

4th Quarter 2025 Financial Report

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Presentation 26-090



Commerce
CITY

ERCE CITY



2025 4th Quarter Financial Report

The 4th Quarter Financial Report for Commerce City provides an unaudited overview of the General Fund and Capital Expenditures Fund and compares how revenues and expenditures performed in comparison to budget. Overall, this data is trending as expected. Revenues and expenditures from 4th Quarter 2025 are also compared to 4th Quarter 2024.

The report also provides highlights of the major capital projects under construction within the City.

4th Quarter Highlights

- General Fund Revenues increased 17.2% from year end 2024 to year end 2025 and are 118% of budgeted revenues.
- Sales & Use Taxes are 12.7% higher for the 4th quarter of 2025 compared to that of 2024. This large increase is primarily due to a few large use tax payments received for a large construction projects in the city plus increases in sales tax from remote sellers and internet sales.
- Overall General Fund Expenditures (not including debt service) increased \$5,924,510 (5.3%) from 2024 to 2025. Year-to-date 2025 expenditures are under budget by \$9,724,762 (8.3%).
- The largest increase in General Fund Expenditures from 2024 to 2025 through 4th quarter, was in Purchased Services and Charges. This category increased \$5,836,891 or 16.1%. This increase was mostly due to increased spending in 2025 related to the citywide computer allocation, outside services general, outside services ARPA and property casualty insurance deductible/claims.



The Economy

Inflation - Recent data indicate inflation is on the rise, reaching 3.0% and 3.1% in September for the U.S. and Denver-Lakewood-Aurora areas, respectively, coming off a recent national low of just 2.3% in April. The main driver for recent U.S. and Colorado year-over-year inflation has been services' contribution. Higher inflation growth is a result of increasing prices from tariffs, elevated inflation expectations, and stronger-than-expected consumer spending, despite the higher prices.

Consumer Spending – Consumer spending has remained resilient throughout 2025, driven by higher-income consumers and spending on vehicles, home goods, restaurants, and other merchandise. Some data suggest most of the growth is tied to price increases, rather than increased purchases, though this relationship is not yet fully clear.

Source – OSPB Colorado Economic & Revenue Outlook – December 2025





Labor and Wages

Labor Market – Due to the government shutdown in late 2025, there was a pause in labor data collection. Based on available data, The labor market remains on a similar trend as the OSPB September report used for 3rd Quarter Financial report. It is estimated the U.S. added 911,000 jobs in 2025 and Colorado added 52,100 jobs. In Colorado, unemployment for 2025 was 4.5% and in the U.S. 4.3%.

Wages and Income – Personal income and wage growth has been resilient in 2025 despite economic uncertainty from federal trade policy and a slowing labor market. Colorado wage and salary growth is projected to remain steady at 4.7% in 2025, decelerating to 3.4% in 2026.

Source – OSPB Colorado Economic & Revenue Outlook – December 2025





Discussion & Questions

