

CITY OF THORNTON

MONTHLY FINANCIAL REPORT

February 2024

INTRODUCTION

The purpose of the monthly financial report is to provide regular updates of the City’s financial position to the public. Each of the City’s funds are summarized by comparing year-to-date (YTD) activity with prior year activity, as well as the 2024 Budget. This provides context to the financial data and the City’s current financial position. Substantial variances from the current year financial plan or from prior year activity will be highlighted and explained throughout this document to increase transparency and understanding for the public.

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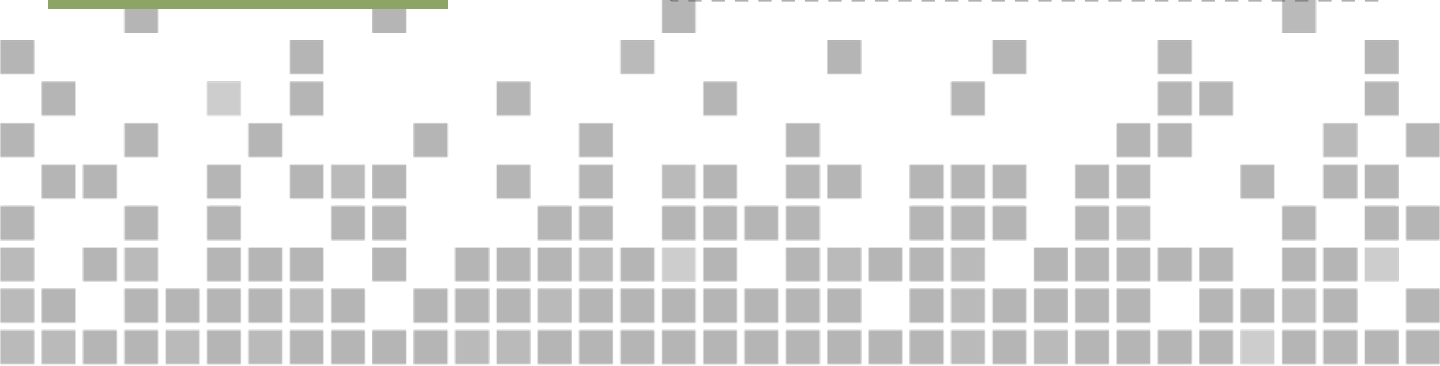
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HIGHLIGHTS

Retail

The February 2024 Financial Report includes sales tax generated in January and reported to the City in February. Compared to the same period last year, sales tax collections, including vehicle use tax, are down 2% . Some of this decline is related to late returns that have since been collected, but some industries have continued to see a decline in sales similar to 2023.

Some Furniture, Electronics & Equipment businesses continue to see double digit declines in monthly reporting, some near 30% compared to the same period last year. This was after the category finished down almost 8% for the year in 2023. Another industry that is seeing declining sales is retail marijuana. Marijuana finished 2023 down 8% compared to 2022, and January sales reported in February were down 10% compared to the same period in 2024. We will continue to monitor and make forecast adjustments as necessary in the coming months.

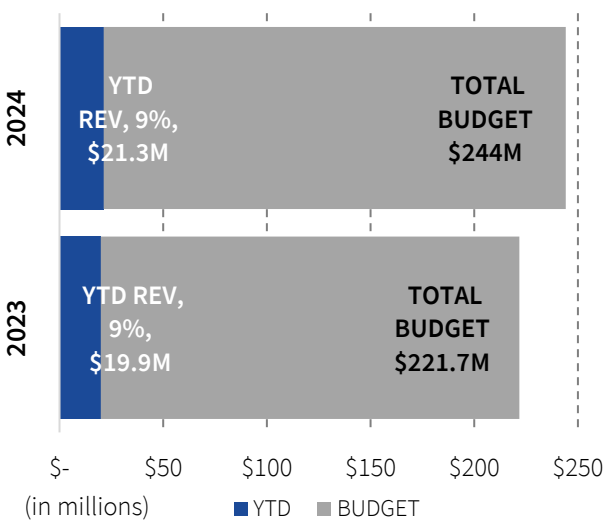


GOVERNMENTAL ACCOUNTS SUMMARY

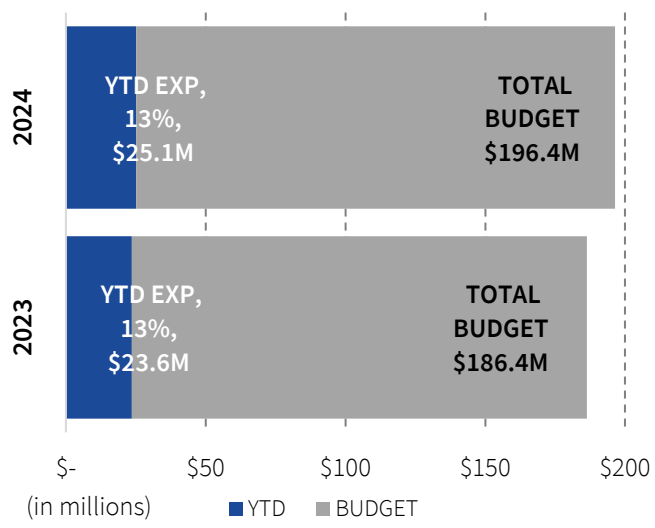
FUND OVERVIEW

The City has two main general governmental funds: the General Fund, which is the primary operating fund of the City and the Governmental Capital Fund, which funds the City’s capital improvement program. The General Fund covers the majority of City services, including police, fire and emergency medical response, parks and recreation, transportation infrastructure, development services, economic development, finance, legal, and general administration activities. Sales and use tax, property tax, user fees, fines, permit fees, license fees, intergovernmental revenue, and administrative charges are the main sources of General Governmental revenue.

GOVERNMENTAL REVENUES



GOVERNMENTAL OPERATING EXPENSES



GOVERNMENTAL REVENUES: HIGHLIGHTS

Governmental revenues are budgeted to increase 10% or \$22.3M from 2023 to 2024. The majority of this increase is related to grant revenue, and sales, use and other taxes.

YTD total revenues are up 6.75% or \$1.3M, over 2023.

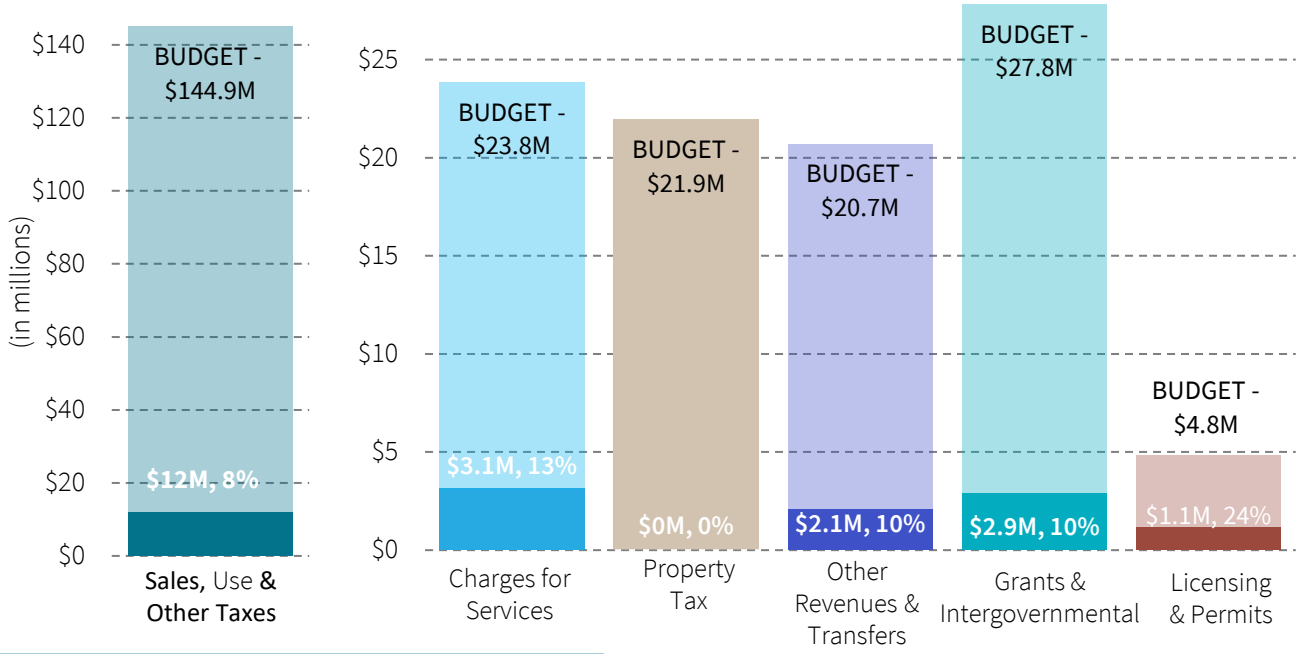
GOVERNMENTAL OPERATING EXPENSES: 2024 OVERVIEW

Budgeted operating expenditures increased approximately 5.3% from 2023 to 2024. The majority of this increase is due to anticipated increases in personnel costs, including:

- An 5.7% cost of living adjustment for general employees.

GOVERNMENTAL REVENUES

2024 GOVERNMENTAL REVENUES BY CATEGORY – YTD AND BUDGETED



Sales, Use & Other Taxes make up 52% of budgeted revenues in 2024 for the governmental funds. YTD this category is flat compared to 2023.

- Audit Assessments is up \$735K, over 2023. This revenue source is based on timing and can vary year to year.
- Building and Other Use Tax is down \$673K, over 2023. This is driven by development

Property Taxes make up 8% of budgeted revenues in 2024 for the governmental funds. Assessed valuation increased 23%, compared to prior year.

Charges for services are up 4%, or \$124K, compared to 2023. Revenues in this category include; Court, Recreation, Ambulance, and Fuel Charges. Fuel Charges are for the Adams 12 Consolidated Services Center.

Licensing & Permits are up 13%, or \$133K, compared to 2023. Revenues in this category include business licenses and construction permits for new and remodel projects. In January 2024, a large residential project pulled permits.

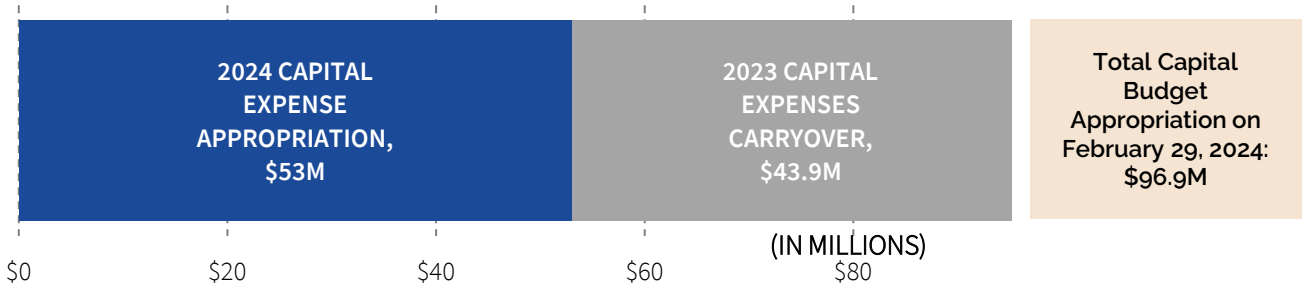
Grants & Intergovernmental revenues are up 27.8%, or \$626K, compared to 2023. The increase is due to the timing of grant submission and can vary year to year.

GOVERNMENTAL FUNDS - REVENUE SUMMARY

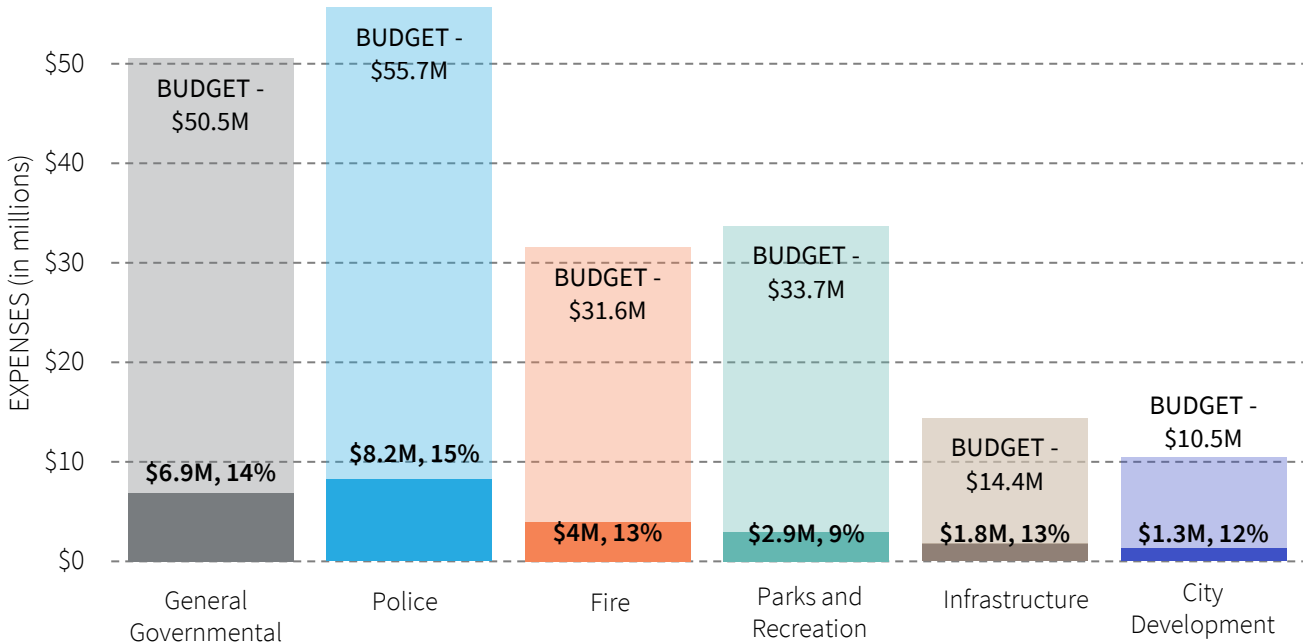
Description	Actual YTD 2023	Actual YTD 2024	Total Budget 2024
Sales, Use & Other Taxes	\$ 12,043,165	\$ 11,988,242	\$ 144,919,468
Charges for Services	3,024,957	3,149,055	23,837,904
Property Tax	98,450	40,849	21,929,500
Other Revenues	996,867	1,399,538	9,390,628
Licensing & Permits	1,014,248	1,147,491	4,825,340
Subtotal	\$ 17,177,687	\$ 17,725,175	\$ 204,902,840
Grants & Intergovernmental	2,251,276	2,877,789	27,813,156
Transfers In	512,028	683,550	11,310,521
Total Revenues	\$ 19,940,991	\$ 21,286,514	\$ 244,026,517

GOVERNMENTAL EXPENSES

2024 GOVERNMENTAL CAPITAL EXPENSES



2024 GOVERNMENTAL OPERATING EXPENSES BY CATEGORY YTD AND BUDGETED



GENERAL FUND - EXPENDITURE SUMMARY

Description	Actual YTD 2023	Actual YTD 2024	Total Budget 2024
General Government	\$ 6,365,570	\$ 6,870,619	\$ 50,525,633
Police	6,414,977	8,241,276	55,679,145
Fire	4,821,391	3,998,969	31,556,304
Parks & Recreation	2,791,557	2,947,202	33,687,157
Infrastructure	1,929,423	1,814,808	14,408,604
City Development	1,232,130	1,276,637	10,494,385
Total Expenditures	\$ 23,555,049	\$ 25,149,510	\$ 196,351,228

WATER FUND OVERVIEW

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 Water Fund revenue.

SEWER FUND OVERVIEW

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 Sewer Fund revenue.

ENVIRONMENTAL SERVICES OVERVIEW

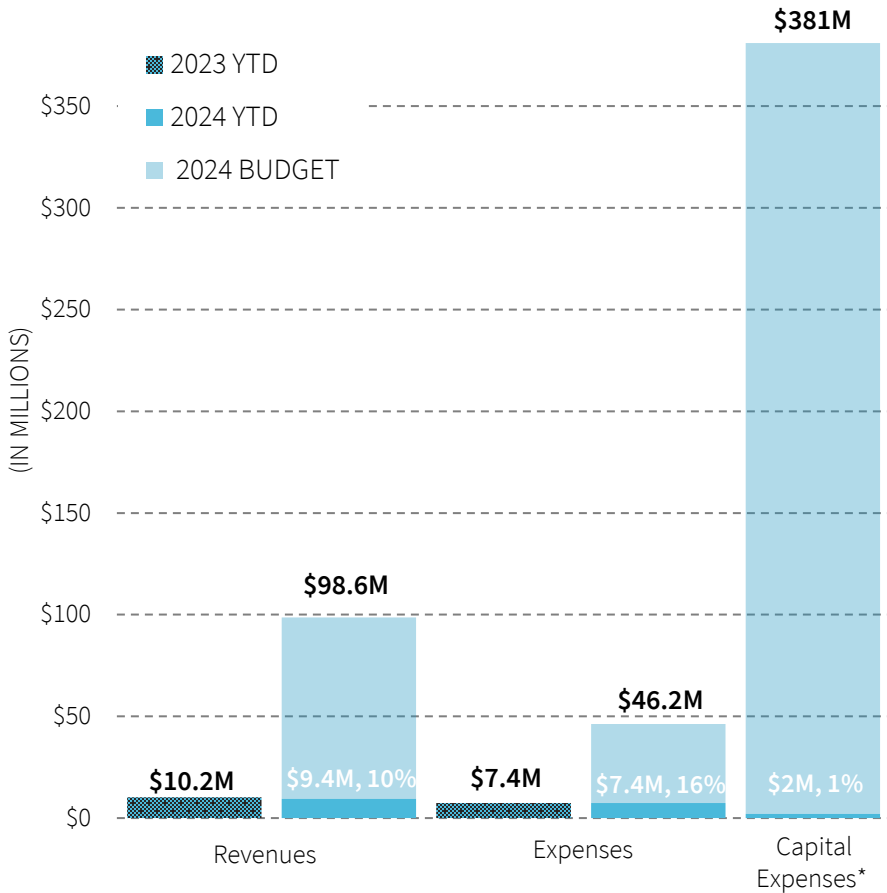
The Environmental Services Fund provides curbside trash and recycling collection services to over 30,000 homes throughout the community, as well as a number of special collection services for Thornton residents. Charges for services are the main source of Environmental Services revenue.

STORMWATER FUND OVERVIEW

The Stormwater Fund was established in 2019 and is responsible for operation, maintenance, and capital improvement projects of the drain and drainage system throughout the City. Stormwater fees are the main source of Stormwater Fund revenue.

ENTERPRISE FUND – WATER FUND

WATER FUND REVENUES & EXPENSES – YTD AND BUDGETED



Capital Expenses (including rollover appropriations) highlights:

- The City funded Advanced Metering Infrastructure, which will provide enhanced meter reading, billing, and water conservation. The City also received a large grant to help further this effort.
- The Thornton Water Project is ongoing, with design and construction continuing on several sections of pipe.

*Capital expenses do not include fleet or equipment; these are part of operating expenses.

WATER FUND SUMMARY

Description	Actual YTD 2023	Actual YTD 2024	Total Budget 2024
Revenues	\$ 10,211,374	\$ 9,423,938	\$ 98,611,165
Expenses	7,423,308	7,429,171	46,249,785
Capital	4,039,526	2,048,955	380,996,603

Revenues are down 7.7%, or \$787K, compared to 2023.

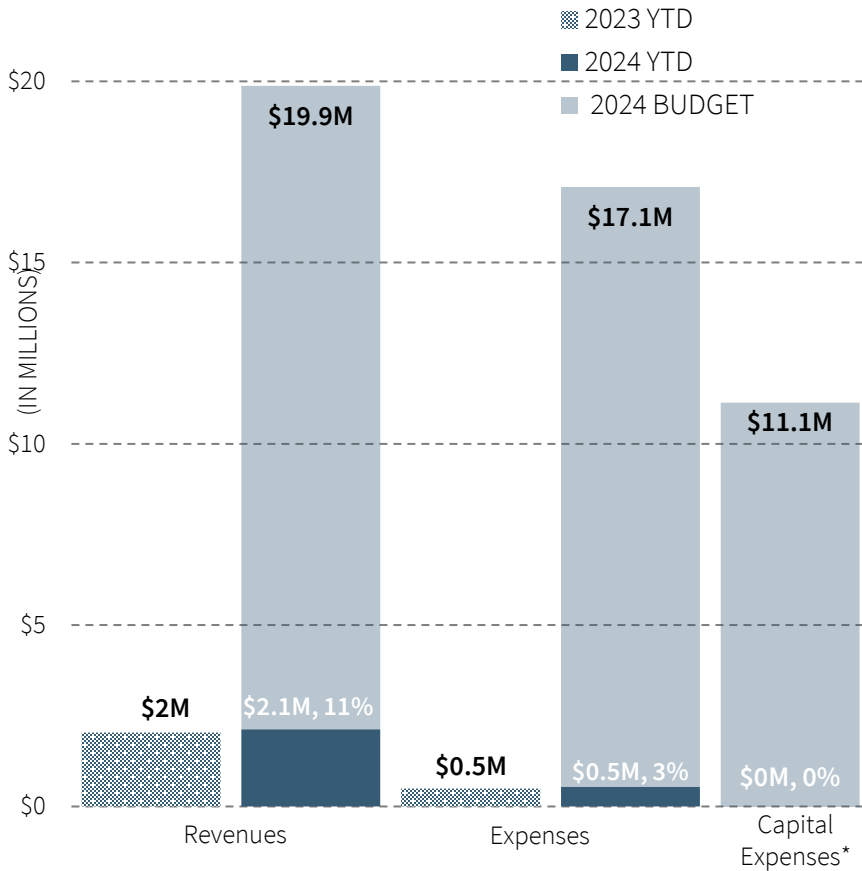
- Charges for services are up 15% or \$492k. This increase is due to several new commercial accounts coming online. Water consumption through Feb 24th was up 3.25% above 2023.
- Other Revenues are down 34.5%, or \$1.4M. This is the result of a one-time easement sale of \$1.5M that occurred in 2023.

Council approved a water rate increase of 7% effective April 1, 2024.

Operating Expenditures in the Water Fund are projected to increase 7% in 2024 due to an increase in personnel costs and an increase in both quantity and cost of water treatment chemical supplies.

ENTERPRISE FUND – SEWER FUND

SEWER FUND REVENUES & EXPENSES – YTD AND BUDGETED



Capital Expenses (including rollover appropriations) highlights:

- Construction of a parallel sewer segment of the Big Dry Creek Interceptor located between E-470 and the Big Dry Creek Lift Station. This project has phased construction over a three-year period.
- Construction of the Remington to Riverdale lift station gravity main. The gravity main will eliminate the need for the Remington lift station and another old onsite lift station.

*Capital expenses do not include fleet or equipment; these are part of operating expenses.

SEWER FUND SUMMARY

Description	Actual YTD 2023	Actual YTD 2024	Total Budget 2024
Revenues	\$ 2,040,258	\$ 2,127,722	\$ 19,876,000
Expenses	491,576	536,372	17,083,270
Capital	-	6,324	11,133,449

Revenues are up 4.3%, or \$87K, compared to 2023.

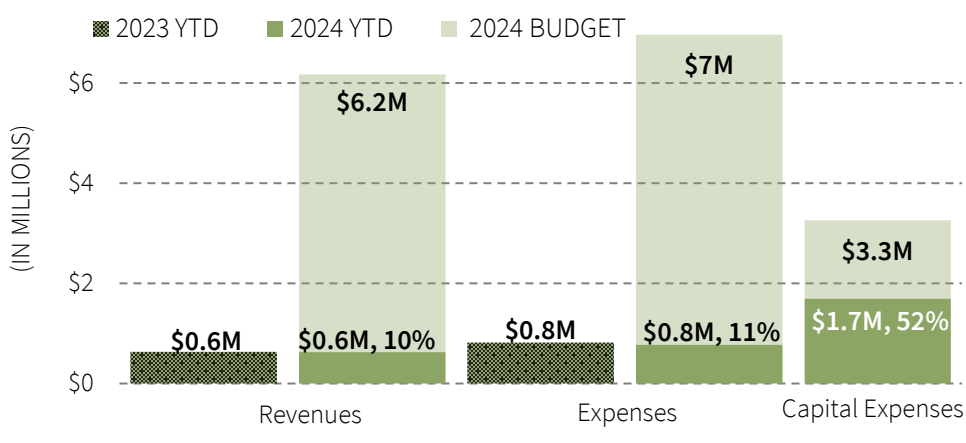
- Charges for services are up 7.8%, or \$138K, compared to 2023. This increase is due to several new commercial accounts coming online.
- Tap and connection fees are down 28.8%, or \$61K, compared to 2023. Building permits decreased in 2023 and the Sewer Fund is now seeing the impact of that decrease, as tap and connections are collected about 6 to 9 months from the time a building permit is issued.

Council approved a sewer rate increase of 4% effective April 1, 2024.

Operating Expenditures in the Sewer Fund are projected to decrease 2% in 2024 due to a decrease in the Metro Wastewater charge for 2024. This tends to fluctuate annually and is anticipated to rise in 2025.

ENTERPRISE FUND: ENVIRONMENTAL SERVICES & STORMWATER

ENVIRONMENTAL SERVICES REVENUES & EXPENSES – YTD AND BUDGETED



2024 expenditures include budget for remaining 2023 and 2024 fleet replacement as the City is experiencing long lead times for fleet and large equipment purchases.

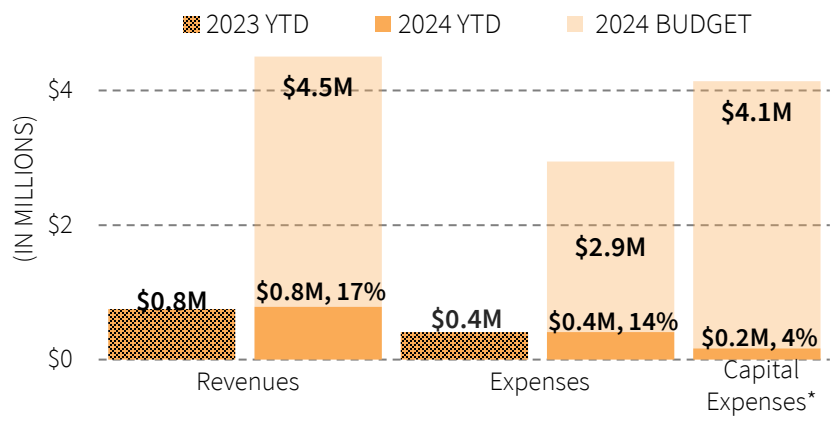
ENVIRONMENTAL SERVICES FUND SUMMARY

Description	Actual YTD 2023	Actual YTD 2024	Total Budget 2024
Revenues	\$ 629,819	\$ 621,537	\$ 6,175,000
Expenses	813,708	770,203	6,969,115
Capital	-	1,689,470	3,256,736

STORMWATER FUND REVENUES & EXPENSES – YTD AND BUDGETED

2024 Budget is for stormwater system maintenance costs, and capital projects. The Grange Hall Creek Tributary culvert and detention improvement project is kicking off in 2024, which will provide a 100-year crossing at Washington Street for Grange Hall Creek.

*Capital expenses do not include equipment; these are part of operating expenses.



STORMWATER FUND SUMMARY

Description	Actual YTD 2023	Actual YTD 2024	Total Budget 2024
Revenues	\$ 751,272	\$ 786,823	\$ 4,501,000
Expenses	411,118	411,344	2,942,077
Capital	1,428	170,460	4,137,918

OTHER FUNDS

THORNTON DEVELOPMENT AUTHORITY (TDA) FUNDS OVERVIEW

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.

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.

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.

OTHER CITY FUNDS OVERVIEW

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.

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.

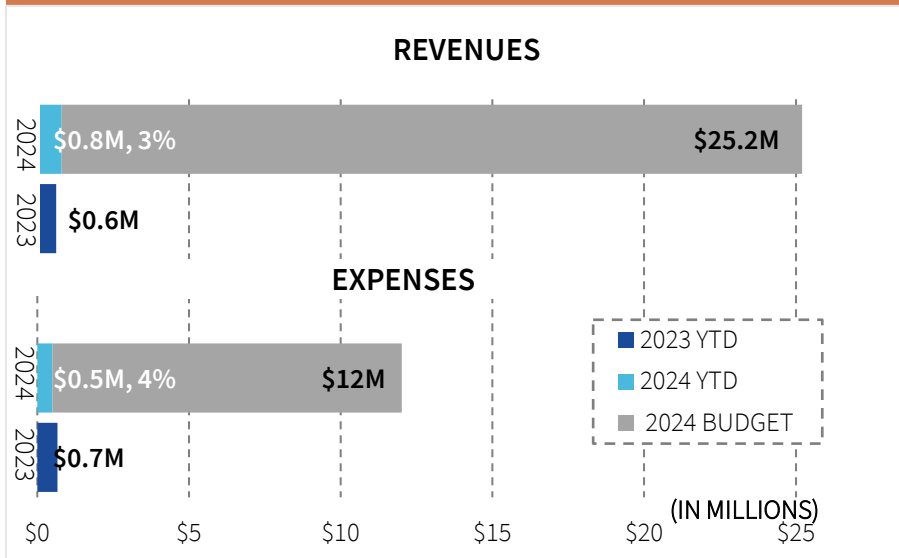
Thornton Arts, Sciences and Humanities Council (TASHCO): TASHCO was established by City Council in 1991 to address the community's need for additional arts and cultural programs. TASHCO conducts fundraising, actively supports all City sponsored arts and culture events, and encourages membership and public participation.

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.

Revenues through February 2024 are \$2.9M, compared to \$2.8M in 2023. Expenses are \$3.05M through February 2024, compared to \$2.46M in 2023.

THORNTON DEVELOPMENT AUTHORITY

TDA NORTH* – YTD AND BUDGETED



Property tax revenues represent 61% of the 2024 revenue budget. Assessed valuation for TDA N. increased 26%, compared to prior year.

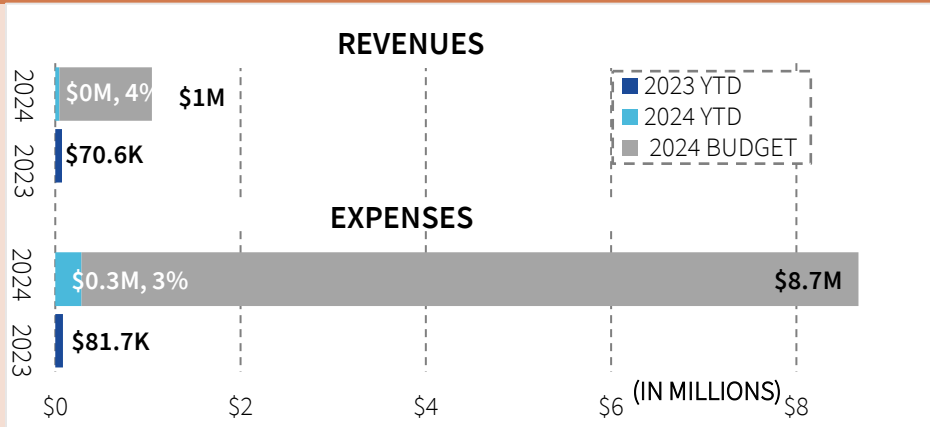
YTD sales tax revenue represent tax generated in January, collected in February. Sales tax for TDA N. finished down 2.7% compared to the same month in 2023.

The 2024 Budget and carryover includes debt payments for TDA North, widening a section of North Washington, and the extension of Grant Street.

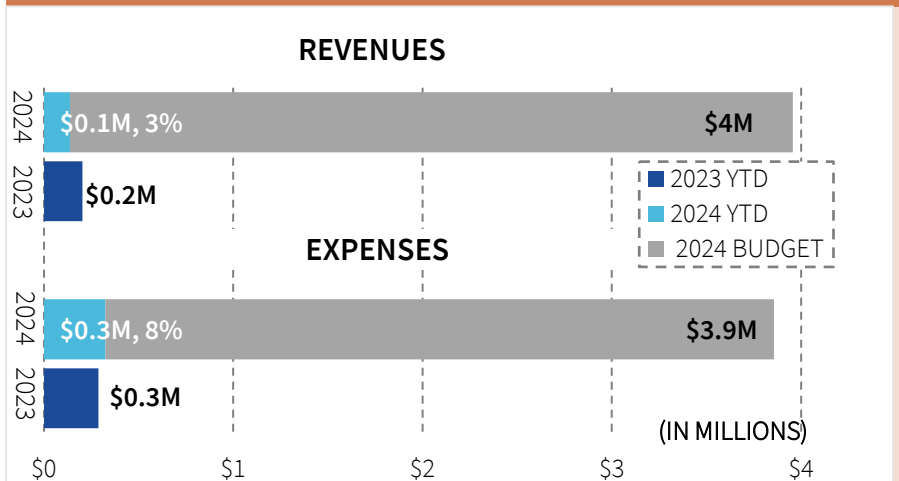
TDA SOUTH* – YTD AND BUDGETED

Property tax revenues represent 90% of the 2024 revenue budget. Assessed valuation for TDA S. increased 11%, compared to prior year.

The 2024 Budget and carryover includes the South Thornton Attraction and Revitalization Grant, (STAR Grant), and the remediation of the Thornton Shopping Center. *Budgeted expenses shown for TDA North and TDA South include capital carryover from the prior year.



TDA 144TH – YTD AND BUDGETED



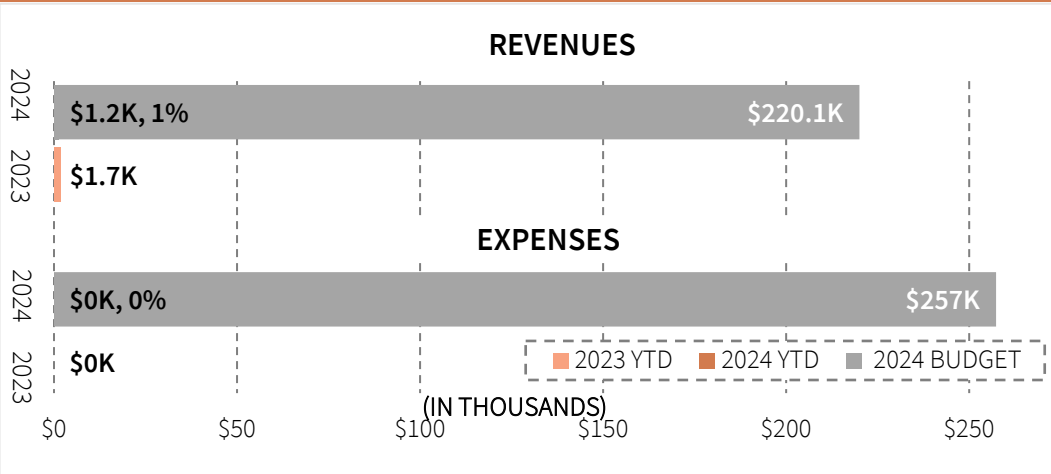
Property tax revenues represent 54% of the 2024 revenue budget. Property tax assessed valuation for TDA 144th increased 29%, compared to prior year.

YTD sales tax revenue represent tax generated in January, collected in February. Sales tax for TDA 144th finished down 8% compared to the same month in 2023..

The 2024 Budget includes debt payments for infrastructure built in the TDA 144th and payments related to revenue sharing agreements.

OTHER CITY FUNDS

136TH GID – YTD AND BUDGETED

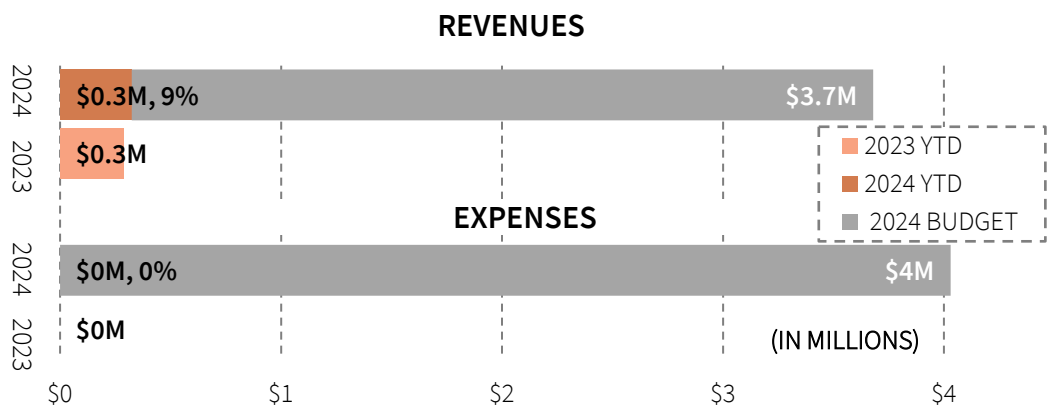


Assessed valuation of property tax increased 28.9%, in the 136th Avenue GID area, compared to prior year.

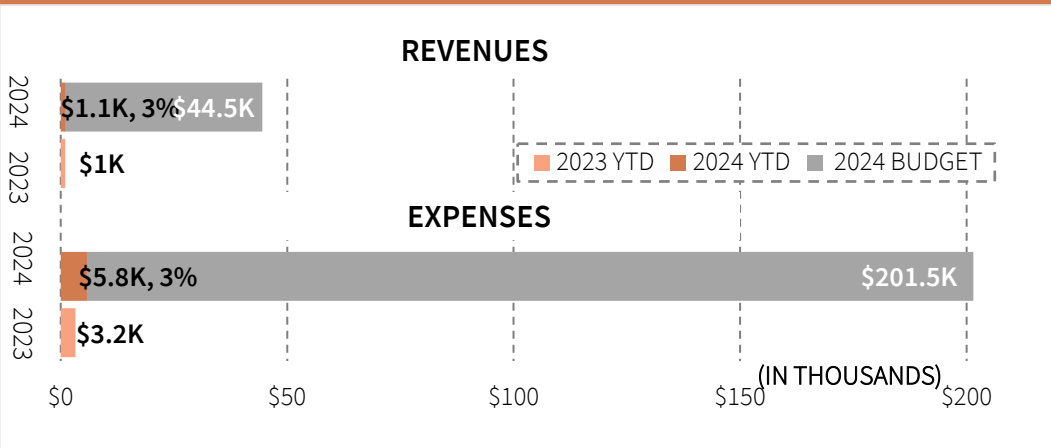
The 2024 Budget includes a transfer to the General Fund.

E-911 – YTD AND BUDGETED

The 2024 Budget includes a transfer to the General Fund to help cover costs of the emergency communications center.



TASHCO – YTD AND BUDGETED



The 2024 Budget includes carryover funding to cover the Pollinator Garden Public Art project as well as 2024 events and programming.

SPECIAL REVENUE FUNDS

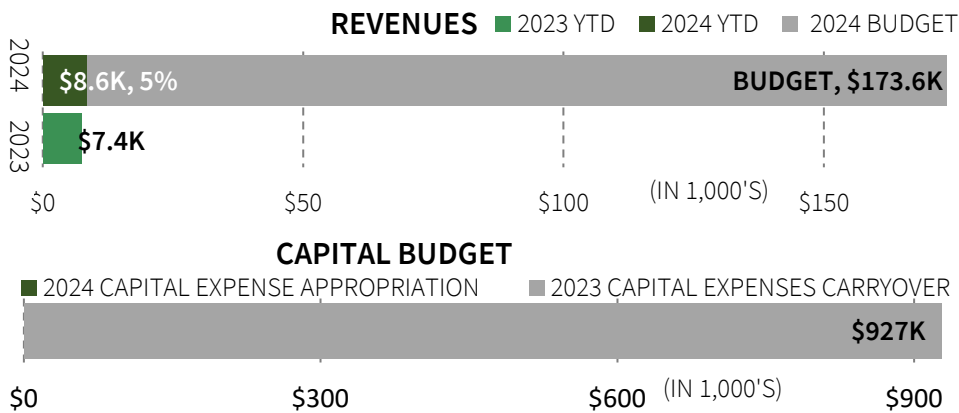
SPECIAL REVENUE FUNDS OVERVIEW

Cash in Lieu Fund: Accounts for the proceeds from developer contributions associated with different developments throughout the City. The Cash in Lieu Fund capital projects are managed by the Parks, Recreation and Community Programs Department.

Conservation Trust Fund: Accounts for the proceeds the City receives from the Colorado State Lottery. The Conservation Trust capital projects are managed by the Parks, Recreation and Community Programs Department.

Parks, Open Space, and Parks and Open Space Funds: These three funds account for the proceeds from the City's 0.25% sales tax devoted to parks and open space. In prior years, the proceeds were divided equally between the three funds, but now all revenue is directed to the Parks and Open Space Fund. The Parks, Open Space, and Parks and Open Space capital projects are managed by the Parks, Recreation and Community Programs Department. Financial information can be found below.

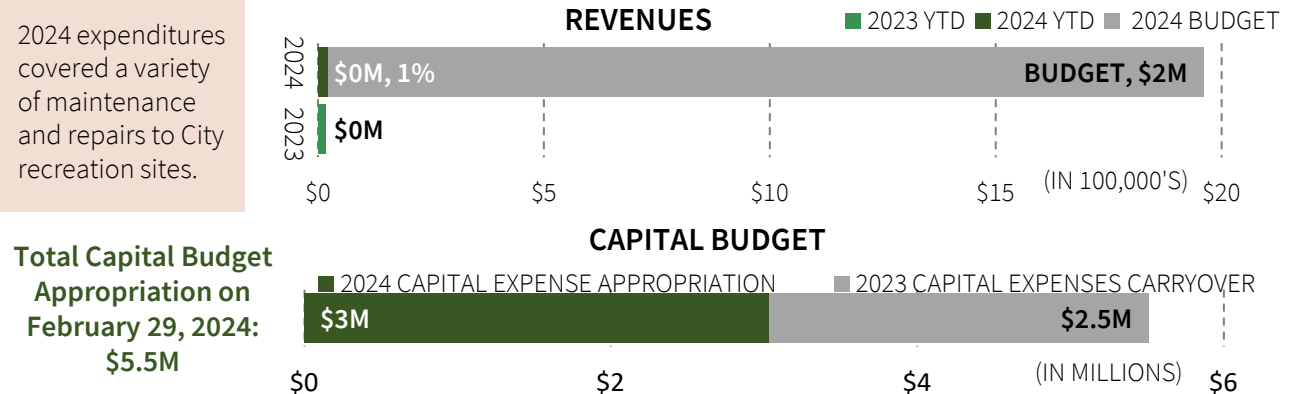
CASH-IN-LIEU – YTD AND BUDGETED REVENUES & CAPITAL BUDGET



2024 expenditures include funding for the continuing development of trail connections throughout Thornton, and partial funding for improvements to Aylor Open Space.

Total Capital Budget Appropriation on February 29, 2024: \$927K

CONSERVATION TRUST – YTD AND BUDGETED REVENUES & CAPITAL BUDGET

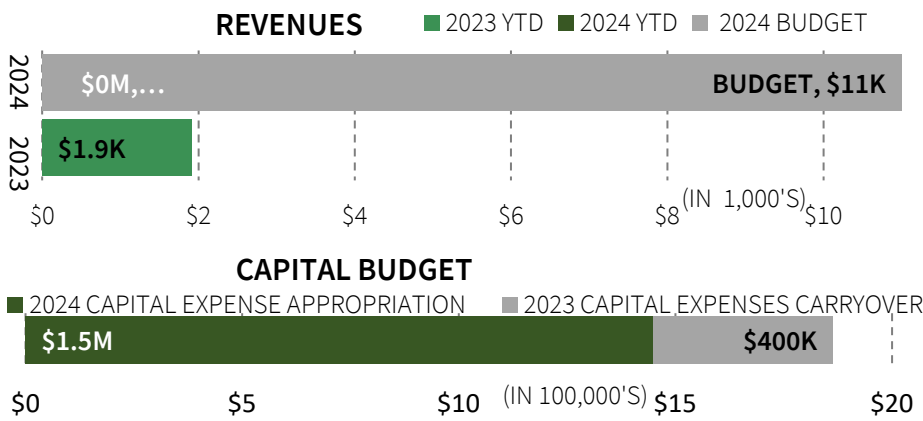


2024 expenditures covered a variety of maintenance and repairs to City recreation sites.

Total Capital Budget Appropriation on February 29, 2024: \$5.5M

SPECIAL REVENUE FUNDS: PARKS & OPEN SPACE FUNDS

PARKS FUND – YTD AND BUDGETED REVENUES & CAPITAL BUDGET

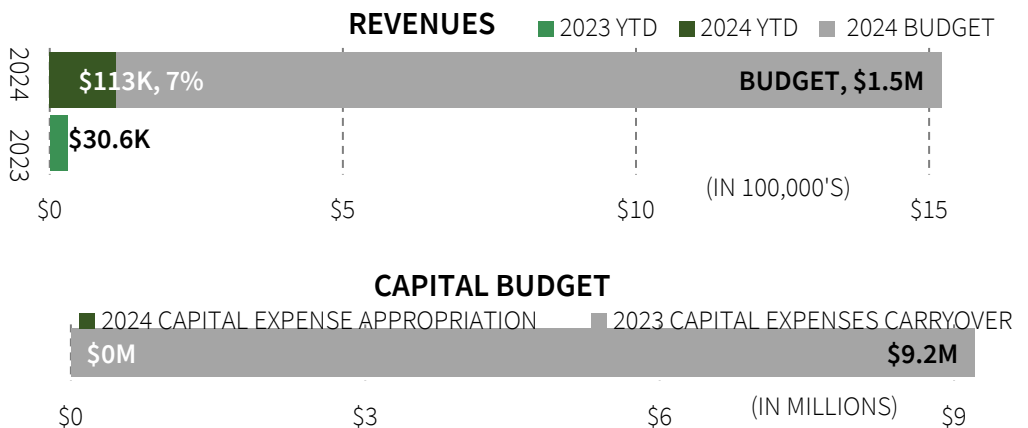


The 2024 Parks Fund Capital Budget includes partial funding for the Aylor Open Space improvements and carryover for the Parks and Open Space Master Plan.

Total Capital Budget Appropriation on February 29, 2024: \$1.9M

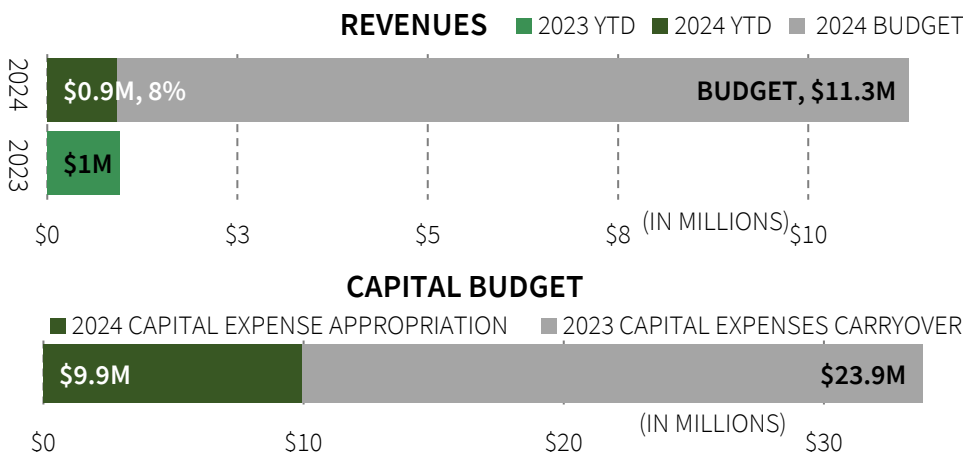
OPEN SPACE FUND – YTD AND BUDGETED REVENUES & CAPITAL BUDGET

Open Space expenditures include appropriation for the continued development of trail connections throughout the City and Aylor Open Space improvements.



Total Capital Budget Appropriation on February 29, 2024: \$9.2M

PARKS & OPEN SPACE FUND – YTD AND BUDGETED REVENUES & CAPITAL BUDGET



Parks & Open Space Budget includes payments for debt service, as well as funding for the new Community Center, and design of the Ken Frieberg Fire Museum.

Total Capital Budget Appropriation on February 29, 2024: \$33.8M

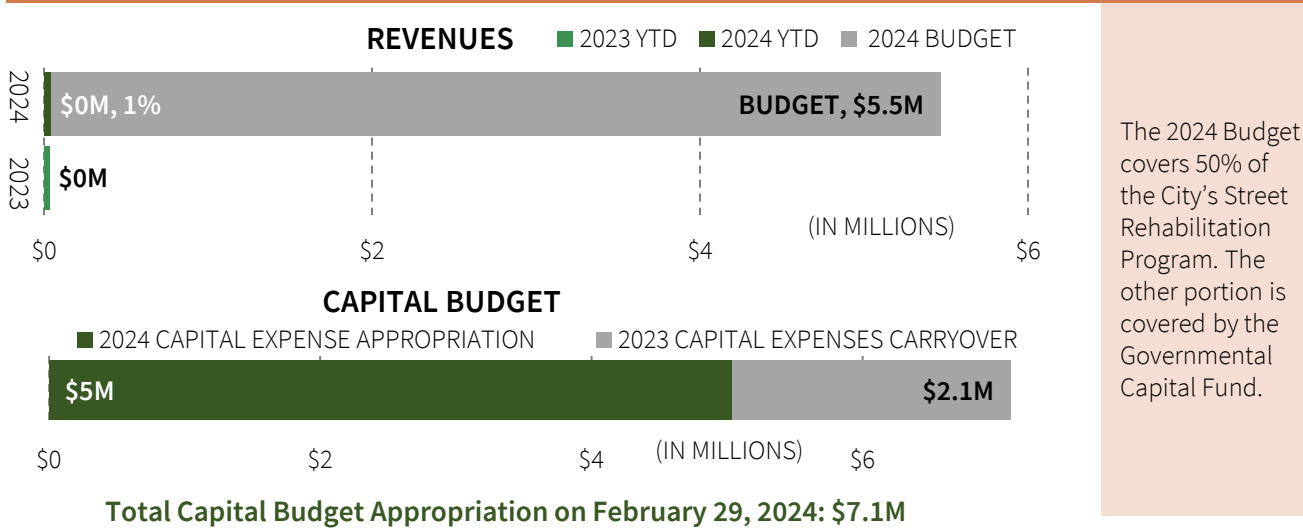
SPECIAL REVENUE FUNDS: ADAMS COUNTY FUNDS

SPECIAL REVENUE FUNDS OVERVIEW (CONTINUED)

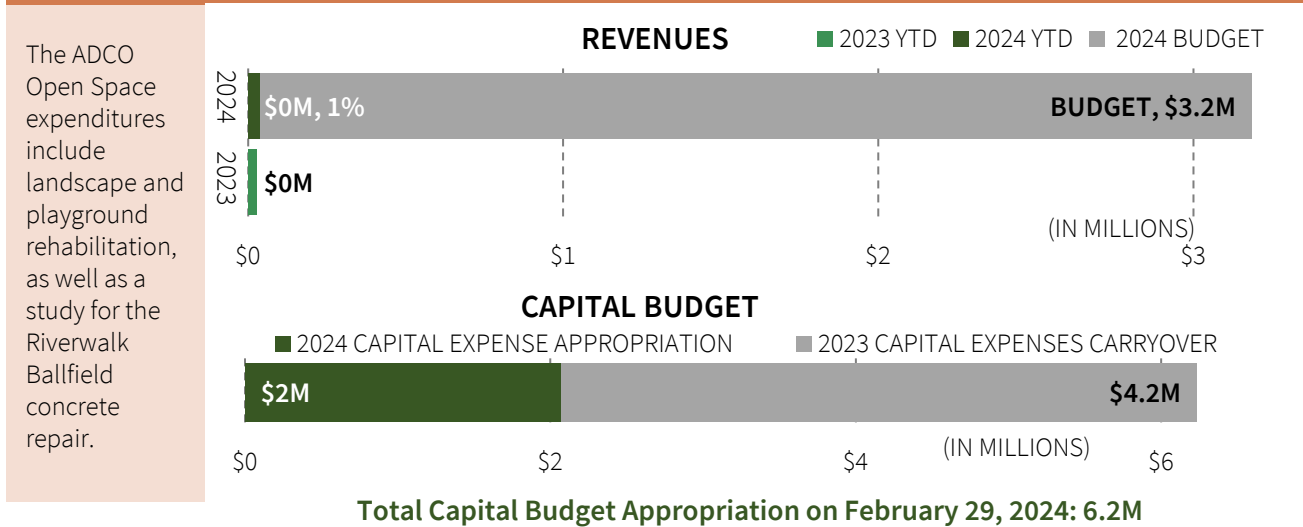
Adams County (ADCO) Road and Bridge: Accounts for the proceeds the City receives from the ADCO Road and Bridge sales tax of 0.5%. The Adams County Road and Bridge capital projects are managed by the Infrastructure Department.

ADCO Open Space Fund: Accounts for the proceeds the City receives from the ADCO Open Space sales tax of 0.25%, as well as Open Space grant funding received through the County. The ADCO Open Space capital projects are managed by the Parks, Recreation and Community Programs Department.

ADCO ROAD & BRIDGE – YTD AND BUDGETED REVENUES & CAPITAL BUDGET



ADCO OPEN SPACE – YTD AND BUDGETED REVENUES & CAPITAL BUDGET



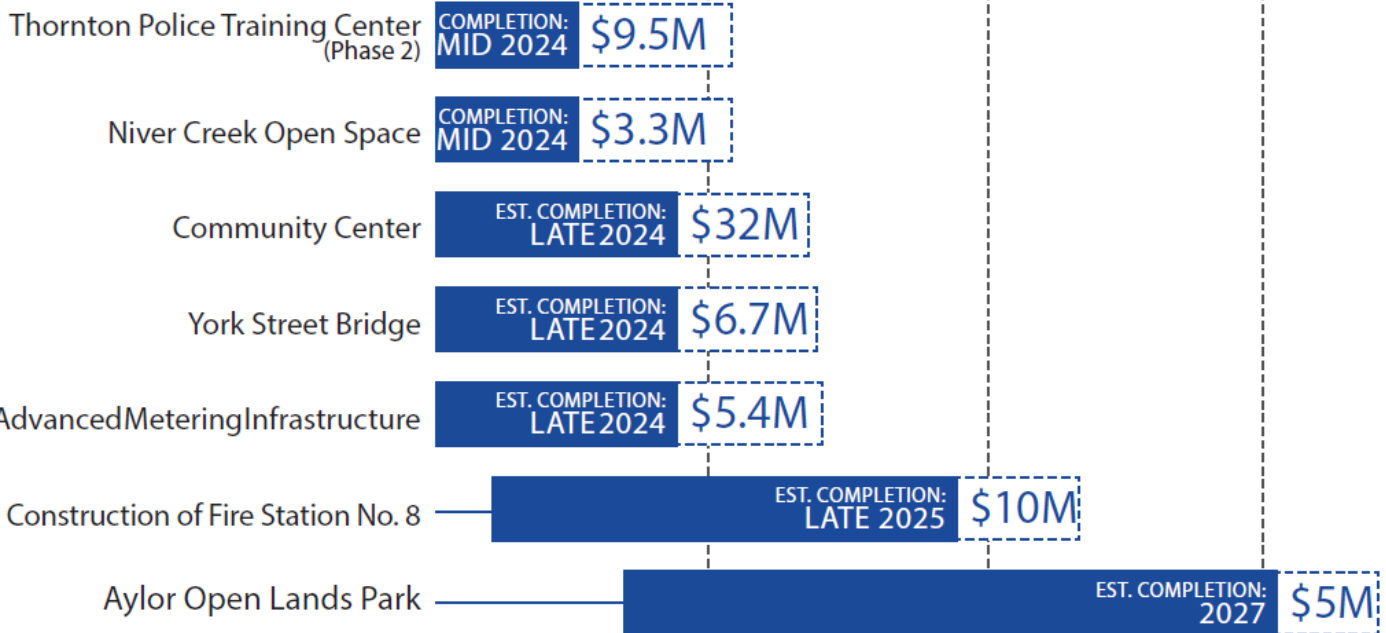
CAPITAL PROJECTS TIMELINE

TIMELINE:

2024

2025

2026



Notes

This timeline highlights a number of key projects that may be of interest to Council and the community, but it is far from a comprehensive list.

The 2024 5-year Capital Improvement Plan along with descriptions of each planned project can be found on the City Manager’s webpage at: <https://www.thorntonco.gov/government/city-manager>

Questions?

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(303-538-7321, Erika.Senna@thorntonco.gov)

