bond indentures. As of December 31, 2025 the City believes it is in compliance with all significant limitations and restrictions.

NOTE G - LONG-TERM DEBT (CONTINUED)

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 $2,640,000 to $4,610,000 through December 1, 2039 with interest at 4.00% to 5.00% and currently amounts to $50,235,000. The 2018 Lease Purchase Agreement unamortized premium was $2,030,410 at December 31, 2025.

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 $1,260,000 to $1,995,000 through December 1, 2038 with interest at 3.00% to 5.00% and currently amounts to $21,335,000. The 2020 Amended Lease Purchase Agreement unamortized premium was $1,862,894 at December 31, 2025.

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, 2025 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, 2025:

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 6 years. The estimated remaining life of the two aboveground tanks is 12 years. There are no legal funding requirements or assurances, or restricted amounts for the payment of these liabilities.

NOTE G - LONG-TERM DEBT (CONTINUED)

3. Other Obligations (continued)

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 3 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 –

Business Assistance Center – In January 2025, the City entered into a five-year lease agreement on a building. The City recorded an initial lease liability of $262,891. As of December 31, 2025, the lease liability is $212,470. The City is required to make monthly principal and interest payments of $5,035. The lease has an interest rate of 3.74%. The equipment has a useful life of five years. The net book value of the right to use asset as of December 31, 2025 is $212,474 with accumulated amortization of $50,417.

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 GASB Statement No. 87, *Leases* guidance effective 1/1/2022. The City recorded an initial lease liability of $374,775. Effective January 1, 2024, 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 $2,617,154. As of December 31, 2025, the lease liability was $1,568,978. 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, 2025 is $1,591,743 with accumulated amortization of $1,025,410.

Canon Copiers – In March 2025, the City entered into a five-year lease agreement on citywide printer and copier equipment. The City recorded an initial lease liability of $722,510. As of December 31, 2025, the lease liability is $620,236. The City is required to make monthly principal and interest payments of $13,111. The lease has an interest rate of 3.52%. The equipment has a useful life of five years. The net book value of the right to use asset as of December 31, 2025 is $619,577 with accumulated amortization of $102,933.

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, 2025, the lease liability is $242,681. 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, 2025 is $230,006 with accumulated amortization of $255,266.

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, 2025, the lease liability is $63,469. 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, 2025 is $62,067 with accumulated amortization of $68,884. This lease includes a variable usage payment covering the five-year lease agreement. As of December 31, 2025, this variable payment not included in the liability above is $10,463.

NOTE G - LONG-TERM DEBT (CONTINUED)

4. Lease Obligations (Continued)

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, 2025, are as follows:

Governmental Activities			
Year	Principal	Interest	Total
2026	$ 822,613	$ 95,071	$ 917,684
2027	855,534	64,003	919,537
2028	799,496	32,474	831,970
2029	191,086	4,781	195,867
2030	39,104	230	39,334
Totals	$ 2,707,833	$ 196,559	$ 2,904,392

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, 2025, the capitalized right-to-use assets related to SBITAs for Governmental Activities was $3,135,333 with a net book value of $1,757,462, including accumulated amortization of $1,377,872. The total subscription liability was $1,749,891, of which $429,766 is due within the next fiscal year. For the year ended December 31, 2025, the City recognized $59,764 of interest expense related to these arrangements for Governmental Activities.

SBITAs at December 31, 2025 are as follows:

Governmental Activities			
Year	Principal	Interest	Total
2026	$ 429,766	$ 58,789	$ 488,555
2027	447,796	44,133	491,929
2028	368,529	30,035	398,564
2029	249,961	17,485	267,446
2030	123,821	9,128	132,949
2031-2035	130,020	7,050	137,070
Totals	$ 1,749,891	$ 166,620	$ 1,916,511

SBITAs Business-Type Activities -

As of December 31, 2025, the capitalized right-to-use assets related to SBITAs for Business-type Activities was $315,850 with a net book value of $144,512, including accumulated amortization of $171,338. The total subscription liability was $137,090, of which $66,469 is classified as current liability representing the portion due within the next fiscal year. For the year ended December 31, 2025, the City recognized $5,287 of interest expense related to these arrangements for Business-type Activities.

NOTE G - LONG-TERM DEBT (CONTINUED)

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

SBITAs Business-Type Activities (continued)

In addition, the City recognized $221,522 in subscription expenses for variable payments not previously included in the measurement of the subscription liability.

SBITAs at December 31, 2025, are as follows:

Business Type Activities			
Year	Principal	Interest	Total
2026	$ 66,468	$ 3,300	$ 69,768
2027	70,622	1,186	$ 71,808
Totals	$ 137,090	$ 4,486	$ 141,576

6. Long-Term Obligation Activity

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Governmental activities:					
Tax increment bonds	$ 26,500,000	$ 19,235,000	$ 23,615,000	$ 22,120,000	$ 2,395,000
Add unamortized premium	1,516,488	1,360,646	1,486,720	1,390,414	-
Total bonds payable	28,016,488	20,595,646	25,101,720	23,510,414	2,395,000
Certificates of participation	75,285,000	-	3,715,000	71,570,000	3,900,000
Add unamoritized premium	5,781,232	-	1,887,928	3,893,304	-
Total certificate of participation payable	81,066,232	-	5,602,928	75,463,304	3,900,000
Leases	2,634,547	985,400	912,114	2,707,833	822,613
Subscription leases	1,780,838	543,965	574,912	1,749,891	429,766
Compensated absences	14,218,252	10,399,373	10,420,353	14,197,271	3,697,351
Risk - claims liability	6,710,990	13,501,181	12,704,986	7,507,185	3,346,526
Pollution Remediation	-	8,972,395	1,034,571	7,937,824	4,419,526
Other - asset retirement obligation	375,000	-	-	375,000	-
Governmental activities: Total long-term liabilities	$ 134,802,347	$ 54,997,960	$ 56,351,584	$ 133,448,722	$ 19,010,782
Business-type activities:					
Revenue bonds	$ 96,820,000	$ -	$ 3,670,000	$ 93,150,000	$ 3,840,000
Add unamortized premium	12,082,798	-	2,785,962	9,296,836	-
Total bonds payable	108,902,798	-	6,455,962	102,446,836	3,840,000
Leases	15,712	-	15,712	-	-
Subscription leases	199,531	-	62,441	137,090	66,469
Compensated absences	1,649,516	1,401,115	1,356,397	1,694,234	386,939
Other	911,226	-	-	911,226	-
Business-type activities: Total long-term liabilities	$ 111,678,783	$ 1,401,115	$ 7,890,512	$ 105,189,386	$ 4,293,408

For Governmental activities, OPEB and pension liabilitiies, and other claims and judgments are generally liquidated by the General Fund.

NOTE G - LONG-TERM DEBT (CONTINUED)

7. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2025 are as follows:

	Governmental Activities				Business-Type Activities	
	Tax increment bonds		Certificates of participation		Revenue bonds	
Year ending Dec 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 2,395,000	$ 1,059,013	$ 3,900,000	$ 2,951,650	$ 3,840,000	$ 3,224,194
2027	2,520,000	939,263	4,090,000	2,756,650	4,005,000	3,053,544
2028	2,625,000	836,362	4,300,000	2,552,150	4,185,000	2,875,443
2029	1,320,000	729,000	4,515,000	2,337,150	4,350,000	2,712,294
2030	1,390,000	663,000	25,785,000	8,465,000	4,515,000	2,542,294
2031-2035	8,055,000	2,201,250	28,980,000	3,209,500	22,225,000	10,211,856
2036-2040	3,815,000	288,500	-	-	14,165,000	6,852,000
2041-2045	-	-	-	-	16,610,000	4,412,550
2046-2050	-	-	-	-	19,255,000	1,767,150
	$ 22,120,000	$ 6,716,388	$ 71,570,000	$ 22,272,100	$ 93,150,000	$ 37,651,325

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 9% of net revenues. The total principal and interest remaining to be paid on the bonds is approximately $131 million. For the year ended December 31, 2025 net available revenues were $83,444,806, principal and interest paid were $3,670,000, and $3,387,244, respectively.

9. Current Refunding Debt Issuance

In 2025, the Thornton Development Authority, a component unit, issued $19,235,000 of Tax Increment Revenue Refunding Bonds. The bond proceeds plus existing bond reserves were used to refund $21,360,000 of the 2015 Tax Increment Revenue Bonds, Series 2015B, to reduce total future debt service payments. The interest rate on the refunding bonds is 5.00%, versus the 2.00% to 5.00% on the original issue. The 2025 transaction resulted in an economic gain of $1,985,184 and a reduction of debt service payments of $2,513,197. Although the obligation is reported within the governmental activity funds, it is neither a general nor a limited obligation of the City. Please see Note G-1 for more details on the refunding.

NOTE H - UNEARNED REVENUE

For Governmental Activities, the General Fund includes unearned revenue of $295,411, which is related to funds received for prefunded permit fees and grants, and the Open Space fund has $9,600 for a property lease. For Business-type Activities, the Water Fund has unearned revenue of $224,640 for 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.

NOTE I – RETIREMENT PLANS (CONTINUED)

At December 31, 2025, 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	$ 5,150,076	$ -	$ 5,150,076
Deferred outflows of resources	1,671,953	18,308,588	19,980,541
Deferred inflows of resources	-	534,504	534,504
Pension Expense	1,296,122	6,518,625	7,814,747

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

The City's money purchase plans do not meet the definition of a component unit in GASB Statement No. 84, *Fiduciary Activities*, 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. <u>Defined Contribution Money Purchase Plans</u>

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 five 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 2025 were $6,381,380 (which includes the City's match for voluntary contributions, which is further explained on Note J). City employees' contributions for 2025 were $10,489,906. The City's contributions were offset by $217,152 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. Vesting of employer contributions follows the same schedule as the Regular Employee Money Purchase Plan.

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 2025 were $64,836 and $60,491 respectively.

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 10.5% of base pay. The City's contribution is 10.5% of base pay. Vesting of employer contributions is as follows: 20% per year after the first year of service to be 100% vested after 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

Funding. Employer contributions are funded every pay period from the General Fund. The City's contributions for 2025 were $366,692. The City firefighters' mandatory contributions for 2025 were $366,692.

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 10.5% of base pay. The City's contribution is 10.5% of base pay. Vesting of employer contributions is as follows: 20% per year after the first year of service to be 100% vested after 5 years of service; and forfeited contributions may be used to offset future employer contributions. Benefit terms are established and amended on the authority of City Council.

Funding. Employer contributions are funded every pay period from the General Fund. The City's contributions for 2025 were $184,178. The City police employees' mandatory contributions for 2025 were $184,178. The City's contributions were offset by $25 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 cost-sharing 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 10.5% of base pay, which is matched by the City. For Police Officer members the plan requires mandatory employee contributions of 10.5% 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 employer's contributions within the Money Purchase Component 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 and to be 100% vested after 5 years of service or the attainment of age 55. Unvested employer 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.

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

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, 2025, City and employee contributions were both $37,328.

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 2025 were $1,539,210.

As of December 31, 2025, there are no active participants and 18 inactive employees or beneficiaries currently receiving benefits. In 2025, there were no contributions made by participants.

Pension Liability. At December 31, 2025, the City reported a net pension liability of $5,150,076 related to the Old Hire Plan. The net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. Standard update procedures were used to roll forward the total pension liability to December 31, 2024.

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Investment Rate of Return	4.50%
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.

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2022, determines the contribution amounts for 2023 and 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
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	100.0%	

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

For the purpose of the valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 4.08% (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.

		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2024	$ 8,906,231	$ 4,476,804	$ 4,429,427
Changes for the year:			
Interest on total pension liability	427,351	-	427,351
Benefit changes	1,020,915	-	1,020,915
Contributions - employer	-	496,596	(496,596)
Net investment income	-	240,675	(240,675)
Benefit payments, including refunds of employee contributions	(870,480)	(870,480)	-
Administrative expense	-	(9,654)	9,654
Net changes	577,786	(142,863)	720,649
Balances at December 31, 2025	$ 9,484,017	$ 4,333,941	$ 5,150,076

At December 31, 2025, the Old Hire Plan fiduciary net position as a percentage of the total pension liability was 45.70%.

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	$ 5,786,325	$ 5,150,076	$ 4,593,186

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

Pension Expense. For the year ended December 31, 2025, the City recognized pension expense of $1,296,122 for the Old Hire Plan.

Pension Deferred Outflows/Inflows of Resources. At December 31, 2025, 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	$ 132,743
City contributions subsequent to the measurement date	1,539,210
Total	$ 1,671,953

The $1,539,210 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, 2026. Other amounts reported as deferred outflows of resources related to the Old Hire Plan will be recognized in pension expense (income) as follows:

Year Ending December 31	Amount
2026	$ 59,300
2027	100,712
2028	(17,720)
2029	(9,549)
2030	-
Total	$ 132,743

b. Fire and Police Pension Statewide Retirement Plan

Plan Description. The Statewide Retirement Plan (SRP) is a cost-sharing multiple-employer defined benefit pension plan. The SRP consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

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%.

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 FPPA 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.

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. C*ontribution 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 10.5% 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. These increases result in a combined contribution rate of 25% of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22%.

Reentry members of the Defined Benefit Component contribute 10.5% of base salary, and the current employer contribution is also 10.5% 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. These increases result in a minimum combined contribution rate of 25.2% in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2%.

The City's contributions to the Defined Benefit Component for the year ending December 31, 2025 were $4,605,285.

Members of the Hybrid Defined Component contribute 10.5% of base salary, and the current employer contribution is also 10.5% 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. Beginning 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. In 2024, the total minimum combined member and employer contribution rate was 17%.

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, 2024 through June 30, 2025 was 14.56 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.

The City's contributions to the Hybrid Defined Component for the year ending December 31, 2025 were $152,537.

See "Fire and Police Statewide Money Purchase Component of the SRP" included in the "Defined Contribution Money Purchase Plans" section of Note I for information regarding the Money Purchase Component.

Pension Liability. At December 31, 2025, 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, 2024. The collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The proportionate share of 3.75% was calculated based on City of Thornton contributions for the year ended December 31, 2024 as a percentage of total employer contributions from all participating agencies and was an increase of .13% from the prior year proportionate share of the Statewide Defined Benefit Plan and the Statewide Hybrid plan.

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

Pension Income and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2025, the City recognized a pension expense for the SRP of $6,518,625. At December 31, 2025, 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	$ 9,009,258	$ 281,807
Changes of assumptions	3,224,330	-
Net difference between projected and actual investment earnings	1,279,850	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	252,697
City contributions subsequent to the measurement date	4,795,150	-
Total	$ 18,308,588	$ 534,504

The $4,795,150 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
2025	$ 3,267,617
2026	5,249,082
2027	553,029
2028	691,874
2029	1,376,964
Thereafter	1,840,368
Total	$ 12,978,934

Actuarial Assumptions. The actuarial valuations for the SRP were used to determine the total pension liability for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability
Actuarial Valuation Date	January 1, 2025
Actuarial Method	Entry Age Normal
Long-term Investment Rate of Return, net*	7.0%
Projected Salary Increases*	4.25% - 11.75%
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.

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees used the Pub-2010 Safey 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 2023 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, 2024. 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	33.0%	7.0%
Equity Long/Short	6.0%	6.2%
Private Markets	34.0%	8.8%
Fixed Income - Rates	7.0%	5.0%
Fixed Income - Credit	7.0%	6.5%
Absolute Return	9.0%	5.7%
Cash	4.0%	4.2%
Total	100.0%	

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.

The COLA assumption reflects 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).

NOTE I – RETIREMENT PLANS (CONTINUED)

2. Fire and Police Pension Plans (Continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7%; the municipal bond rate is 4.08% (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	$ 18,295,718	$ -	$ -

The net pension liability of $0 reflects a reserve for COLA and to manage adverse experience of $5,389,749 at a 7% discount rate and $25,003,518 at an 8% discount rate.

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 $23,500 per year ($31,000 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 2025, the general employees' voluntary contributions were $3,593,723, the police employees' voluntary contributions were $1,321,007 and the fire employees' voluntary contributions were $1,113,062 for a total of $6,027,792. 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.

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. Public Safety employees may retire with benefits if they meet the following criteria:

Fire: At least age 55 with at least 20 years of continuous service, or at least age 50 with at least 25 years of continuous service.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

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, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*s, 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. The City contributes a flat amount for Public Safety employees based on the employee only rate of the highest cost medical plan. For 2025 the maximum monthly contribution was equal to the employee only rate for the plan chosen by the retiree, capped at $1,160.38.

The 2025 monthly premiums for retirees are shown in the table below.

Coverage Category	2025 Monthly Premium Rate						
	CIGNA	CIGNA HDHP	Kaiser HMO	Kaiser HDHP	Dental EPO	Dental Premier	Vision
Retiree	$ 1,160.38	$ 897.94	$ 717.42	$ 551.84	$ 27.34	$ 46.54	$ 8.60
Retiree + 1	2,309.16	1,782.12	1,448.48	1,103.86	51.14	86.58	14.60
Retiree + Family	$ 3,272.24	2,523.34	2,071.70	1,594.72	94.36	153.82	26.10

Employees Covered by Benefit Terms. In 2025, there were 1,116 active and 46 inactive employees covered by the plan.

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 $11,904,620 as of December 31, 2025 and was determined by an actuarial valuation as of that date.

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

Measurement / Valuation Date	December 31, 2025
Census Data	All data was provided by the City. The census data was provided in January 2026.
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	3.97% Source: S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2025
Payroll Growth	3.0% Source: Colorado PERA Local Government Division 12/31/2024 Actuarial Valuation
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 12/31/2024 Actuarial Valuation
Disability Rate	Source: Colorado PERA Local Government Division 12/31/2024 Actuarial Valuation
Retirement Rate	Source: Colorado PERA Local Government Division 12/31/2024 Actuarial Valuation
Participation Rate	45% of active employees are assumed to elect the City's healthcare coverage in retirement. Source: Study of 2020 through 2025 retirements
Spousal Coverage	43% 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 through 2025 retirements
Medical Trend Rate	The medical claims and premiums are assumed to increase at the following rates. Source: Deloitte 2023 Study of Economic Assumptions. 6.23% in 2025 down 1.61% 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, 2024	$ 8,422,680
Changes for the year:	
Service cost	537,451
Interest	334,380
Change of benefit terms	1,292,823
Difference between expected and actual experience	1,365,424
Changes in assumptions or other inputs	230,780
Employer contributions	(278,918)
Net changes	3,481,940
Balance as of December 31, 2025	$ 11,904,620
Due within one year (applicable to general government only)	$ 737,777

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

Assumption	Description	Source/Reason	Impact on Liability
Discount rate	Decreased from 4.06% to 3.97%	S&P Municipal Bond 20-Year High Grade Rate Index as of 12/31/2025	$ 77,301
Participation Rate	Spouse participation rate decreased from 45% to 43%	Historical average 2020 through 2025	(56,881)
Termination Rate	Updated from recent pension valuation	CO PERA Local Government Division valuation assumptions 12/31/24	(261,254)
Retirement and Disability Rates	Updated from recent pension valuation	CO PERA Local Government Division valuation assumptions 12/31/24	338,339
Medical Trend	Slight upward adjustment	Deloitte 2024 Study of Economic Assumptions	133,275
Total Impact			$ 230,780

Change of Benefit Terms. Effective January 2025, the City changed the City contribution for Fire and Police employees and the retirement eligibility for Fire employees as follows:

City Contribution: The full cost of the highest cost employee-only coverage medical plan, not to exceed 100% of the plan's cost if another plan offered by the City is chosen by the retiree. The previous City contribution was 100% of the highest cost employee-only coverage HDHP medical plan, not to exceed 100% of the plan's cost if another plan offered by the City is chosen by the retiree.

Fire Eligibility: At least age 55 with at least 20 years of continuous service, or at least age 50 with at least 25 years of continuous service. The previous eligibility criteria was at least 55 with at least 20 years of continuous service, or any age with at least 30 years of continuous service.

Employer Contributions. The table below shows a breakdown of 2025 employer contributions, as provided by the City.

Category	Description	Amount
Disabled Retirees	90% of retiree premium	$ 113,606
Public Safety Retirees	Employee only premium of chosen plan, capped at $1,160.38	165,313
Total Contributions		$ 278,919

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 (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	$ 13,160,534	$ 11,904,620	$ 10,799,379

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 (5.23% graded)	Trend Rates (6.23% graded)	1% Increase (7.23% graded)
Total OPEB Liability	$ 10,603,745	$ 11,904,620	$ 13,443,301

OPEB Expense and Deferred Inflows and Outflows. Changes in the total OPEB liability are 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, 2025 is 6.82 years.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Amounts reported as Deferred Outflows and Inflows of Resources related to OPEB as of December 31, 2025 will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 1,871,217	$ 386,419
Changes in assumptions or other inputs	391,393	966,899
Total	$ 2,262,610	$ 1,353,318

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
2026	147,918
2027	138,443
2028	84,725
2029	171,997
2030	192,708
2031	173,501
Total	$ 909,292

For the year ended December 31, 2025 the City recognized $2,182,079 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 2025, the plan had 1,722 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 the year ended December 31, 2025, the amount contributed was $194,950.

Nationwide Retirement Solution, 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 is to provide members with 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 2025, the self-insured retention (deductible amount) set by the City was $250,000 per claim. Through CIRSA, the City purchases commercial excess insurance

NOTE L - RISK MANAGEMENT (CONTINUED)

1. General Liability Insurance Pool (Continued)

for claims in excess of $250,000. In 2025, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for property/casualty claims of $2,482,300. 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.

	2025	2024
Reserve for unpaid claims, January 1,	$ 1,524,080	$ 1,202,950
Claims & changes in estimates	2,412,142	81,593
Restitution/(Claim payments)	(1,453,922)	239,537
Reserve for unpaid claims, December 31,	$ 2,482,300	$ 1,524,080
Unpaid claims to be paid in 1 year	$ 1,006,032	$ 638,502

Summary of the most recently available financial information for CIRSA (December 31, 2024) is as follows:

Assets	$ 65,965,502
Liabilities, including incurred but not reported claims	$ 51,991,563
Members' fund balance	
Accumulated members' equity	13,973,939
Total liabilities and fund balance	$ 65,965,502
Revenues	$ 47,498,389
Expenses	44,502,728
Net increase in members' fund balance	$ 2,995,661

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, 2024 **	City of Thornton's contribution ratio	City of Thornton's share of surplus as of December 31, 2024
1996	Loss Fund	$ 59,608	0.000%	$ -
1997	Loss Fund	40,505	0.000%	-
1999	Loss Fund	2,041	0.000%	-
2000	Loss Fund	(12)	0.000%	-
2001	Loss Fund	835	0.000%	-
2003	Loss Fund	369,583	0.000%	-
2004	Loss Fund	1,390,534	0.768%	10,674
2006	Loss Fund	2,711,165	0.349%	9,451
2007	Loss Fund	7,370	0.000%	-
2008	Loss Fund	2,539,217	0.000%	-
2009	Loss Fund	2,275,121	0.000%	-
2010	Loss Fund	20,473	0.000%	-
2011	Loss Fund	203,717	0.000%	-
2012	Loss Fund	1,764,533	0.000%	-
2013	Loss Fund	1,956,134	0.000%	-
2014	Loss Fund	2,317,906	0.000%	-
2015	Loss Fund	874,698	0.000%	-
2016	Loss Fund	2,073,099	0.000%	-
2017	Loss Fund	1,080,076	0.000%	-
2018	Loss Fund	6,772,126	0.000%	-
2019	Loss Fund	1,258,119	0.000%	-
2020	Loss Fund	4,964,527	0.000%	-
2021	Loss Fund	(635,440)	0.000%	-
2022	Loss Fund	(3,790,503)	0.000%	-
2023	Loss Fund	(19,435,860)	0.012%	(2,366)
2024	Loss Fund	(4,029,147)	3.005%	(121,056)
ALL	Operating fund	2,070,000	-0.533%	(11,033)
ALL	Reserve fund	7,113,512	-8.761%	(623,190)
		$ 13,973,937		$ (737,520)

* Years 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.

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 the 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 $2,500,000 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 2025, the City hired an independent actuary to calculate incurred but not reported claims (IBNR). The City reserves a liability for workers' compensation of $4,431,884. There have been no significant reductions in insurance coverage from the prior year. There have been two claims that have exceeded the City's risk retention in the last ten years.

	2025	2024
Reserve for unpaid claims, January 1,	$ 4,676,910	$ 3,435,527
Claims & changes in estimates	2,078,572	2,835,154
Claim payments	(2,323,597)	(1,593,771)
Reserve for unpaid claims, December 31,	$ 4,431,885	$ 4,676,910
Unpaid claims to be paid in 1 year	$ 1,747,494	$ 1,884,412

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, 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 $22,000 for open and estimated claims not yet reported at December 31, 2025.

	2025	2024
Reserve for unpaid claims, January 1,	$ 31,000	$ 27,000
Claims & changes in estimates	783,323	789,329
Claim payments	(792,323)	(785,329)
Reserve for unpaid claims, December 31,	$ 22,000	$ 31,000
Unpaid claims to be paid in 1 year	$ 22,000	$ 31,000

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 $9,000 for open and estimated claims not yet reported at December 31, 2025.

	2025	2024
Reserve for unpaid claims, January 1,	$ 7,000	$ 6,000
Claims & changes in estimates	127,770	115,619
Claim payments	(125,770)	(114,619)
Reserve for unpaid claims, December 31,	$ 9,000	$ 7,000
Unpaid claims to be paid in 1 year	$ 9,000	$ 7,000

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. In 2025, the City had 12 claimants reach the individual stop loss limit as opposed to 6 in the previous year. 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 $562,000 for open and estimated claims not yet reported at December 31, 2025.

	2025	2024
Reserve for unpaid claims, January 1,	$ 472,000	$ 592,000
Claims & changes in estimates	8,099,374	7,400,886
Claim payments	(8,009,374)	(7,520,886)
Reserve for unpaid claims, December 31,	$ 562,000	$ 472,000
Unpaid claims to be paid in 1 year	$ 562,000	$ 472,000

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 2025, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled $8,847,809. The City is not allowed to use the emergency reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE N - COMMITMENTS AND CONTINGENT LIABILITIES

1. Litigation

The City is a defendant in various lawsuits, including claims related to activities or employees of the City. The City maintains a self-funded reserve in the Risk Management fund of $2,482,300 for general liability and $4,431,885 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 $7,092,902 and $7,158,678 in outstanding contracts with various contractors for the Governmental Capital Fund and all other governmental funds, respectively. The City has $54,862,629, $2,456,464 and $239,484 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, 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, with a subsequent two-year agreement that expires December 31, 2027.

Certain City employees have contracts through the fiscal year 2025. 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 2025, the City’s expenditures include $2,031,044 in tax abatements.

NOTE P – SUBSEQUENT EVENTS

There are no subsequent events for the year ended 2025.

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, 2025

	Budgeted Amounts			Variance - with Final Budget
	Original	Final	Actual Amounts	Increase (Decrease)
REVENUES				
Taxes				
Sales and use	$ 137,154,013	$ 137,154,013	$ 137,757,400	$ 603,387
Property	22,229,000	22,229,000	21,870,490	(358,510)
Franchise	7,486,386	7,486,386	7,573,657	87,271
Other	3,546,480	3,546,480	3,408,428	(138,052)
Licenses and permits	7,614,195	7,614,195	7,529,165	(85,030)
Intergovernmental	8,560,432	8,560,432	9,158,176	597,744
Governmental grants	591,033	591,033	2,951,587	2,360,554
Charges for services	26,301,640	26,301,640	29,194,857	2,893,217
Fines and forfeitures	2,146,800	2,146,800	3,615,211	1,468,411
Leases	-	-	45,108	45,108
Investment earnings	2,160,998	2,160,998	4,949,616	2,788,618
Miscellaneous	1,405,350	1,405,350	2,303,437	898,087
Total revenues	219,196,327	219,196,327	230,357,132	11,160,805
EXPENDITURES				
Current				
General government				
Legislative	3,902,404	3,902,404	3,771,004	131,400
City manager	5,771,075	5,849,725	5,387,639	462,086
General services	30,744,153	30,744,153	28,900,584	1,843,569
Miscellaneous	8,569,497	8,569,497	6,546,720	2,022,777
Police	58,424,316	58,561,560	56,255,801	2,305,759
Fire and ambulance	39,805,808	40,055,008	40,551,548	(496,540)
City development	12,662,443	12,662,443	11,670,348	992,095
Streets, traffic and engineering	14,454,169	14,454,169	14,140,578	313,591
Community services	37,366,648	37,366,648	35,568,331	1,798,317
Capital outlay	5,150,588	5,150,588	4,194,894	955,694
Debt service				
Principal retirement	-	-	1,264,546	(1,264,546)
Interest and bond fees	-	-	173,024	(173,024)
Total expenditures	216,851,101	217,316,195	208,425,017	8,891,178
Excess of revenues over expenditures	2,345,226	1,880,132	21,932,115	20,051,983
OTHER FINANCING SOURCES (USES)				
Transfers in	8,155,376	8,155,376	8,155,376	-
Transfers out	(245,946)	(245,946)	(245,946)	-
Sale of general capital assets	-	-	250,763	250,763
Total other financing sources	7,909,430	7,909,430	8,160,193	250,763
Excess of revenues and other sources over expenditures and other sources before reconciling items	$ 10,254,656	$ 9,789,562	30,092,308	$ 20,302,746
RECONCILIATION TO US GAAP BASIS				
Lease acquisition			(985,401)	
Leased asset - right to use			985,401	
Subscription-based IT arrangement (SBITA) acquisition			(379,424)	
Subscription asset - right to use			379,424	
RHS & sick payout			(12,747)	
Total reconciling items			(12,747)	
Net change in fund balances			30,079,561	
Fund balances, January 1			76,246,422	
Fund balances, December 31			$ 106,325,983	

City of Thornton, Colorado

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

	2024	2025
Statutorily required contribution	$ 4,107,212	$ 4,757,822
Contributions in relation to the statutorily required contribution	4,107,212	4,757,822
Contribution deficiency (excess)	$ -	$ -
Covered payroll firefighters	$ 15,307,690	$ 18,985,276
Covered payroll police	25,764,430	26,327,314
Contributions as a percentage of covered payroll	10.00%	10.50%

Other Information:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, annual information will be presented for those years for which information is available.

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	2025
City's proportion of the net pension liability	3.617062%	3.749191%
City's proportionate share of the net pension liability (asset)	$ -	$ -
Covered payroll firefighters	$ 13,815,495	$ 18,985,276
Covered payroll police	22,929,466	26,327,314
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.00%

Source: Fire & Police Association of Colorado (FPPA) Schedule of Employer Contributions

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 GASB Statement No. 68.

Other Information:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, annual information will be presented for those years for which information is available.

City of Thornton, Colorado

Schedule of Pension Contributions Statewide Defined Benefit Plan (SWDB)

	2016	2017 (1)	2018	2019	2020	2021	2022	2023	2024 (2)	2025 (2)
Statutorily required contribution	$ 31,646	$ 486,813	$ 2,063,822	$ 2,239,975	$ 2,478,812	$ 2,538,034	$ 2,865,576	$ 3,394,288	$ -	$ -
Contributions in relation to the statutorily required contribution	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	$ 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%	8.50%	9.00%	9.50%	0.00%	0.00%
Police new hire	-	8.00%	8.00%	8.00%	8.00%	8.50%	9.00%	9.50%	0.00%	0.00%
Police reentry	-	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	0.00%	0.00%

Source: Fire & Police Association of Colorado (FPPA) Schedule of Employer Contributions

Other information:
(1) 2017 includes $415,740 related to the reentry of Current Police Officers and Firefighters.
(2) 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 Proportionate Share of the Net Pension Liability Statewide Defined Benefit Plan (SWDB)

	2016	2017	2018 (1)	2019	2020	2021	2022	2023	2024 (2)	2025 (2)
City's proportion of the net pension liability	0.140685%	0.077294%	4.001789%	3.833744%	3.798771%	3.857703%	3.478948%	3.541925%	0.00%	0.00%
City's proportionate share of the net pension liability (asset)	$ (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	$ 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	-0.36%	7.06%	-31.61%	21.49%	-8.68%	-30.30%	-67.94%	10.29%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	100.10%	98.21%	106.30%	95.20%	101.90%	106.70%	116.20%	97.60%	0.00%	0.00%

Source: Fire & Police Association of Colorado (FPPA) Schedule of Employer Contributions

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 GASB Statement 68.

Other information:
(1) 2018 percentage for City's proportion of the net pension liability was updated to reflect correct percentage after restatement.
(2) 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 Proportionate Share of the Net Pension Liability Statewide Hybrid Plan (SWH)

	2018 (1)	2019	2020	2021	2022	2023	2024 (2)	2025 (2)
City's proportion of the net pension liability	8.867137%	8.541335%	8.732019%	8.417390%	8.767776%	8.320595%	0.00%	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%	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%	0.00%

Source: Fire & Police Association of Colorado (FPPA) Schedule of Employer Contributions

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 GASB Statement 68.

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

(2) 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 Pension Contributions Statewide Hybrid Plan (SWH)

	2018 (1)	2019	2020	2021	2022	2023	2024 (2)	2025 (2)
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%	0.00%
Police reentry	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	0.00%	0.00%

Source: Fire & Police Association of Colorado (FPPA) Schedule of Employer Contributions

Other Information:
(1) 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.

(2) 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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Interest on total pension liability	$ 549,907	$ 427,182	$ 393,042	$ 535,048	$ 516,740	$ 484,628	$ 466,116	$ 519,004	$ 501,451	$ 427,351
Benefit changes	-	-	281,477	-	-	337,920	-	1,006,495	-	1,020,915
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	(782,322)	(749,075)	(788,438)	(788,438)	(769,517)	(769,517)	(769,332)	(762,480)	(816,480)	(870,480)
Net change in total pension liability	1,781,885	(9,822)	(1,967,182)	(253,390)	228,926	53,031	(196,204)	763,019	789,787	577,786
Total pension liability - beginning	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	8,906,231
Total pension liability - ending	$ 9,498,066	$ 9,488,244	$ 7,521,062	$ 7,267,672	$ 7,496,598	$ 7,549,629	$ 7,353,425	$ 8,116,444	$ 8,906,231	$ 9,484,017
Plan Fiduciary Net Position										
Contributions - employer	$ 239,804	$ -	$ 551,130	$ 269,653	$ 337,419	$ 337,419	$ 697,637	$ 359,717	$ 1,401,259	$ 496,596
Net investment income	90,586	220,309	607,804	7,900	502,911	387,301	461,655	(323,251)	293,669	240,675
Benefit payments, including refunds of employee contributions	(782,322)	(749,075)	(788,438)	(788,438)	(769,517)	(769,517)	(769,332)	(762,480)	(816,480)	(870,480)
Pension plan administrative expense	(9,397)	(10,095)	(4,259)	(8,772)	(5,154)	(7,867)	(5,202)	(8,439)	(6,698)	(9,654)
Net change in plan fiduciary net position	(461,329)	(538,861)	366,237	(519,657)	65,659	(52,664)	384,758	(734,453)	871,750	(142,863)
Plan fiduciary net position - beginning	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	4,476,804
Plan fiduciary net position - ending	$ 4,634,035	$ 4,095,174	$ 4,461,411	$ 3,941,754	$ 4,007,413	$ 3,954,749	$ 4,339,507	$ 3,605,054	$ 4,476,804	$ 4,333,941
Net pension liability	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	5,150,076
Plan fiduciary net position as a percentage of total pension liability	48.79%	43.16%	59.32%	54.24%	53.46%	52.38%	59.01%	44.42%	50.27%	45.70%
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

Source: Gabriel, Roeder, Smith & Company, FPPA Actuary, GASB 68 Reports

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 GASB Statement No. 68.

City of Thornton, Colorado

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

	2016	2017 (2)	2018	2019	2020	2021 (3)	2022	2023 (4)	2024 (5)	2025 (6)
Actuarially determined contribution (1)	$ 269,653	$ 269,653	$ 269,653	$ 337,419	$ 337,419	$ 359,717	$ 359,717	$ 394,764	$ 445,680	$ 518,295
Contributions in relation to the actuarial determined contribution (1)	-	551,130	269,653	337,419	337,419	697,637	359,717	1,401,259	496,596	1,539,210
Contribution deficiency (excess)	$ 269,653	$ (281,477)	$ -	$ -	$ -	$ (337,920)	$ -	$ (1,006,495)	$ (50,916)	$ (1,020,915)
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

Source: Gabriel, Roeder, Smith & Company, FPPA Actuary, GASB 68 Reports

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	4.50%
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 ulitmate 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.
(6) 2025 includes an increase in the actuarially required contribution from $445,680 to $518,295 and a one time contribution of $1,020,915 to cover the difference in the unfunded accrued liability for 2025 and 2026 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, 2025.

City of Thornton, Colorado

Schedule of Changes in Total OPEB and Related Ratios

	2018	2019	2020	2021	2022	2023	2024	2025 (1)
Total OPEB Liability								
Service cost	$ 225,863	$ 208,610	$ 300,857	$ 466,575	$ 292,781	$ 422,931	$ 406,311	$ 537,451
Interest	290,800	144,867	86,468	129,695	331,437	256,129	335,116	334,380
Change of benefit terms	(5,134,249)	-	-	792,031	200,000	288,896	-	1,292,823
Differences between expected and actual experience	1,425,291	(93,021)	(389,508)	1,265,741	(244,733)	513,616	(369,236)	1,365,424
Changes in assumptions or other inputs	(222,345)	(85,101)	1,346,383	(626,331)	(1,558,240)	312,366	(51,917)	230,780
Employer contributions	(130,583)	(138,940)	(60,154)	(102,005)	(107,952)	(143,078)	(151,691)	(278,918)
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	3,481,940
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	8,422,680
Total OPEB liability - ending	$ 4,443,777	$ 4,480,192	$ 5,764,238	$ 7,689,944	$ 6,603,237	$ 8,254,097	$ 8,422,680	$ 11,904,620
Covered-employee payroll	$ 80,735,374	$ 87,662,142	$ 93,230,794	$ 97,311,878	$ 102,955,832	$ 118,561,794	$ 129,941,797	$ 137,586,189
Total OPEB liability as a percentage of covered-employee payroll	5.50%	5.11%	6.18%	7.90%	6.41%	6.96%	6.48%	8.65%
Notes to Schedule:								
Major Assumptions								
Discount Rate	3.64%	3.26%	1.93%	2.25%	4.31%	4.00%	4.06%	3.97%
Medical Trend Rate	6.60%	6.40%	6.30%	5.80%	5.83%	6.26%	6.02%	6.23%

Source: Leif Associates, Inc. GASB 75 Actuarial Valuation of Other Post-Employment Benefits

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.

Other Information:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, annual information will be presented for those years for which information is available.
(1) As of December 31, 2025, the City changed the City contribution for Fire and Police employees and the retirement eligibility for Fire employees. See Note K for further information.

COMBINING STATEMENTS AND BUDGETARY SCHEDULES

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 2015 – 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
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Taxes			
Sales and use	$ 7,809,667	$ 7,379,179	$ (430,488)
Property	14,144,000	13,585,524	(558,476)
Investments			
Investment earnings	955,000	2,642,093	1,687,093
Total revenues	22,908,667	23,606,796	698,129
EXPENDITURES			
General government	1,750	1,500	250
Capital outlay	12,692,263	4,126,568	8,565,695
Debt service			
Principal retirement	1,200,000	1,200,000	-
Interest	210,013	210,013	-
Bond fees	3,025	3,025	-
Total expenditures	14,107,051	5,541,106	8,565,945
Excess of revenues over expenditures	8,801,616	18,065,690	9,264,074
OTHER FINANCING USES			
Transfers out	(4,801,055)	(4,801,055)	-
Total other financing uses	(4,801,055)	(4,801,055)	-
Net change in fund balance	$ 4,000,561	13,264,635	$ 9,264,074
Fund balance, January 1		41,243,979	
Fund balance, December 31		$ 54,508,614	

City of Thornton, Colorado

Governmental Capital Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Non US GAAP Basis
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Intergovernmental	$ 4,395,000	$ 4,293,558	$ (101,442)
Governmental grants	10,187,153	10,538,316	351,163
Investments			
Investment earnings	2,444,138	4,841,192	2,397,054
Miscellaneous			
Developers' contributions	175,000	601,827	426,827
Other	102,442	129,184	26,742
Total revenues	17,303,733	20,404,077	3,100,344
EXPENDITURES			
General Government	58,480	52,827	5,653
Streets, traffic and engineering	3,782,500	3,321,353	461,147
Capital outlay	87,797,065	37,679,726	50,117,339
Debt service			
Principal retirement	634,466	845,225	(210,759)
Interest	565,004	569,556	(4,552)
Bond fees	600	600	-
Total expenditures	92,838,115	42,469,287	50,368,828
Deficiency of revenues under expenditures	(75,534,382)	(22,065,210)	53,469,172
OTHER FINANCING SOURCES			
Transfers in	2,922,031	2,924,531	2,500
Total other financing sources	2,922,031	2,924,531	2,500
RECONCILIATION TO US GAAP BASIS			
Subscription-based IT arrangement (SBITA) acquisition		(164,542)	
Subscription asset - right to use		164,542	
Total reconciling items		-	
Net change in fund balance	$ (72,612,351)	(19,140,679)	$ 53,471,672
Fund balance, January 1		86,309,287	
Fund balance, December 31		$ 67,168,608	

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 – accounts for the City's of the Colorado State Lottery proceeds for the purposes of acquiring, developing, and maintaining parks, open spaces, trails, and recreation facilities.

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 –utilizes grant revenues and City sales taxes to fund parks and open space as well as recreation and cultural facilities, as well as arts, trails, and recreation capital projects; projects are based on the recommendations of the Parks and Open Space Advisory Committee (POSAC).

Adams County Open Space Sales Tax Fund – accounts for the City's share of the Adams County .25% sales tax as well as Open Space grant funding received through the County. These funds are to be used to preserve open space in order to limit sprawl, to preserve farmland, to protect wildlife areas, wetlands, rivers and streams, and for creating, improving and maintaining parks and recreation facilities.

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:

$19,235,000 Thornton Development Authority Tax Increment Revenue Bonds (East 144th Avenue and I-25 Project), Series 2025 – 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, 2025

	Special Revenue Funds				
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space
ASSETS					
Equity in pooled cash and investments					
Unrestricted	$ 127,899	$ 2,219,032	$ 2,605,821	$ 1,809,500	$ 130,308
Restricted	-	-	-	-	-
Receivables, net					
Taxes	-	-	-	-	-
Accounts	-	-	25,000	-	446,593
Interest	1,020	17,453	17,915	14,286	1,952
Land held for resale	-	-	-	-	-
Total assets	$ 128,919	$ 2,236,485	$ 2,648,736	$ 1,823,786	$ 578,853
LIABILITIES					
Accounts payable	9,061	-	170,288	17,602	144,252
Retainage payable	-	-	4,920	-	68,227
Third party advances	-	1,542,908	-	-	-
Unearned revenue	-	-	-	-	9,600
Other	-	-	-	-	-
Total liabilities	9,061	1,542,908	175,208	17,602	222,079
DEFERRED INFLOWS					
Unavailable revenue -					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Grants	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Restricted					
Parks and open space	-	-	2,473,528	1,806,184	356,774
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Public safety	-	-	-	-	-
Other purposes	18,715	-	-	-	-
Assigned					
Capital projects	-	-	-	-	-
Land held for resale	-	-	-	-	-
Parks and open space	-	693,577	-	-	-
Other purposes	101,143	-	-	-	-
Total fund balances	119,858	693,577	2,473,528	1,806,184	356,774
Total liabilities, deferred inflows of resources and fund balances	$ 128,919	$ 2,236,485	$ 2,648,736	$ 1,823,786	$ 578,853

Special Revenue Funds					
Parks & Open Space	Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
$ 7,877,842	$ 5,788,763	$ 8,844,421	$ 18,798	$ 300,457	$ 29,722,841
-	-	-	-	-	-
1,558,127	1,042,071	997,484	247,335	256,393	4,101,410
745,835	-	-	-	43,016	1,260,444
63,842	47,960	68,773	613	10,729	244,543
-	-	-	-	-	-
$ 10,245,646	$ 6,878,794	$ 9,910,678	$ 266,746	$ 610,595	$ 35,329,238
212,802	109,532	592,048	6,123	-	1,261,708
358,245	34,489	129,293	-	-	595,174
-	-	-	-	-	1,542,908
-	-	-	-	-	9,600
-	-	-	-	-	-
571,047	144,021	721,341	6,123	-	3,409,390
481,063	-	-	247,335	-	728,398
-	1,042,071	-	-	-	1,042,071
47,802	-	-	-	-	47,802
528,865	1,042,071	-	247,335	-	1,818,271
9,145,734	5,692,702	-	-	-	19,474,922
-	-	9,189,337	-	-	9,189,337
-	-	-	-	-	-
-	-	-	-	610,595	610,595
-	-	-	-	-	18,715
-	-	-	13,288	-	13,288
-	-	-	-	-	-
-	-	-	-	-	693,577
-	-	-	-	-	101,143
9,145,734	5,692,702	9,189,337	13,288	610,595	30,101,577
$ 10,245,646	$ 6,878,794	$ 9,910,678	$ 266,746	$ 610,595	$ 35,329,238

City of Thornton, Colorado

Combining Balance Sheet (Continued)
Non-Major Governmental Funds
December 31, 2025

	Capital Funds			Total
	TDA South Capital	TDA 144th Capital	Total Capital Projects	Total Non-major Governmental Funds
ASSETS				
Equity in pooled cash and investments				
Unrestricted	$ 3,025,616	$ 991,754	$ 4,017,370	$ 33,740,211
Restricted	-	1,044,659	1,044,659	1,044,659
Receivables, net				
Taxes	582,058	2,584,659	3,166,717	7,268,127
Accounts	-	-	-	1,260,444
Interest	24,376	6,193	30,569	275,112
Land held for resale	3,548,086	-	3,548,086	3,548,086
Total assets	$ 7,180,136	$ 4,627,265	$ 11,807,401	$ 47,136,639
LIABILITIES				
Accounts payable	131,445	-	131,445	1,393,153
Retainage payable	-	-	-	595,174
Third party advances	13,500	-	13,500	1,556,408
Unearned revenue	-	-	-	9,600
Other	-	997,715	997,715	997,715
Total liabilities	144,945	997,715	1,142,660	4,552,050
DEFERRED INFLOWS				
Unavailable revenue - property taxes	582,058	2,376,341	2,958,399	3,686,797
Intergovernmental	-	-	-	1,042,071
Grants	-	-	-	47,802
Total deferred inflows of resources	582,058	2,376,341	2,958,399	4,776,670
FUND BALANCES				
Restricted				
Parks and open space	-	-	-	19,474,922
Capital projects	-	-	-	9,189,337
Debt service	-	1,027,250	1,027,250	1,027,250
Public safety	-	-	-	610,595
Other purposes	-	-	-	18,715
Assigned				
Capital projects	2,905,047	225,959	3,131,006	3,144,294
Land held for resale	3,548,086	-	3,548,086	3,548,086
Parks and open space	-	-	-	693,577
Other purposes	-	-	-	101,143
Total fund balances	6,453,133	1,253,209	7,706,342	37,807,919
Total liabilities, deferred inflows of resources and fund balances	$ 7,180,136	$ 4,627,265	$ 11,807,401	$ 47,136,639

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, 2025

	Special Revenue Funds					
	TASHCO	Cash in Lieu	Conservation Trust	Parks	Open Space	Formerly Major Fund Parks & Open Space
REVENUES						
Taxes						
Sales and use	$ -	$ -	$ -	$ -	$ -	$ 10,564,804
Property	-	-	-	-	-	-
E911	-	-	-	-	-	-
Other	-	-	-	-	-	-
Charges for services	16,485	-	-	-	-	-
Intergovernmental	-	-	1,642,108	-	1,310,205	593,852
Governmental grants	18,715	-	395,972	1,357,127	436,993	1,284,636
Investments						
Investment earnings	6,890	111,252	120,124	79,263	18,835	424,427
Loss on land held for resale	-	-	-	-	-	-
Miscellaneous						
Developers' contributions	-	40,727	-	-	-	-
Other	5,180	-	-	-	9,600	-
Total revenues	47,270	151,979	2,158,204	1,436,390	1,775,633	12,867,719
EXPENDITURES						
Current						
Streets, traffic and engineering	-	-	-	-	-	-
Community services	43,506	-	-	-	-	-
Capital outlay	55,553	40,727	1,793,350	213,769	1,231,554	3,498,088
Debt service						
Principal retirement	-	-	-	-	-	3,092,034
Interest and bond fees	-	-	-	-	-	2,576,970
Bond issuance costs	-	-	-	-	-	-
Total expenditures	99,059	40,727	1,793,350	213,769	1,231,554	9,167,092
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	(51,789)	111,252	364,854	1,222,621	544,079	3,700,627
OTHER FINANCING SOURCES (USES)						
Transfers in	35,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond agent	-	-	-	-	-	-
Total other financing sources (uses)	35,000	-	-	-	-	-
Net change in fund balances	$ (16,789)	$ 111,252	$ 364,854	$ 1,222,621	$ 544,079	$ 3,700,627
Fund balances, January 1 as previously presented	136,647	582,325	2,108,674	583,563	(187,305)	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	5,445,107
Fund balances, January 1, as adjusted	136,647	582,325	2,108,674	583,563	(187,305)	5,445,107
Fund balances, December 31	$ 119,858	$ 693,577	$ 2,473,528	$ 1,806,184	$ 356,774	$ 9,145,734

Special Revenue Funds				
Adams County Open Space Sales Tax	Adams County Road & Bridge Sales Tax	136th Avenue GID	E911 Authority	Total Special Revenue
$ -	$ -	$ -	$ -	$ 10,564,804
-	-	203,214	-	203,214
-	-	-	4,136,849	4,136,849
-	-	11,208	-	11,208
-	-	-	-	16,485
1,973,555	5,388,857	-	-	10,908,577
25,000	-	-	-	3,518,443
340,153	450,174	4,212	75,104	1,630,434
-	-	-	-	-
-	-	-	-	40,727
-	-	-	-	14,780
2,338,708	5,839,031	218,634	4,211,953	31,045,521
-	-	-	-	-
-	-	-	-	43,506
4,046,402	5,038,088	-	-	15,917,531
-	-	-	-	3,092,034
-	-	-	-	2,576,970
-	-	-	-	-
4,046,402	5,038,088	-	-	21,630,041
(1,707,694)	800,943	218,634	4,211,953	9,415,480
-	-	-	-	35,000
-	-	(231,900)	(4,737,500)	(4,969,400)
-	-	-	-	-
-	-	-	-	-
-	-	(231,900)	(4,737,500)	(4,934,400)
$ (1,707,694)	$ 800,943	$ (13,266)	$ (525,547)	$ 4,481,080
7,400,396	8,388,394	26,554	1,136,142	20,175,390
-	-	-	-	5,445,107
7,400,396	8,388,394	26,554	1,136,142	25,620,497
$ 5,692,702	$ 9,189,337	$ 13,288	$ 610,595	$ 30,101,577

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, 2025

	Capital Funds			Total
	TDA South Capital	**TDA 144th Capital**	**Total Capital Projects**	**Non-major Governmental Funds**
REVENUES				
Taxes				
Sales and use	$ -	$ 1,514,712	$ 1,514,712	$ 12,079,516
Property	764,264	2,094,986	2,859,250	3,062,464
E911	-	-	-	4,136,849
Other	-	-	-	11,208
Charges for services	-	-	-	16,485
Intergovernmental	-	-	-	10,908,577
Governmental grants	-	-	-	3,518,443
Investments				
Investment earnings	168,736	159,565	328,301	1,958,735
Loss on land held for resale	(60,080)	-	(60,080)	(60,080)
Miscellaneous				
Developers' contributions	-	-	-	40,727
Other	6,000	-	6,000	20,780
Total revenues	878,920	3,769,263	4,648,183	35,693,704
EXPENDITURES				
Current				
Streets, traffic and engineering	-	999,215	999,215	999,215
Community services	-	-	-	43,506
Capital outlay	1,238,617	-	1,238,617	17,156,148
Debt service				
Principal retirement	-	1,055,000	1,055,000	4,147,034
Interest and bond fees	-	708,319	708,319	3,285,289
Bond issuance costs	-	244,361	244,361	244,361
Total expenditures	1,238,617	3,006,895	4,245,512	25,875,553
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	(359,697)	762,368	402,671	9,818,151
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	35,000
Transfers out	(245,976)	(1,063,476)	(1,309,452)	(6,278,852)
Proceeds of refunding bonds	-	20,595,646	20,595,646	20,595,646
Payment to refunded bond agent	-	(21,653,503)	(21,653,503)	(21,653,503)
Total other financing sources (uses)	(245,976)	(2,121,333)	(2,367,309)	(7,301,709)
Net change in fund balances	(605,673)	(1,358,965)	(1,964,638)	2,516,442
Fund balances, January 1 as previously presented	7,058,806	2,612,174	9,670,980	29,846,370
Change within financial reporting entity (major to nonmajor fund)	-	-	-	5,445,107
Fund balances, January 1, as adjusted	7,058,806	2,612,174	9,670,980	35,291,477
Fund balances, December 31	$ 6,453,133	$ 1,253,209	$ 7,706,342	$ 37,807,919

City of Thornton, Colorado

Thornton Arts, Sciences, and Humanities Council Fund (TASHCO)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Charges for services	$ -	$ 16,485	$ 16,485
Governmental grants	35,000	18,715	(16,285)
Investments			
Investment earnings	5,000	6,890	1,890
Miscellaneous			
Other	800	5,180	4,380
Total revenues	40,800	47,270	6,470
EXPENDITURES			
Community services	74,688	43,506	31,182
Capital outlay	85,328	55,553	29,775
Total expenditures	160,016	99,059	60,957
Deficiency of revenues under expenditures	(119,216)	(51,789)	67,427
OTHER FINANCING SOURCES			
Transfers in	35,000	35,000	-
Total other financing sources	35,000	35,000	-
Net change in fund balance	$ (84,216)	(16,789)	$ 67,427
Fund balance, January 1		136,647	
Fund balance, December 31		$ 119,858	

City of Thornton, Colorado

Cash in Lieu Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Investments			
Investment earnings	$ 60,000	$ 111,252	$ 51,252
Miscellaneous			
Developers' contributions	84,914	40,727	(44,187)
Total revenues	144,914	151,979	7,065
EXPENDITURES			
Capital outlay	901,742	40,727	861,015
Total expenditures	901,742	40,727	861,015
Net change in fund balance	$ (756,828)	111,252	$ 868,080
Fund balance, January 1		582,325	
Fund balance, December 31		$ 693,577	

City of Thornton, Colorado

Conservation Trust Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Intergovernmental - State lottery	$ 1,835,000	$ 1,642,108	$ (192,892)
Governmental grants	-	395,972	395,972
Investments			
Investment earnings	80,000	120,124	40,124
Total revenues	1,915,000	2,158,204	243,204
EXPENDITURES			
Capital outlay	3,163,227	1,793,350	1,369,877
Total expenditures	3,163,227	1,793,350	1,369,877
Excess (deficiency) of revenues over (under) expenditures	(1,248,227)	364,854	1,613,081
Net change in fund balance	$ (1,248,227)	364,854	$ 1,613,081
Fund balance, January 1		2,108,674	
Fund balance, December 31		$ 2,473,528	

City of Thornton, Colorado

Parks Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Governmental grants	$ -	$ 1,357,127	$ 1,357,127
Investments			
Investment earnings	20,000	79,263	59,263
Total revenues	20,000	1,436,390	1,416,390
EXPENDITURES			
Capital outlay	477,369	213,769	263,600
Total expenditures	477,369	213,769	263,600
Net change in fund balance	$ (457,369)	1,222,621	$ 1,679,990
Fund balance, January 1		583,563	
Fund balance, December 31		$ 1,806,184	

City of Thornton, Colorado

Open Space Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Invergovernmental	$ -	$ 1,310,205	$ 1,310,205
Governmental grants	1,169,231	436,993	(732,238)
Investments			
Investment earnings	70,000	18,835	(51,165)
Miscellaneous			
Other	-	9,600	9,600
Total revenues	1,239,231	1,775,633	536,402
EXPENDITURES			
Capital outlay	5,444,067	1,231,554	4,212,513
Total expenditures	5,444,067	1,231,554	4,212,513
Net change in fund balance	$ (4,204,836)	544,079	$ 4,748,915
Fund balance, January 1		(187,305)	
Fund balance, December 31		$ 356,774	

City of Thornton, Colorado

Parks and Open Space Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Taxes - sales and use	$ 10,371,409	$ 10,564,804	$ 193,395
Intergovernmental	-	593,852	593,852
Governmental grants	3,185,500	1,284,636	(1,900,864)
Investment earnings	508,200	424,427	(83,773)
Total revenues	14,065,109	12,867,719	(1,197,390)
EXPENDITURES			
Capital outlay	13,875,104	3,498,088	10,377,016
Debt service			
Principal retirement	3,092,034	3,092,034	-
Interest and bond fees	2,576,940	2,576,970	(30)
Total expenditures	19,544,078	9,167,092	10,376,986
Net change in fund balance	$ (5,478,969)	3,700,627	$ 9,179,596
Fund balance, January 1		5,445,107	
Fund balance, December 31		$ 9,145,734	

City of Thornton, Colorado

Adams County Open Space Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Intergovernmental	$ 1,988,000	$ 1,973,555	$ (14,445)
Governmental grants	-	25,000	25,000
Investments			
Investment earnings	250,000	340,153	90,153
Total revenues	2,238,000	2,338,708	100,708
EXPENDITURES			
Capital outlay	10,511,332	4,046,402	6,464,930
Total expenditures	10,511,332	4,046,402	6,464,930
Net change in fund balance	$ (8,273,332)	(1,707,694)	$ 6,565,638
Fund balance, January 1		7,400,396	
Fund balance, December 31		$ 5,692,702	

City of Thornton, Colorado

Adams County Road and Bridge Sales Tax Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Intergovernmental	$ 5,484,000	$ 5,388,857	$ (95,143)
Investments			
Investment earnings	100,000	450,174	350,174
Total revenues	5,584,000	5,839,031	255,031
EXPENDITURES			
Capital outlay	6,817,910	5,038,088	1,779,822
Total expenditures	6,817,910	5,038,088	1,779,822
Net change in fund balance	$ (1,233,910)	800,943	$ 2,034,853
Fund balance, January 1		8,388,394	
Fund balance, December 31		$ 9,189,337	

City of Thornton, Colorado

136th Avenue General Improvement District Tax Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Taxes			
Property	$ 231,900	$ 203,214	$ (28,686)
Other	-	11,208	11,208
Investments			
Investment earnings	3,000	4,212	1,212
Total revenues	234,900	218,634	(16,266)
OTHER FINANCING USES			
Transfers out	(231,900)	(231,900)	-
Total other financing uses	(231,900)	(231,900)	-
Net change in fund balance	$ 3,000	(13,266)	$ (16,266)
Fund balance, January 1		26,554	
Fund balance, December 31		$ 13,288	

City of Thornton, Colorado

E911 Authority Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Taxes - E911	$ 4,137,500	$ 4,136,849	$ (651)
Investments			
Investment earnings	38,000	75,104	37,104
Total revenues	4,175,500	4,211,953	36,453
OTHER FINANCING USES			
Transfers out	(4,737,500)	(4,737,500)	-
Total other financing uses	(4,737,500)	(4,737,500)	-
Net change in fund balance	$ (562,000)	(525,547)	$ 36,453
Fund balance, January 1		1,136,142	
Fund balance, December 31		$ 610,595	

City of Thornton, Colorado

Thornton Development Authority South Capital Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Taxes - property	$ 815,400	$ 764,264	$ (51,136)
Investment earnings	80,000	168,736	88,736
Loss on land held for resale	-	(60,080)	(60,080)
Miscellaneous			
Other	-	6,000	6,000
Total revenues	895,400	878,920	(16,480)
EXPENDITURES			
Capital outlay	3,955,363	1,238,617	2,716,746
Total expenditures	3,955,363	1,238,617	2,716,746
Deficiency of revenues under expenditures	(3,059,963)	(359,697)	2,700,266
OTHER FINANCING USES			
Transfers out	(245,975)	(245,976)	(1)
Total other financing uses	(245,975)	(245,976)	(1)
Net change in fund balance	$ (3,305,938)	(605,673)	$ 2,700,265
Fund balance, January 1		7,058,806	
Fund balance, December 31		$ 6,453,133	

City of Thornton, Colorado

Thornton Development Authority 144th Capital Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
REVENUES			
Taxes			
Sales and use	$ 1,651,535	$ 1,514,712	$ (136,823)
Property	2,272,000	2,094,986	(177,014)
Investment earnings	156,300	159,565	3,265
Total revenues	4,079,835	3,769,263	(310,572)
EXPENDITURES			
Streets, traffic and engineering	1,276,179	999,215	276,964
Debt Service			
Principal Retirement	830,000	1,055,000	(225,000)
Interest and bond fees	981,094	708,319	272,775
Refunding bond issuance costs	250,086	244,361	5,725
Total expenditures	3,337,359	3,006,895	330,464
Excess of revenues over expenditures	742,476	762,368	19,892
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,063,476)	(1,063,476)	-
Proceeds of refunding bonds	-	20,595,646	20,595,646
Payment to refunded bond agent	(21,653,504)	(21,653,503)	1
Total other financing uses	(22,716,980)	(2,121,333)	20,595,647
Net change in fund balance	$ (21,974,504)	(1,358,965)	$ 20,615,539
Fund balance, January 1		2,612,174	
Fund balance, December 31		$ 1,253,209	

This Page Left Intentionally Blank

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
Statement of Revenues, Expenses, and Changes in Net Position
Budget and Actual - Non US GAAP Basis
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
OPERATING REVENUES			
Charges for services pledged for debt	$ 68,101,571	$ 66,625,302	$ (1,476,269)
Miscellaneous revenue	181,000	181,451	451
Total operating revenues	68,282,571	66,806,753	(1,475,818)
OPERATING EXPENSES			
Source of supply	9,537,686	8,945,636	592,050
Water treatment	17,586,512	16,775,848	810,664
Collection, transmission, and distribution	8,911,660	8,515,317	396,343
Other operating expenses	2,558,787	2,309,060	249,727
Administration	13,071,212	12,506,880	564,332
Total operating expenses	51,665,857	49,052,741	2,613,116
Operating income	16,616,714	17,754,012	1,137,298
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	1,352,507	17,669,541	16,317,034
Capital outlay	(413,000,607)	(139,030,232)	273,970,375
Debt service			
Principal payment	(3,670,000)	(3,670,000)	-
Interest	(3,387,244)	(3,387,244)	-
Bond fees	(696)	(350)	346
Other Principal (leases & SBITAs)	-	(78,153)	(78,153)
Other Interest (leases & SBITAs)	-	(5,355)	(5,355)
Royalties	5,000,000	6,019,523	1,019,523
PFAS settlement receipts	-	9,864,625	9,864,625
Miscellaneous revenue	2,416,817	2,218,245	(198,572)
Total nonoperating expenses	(411,289,223)	(110,399,400)	300,889,823
Loss before capital contributions and transfers	(394,672,509)	(92,645,388)	302,027,121
Grants and capital contributions	18,448,200	29,920,583	11,472,383
Transfer In	-	90,557	90,557
Bond Proceeds	232,000,000	-	(232,000,000)
Deficiency of revenues under expenditures before reconciling items	$ (144,224,309)	(62,634,248)	$ 81,590,061
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments (administrative)		(184,328)	
Miscellaneous non-cash adjustments (ARO)		(5,000)	
Add back principal payment (debt)		3,670,000	
Add back principal payment (leases/SBITAs)		78,153	
Change in accrued interest payable		13,587	
Loss on disposal of capital assets		(207,168)	
Depreciation		(10,589,617)	
Amortization (leases/SBITAs)		(80,459)	
Capital asset additions (from the City's capital projects)		139,030,232	
Contributed capital assets		6,139,078	
Bond deferred premiums amortized		2,670,673	
Total reconciling items		140,535,151	
Change in net position		77,900,903	
Net position, January 1		1,047,125,999	
Net position, December 31		$ 1,125,026,902	

City of Thornton, Colorado

Sewer Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget and Actual - Non US GAAP Basis
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
OPERATING REVENUES			
Charges for services	$ 21,031,500	$ 20,630,460	$ (401,040)
Miscellaneous revenue	-	2,349	2,349
Total operating revenues	21,031,500	20,632,809	(398,691)
OPERATING EXPENSES			
Collection, transmission, and distribution	3,340,222	3,058,943	281,279
Sewage treatment-Metro Wastewater	13,405,394	12,741,558	663,836
Other operating expenses	173,692	154,034	19,658
Administration	2,211,656	2,211,656	-
Total operating expenses	19,130,964	18,166,191	964,773
Operating income	1,900,536	2,466,618	566,082
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	460,000	759,122	299,122
Capital outlay	(8,429,373)	(2,062,821)	6,366,552
Miscellaneous expense	-	(2,960)	(2,960)
Total nonoperating expenses	(7,969,373)	(1,306,659)	6,662,714
Income (loss) before capital contributions and transfers	(6,068,837)	1,159,959	7,228,796
Capital contributions	1,104,600	1,446,080	341,480
Transfers out	-	(89,176)	(89,176)
Excess (deficiency) of revenues over (under) expenditures before reconciling items	$ (4,964,237)	2,516,863	$ 7,481,100
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(27,414)	
Loss on disposal of capital assets		(85,455)	
Depreciation		(2,798,424)	
Capital asset additions (from the City's capital projects)		2,062,821	
Contributed capital assets		3,431,790	
Total reconciling items		2,583,318	
Change in net position		5,100,181	
Net position, January 1		92,699,196	
Net position, December 31		$ 97,799,377	

This Page Left Intentionally Blank

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

Combining Statement of Net Position
Non-Major Proprietary Funds
December 31, 2025

	Business-type Activities Enterprise Funds		
	Environmental Services	**Stormwater**	**Total**
ASSETS			
Current assets			
Equity in pooled cash and investments - unrestricted	$ 5,219,406	$ 2,237,775	$ 7,457,181
Receivables, net			
Accounts	1,060,554	214,004	1,274,558
Interest and other receivables	40,611	21,477	62,088
Prepaids and other assets	9,000	6,135	15,135
Total current assets	6,329,571	2,479,391	8,808,962
Collection, transmission, and distribution	-	103,183,884	103,183,884
Streets, traffic and engineering			
Transportation equipment	9,011,572	1,411,713	10,423,285
General equipment	403,212	1,150,541	1,553,753
Buildings and improvements	684,752	-	684,752
Less accumulated depreciation	(3,779,691)	(28,782,049)	(32,561,740)
Construction in progress	-	2,280,000	2,280,000
Total noncurrent assets	6,319,845	79,244,089	85,563,934
Total assets	12,649,416	81,723,480	94,372,896
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to OPEB	54,583	29,439	84,022
Total deferred outflows of resources	$ 54,583	$ 29,439	$ 84,022

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
LIABILITIES			
Current liabilities			
Accounts payable	$ 1,963,542	$ 106,648	$ 2,070,190
Retainage payable	-	51,468	51,468
Due to other funds	-	1,002,332	1,002,332
Compensated absences	53,444	18,772	72,216
Total current liabilities	2,016,986	1,179,220	3,196,206
Total OPEB liability	286,913	155,472	442,385
Compensated absences	188,239	173,134	361,373
Advances from other funds	-	1,132,149	1,132,149
Total long-term liabilities	475,152	1,460,755	1,935,907
Total liabilities	2,492,138	2,639,975	5,132,113
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	35,033	18,559	53,592
Total deferred inflows of resources	35,033	18,559	53,592
NET POSITION			
Net investment in capital assets	6,319,845	78,190,289	84,510,134
Unrestricted	3,856,983	904,096	4,761,079
Total net position	$ 10,176,828	$ 79,094,385	$ 89,271,213

City of Thornton, Colorado

Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Proprietary Funds
For the year ended December 31, 2025

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
OPERATING REVENUES			
Charges for services	$ 8,953,318	$ 4,880,270	$ 13,833,588
Miscellaneous revenue	230,320	-	230,320
Total operating revenues	9,183,638	4,880,270	14,063,908
OPERATING EXPENSES			
Collection, transmission distribution, and trash removal	4,701,370	2,950,603	7,651,973
Other operating expenses	1,368,968	52,749	1,421,717
Administration	885,324	823,449	1,708,773
Depreciation	1,094,765	2,053,188	3,147,953
Total operating expenses	8,050,427	5,879,989	13,930,416
Operating income (loss)	1,133,211	(999,719)	133,492
NONOPERATING REVENUES (EXPENSES)			
Loss on disposal of capital assets	(61,493)	-	(61,493)
Investment earnings	253,618	150,142	403,760
Interest and bond amortization expense	-	(109,275)	(109,275)
Total nonoperating revenues	192,125	46,488	238,613
Income (loss) before capital contributions and transfers	1,325,336	(953,231)	372,105
Grants and capital contributions	-	8,870,817	8,870,817
Transfers in	210,946	44,853	255,799
Transfers out	-	(152,049)	(152,049)
Change in net position	1,536,282	7,810,390	9,346,672
Net position, January 1	8,640,546	71,283,995	79,924,541
Net position, December 31	$ 10,176,828	$ 79,094,385	$ 89,271,213

This Page Left Intentionally Blank

City of Thornton, Colorado

Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the year ended December 31, 2025

	Business-type Activities Enterprise Funds		
	Environmental Services	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 8,845,195	$ 4,909,939	$ 13,755,134
Receipts from other operating cash payments	428,021	-	428,021
Payments to suppliers	(3,209,996)	(1,958,228)	(5,168,224)
Payments to employees	(3,081,241)	(1,793,287)	(4,874,528)
Net cash provided by operating activities	2,981,979	1,158,424	4,140,403
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases and construction of capital assets	(2,009,945)	(1,803,403)	(3,813,348)
Proceeds from sale of capital assets	26,292	-	26,292
Transfer from other funds	-	606,746	606,746
Repayment to other funds	-	(964,444)	(964,444)
Interest and fees paid on capital debt	-	(109,275)	(109,275)
Net cash used in capital and related financing activities	(1,983,653)	(2,270,376)	(4,254,029)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	5,229,697	3,460,125	8,689,822
Purchases of investments	(5,994,215)	(2,558,507)	(8,552,722)
Interest on investments	239,258	102,871	342,129
Net cash provided by (used in) investing activities	(525,260)	1,004,489	479,229
Net increase (decrease) in cash and cash equivalents	473,066	(107,463)	365,603
Cash and cash equivalents, Jan. 1	828,468	662,868	1,491,336
Cash and cash equivalents, Dec. 31	$ 1,301,534	$ 555,405	$ 1,856,939
Cash and cash equivalents	$ 1,301,534	$ 555,405	$ 1,856,939
Investments	3,917,872	1,682,370	5,600,242
Total cash and investments	$ 5,219,406	$ 2,237,775	$ 7,457,181
Equity in pooled cash and investments	$ 5,219,406	$ 2,237,775	$ 7,457,181
Total cash and investments	$ 5,219,406	$ 2,237,775	$ 7,457,181

	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)	$ 1,133,211	$ (999,719)	$ 133,492
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	1,094,765	2,053,188	3,147,953
Miscellaneous receipts	210,946	5,620	216,566
Decrease (increase) in accounts receivable, net	(121,368)	29,669	(91,699)
(Increase) in other assets	(9,000)	(6,135)	(15,135)
(Increase) in deferred outflows of resources OPEB Related	(20,497)	(10,980)	(31,477)
Increase in accounts payable	598,942	16,687	615,629
Increase in OPEB	83,686	44,832	128,518
Increase in other liabilities	22,039	31,018	53,057
Decrease in deferred inflows of resources OPEB Related	(10,745)	(5,756)	(16,501)
Net cash provided by operating activities	$ 2,981,979	$ 1,158,424	$ 4,140,403

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Investing Activities			
Increase in the fair value of investments	$ 60,012	$ 47,964	$ 107,976
Capital Activities			
Loss on disposal of capital assets	(87,785)	-	(87,785)
Stormwater lines contributed by developers	-	8,870,817	8,870,817
Transferred capital to other government	-	(107,195)	(107,195)

City of Thornton, Colorado

Environmental Services Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget and Actual - Non US GAAP Basis
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
OPERATING REVENUES			
Charges for services	$ 8,812,400	$ 8,953,318	$ 140,918
Miscellaneous revenue	299,300	230,320	(68,980)
Total operating revenues	9,111,700	9,183,638	71,938
OPERATING EXPENSES			
Trash removal	4,920,795	4,701,370	219,425
Other operating expenses	1,532,221	1,368,968	163,253
Administration	874,289	811,632	62,657
Total operating expenses	7,327,305	6,881,970	445,335
Operating income	1,784,395	2,301,668	517,273
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	93,000	253,618	160,618
Capital outlay	(2,116,893)	(2,009,944)	106,949
Total nonoperating expenses	(2,023,893)	(1,756,326)	267,567
Income (loss) before transfers	(239,498)	545,342	784,840
Transfers in	210,946	210,946	-
Excess (deficiency) of revenues over (under) expenditures before reconciling items	$ (28,552)	756,288	$ 784,840
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(73,692)	
Loss on disposal of capital assets		(61,493)	
Depreciation		(1,094,765)	
Capital asset additions		2,009,944	
Total reconciling items		779,994	
Change in net position		1,536,282	
Net position, January 1		8,640,546	
Net position, December 31		$ 10,176,828	

City of Thornton, Colorado

Stormwater Fund
Statement of Revenues, Expenses, and Changes in Net Position
Budget and Actual - Non US GAAP Basis
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
OPERATING REVENUES			
Charges for services	$ 4,800,000	$ 4,880,270	$ 80,270
Total operating revenues	4,800,000	4,880,270	80,270
OPERATING EXPENSES			
Collection, transmission, and distribution	2,253,969	2,950,603	(696,634)
Other operating expenses	94,504	52,749	41,755
Administration	764,336	764,336	-
Total operating expenses	3,112,809	3,767,688	(654,879)
Operating income	1,687,191	1,112,582	(574,609)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	20,000	150,142	130,142
Capital outlay	(3,269,333)	(1,055,569)	2,213,764
Debt service			
Advance payment	(967,236)	(964,444)	2,792
Interest payment	(100,500)	(109,275)	(8,775)
Miscellaneous revenue	-	5,621	5,621
Total nonoperating expenses	(4,317,069)	(1,973,525)	2,343,544
Income (loss) before transfers	(2,629,878)	(860,943)	1,768,935
Transfers in	-	44,853	44,853
Transfers out	-	(152,049)	(152,049)
Deficiency of revenues under expenditures before reconciling items	$ (2,629,878)	(968,139)	$ 1,661,739
RECONCILIATION TO US GAAP BASIS			
Miscellaneous non-cash adjustments		(59,113)	
Add back principal payment		964,444	
Depreciation		(2,053,188)	
Capital asset additions (from the City's capital projects)		1,055,569	
Contributed capital assets		8,870,817	
Total reconciling items		8,778,529	
Change in net position		7,810,390	
Net position, January 1		71,283,995	
Net position, December 31		$ 79,094,385	

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
Statement of Revenues, Expenses, and Changes in Net Position
Budget and Actual - Non US GAAP Basis
For the year ended December 31, 2025

	Budget	Actual	Variance - with Final Budget Increase (Decrease)
OPERATING REVENUES			
Interfund services	$ 19,098,709	$ 19,720,706	$ 621,997
Total operating revenues	19,098,709	19,720,706	621,997
OPERATING EXPENSES			
Insurance and related expenses	5,110,907	5,060,777	50,130
Claims and reserves for claims	16,160,105	13,204,368	2,955,737
Administration	1,043,529	1,073,737	(30,208)
Total operating expenses	22,314,541	19,338,882	2,975,659
Operating income (loss)	(3,215,832)	381,824	3,597,656
NONOPERATING REVENUES			
Investment earnings	420,000	994,135	574,135
Miscellaneous revenue	72,212	834	(71,378)
Total nonoperating revenues	492,212	994,969	502,757
Excess (deficiency) of revenues over (under) expenditures before reconciling items	$ (2,723,620)	1,376,793	$ 4,100,413
RECONCILIATION TO US GAAP BASIS			
Incurred but not reported adjustment - property casualty		(1,074,944)	
Incurred but not reported adjustment - worker's compensation		758,644	
Incurred but not reported adjustment - dental		16,975	
Incurred but not reported adjustment - vision		2,514	
OPEB liability adjustment		(9,365)	
Miscellaneous non-cash adjustments		(6,101)	
Total reconciling items		(312,277)	
Change in net position		1,064,516	
Net position, January 1		10,846,058	
Net position, December 31		$ 11,910,574	

This Page Left Intentionally Blank

OTHER SCHEDULES

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Thornton, Colorado YEAR ENDING : December 2025
This Information From The Records Of: City of Thornton, Colorado	Prepared By: Patty Glover, Accountant Phone: 303-538-7370

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	0
3. Other local imposts (from page 2)	33,785,017
4. Miscellaneous local receipts (from page 2)	6,911,311
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	40,696,328
B. Private Contributions	509,207
C. Receipts from State government	
(from page 2)	5,640,904
D. Receipts from Federal Government	
(from page 2)	2,335,656
E. Total receipts (A.7 + B + C + D)	49,182,095

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	26,181,169
2. Maintenance:	4,159,185
3. Road and street services:	
a. Traffic control operations	2,693,875
b. Snow and ice removal	892,190
c. Other	2,773,022
d. Total (a. through c.)	6,359,087
4. General administration & miscellaneous	822,603
5. Highway law enforcement and safety	11,536,129
6. Total (1 through 5)	49,058,173
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	123,922
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	49,182,095

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	49,182,095	49,182,095	0	0

Notes and Comments:

0
0
0

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING: December 2025

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	25,789,251	a. Interest on investments	451,194
b. Other local imposts:		b. Traffic Fines & Penalties	2,152,992
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	7,995,766	g. Other Misc. Receipts	0
6. Total (1. through 5.)	7,995,766	h. Other	4,307,125
c. Total (a. + b.)	33,785,017	i. Total (a. through h.)	6,911,311
	(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	5,061,740	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	453,951	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	125,213	f. Other Federal	2,335,656
f. Total (a. through e.)	579,164	g. Total (a. through f.)	2,335,656
4. Total (1. + 2. + 3.f)	5,640,904	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	41,526	41,526
b. Engineering Costs	120,176	5,428,474	5,548,650
c. Construction:			
(1). New Facilities	0	3,304,569	3,304,569
(2). Capacity Improvements	0	2,001,088	2,001,088
(3). System Preservation	(13,039)	9,403,839	9,390,800
(4). System Enhancement & Operation	206,917	5,687,619	5,894,536
(5). Total Construction (1)+(2)+(3)+(4)	193,878	20,397,115	20,590,993
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	314,054	25,867,115	26,181,169
			(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**

This Page Left Intentionally Blank

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

	Fiscal Year									
	2016	**2017-restated**	**2018**	**2019**	**2020**	**2021-restated**	**2022-restated**	**2023-restated**	**2024**	**2025**
Governmental activities										
Net investment in capital assets	$ 259,179,659	$ 289,933,156	$ 297,988,545	$ 288,245,136	$ 287,482,862	$ 301,540,850	$ 339,247,183	$ 365,255,619	$ 391,581,412	$ 411,705,491
Restricted	8,241,309	40,196,389	70,807,361	37,653,387	63,312,275	60,665,189	77,014,753	52,783,491	36,611,821	42,799,031
Unrestricted	125,530,515	80,883,896	74,950,117	109,771,204	99,655,069	126,072,830	136,132,262	178,159,891	219,028,304	226,030,237
Total governmental activities net position	$ 392,951,483	$ 411,013,441	$ 443,746,023	$ 435,669,727	$ 450,450,206	$ 488,278,869	$ 552,394,198	$ 596,199,001	$ 647,221,537	$ 680,534,759
Business-type activities										
Net investment in capital assets	$ 560,279,776	$ 579,737,175	$ 611,217,991	$ 713,190,231	$ 697,623,613	$ 751,240,496	$ 773,566,597	$ 790,965,323	$ 848,246,365	$ 993,073,083
Restricted	2,980,644	3,097,447	-	-	-	-	-	-	-	-
Unrestricted	139,927,331	166,787,828	190,174,759	189,266,660	262,357,773	261,845,831	328,862,293	370,427,022	371,500,371	319,024,409
Total business-type activities net position	$ 703,187,751	$ 749,622,450	$ 801,392,750	$ 902,456,891	$ 959,981,386	$ 1,013,086,327	$ 1,102,428,890	$ 1,161,392,345	$ 1,219,746,736	$ 1,312,097,492
Primary government										
Net investment in capital assets	$ 819,459,435	$ 869,670,331	$ 909,206,536	$ 1,001,435,367	$ 985,106,475	$ 1,052,781,346	$ 1,112,813,780	$ 1,156,220,942	$ 1,239,827,777	$ 1,404,778,574
Restricted	11,221,953	43,293,836	70,807,361	37,653,387	63,312,275	60,665,189	77,014,753	52,783,491	36,611,821	42,799,031
Unrestricted	265,457,846	247,671,724	265,124,876	299,037,864	362,012,842	387,918,661	464,994,555	548,586,913	590,528,675	545,054,646
Total primary government net position	$ 1,096,139,234	$ 1,160,635,891	$ 1,245,138,773	$ 1,338,126,618	$ 1,410,431,592	$ 1,501,365,196	$ 1,654,823,088	$ 1,757,591,346	$ 1,866,968,273	$ 1,992,632,251

Source: City of Thornton - Current and prior year's financial statements

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

	Fiscal Year									
Expenses	**2016**	**2017-restated**	**2018**	**2019**	**2020**	**2021-restated**	**2022-restated**	**2023-restated**	**2024**	**2025**
Governmental activities:										
General government	$ 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	$ 57,468,626
Police	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	62,979,279
Fire and ambulance	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	43,716,043
City development	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	21,793,849
Streets, traffic & engineering	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	46,977,224
Community services	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	49,464,475
Interest on long-term debt	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	2,818,716
Total governmental activities expenses	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	285,218,212
Business-type activities:										
Water	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	60,610,479
Sewer	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	20,992,029
Environmental services	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	8,050,427
Stormwater	-	-	-	3,074,617	3,698,035	4,251,908	4,395,447	4,809,993	5,183,412	5,181,905
Total business-type activities expenses	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	94,834,840
Total primary government expenses	$ 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	$ 380,053,052
Program Revenues										
Governmental activities:										
Charges for services										
General government	$ 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	$ 11,288,979
Police	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	4,851,681
Fire and ambulance	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	8,684,401
City development	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	7,558,456
Community services	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	10,153,074
Operating grants/contrib.	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	14,382,105
Capital grants/contrib.	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	33,710,524
Total governmental activities program revenues	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	90,629,220
Business-type activities:										
Charges for services										
Water	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	66,625,302
Sewer	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	20,630,460
Environmental services	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	8,953,318
Stormwater	-	-	-	3,001,616	4,181,998	4,290,048	4,398,364	4,493,148	4,663,357	4,880,270
Capital grants/contrib.	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	49,808,348
Total business-type activities program revenues	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	150,897,698
Total primary government program revenues	$ 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	$ 241,526,918

	Fiscal Year									
	2016	2017-restated	2018	2019	2020	2021-restated	2022-restated	2023-restated	2024	2025
Net (expense)/revenue										
Governmental activities	$ (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)	$ (194,588,992)
Business-type activities	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	56,062,858
Total primary government net expense	$ (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)	$ (138,526,134)
General Revenues and Special Items										
Governmental activities										
Taxes										
Sales and use taxes	$ 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	$ 157,216,095
Property taxes	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	38,518,478
Other taxes	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	15,130,142
Earnings (loss) on investments	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	14,331,556
Gain (loss) on sale of capital assets	188,110	148,555	-	31,958	-	-	-	-	-	-
Miscellaneous	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	2,003,715
Special item	-	-	-	-	-	-	2,850,686	-	-	-
Transfers	-	-	-	(39,130,995)	(2,238,267)	(23,893)	-	-	1,528,249	702,228
Total governmental activities	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	227,902,214
Business-type activities										
Earnings (loss) on investments	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	18,832,423
Gain on sale of capital assets	722,012	221,759	202,890	2,430,704	3,994,650	5,972,256	32,816	47,715	68,856	(354,116)
Royalties (1)	-	-	-	-	-	8,896,723	12,497,787	13,867,823	9,879,223	6,019,523
PFAS settlement receipts	-	-	-	-	-	-	30,691,245	-		9,864,625
Miscellaneous	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	2,624,671
Transfers	-	-	-	39,130,995	2,238,267	23,893	-	-	(1,528,249)	(702,228)
Total business-type activities	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	36,284,898
Total primary government	$ 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	$ 264,187,112
Change in Net Position										
Governmental activities	$ 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	$ 33,313,222
Business-type activities	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	92,347,756
Total primary government	$ 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	$ 125,660,978

Source: City of Thornton - Current and prior year's financial statements

(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.

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

	Fiscal Year									
	2016	**2017-restated**	**2018**	**2019**	**2020**	**2021-restated**	**2022-restated**	**2023-restated**	**2024**	**2025**
General Fund										
Nonspendable	$ 252,741	$ 247,410	$ 130,616	$ 114,577	$ 78,387	$ 115,013	$ 593,668	$ 123,646	$ 148,375	$ 577,011
Restricted	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	11,720,472
Committed	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	37,339,000
Assigned	-	-	-	-	-	-	-	-	-	
Unassigned	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	56,689,500
Total general fund	$ 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	$ 106,325,983
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,812	$ -	$ -	$ 1,765
Restricted	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	32,411,809
Committed	2,659	-	-	-	-	-	-	-	-	-
Assigned	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	127,071,567
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 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	$ 159,485,141

Source: City of Thornton - 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									
	2016	2017-restated	2018	2019	2020	2021-restated	2022-restated	2023-restated	2024	2025
Revenues										
Taxes	$ 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	$210,864,715
Licenses and permits	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	7,529,165
Intergovernmental	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	24,360,311
Governmental grants	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	17,008,346
Charges for services	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	29,211,342
Fines and forfeitures	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	3,615,211
Lease	207,792	207,648	175,551	175,701	175,889	175,648	30,072	45,108	45,108	45,108
Investment earnings (loss)	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	14,331,556
Miscellaneous	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	3,095,955
Total revenues	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	310,061,709
Expenditures										
General government	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	44,676,832
Police	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	56,243,495
Fire and ambulance	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	40,542,993
City development	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	11,676,266
Streets, traffic and engineering	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	18,460,957
Community services	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	35,623,158
Capital outlay	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	64,686,703
Debt service										
Principal retirement	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	7,456,805
Interest	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	4,230,557
Bond fees	6,850	4,196	6,755	8,809	6,755	8,755	11,480	10,175	12,375	10,950
Bond issuance costs	-	-	541,368	-	511,526	-	-	-	-	244,361
Total expenditures	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	283,853,077
Excess (deficiency) of revenues over (under) expenditures	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	26,208,632
Other financing sources (uses)										
Transfers in	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	11,114,907
Transfers out	(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)	(11,325,853)
Bonds issued	-	-	69,536,852	-	26,785,000	-	-	-	-	20,595,646
Premium on bonds issued	-	-	-	-	3,745,451	-	-	-	-	-
Payments to underwriter on bonds issued	-	-	-	-	-	-	-	-	-	(21,653,503)
Lease acquisition	-	-	-	-	-	-	1,218,908	616,223	2,617,154	985,401
SBITA acquisition	-	-	-	-	-	-	-	1,036,813	1,320,598	543,966
Sale of general capital assets	230,660	255,931	217,062	189,013	104,630	391,944	99,881	155,736	1,168,948	250,763
Total other financing sources	230,660	255,931	69,700,127	1,222,760	28,570,164	391,944	1,318,789	1,808,772	8,171,767	511,327
Special item										
Proceeds from sale of mineral rights	-	-	-	-	-	-	2,850,686	-	-	-
Net change in fund balances	$ 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	$ 26,719,959
Debt service as a percentage of noncapital expenditures	6.6%	6.0%	5.4%	6.5%	7.2%	7.3%	7.3%	5.2%	4.9%	4.1%

Source: City of Thornton - Current and prior year's financial statements

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

Fiscal Year	Sales tax	Motel tax	Use tax	Property tax	Specific ownership tax	Franchise tax	Cigarette tax	Total
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	68,650,874	1,320,551	29,049,758	13,124,438	1,194,177	6,117,914	185,622	119,643,334
2019	79,272,133	1,457,730	24,178,694	13,575,713	1,177,076	6,195,392	181,998	126,038,736
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
2025	117,139,685	2,135,751	31,182,519	22,073,704	1,225,081	7,573,657	-	181,330,397

Source: City of Thornton - Sales and Use Tax Department

Note: Revenues are from the General, Parks, Open Space, Parks and Open Space, Governmental Capital, TDA North and TDA 144th Capital Funds (Excluing revenue pledged for debt service on the Series 2015 and Series 2025 Tax Increment Bonds).

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 Rate (1)
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	5,785,368	6,006,502	10,257,476	4,610,663	2,480,362	68,650,874	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	79,272,133	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	83,627,428	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	4,139,383	95,919,027	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
2025	48,289,145	12,505,356	5,415,129	7,757,493	8,871,478	5,932,856	17,244,312	4,816,556	6,307,361	117,139,685	3.75

Source: City of Thornton - Sales and Use Tax Department

(1) Marijuana and related products sold at retail subject to additional 5% special sales tax. Sales tax rate within Denver Premium Outlet shopping area is 2.35%.

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

			Overlapping Rates					
Fiscal Year	City of Thornton	Total Direct Sales Tax Rate	State of Colorado	Adams County	Rapid Transit District RTD	Cultural Facilities District	Football Stadium District	Total Overlapping Sales Tax Rate
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%
2024	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%
2025	3.75%	3.75%	2.90%	0.75%	1.00%	0.10%	0.00%	8.50%

Source: City of Thornton - Sales and Use Tax Department

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

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Aggregate top ten filers	$ 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	$ 51,023,269
Aggregate all other filers	33,794,535	33,714,456	38,945,465	50,074,380	59,182,632	55,261,798	60,306,771	60,494,723	64,880,519	66,116,416
Total sales tax	$ 61,544,769	$ 62,613,775	$ 68,650,875	$ 83,627,428	$ 95,919,027	$ 95,919,026	$ 106,674,390	$ 109,737,245	$ 115,542,128	$ 117,139,685
Top ten filers as a percentage of total sales	45.1%	46.2%	43.3%	40.1%	38.3%	42.4%	43.5%	44.9%	43.8%	43.6%

Source: City of Thornton - Sales and Use Tax Department

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

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

	Governmental Activities					Business-Type Activities					
Fiscal Year	Sales and Use Tax Bonds	Tax Increment Bonds	Certificates of Participation	Leases (2)	Subscription Leases (3)	Revenue Bonds	Leases	Subscription Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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	81,066,232	2,634,547	1,780,838	108,902,798	15,712	199,531	222,616,146	3.5%	1,446
2025	-	23,510,414	75,463,304	2,707,834	1,749,892	102,446,836	-	137,090	206,015,370	2.6%	1,346

Source: City of Thornton - Current and prior year's financial statements

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

(1) See Schedule 14 for personal income and population data.

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 Capita
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%	-
2025	-	-	-	0.00%	-

Source: Current and prior year's financial statements

City of Thornton, Colorado
Schedule 11
Direct and Overlapping Governmental Activities Debt
As of December 31, 2025

Entity (1)	Assessed Valuation (2)	Debt Outstanding	Percentage Applicable to the City (3)	Estimated Share of Overlapping Debt
City of Thornton direct debt				$ 103,431,444
Overlapping Debt				
25 Commerce Park Metropolitan District	$ 16,717,220	$ 8,500,000	100.00	8,500,000
Adams 12 Five Star School District	3,685,246,540	404,715,000	50.39	203,935,889
Adams County School District 1	1,379,119,630	129,796,536	14.39	18,677,721
Adams County School District 14	1,421,231,590	232,856,016	3.43	7,986,961
Amber Creek Metropolitan District	29,239,580	12,695,000	100.00	12,695,000
Aspen Reserve Metropolitan District	5,945,890	2,935,000	100.00	2,935,000
Brighton School District 27J	3,287,362,310	948,860,880	12.54	118,987,154
Bramming Farm Metropolitan District No. 1	5,994,410	5,728,897	100.00	5,728,897
Cherrylane Metropolitan District	5,135,630	3,630,000	100.00	3,630,000
Creekside Village Metropolitan District	4,832,230	10,354,000	100.00	10,354,000
Cundall Farms Metropolitan District	16,499,520	12,660,000	100.00	12,660,000
Heritage Todd Creek Metropolitan District	60,687,930	31,013,000	100.00	31,013,000
Highpointe Park Metropolitan District	9,874,940	6,816,000	100.00	6,816,000
Home Place Metropolitan District	9,093,290	7,834,000	100.00	7,834,000
Homestead Hills Metropolitan District	3,412,230	2,877,000	100.00	2,877,000
Larkridge Metropolitan District No. 1	27,982,310	11,310,000	100.00	11,310,000
Larkridge Metropolitan District No. 2	16,859,580	14,990,000	100.00	14,990,000
Lewis Pointe Metropolitan District	18,619,340	7,960,000	100.00	7,960,000
Mayfield Metropolitan District	13,470,320	10,083,900	100.00	10,083,900
North Holly Metropolitan District	18,482,400	13,020,000	100.00	13,020,000
Orchard Farms Metropolitan District	20,376,980	13,655,000	100.00	13,655,000
Parterre Metropolitan District No. 5	10	49,984,000	100.00	49,984,000
PLA Metropolitan District	4,450,860	350,000	100.00	350,000
Rangeview Library District	10,196,757,660	58,370,000	24.68	14,405,716
RII-DII Business Improvement District	69,741,490	8,757,640	100.00	8,757,640
River Valley Village Metropolitan District	6,554,490	3,780,828	100.00	3,780,828
Riverdale Peaks II Metropolitan District	3,885,760	3,065,000	0.30	9,195
Riverdale Ranch Metropolitan District	5,393,870	5,055,000	100.00	5,055,000
Talon Pointe Metropolitan District	13,716,220	25,883,000	100.00	25,883,000
Timberleaf Metropolitan District	10,285,470	10,540,000	100.00	10,540,000
Village at Dry Creek Metro No 2	26,128,690	7,294,000	100.00	7,294,000
Villas at Eastlake Reservoir Metro District	4,612,360	2,370,000	100.00	2,370,000
Westwood Metropolitan District	6,310,710	8,100,000	100.00	8,100,000
Willow Bend Metropolitan District	23,199,000	23,991,000	100.00	23,991,000
York Street Metropolitan District	5,322,320	3,790,000	100.00	3,790,000
Subtotal, overlapping debt				$ 689,959,901
Total direct and overlapping debt				$ 793,391,345

Source: 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.

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

Adams County
Adams County Fire Protection District
Ash Meadows Metropolitan District
Brittany Place Metropolitan District
Central Colorado Water Conservancy
City of Thornton 136th Ave GID
Eastcreek Farm Metropolitan District
Fallbrook Metropolitan District
Fallbrook Villas Metropolitan District
Fire District 6 Greater Brighton
Hyland Hills Metro Park & Recreation
Lambertson Lakes Metro District
Lees Farm Metropolitan District
LPC Mile High One Metropolitan District
North End Metropolitan Districts
North Metro Fire Bond (FKA FD1B)
North Metro Fire Rescue FKA Fire Dist. 1
North Washington Water and Sanitation District
Parterre Metropolitan Districts 1-4, 6-8
Quebec Highlands Metropolitan District
Regional Transportation District
South Adams County Fire Protection District
South Adams Water and Sanitation District
Talon Pointe Coordinating Metro District
The Village at North Creek Metropolitan District
Urban Drainage and Flood Control District
Urban Drainage and Flood Control District - S. Platte
Village at Dry Creek Metro Districts No 1,3-4
Washington 25 Metro Districts
Wright Farms Metropolitan District
York Station Metropolitan District

(2) Assessed values certified in 2025 are for collection of ad valorem property taxes in 2026.

(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.

City of Thornton, Colorado
Schedule 12
Legal Debt Margin Information

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022 - restated**	**2023**	**2024**	**2025**
Debt Limit (1)	$ 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	$ 230,492,640
Total net debt applicable to limit (2)	-	-	-	-	-	-	1,393,362	2,326,442	4,630,628	4,594,816
Legal debt margin	$ 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	$ 235,087,456
Total net debt applicable as a percentage of debt limit	-	-	-	-	-	-	0.79%	1.08%	2.12%	1.99%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value	$ 2,304,926,400
Debt limit (10% of total assessed value)[1]	230,492,640
Debt applicable to limit	
General obligation bonds	-
Less: Amount set aside for repayment of RTU & SBITA - lease obligations	4,594,816
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	4,594,816
Legal debt margin	$ 225,897,824

Source: Debt Limit City of Thornton - Current and prior year's financial statements. Assessed Value - Adams County Assessor's Office

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

(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 Statement No. 96 Subscription-Based Information Technology Arrangements.

City of Thornton, Colorado
Schedule 13
Pledged-Revenue Coverage

Water Revenue and Revenue Refunding Bonds (1)

Fiscal Year	Water Charges and Other (2)	Less: Operating Expenses (3)	Net Available Revenue	Principal	Interest	Coverage
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	107,160,727	48,319,814	58,840,913	3,515,000	3,543,294	8.34
2025	132,497,547	49,052,741	83,444,806	3,670,000	3,387,244	11.82

TDA North Tax Increment Bonds

Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
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
2025	14,171,940	1,200,000	210,013	10.05

TDA 144th Tax Increment Bonds (4)

Fiscal Year	Sales and Property Taxes	Principal	Interest	Coverage
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	4,007,546	790,000	1,017,844	2.22
2025	4,074,323	1,055,000	705,569	2.31

(1) Water revenue bonds were issued in 2020, no principal or interest due in 2020.
(2) Water charges and other includes investment earnings and tap fees.
(3) Operating expenses do not include depreciation or amortization expenses.
(4) TDA 144th Tax Increment Bonds Series 2015B were refunded in 2025.

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
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%
2025	153,090	8,058,045	52,636	3.6%

Source: Population City of Thornton - City Development Department. Per Capita Income - United States Census Bureau. Unemployment Rate - United States Department of Labor

City of Thornton, Colorado
Schedule 15
Principal Employers

	2025		
Employer Type	**Employees**	**Rank**	**Percentage of Total City Employment**
Retail Trade (425 Units)	7,801	1	25%
Health Care and Social Assistance (335 Units)	4,915	2	16%
Accomodation and Food Services (257 Units)	4,533	3	15%
Educational Services (84 Units)	2,959	4	10%
Public Administration (52 Units)	2,044	5	7%
Other Services (329 Units)	1,825	6	6%
Construction (253 Units)	1,456	7	5%
Professional, Scientific & Tech Services (188 Units)	1,087	8	4%
Arts, Entertainment & Recreation (51 Units)	954	9	3%
Finance and Insurance (127 Units)	590	10	2%
Total	28,164		93%

Total number of persons employed by Thornton establishments: 30,925

	2016		
Employer Type	**Employees**	**Rank**	**Percentage of Total City Employment**
Retail Trade (400 units)	6,591	1	22%
Health Care and Social Assistance (239 Units)	4,388	2	15%
Accomodation and Food Services (208 Units)	4,047	3	14%
Educational Services (95 Units)	3,535	4	12%
Public Administration (43 Units)	2,010	5	7%
Professional, Service & Tech (166 Units)	1,720	6	6%
Other Services (306 Units)	1,446	7	5%
Construction (240 Units)	1,253	8	4%
Information (55 Units)	786	9	3%
Real Estate, Rental & Leasing (169 Units)	689	10	2%
Total	26,465		90%

Total number of persons employed by Thornton establishments: 29,624

Source: City of Thornton - Economic Development

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

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	168	175	182	191	201	196	197	197	203	213
Police										
Officers	233	244	247	243	243	242	247	248	264	265
Civilians	63	63	73	77	79	79	81	83	79	80
Fire										
Firefighters and officers	85	101	106	132	132	145	138	142	144	164
Ambulance	26	29	26	4	4	4	4	6	7	8
Civilians	3	3	3	3	3	3	10	10	10	10
City development	78	82	84	82	82	79	82	84	83	74
Streets, traffic, & engineering										
Engineering	36	35	37	40	41	38	36	35	38	38
Maintenance	31	32	33	23	23	23	25	25	25	25
Community services	99	100	106	124	129	126	131	135	143	144
Water & Sewer	92	95	97	100	102	104	104	104	106	107
Environmental Services	23	24	26	26	28	28	28	28	28	28
Stormwater	-	-	-	13	14	15	15	15	15	15
Total	937	983	1,020	1,058	1,081	1,082	1,098	1,112	1,145	1,171

Source: City of Thornton - Office of Management and Budget

City of Thornton, Colorado
Schedule 17
Operating Indicators by Function

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Patrol calls for service	103,910	111,238	122,943	153,608	142,754	139,584	130,726	136,848	159,106	160,270
Physical arrests	2,891	5,749	6,608	7,071	4,667	4,934	6,805	6,671	6,755	6,212
Traffic violations	9,843	15,125	20,959	20,635	13,981	16,766	12,996	15,556	18,497	25,110
Fire										
Calls for service	9,976	10,538	11,028	11,898	12,220	14,070	16,736	16,748	17,165	17,802
Fire incidents	282	277	248	223	284	273	314	284	299	264
EMS and other incidents	9,694	10,261	10,780	11,675	11,936	13,797	16,422	16,464	16,864	17,538
Inspections (1)		1,469	1,275	1,244	2,564	251	1,216	1,240	1,087	1,332
Ambulance										
Number of transports	5,355	5,693	5,903	5,850	6,284	7,240	7,094	6,857	7,199	7,953
City development										
Single-family permits	832	902	824	744	816	764	632	397	198	477
Commercial permits issued	19	31	25	23	26	24	21	16	12	6
Building inspections	57,437	52,873	66,945	44,370	44,980	35,600	45,219	37,182	36,205	31,813
Code violations & inspections	14,374	12,509	11,757	13,704	6,364	7,795	6,654	9,531	9,615	9,608
Graffiti incidents removed	795	534	160	178	266	344	394	404	526	0
Streets, traffic, & engineering										
Lane miles of streets maintained	1,244	1,252	1,255	1,258	1,267	1,278	1,307	1,308	1,319	1,334
Community services										
Carpenter Recreation center admissions	303,658	301,024	280,912	235,816	32,040	52,640	151,264	234,492	206,609	211,614
Trail Winds Recreation center admissions (2)				47,053	114,528	218,381	273,814	310,762	333,608	336,261
Water										
New connections	559	826	922	644	652	488	745	718	309	479
Average daily consumption (in gallons) (excludes Westminster)	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	18,429,874
Environmental Services										
Solid waste customers	27,671	28,328	29,233	29,899	30,763	31,202	31,708	32,208	32,533	33,068
Tons of refuse collected	36,529	36,571	37,724	37,811	43,332	43,026	40,449	41,752	41,848	42,511
Tons of recyclables collected	5,255	5,424	5,417	5,355	5,928	5,646	5,763	5,442	5,499	5,389

Sources: City of Thornton - Various city departments

(1) Indicator was not tracked in 2016.
(2) Indicator was not tracked prior to 2019 - Trail Winds Recreation Center opened November 2019

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	2	2	2	2	2	2	2	2
Patrol Units	95	119	125	134	139	149	148	145	138	149
Fire and Ambulance										
Fire Stations	5	5	6	6	6	6	6	7	7	7
Ambulances	6	7	8	7	5	5	5	5	5	5
Streets, traffic, & engineering										
Streets (miles)	411	414	417	421	424	433	442	443	447	454
Streetlights	8,824	9,125	9,140	9,316	9,583	9,617	9,673	9,751	9,622	9,721
Community services										
Parks acreage	733	757	879	851	881	1,007	1,016	1,001	871	1,000
Parks	88	90	92	93	93	90	91	87	86	80
Trail Miles (1)									173	173
Swimming Pools	3	3	3	4	4	4	4	4	4	4
Tennis Courts	17	17	17	17	16	16	16	16	16	17
Pickeball Courts (1)									9	26
Community Centers	3	3	3	4	4	4	4	4	4	4
Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	584	593	597	602	626	650	658	667	675	687
Fire Hydrants	4,950	5,073	5,132	5,194	5,261	5,539	5,696	5,774	5,857	6,004
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)	454	462	465	485	503	506	511	515	522	531
Environmental Services										
Collection Trucks	21	21	22	22	24	24	25	25	26	26
Stormwater										
Storm sewers (miles)	144	149	151	158	160	168	172	179	181	183

Sources: City of Thornton - Various city departments

Note: No capital asset indicators are available for: City Development function, General Government function.

(1) Indicators for Trail Miles and Pickeball Courts were tracked effective 2024.

Vibrant and Purposeful Development

Connected Communities

Safe, Supported and Livable Community

Organizational Excellence