



MONTHLY FINANCIAL REPORT

August 2026

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Executive Summary

Introduction

The City of Thornton's Finance and Budget offices are committed to providing clear and transparent financial information to the public and City stakeholders. This report offers a high-level, month-to-month view of the City's financial position by summarizing activity across the City's 20 funds. Full descriptions of these funds and how they are grouped are provided in Appendix A.

Year-to-date (YTD) activity is compared with prior-year results and the 2026 Budget to give context to current financial trends. While this summary highlights key points, readers are encouraged to review the full report, along with the Annual Comprehensive Financial Report and Budget Book, for a complete understanding of the City's financial health.

Financial Overview

2026 Year-to-date Financial Snapshot

Overall Financial Position	Revenue performance is below original budget expectations.
Key Strength	Sales tax performance remains consistent with budget expectations
Primary Pressure	Slowdown in development activity and water consumption are affecting revenue.
Expenditure Status	Spending is projected to come in under budget.
Outlook	Current conditions warrant continued monitoring as broader economic trends continue to influence the City's financial performance.

Sales Tax Performance

Sales Tax generates more than half the revenue in the Governmental Funds and remains the City's strongest indicator of economic stability. Collections through August, for July sales, are up 3.2% year-to-date and continue to align with the 2026 forecast.

Development Activity

Development activity impacts the Governmental and Enterprise Funds and remains the primary source of pressure on revenue growth. Building permits issued year-to-date are down 29% compared to last year, reducing building-related revenues such as building use tax, fees, and utility connection fees. Most of the decline is in residential permitting, though August showed some improvement on the commercial side with the highest permit value so far this year.

Water Revenue

The City remains under Stage 1 drought restriction, which aims to reduce outdoor water use by 10%. Through July, water consumption (billed in August), is down 10% year-to-date, lowering water charges for services to the same amount as last year for the same period. Conservation efforts are also reducing water treatment costs and park irrigation expenses, partially offsetting the revenue decline.

Expenditure Performance

Expenditures are expected to finish under budget. Savings are driven by personnel vacancies, lower health insurance costs, reduced irrigation water usage, and lower contracted services and supply needs. Capital spending appears low due to the multi-year nature of capital projects and the timing of annual appropriations. Enterprise capital represents 35% of the annual budget, followed by personnel at 31%.

Overall Financial Outlook

While revenues are below expectations, stable sales tax performance and controlled spending continue to support the City's financial position. The City will continue monitoring economic trends and adjusting as needed to maintain service levels and support long-term priorities.

Contact Us

Please reach out to Kim Newhart, Finance Director, at Kimberly.Newhart@thorntonco.gov or 303-538-7255 and Erika Senna, Budget and Operations Director, at Erika.Senna@thorntonco.gov or 303-538-7321 with any questions.

Government Funds Review

Government Funds Revenue

The summary below shows year-to-date revenue for the Governmental Funds, year-over-year changes, and how 2026 projections compare to the 2026 Budget.

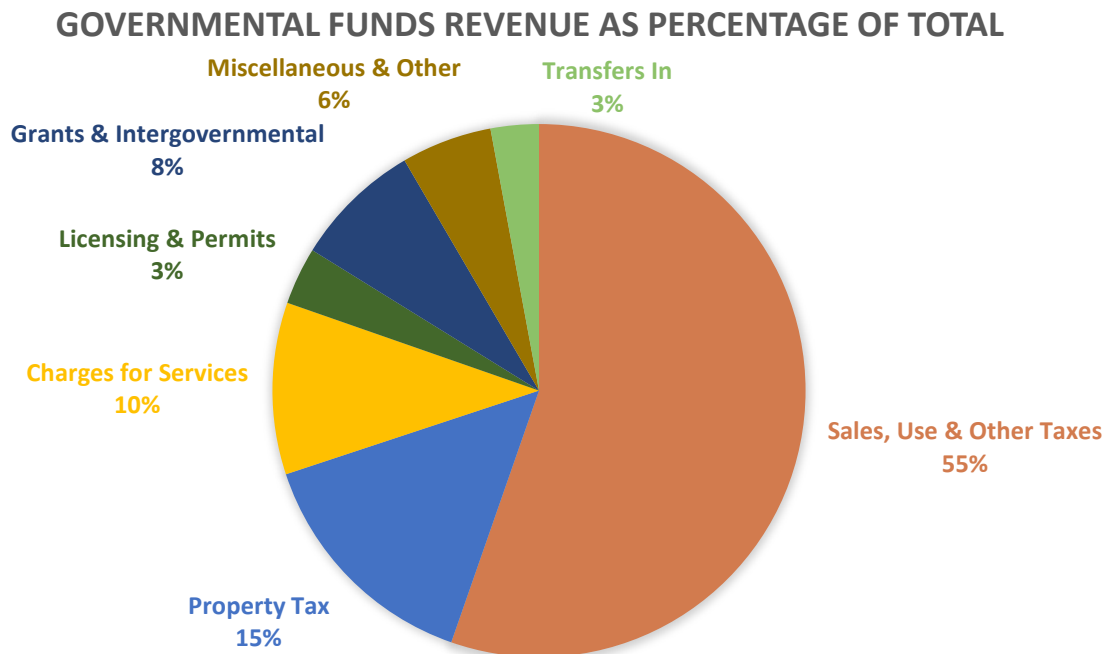
Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Projected	2026 Budget	Percentage of Budget
Governmental	\$158,355,519	\$(576,862)	0%	\$254,260,654	\$259,173,466	61%
Special Revenue	11,908,870	(2,875,332)	(19%)	43,183,414	29,217,514	41%
Thornton Development Authorities	28,279,022	5,426,884	24%	34,214,631	33,476,801	84%
Other Governmental	15,114,493	(1,222,316)	(7%)	21,985,354	21,580,392	70%

Governmental Fund revenues are slightly below last year due to nonrecurring and timing-related items, however an increase in Sales, Use & Other Taxes and Property Tax collections have helped to offset the decline.

Special Revenue revenues are lower year-over-year due to prior-year grant activity and a one-time 2025 reimbursement related to the Aylor Open Space Library and Community Center/Anythink Library. 2026 projections have improved with new grant awards.

Thornton Development Authorities revenues are higher than last year, driven largely by the timing of property tax receipts.

Other Governmental Fund revenues are down due to reduced risk management charges associated with lower projected self-insurance costs.



Government Funds Expenditures

The summary below shows year-to-date expenditures for the Governmental Funds, year-over-year changes, the 2026 Budget including capital rollover, and current performance against that budget.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Projected	2026 Budget	Percentage of Budget
Governmental - Operating	\$133,039,49	\$1,733,714	1%	\$217,915,563	\$221,390,47	60%
Governmental - Capital	12,477,301	(8,687,712)	(41%)	93,485,806	96,977,853	13%
Special Revenue	9,014,285	947,378	12%	56,442,174	56,442,174	16%
Thornton Development Authorities	5,845,797	(1,816,963)	(24%)	21,973,596	22,352,490	26%
Other Governmental	17,783,649	3,271,092	21%	29,285,845	29,285,845	61%

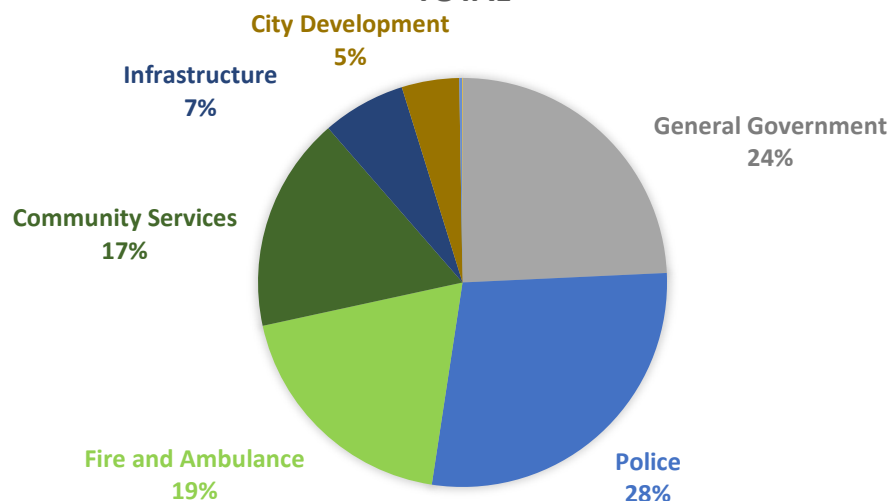
Governmental Operating expenditures are projected to come in under budget in 2026, with savings driven by personnel vacancies, lower health insurance costs, a decrease in parks irrigation water usage, lower contracted services, and reduced park maintenance and snow and ice supplies.

Governmental Capital Fund expenditures reflect activity on ongoing annual projects such as Building Maintenance, Fleet Replacement, and Traffic Signal Installations. Work to identify and implement a new CAD/RMS public safety system is underway, though most spending will occur in 2027. Year-over-year changes largely reflect the completion of major projects active at this time last year, including Fire Station #8 and soil mitigation at the Justice Center.

Special Revenue Fund expenditures include continued work to activate Aylor Open Space, with plans to break ground in late 2026 and open to the public in late 2027. Current activity includes site cleanup and the development of trails, amenities, and a nature discovery area.

TDA South Fund expenditures reflect ongoing environmental soil remediation at the Market at 88th.

GOVERNMENTAL FUNDS EXPENDITURES AS PERCENTAGE OF OPERATING TOTAL



Enterprise Funds Review

Enterprise Funds Revenue

The City operates four Enterprise Funds—Water, Sewer, Stormwater, and Environmental Services—each primarily supported through service charges. The summary below shows year-to-date revenue for these funds, year-over-year changes, and how 2026 projections compare to the 2026 Budget.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Projected	2026 Budget	Percentage of Budget
Water	\$67,352,059	\$(6,732,760)	(9%)	\$312,259,813	\$351,607,000	19%
Sewer	13,924,618	137,594	1%	23,480,350	24,177,300	58%
Stormwater	3,539,114	224,968	7%	5,342,449	5,188,700	68%
Environmental Services	5,598,417	(208,821)	(4%)	9,698,553	9,435,700	59%

Water Fund revenue is down year-to-date despite the 11% rate increase effective January 1, 2026, due to reduced consumption that offsets the rate adjustment. The 2026 revenue budget includes \$232 million in bond proceeds; excluding these proceeds, the fund is performing at roughly 56% of budget.

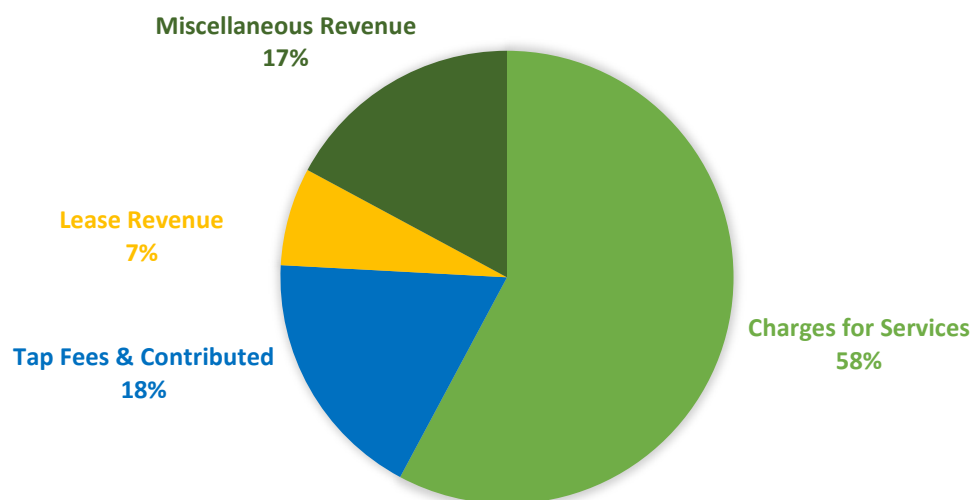
Sewer Fund revenue reflects the 6% rate increase, though reduced water consumption has a smaller impact because sewer rates are based on average winter usage, when water use is typically lowest.

Water Fund and Sewer Fund connection fee revenue has decreased due to slower development activity, resulting in a combined reduction of approximately \$9.8 million.

Stormwater Fund revenue reflects the 6% rate increase effective January 1, 2026, resulting in higher year-over-year revenues.

Environmental Services Fund revenue is down year-over-year despite a 1.3% rate increase, due to a one-time 2025 transfer into the fund for bag fee revenue.

WATER REVENUE STREAMS AS A PERCENTAGE OF TOTAL



Enterprise Funds Expenses

Enterprise Funds Operating Expenses

Enterprise Funds operating expenses reflect the cost of delivering essential utility services. The summary below shows year-to-date operating expenses, year-over-year changes, the 2026 Budget including capital rollover where applicable, and current performance against that budget.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Projected	2026 Budget	Percentage of Budget
Water	\$25,902,229	\$(1,407,606)	(5%)	\$46,155,693	\$48,268,696	54%
Sewer	9,972,198	757,839	8%	17,770,517	19,266,871	52%
Stormwater	1,894,987	114,547	6%	4,004,335	4,146,912	46%
Environmental Services	4,268,818	36,260	1%	6,872,618	7,589,704	56%

Operating expenses within the Enterprise Funds primarily reflect personnel costs and contracted services required to operate the City's utility systems.

Stormwater Fund operating expenses show a lower percentage of budget spent due to the timing of debt service payments.

Enterprise Funds Capital Expenses

Capital expenses within the Enterprise Funds support ongoing infrastructure needs and long-term system improvements. The summary below shows year-to-date capital spending, year-over-year changes, the 2026 Budget including capital rollover, and current performance against that budget

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Projected	2026 Budget, Including Prior Year Carryover	Percentage of Budget
Water	\$106,579,622	\$41,480,061	64%	\$507,373,096	\$507,373,096	21%
Sewer	1,931,028	784,378	68%	9,572,292	9,572,292	20%
Stormwater	771,602	409,624	113%	1,957,328	1,957,328	39%
Environmental Services	1,755,274	1,374,086	360%	1,812,600	1,812,600	97%

Water Fund capital expenses continue to reflect progress on the Thornton Water Project (TWP), a 70-mile pipeline that will deliver water purchased in the 1980s through Larimer, Weld, and Adams counties to the City. Segments A, B, and C are nearing completion, with additional segments and project components underway.

Sewer Fund capital activity includes ongoing maintenance and rehabilitation of sewer lines and manholes throughout the City. In 2026, planned work includes rehabilitating approximately 46,000 linear feet of pipe and 87 manholes.

Stormwater Fund capital expenses include continued construction on the northwest corner of Margaret W. Carpenter Park, in partnership with the Mile High Flood District. The project focuses on stabilizing the creek from 112th Avenue to the lakes.

Environmental Services Fund capital activity primarily consists of fleet vehicle replacements, most of which have now been ordered.

Appendix A - Fund Descriptions

General Governmental Funds

The City has two main governmental funds:

1. General Fund, the primary operating fund covering City services, including police, fire and emergency medical response, parks and recreation, transportation infrastructure, development services, economic development, finance, legal, and general administration activities.
2. Governmental Capital Fund, the City's primary capital improvement fund.

The primary funding sources for the general governmental funds are sales and use tax, property tax, user fees, fines, permit fees, license fees, intergovernmental revenue, and administrative charges.

Thornton Development Authorities (TDA)

The City has 3 development authorities

1. TDA North: The City Council established, by ordinance in October 2003, the North Washington Street Urban Renewal Plan to reduce, eliminate, and prevent the spread of blight within the urban renewal area and to stimulate growth and development of the North Washington Street corridor. Property tax and sale tax increment revenues are the main sources of TDA North revenue.
2. TDA South: The City Council established, by ordinance in October 2012, the South Thornton Urban Renewal Plan to reduce, eliminate, and prevent the spread of blight within the urban renewal area and to stimulate growth and development in South Thornton. Property tax increment revenue is the main source of TDA South revenue.
3. TDA 144th: The City Council established, by ordinance in November 2012, the 144th Avenue and Interstate 25 Urban Renewal Plan to reduce, eliminate, and prevent the spread of blight within the urban renewal area and to stimulate growth and development in the 144th Avenue and Interstate 25 corridor. Property tax and sales tax increment revenues are the main sources of TDA 144th revenue.

Special Revenue Funds

The City has 7 special revenue funds

1. Cash in Lieu: accounts for the proceeds from developer contributions associated with different developments throughout the City. The applicable capital projects are managed by responsible City personnel.
2. Conservation Trust: accounts for the proceeds the City receives from the Colorado State Lottery. Funds are used for the acquisition, development, and maintenance of new conservation sites, capital improvements or maintenance for recreational purposes on any public site.
3. Parks, Open Space, and Parks and Open Space: these three funds account for the proceeds from the City's 0.25% sales tax devoted to parks and open space. All revenues are accounted for within the Parks and Open Space fund with capital projects budgeted and expensed out of all three funds as applicable.
4. Adams County (ADCO) Road and Bridge: accounts for the proceeds the City receives from the ADCO Road and Bridge sales tax of 0.5%. Capital projects focus on infrastructure improvement.
5. Adams County (ADCO) Open Space: Accounts for the proceeds the City receives from the ADCO Open Space sales tax of 0.25% and applicable grant funding received from the County. Capital projects focus on parks and open space improvements.

Other Funds

The City has 4 other funds

1. 136th Avenue General Improvement District (136th GID): The 136th Avenue GID was established by City Council in 2000 to help fund the construction of an interchange at 136th Avenue and Interstate 25. Property tax revenue is the main source of 136th Avenue GID Fund revenue.

2. Thornton Emergency Telephone Service (E-911) Authority: The Thornton E-911 Authority was established by City Council in 2004 to collect surcharges for 911 emergency telephone services in the City and to manage the provisions of the emergency telephone service. The monthly emergency telephone surcharge remitted to the Authority is used to pay for a portion of equipment, personnel, technology maintenance, and other authorized costs pursuant to State Statute for the City to provide emergency telephone service.
3. Thornton Arts, Sciences and Humanities Council (TASHCO): TASHCO was established by City Council in 1991 to address the community's need for additional arts and cultural programs. TASHCO conducts fundraising, actively supports all City sponsored arts and culture events, and encourages membership and public participation.
4. Risk: Risk Management is responsible for evaluating risk exposures throughout the City and coordinating ways to transfer and manage the exposures via contractual agreements or through insurance coverage via various insurance carriers for property casualty, workers' compensation, and general professional and public official liability. Revenues for Risk Management come from charges for service to the City's operating divisions. Revenues are constant throughout the year, though expenses will vary.

Enterprise Funds

The City operates 4 enterprise funds

1. The Water Fund is responsible for operating, maintaining, and planning for the future of the City's water utility. The City is proud to provide quality water services, from the protection of water sources to the distribution of water to homes and businesses. Charges for services, leases, and tap fees are the main sources of revenue.
2. The Sewer Fund is responsible for operating and maintaining the City's wastewater collection system. While the City collects wastewater, it does not own or operate a wastewater treatment plant. The City sends wastewater to the Metro Water Recovery for treatment. Charges for services and tap fees are the main sources of revenue.
3. The Environmental Services Fund provides curbside trash and recycling collection services to over 30,000 homes throughout the community, as well as several special collection services for Thornton residents. Charges for services are the main source of revenue.
4. The Stormwater Fund is responsible for operation, maintenance, and capital improvement projects of the drain and drainage system throughout the City. Service fees are the main source of revenue.