



THORNTON
COLORADO

MONTHLY FINANCIAL REPORT

May 2025

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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 2025 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

Employment numbers reported out on June 6th showed 139,000 jobs added in May, compared to the 130,000 jobs that economists had predicted. The unemployment rate held steady at 4.2%. The most recent Colorado unemployment data, released in April, showed Colorado with a 4.8% unemployment rate. Additionally, "American's grew less fearful about inflation in May as President Donald Trump backed off the most severe of his tariff proposals, according to a New York Federal Reserve survey Monday." This resulted in a 0.4% drop in the one-year inflation outlook, which now sits at 3.2%. (Cox, Jeff "Inflation fears receded in May as Trump eased some tariff threats, New York Fed Survey shows" CNBC, 9, June 2025. <https://www.cnbc.com/2025/06/09/inflation-fears-receded-in-may-as-trump-eased-some-tariff-threats-new-york-fed-survey-shows.html>).

The national Consumer Price Index (CPI) rose to 2.4% on an annual basis, which was lower than expected. Economists had estimated that CPI would rise to 2.5%, which would have been a .2% increase compared to the prior months report. Items that helped inflation come in lower than expected nationally include gasoline prices dropping 12% and clothing prices dropping about 1%. Locally, the Denver, Aurora, Lakewood CPI increased 1% for all items including food and energy, over the last two months. Due to this change, CPI for this region now sits at 2.2% on an annual basis. Despite the slower than expected increase in CPI, economists are not predicting that the Fed will lower rates until later this year, as current inflation still sits higher than the Fed's 2% inflation goal. Economists are saying that early impacts of tariffs appear to be limited, although "economists are forecasting that the inflation rate could edge above 3% by the year end. The tariff impacts could start to show up in the CPI data later this summer." (Picchi, Aimee "Inflation rate edged higher by 2.4% in May, CPI report Shows. Here's what that means" CBS News, 11, June 2025. <https://www.cbsnews.com/news/cpi-report-today-inflation-may-2025-trump-tariffs/>).

Sales Tax Summary

The May Financial Report includes sales tax generated in April and reported to the City in May. Citywide, sales and vehicle use tax reported for the month finished up 2.3% compared to the same period in 2024 and is now up 1.0% year-to-date. Several of the categories that have seen year-to-date growth in sales reported to the City include Other General Merchandise (up 7%), All Other (up 7%), Restaurants (up 6%), and Electric & Natural Gas (up 6%). Several categories that have seen a year-to-date decline in sales tax reported include Construction & Building Materials (down 8%), Automobile Sales, Parts & Services (down 3%), and Fast Food (down 2%). Automobile sales, Parts & Services was down 8% compared to the same period in 2024, which could be a sign that customers are delaying larger purchases that could be impacted by increased costs related to tariffs that were announced in April. Finance will continue to monitor sales tax reporting in the coming months to determine any changes that need to be made to the 2025 revenue forecasts.

Contact Us

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

Government Funds Review

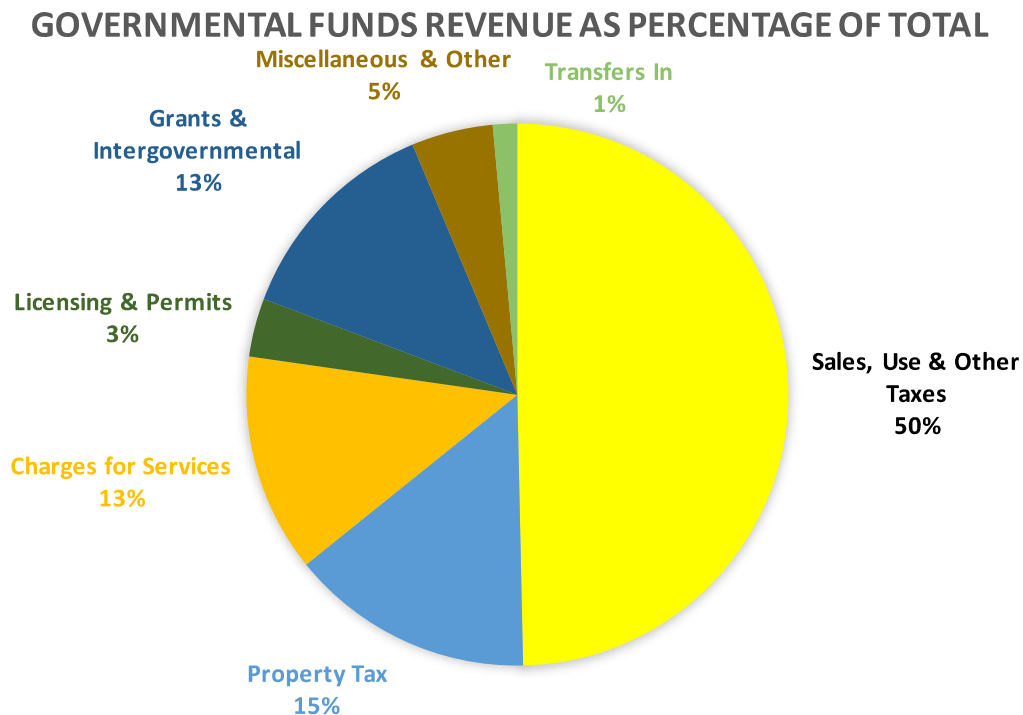
Government Funds Revenue

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	2025 Budget	Percentage of Budget
Governmental	\$ 93,268,432	\$ 3,538,782	4%	\$ 247,577,467	38%
Special Revenue	9,947,705	2,024,240	26%	25,206,254	39%
Thornton Development Authorities	12,703,806	(1,092,486)	-8%	27,883,902	46%
Other Governmental	10,031,600	1,015,258	11%	24,077,121	42%

The year-over-year increase in year-to-date revenue for the Governmental Funds is primarily due to increased sales and use taxes, recreation fees, traffic fines, and investment income. There is also one special accounting item of \$1.3 million increase to revenues due to a change in the method of calculating the uncollectible allowance for ambulance charges. This is a non-recurring adjustment and does not affect cash balances.

The Thornton Development Authorities' revenues are currently lower compared to prior year due to property tax abatements in the 25 Commerce area. Other Governmental revenues are higher in 2025 due to higher health insurance premiums.

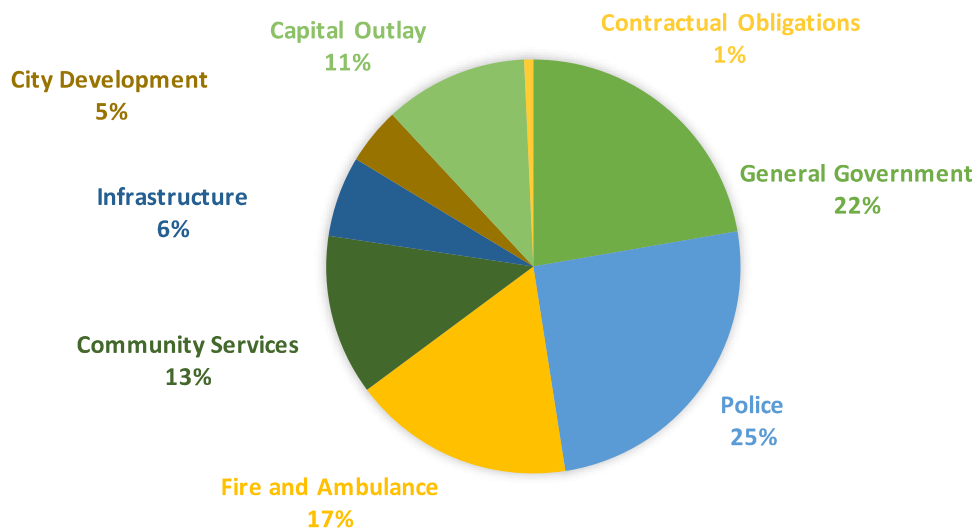


Government Funds Expenditures

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 Special Revenue funds are lower in 2025 compared to the prior year due to the Trail Winds Recreation Center turf replacement and other higher parks and recreation capital project costs in 2024.

Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2025 Budget	Percentage of Budget
Governmental - Operating	\$ 80,619,265	\$ 4,137,597	5%	\$ 222,441,535	36%
Governmental - Capital	10,163,907	1,929,155	23%	86,825,274	12%
Special Revenue	3,492,841	(6,151,600)	-64%	45,394,321	8%
Thornton Development Authorities	2,172,029	(1,928,347)	-47%	23,327,213	9%
Other Governmental	7,555,137	484,214	7%	27,443,957	28%

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.

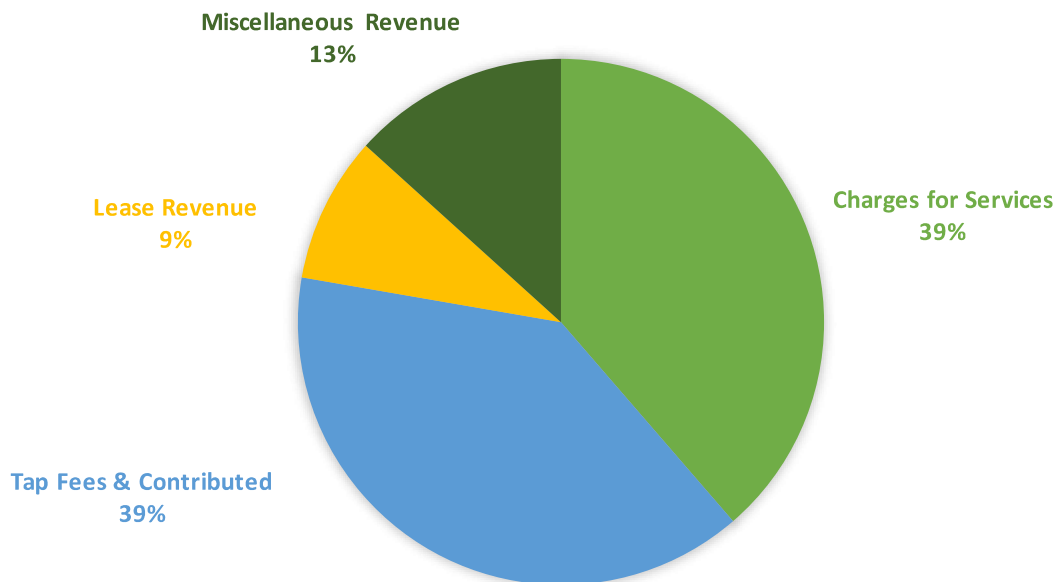
Fund	Year to Date	Year Over Year Change in Dollars	Year Over Year Change as Percentage	2025 Budget	Percentage of Budget
Water	\$ 40,943,175	\$ 9,911,203	32%	\$ 326,242,433	13%
Sewer	8,208,981	1,254,699	18%	22,596,100	36%
Stormwater	2,048,243	71,306	4%	4,820,000	42%
Environmental Services	3,440,465	1,126,434	49%	9,450,246	36%

Effective January 1, 2025; Water rates increased 11%, sewer rates increased 3.4%, stormwater rates increased 3.4% and solid waste collection increased \$1.50 per month. There was also a change to the collection of tap fees, which are now due at the time a building permit is issued, this change impacts the water and sewer funds. Water revenues are higher from the rate increase along with \$9.2M higher tap and water resource fees. Sewer revenues are higher from the rate increase along with \$536k in higher tap fees.

Environmental Services revenues are up by \$1.1 million from the rate increase and \$211K from a transfer from the General Fund for the collections of the 10 cent bag fees.

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.

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	2025 Budget	Percentage of Budget
Water	\$ 16,981,951	\$ 924,278	6%	\$ 47,942,760	35%
Sewer	8,115,624	3,466,146	75%	18,052,206	45%
Stormwater	1,106,656	(59,894)	-5%	4,074,920	27%
Environmental Services	2,535,535	50,927	2%	7,318,905	35%

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	2025 Budget	Percentage of Budget
Water	\$ 32,193,302	\$ 19,667,539	157%	\$ 421,283,278	8%
Sewer	141,831	(1,807,710)	-93%	9,508,131	1%
Stormwater	225,748	(428,476)	-65%	3,374,959	7%
Environmental Services	374,293	(1,317,062)	-78%	2,125,293	18%

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.