



**THORNTON**  
COLORADO

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# MONTHLY FINANCIAL REPORT

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February 2026

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# Executive Summary

## Introduction

The City of Thornton Finance and Budget offices are committed to providing financial information and transparency to the public and City stakeholders. The City reports information through the use of 20 funds, full descriptions of the funds and how they are grouped together can be found in [Appendix A](#) following the financial report. The following report is provided to give a high-level explanation of the City's financial position on a month-to-month basis. The City's funds are summarized by comparing year-to-date (YTD) activity with prior year activity, as well as the 2026 Budget. This provides context for the financial data and the City's current financial position. Though there are highlights given within this summary, users are encouraged to review this report in full and in combination with the City's Annual Comprehensive Financial Report and Budget Book for a full view of the City's financial position and health.

## Economic Outlook

The March 19 Colorado economic forecast prepared by the Colorado Legislative Council Staff indicates that "U.S. and Colorado economies are expected to grow at a slow-to-moderate pace through the forecast period," and that "state-level data show that Colorado is slightly underperforming the nation as retail spending remains weak."

The State has lowered its projected sales tax growth from over 3.8% to 3% in 2026, increasing to over 4% in 2027. Thornton, however, has experienced limited to no growth over the past 12 months, with citywide sales tax remaining flat on a rolling 12-month basis. In 2025, staff forecasted a 2% increase in sales tax collections compared to 2025 and will continue to monitor collections in the coming months to determine whether adjustments to this forecast are warranted.

## Sales Tax Summary

January sales tax collections, reported to the City in February, declined 3% citywide. Several returns from large tax filers were not received and processed during the month but are expected to be reflected in the following reporting period. Even if those returns had been included, collections are estimated to have still declined by approximately 2%.

One category that has continued to struggle for the past 12 months is Automobile Sales, Parts & Services. This category is now down 7% over 12 months and was down almost 20% in January 2026. Nationally, J.D. Power, the data analytics, software and consumer intelligence company, is forecasting a 7.4% decrease in the number of new vehicles sold in the first quarter of 2026 compared to the first quarter of 2025. This category is closely monitored by Finance, as it accounts for approximately 15% of the City's total annual sales tax collections.

Despite the slow start to 2026, Finance is not recommending an adjustment to the 2026 sales tax collections forecast at this time.

## Contact Us

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

# Government Funds Review

## Government Funds Revenue

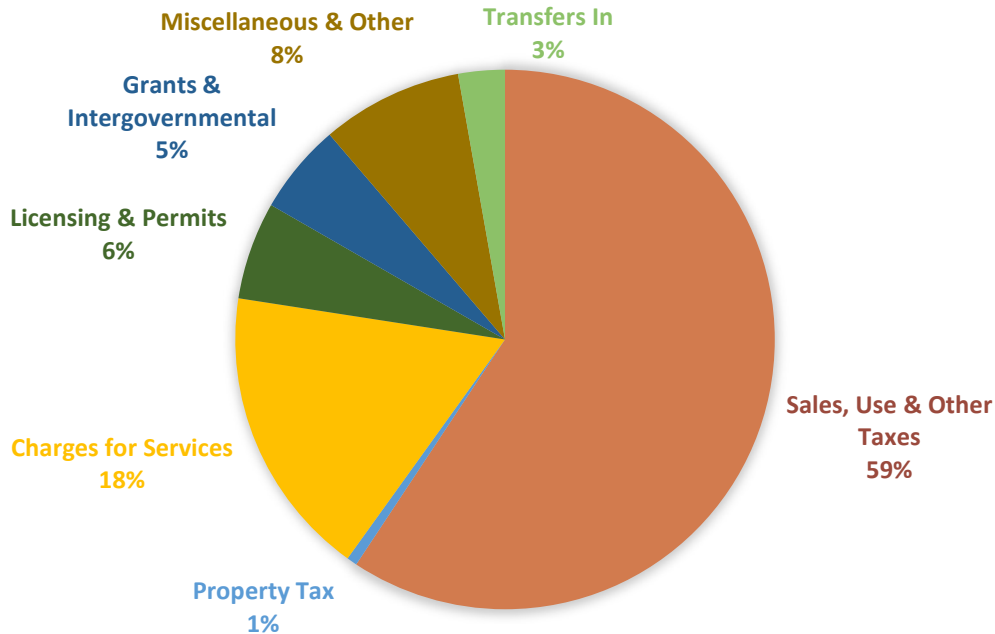
Below is a summary of all revenues received within the government funds, how revenue compares to the prior year in dollars and as a percentage, current year budget and how the City is performing against the current year budget.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Budget	Percentage of Budget
Governmental	\$ 20,006,959	\$ (2,364,536)	(11%)	\$ 259,173,466	8%
Special Revenue	1,044,170	(578,606)	(36%)	29,217,514	4%
Thornton Development Authorities	1,589,805	617,826	64%	33,476,801	5%
Other Governmental	3,025,002	(657,430)	(18%)	21,580,392	14%

The year-over-year decrease in revenue for the Governmental Funds is largely due to higher grant revenues received last year through February, compared to 2026. For the fiscal year, the 2026 federal grants budget amount is higher than 2025 so grant receipts should catch up by year-end.

Special Revenue Funds' year over year decrease in revenue is due to a 2025 intergovernmental reimbursement from the building of the new community center and attached library.

### GOVERNMENTAL FUNDS REVENUE AS PERCENTAGE OF TOTAL

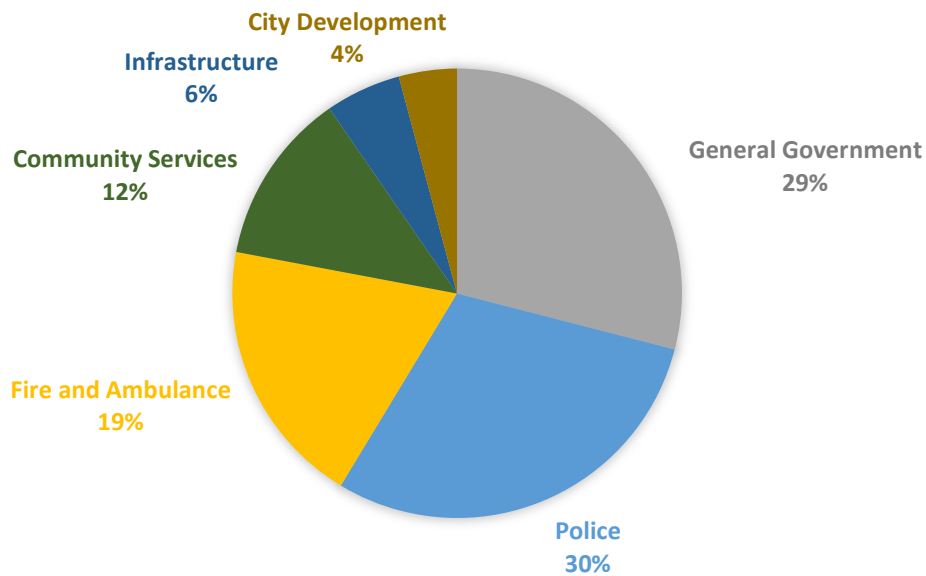


## Government Funds Expenditures

Controlling the expenditure growth of the City year over year is one way City Officials properly steward the funds entrusted to the City. Below is a summary of all expenditures within the government funds, how expenditures compare to prior year in dollars and as a percentage, current year budget, including prior year capital budget rollover, and how the City is performing against the current year budget. The Governmental – Capital expenditures are lower than 2025 due to the timing of fleet capital purchases made last year.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Budget, Including Prior Year Rollover	Percentage of Budget
Governmental - Operating	\$ 27,308,076	\$ 143,477	1%	\$ 221,359,394	12%
Governmental - Capital	1,227,023	(1,119,236)	(48%)	92,604,138	1%
Special Revenue	190,690	29,658	18%	56,460,566	0%
Thornton Development Authorities	650,585	(250,014)	(28%)	22,352,490	3%
Other Governmental	3,000,979	225,439	8%	29,285,845	10%

### GOVERNMENTAL FUNDS EXPENDITURES AS PERCENTAGE OF OPERATING TOTAL



# Enterprise Funds Review

## Enterprise Funds Revenue

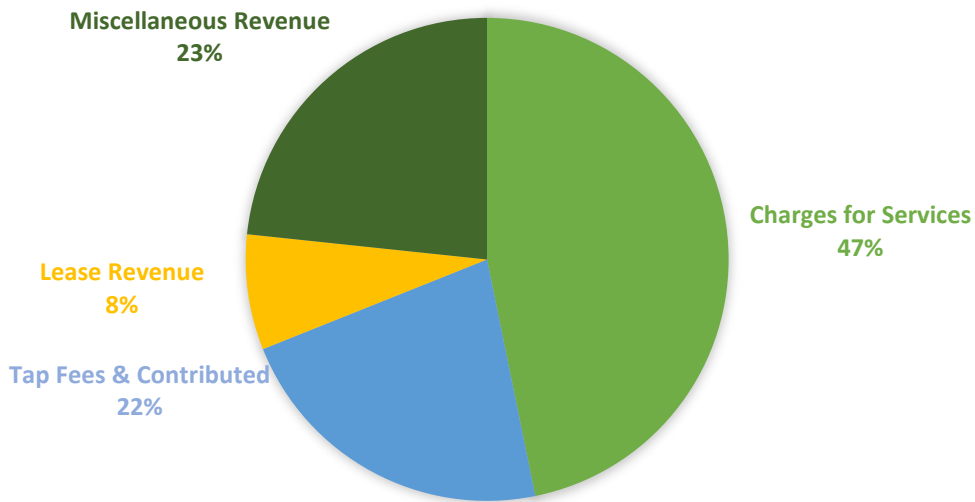
The City operates four Enterprise Funds, including Water, Sewer, Stormwater, and Environmental Services. Each of these funds are primarily funded through the charging of services. Below is a summary of all revenues received within the enterprise funds, how revenue compares to the prior year in dollars and as a percentage, current year budget and how the City is performing against the current year budget.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Budget	Percentage of Budget
Water	\$ 8,250,930	\$ (5,270,488)	(39%)	\$ 351,607,000	2%
Sewer	2,134,232	(256,255)	(11%)	24,177,300	9%
Stormwater	810,010	5,423	1%	5,188,700	16%
Environmental Services	847,303	(277,371)	(25%)	9,435,700	9%

Effective February 1, 2026; Water rates increased by 11%, sewer rates increased by 6%, stormwater rates increased 6% and environmental service rates increased by 1.3%. Water and Sewer revenues are lower in 2026 due to a slowdown in building permit activity. Tap and Water Resource fees are lower year-to-date by \$4.5M compared to last year due to fewer building permits issued. Sewer tap fees are also lower compared to 2025. The Environmental Services Fund shows lower revenues in 2026 following a one-time transfer of bag fees from the General Fund in 2025, which permanently allocated these accumulated fees to the Environmental Services Fund.

With the importance of water, the chart below highlights the revenue streams for water and the percentage each stream makes up of the total revenue for the water fund year to date.

### WATER REVENUE STREAMS AS A PERCENTAGE OF TOTAL



## Enterprise Funds Expenses

### Enterprise Funds Operating Expenses

Below is a summary of operating expenses within the enterprise funds, how operating expenses compare to prior year in dollars and as a percentage, current year budget and how the City is performing against the current year budget. Operating expenses related to personnel are anticipated to increase across all enterprise funds, however the overall operating expense picture will fluctuate depending on other inputs.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Budget	Percentage of Budget
Water	\$ 7,152,778	\$ 47,573	1%	\$ 48,268,696	15%
Sewer	597,064	(11,317)	(2%)	19,266,871	3%
Stormwater	399,901	22,749	6%	4,146,912	10%
Environmental Services	765,686	(16,404)	(2%)	7,589,704	10%

### Enterprise Funds Capital Expenses

The continued development of the City and changes in emerging technologies bring about the need for significant capital investments in the City's infrastructure.

Below is a summary of capital expenses within all enterprise funds, how capital expenses compare to prior year in dollars and as a percentage, current year budget, including prior year capital budget rollover, and how the City is performing against the current year budget.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2026 Budget, Including Prior Year Rollover	Percentage of Budget
Water	\$ 5,397,407	\$ 2,039,679	61%	\$ 496,022,031	1%
Sewer	0	(30,685)	(100%)	9,572,292	0%
Stormwater	284,270	184,270	184%	1,957,328	15%
Environmental Services	3,704	(370,589)	(99%)	1,812,600	0%

## 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 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 seven 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.