



2026 Q1 Financial Report



## GENERAL FUND

**Overview**

As the City's primary operating fund, General Fund resources provide for the City's key services including General Administration, Economic and Community Vitality (a new separate department in 2026), Legal (included in General Administration prior to 2026), Human Resources, Finance, Community Development, Public Safety, Public Works, and Parks, Recreation & Golf (PRG). General Funds also cover the cost of repaying Certificates of Participation (COP) obligations and interfund transfers to support capital improvement projects and debt service payments related to the City's sales & use tax revenue bonds. The table below compares budgeted revenues and expenditures to actual amounts.

Key Take Aways: Revenues in the General Fund are on track to meet the projected budgeted amounts. Investment earnings were budgeted at a conservative level and in Q1 are showing a loss due to geopolitical impacts to the market. Expenditures are trending slightly below budgeted expectations for Q1.

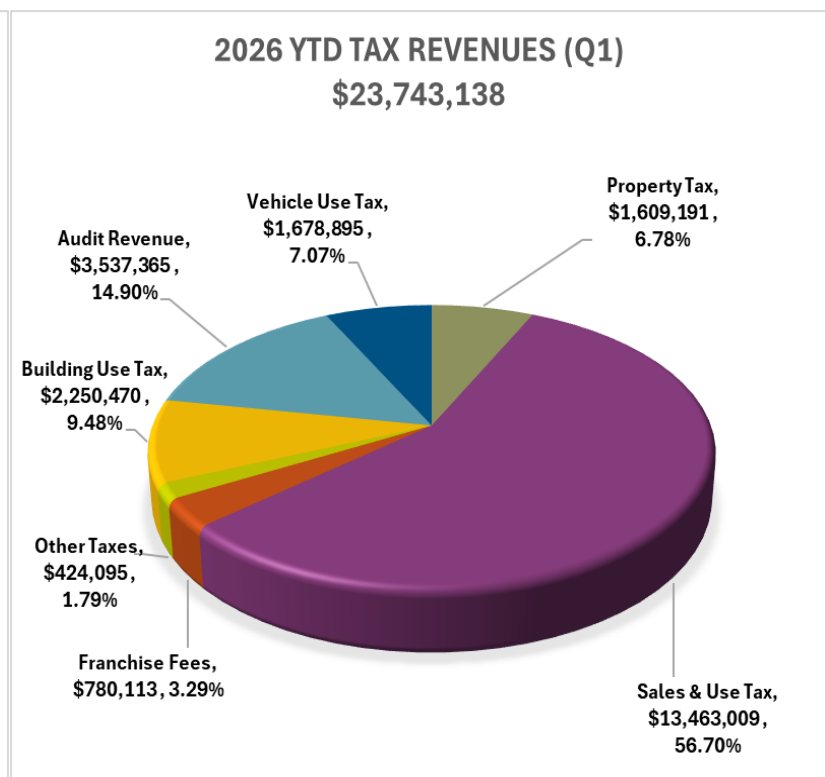
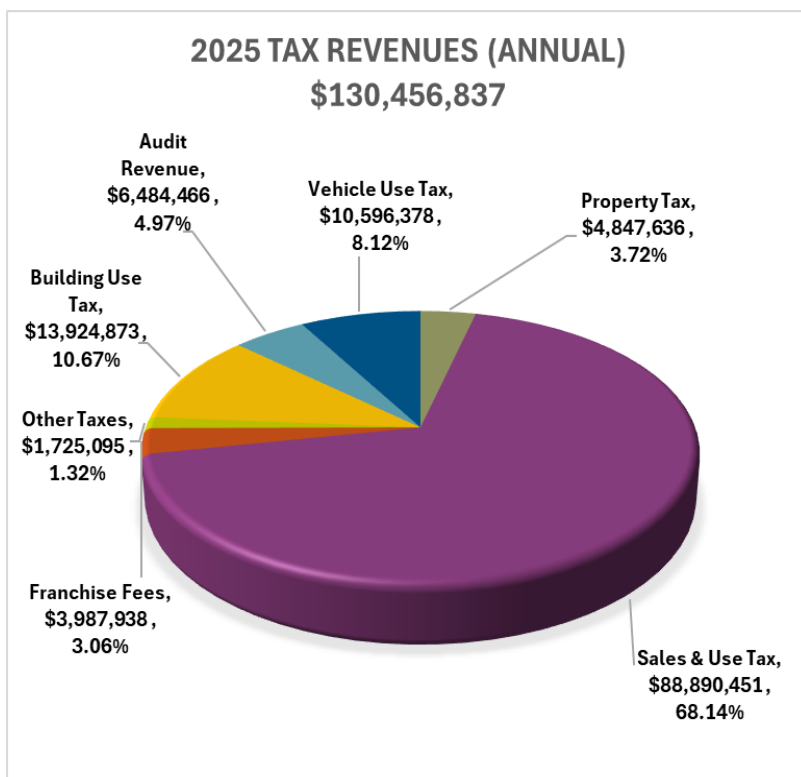
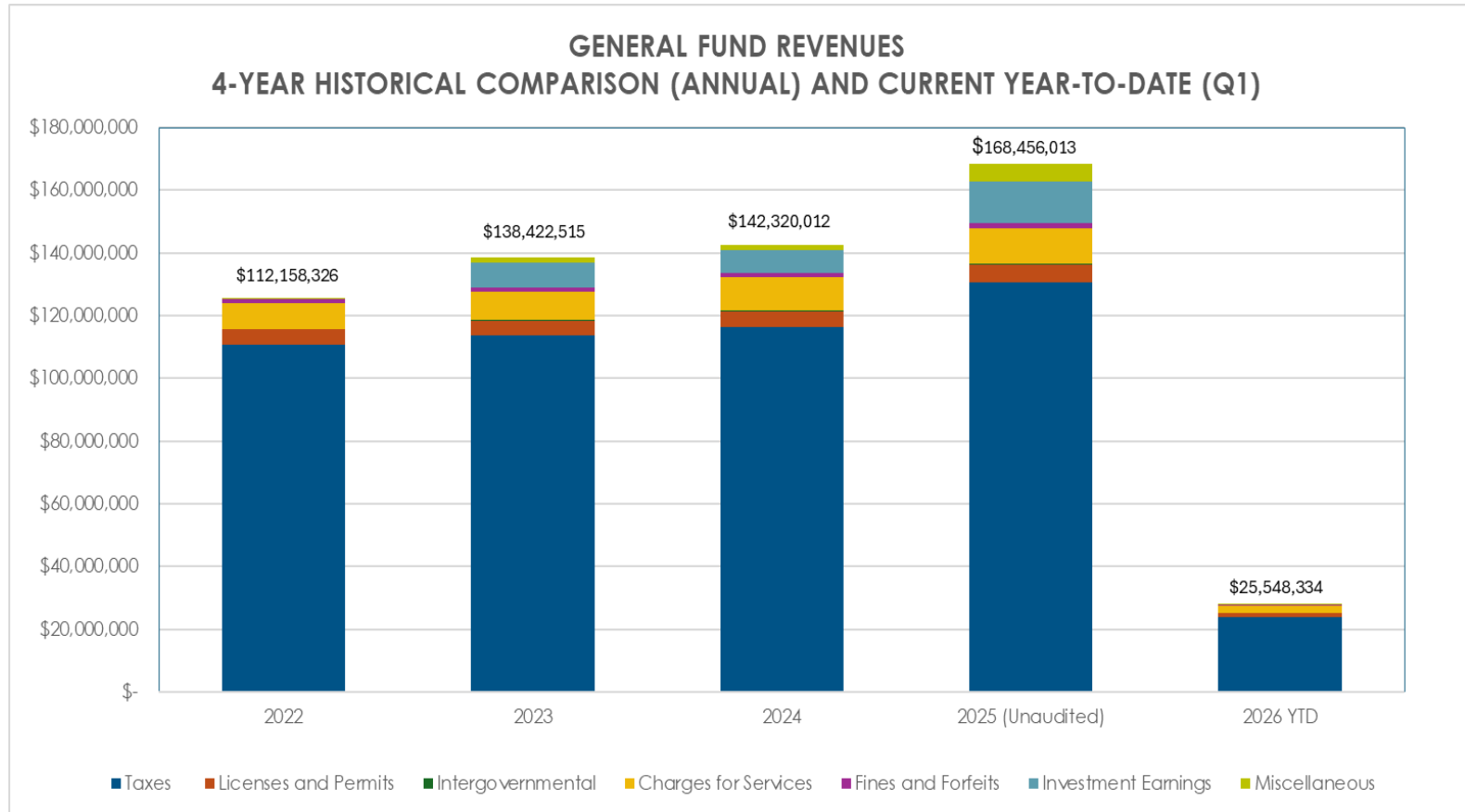
General Fund	2026 Amended Budget	Actuals through 3/31/2026	Actuals as % of Budget	Comparison to prior year 3/31/2025
<b>Beginning Fund Balance</b>	<b>\$ 116,553,327</b>	<b>\$ 116,553,327</b>		<b>\$ 107,972,341</b>
<b>Revenues</b>				
Taxes	\$ 120,269,500	\$ 23,743,138	19.7%	\$ 23,658,517
Licenses and Permits	5,056,833	1,276,376	25.2%	1,519,498
Intergovernmental	98,079	12,526	12.8%	6,853
Charges for Services	10,793,728	2,407,952	22.3%	2,907,413
Fines and Forfeitures	1,408,712	279,020	19.8%	356,994
Investment Earnings	3,616,971	(2,250,447)	-62.2%	1,205,657
Miscellaneous	744,401	79,769	10.7%	74,778
<b>Total Revenues</b>	<b>\$ 141,988,224</b>	<b>\$ 25,548,334</b>	<b>18.0%</b>	<b>\$ 29,729,710</b>
<b>Expenditures</b>				
General Administration	\$ 8,096,838	\$ 2,054,703	25.4%	\$ 2,857,948
Economic and Community Vitality	3,986,922	826,160	20.7%	-
Legal	2,497,363	563,509	22.6%	-
Human Resources	5,980,111	1,274,424	21.3%	730,854
Finance	8,118,612	1,556,189	19.2%	1,698,047
Community Development	9,097,591	2,660,598	29.2%	1,807,430
Public Safety	42,438,294	9,583,316	22.6%	8,545,821
Public Works	25,123,983	5,121,297	20.4%	5,014,257
Parks, Recreation & Golf	22,256,711	4,673,841	21.0%	4,472,768
Debt Service (COP Payments)	1,843,681	-	0.0%	2,420
<b>Total Expenditures</b>	<b>\$ 129,440,106</b>	<b>\$ 28,314,037</b>	<b>21.9%</b>	<b>\$ 25,129,545</b>
<b>Income/(Loss)</b>	<b>\$ 12,548,118</b>	<b>\$ (2,765,703)</b>		<b>\$ 4,600,165</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ -	\$ -	0.0%	\$ -
Transfers Out	(20,765,858)	(3,269,472)	15.7%	(4,529,483)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (20,765,858)</b>	<b>\$ (3,269,472)</b>	<b>15.7%</b>	<b>\$ (4,529,483)</b>
<b>Ending Fund Balance</b>	<b>\$ 108,335,587</b>	<b>\$ 110,518,152</b>		<b>\$ 108,043,023</b>
<b>Nonspendable, Restricted &amp; Assigned Fund Balances</b>				
Nonspendable	\$ (269,325)	\$ (269,325)	0.0%	\$ (275,198)
Restricted	(21,553,964)	(21,553,964)	100.0%	(14,101,930)
Assigned	(40,534,073)	(40,534,073)	100.0%	\$ (37,403,005)
<b>Ending Unassigned Fund Balance</b>	<b>\$ 45,978,225</b>	<b>\$ 48,160,790</b>		<b>\$ 56,262,890</b>

- Sales & Use Tax revenues are received one month in arrears, therefore trending and percent of budget will appear lower than expected.
- Revenues and expenditures should be at 25% to meet projected budget.
- Nonspendable fund balance includes amounts for inventories, prepaid items, and long-term receivables.
- Restricted fund balance includes reserve amounts for the TABOR 3% emergency reserve and 2k capital outlay and operations.
- Assigned fund balance includes reserves for operating, safeguard, the defined contribution plan, Parks, Recreation & Golf equipment, and the employee assisted housing program.
- Beginning 2026 Fund Balance is preliminary and unaudited.

# GENERAL FUND REVENUES

## Revenue

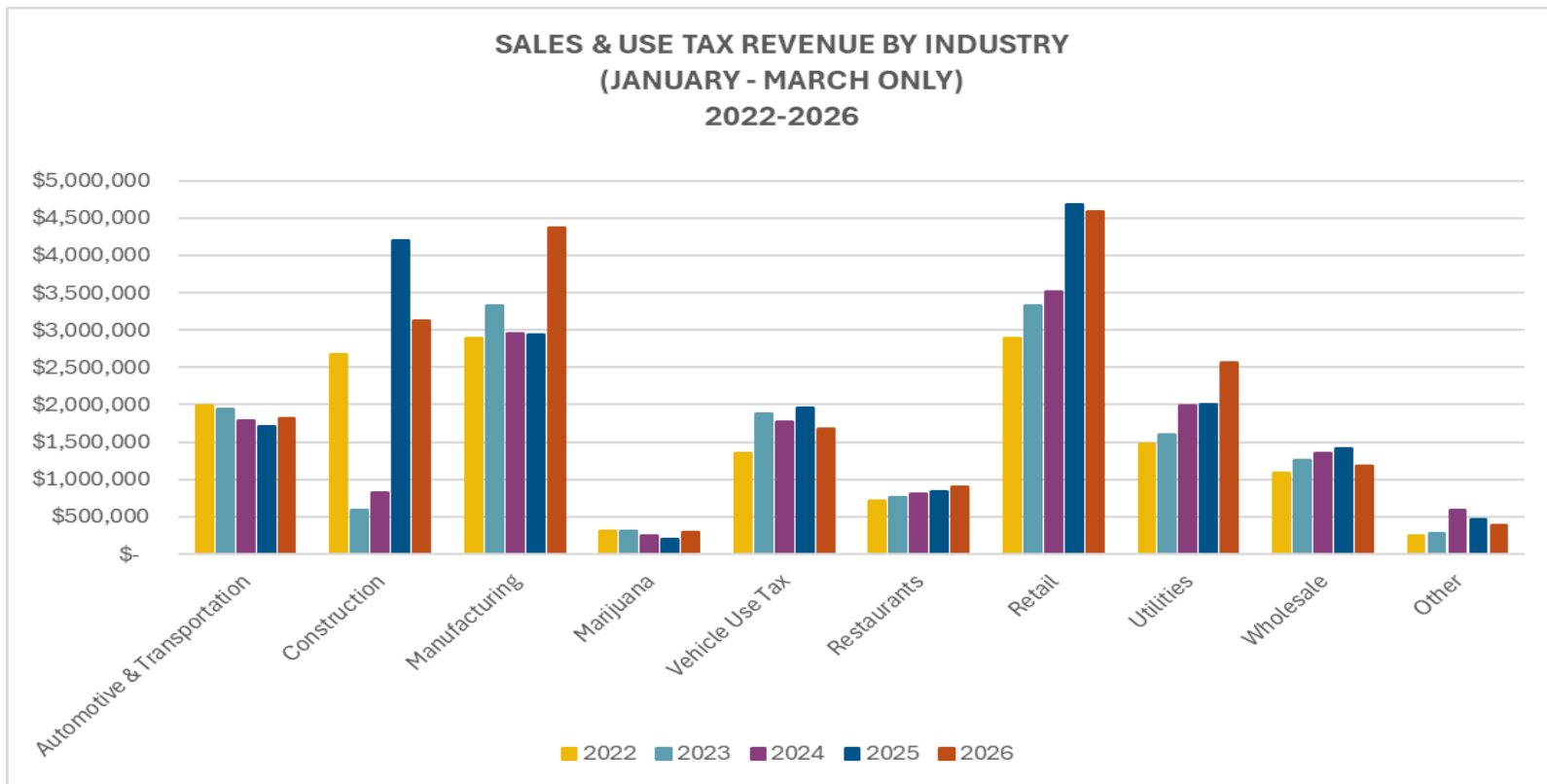
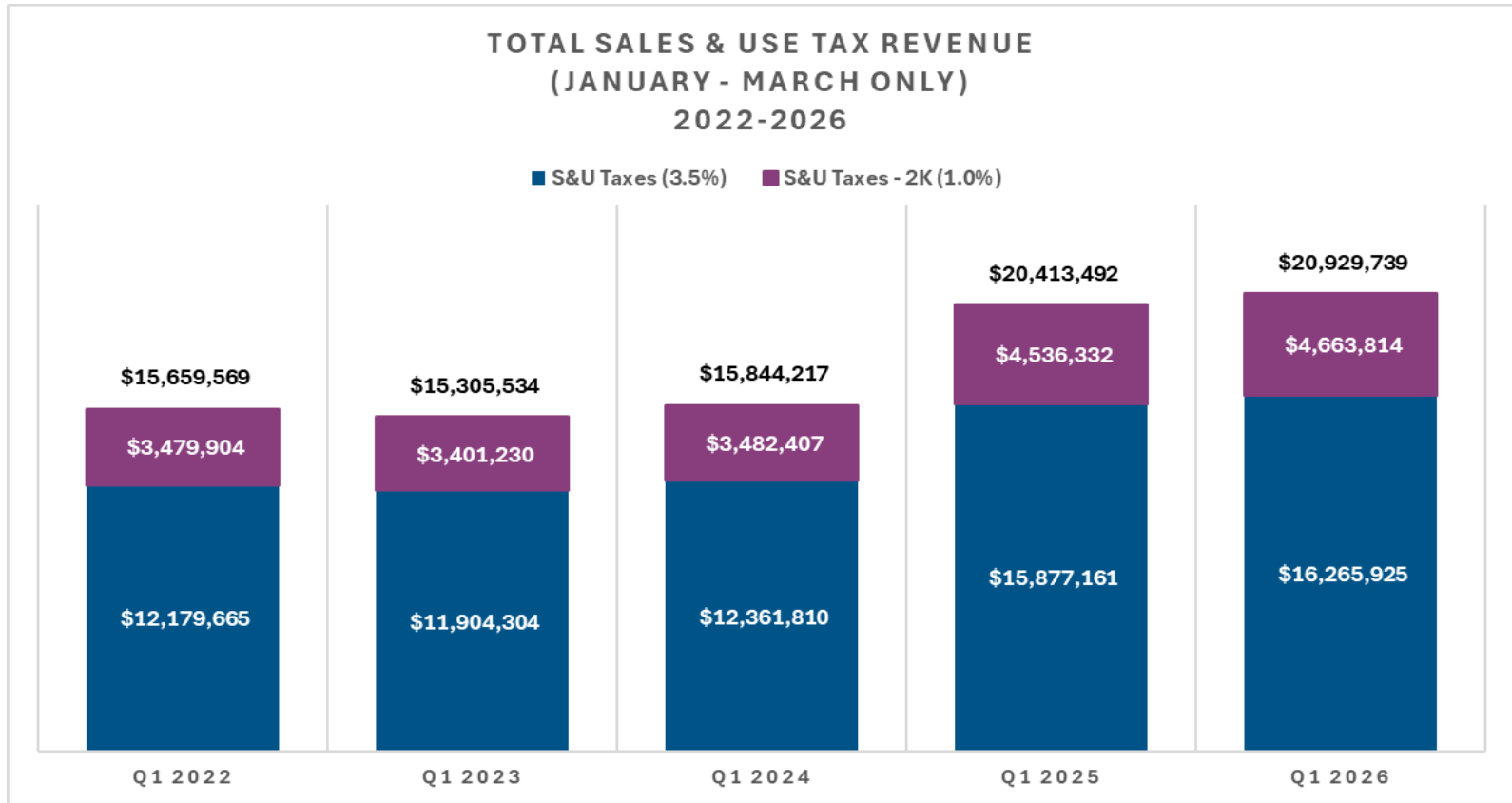
- ➔ General Fund revenues increased from year end 2024 to year end 2025 by 18.26%. 2026 revenues are on target to meet 2026 budgeted projections.
- ➔ The majority of the General Fund revenue increase from 2024 to 2025 is due to increased Sales & Use Tax revenues (\$14.2 million or 12.26%). Through Q1 2026, Sales and Use Taxes have increased by 2.53% over Q1 2025.



## GENERAL FUND REVENUES

### Sales/Use Tax

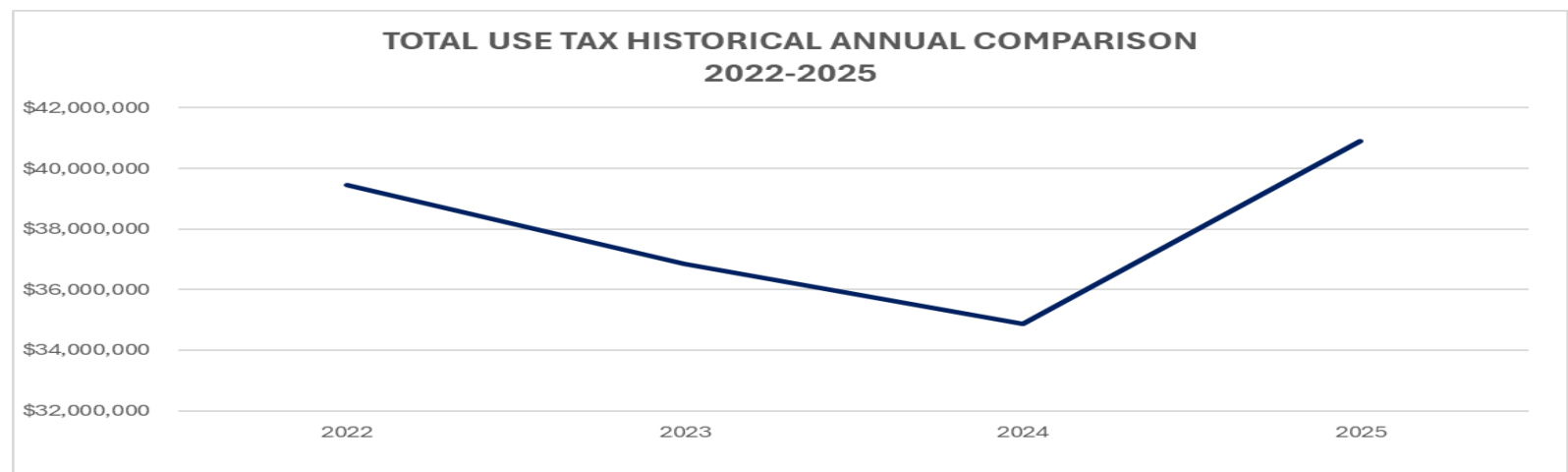
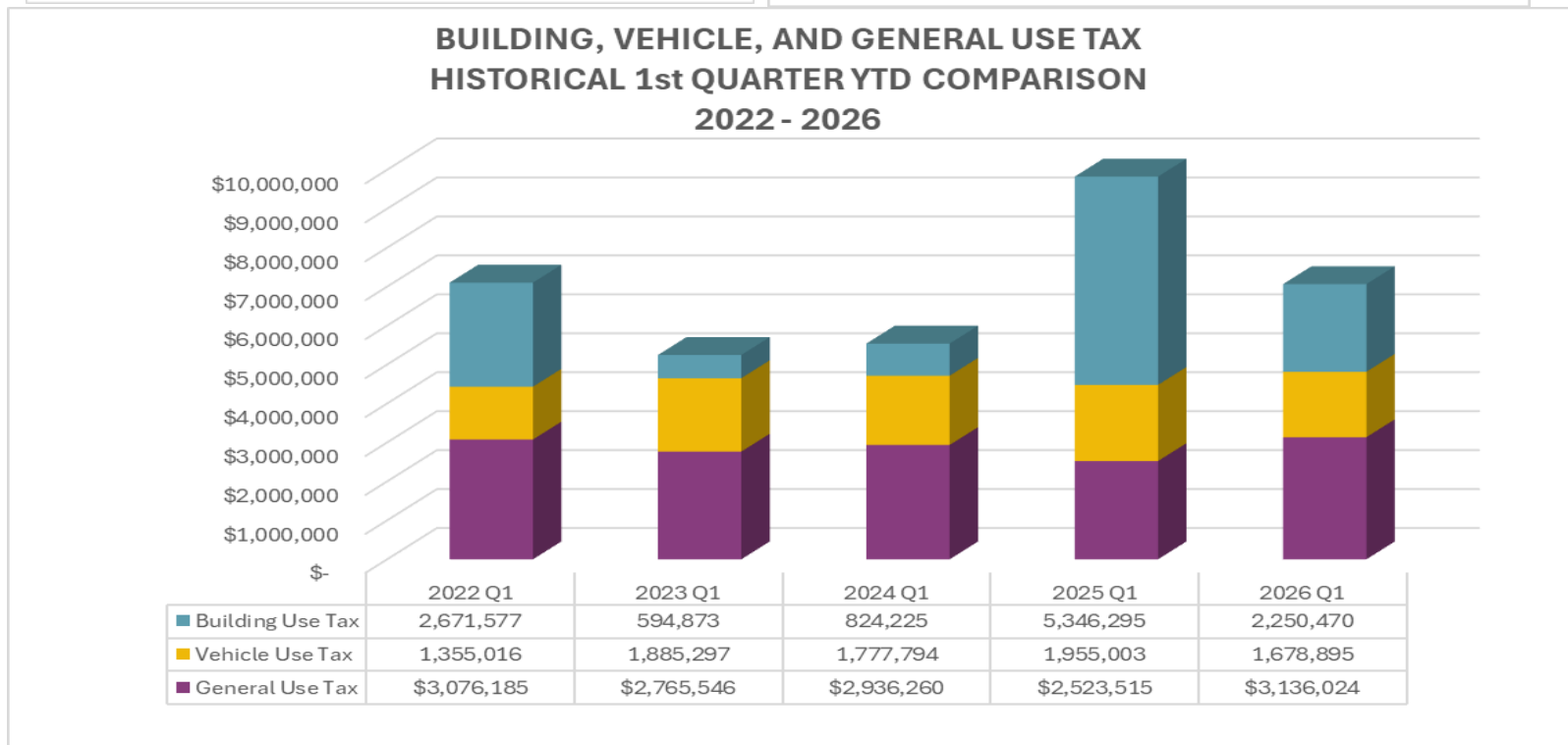
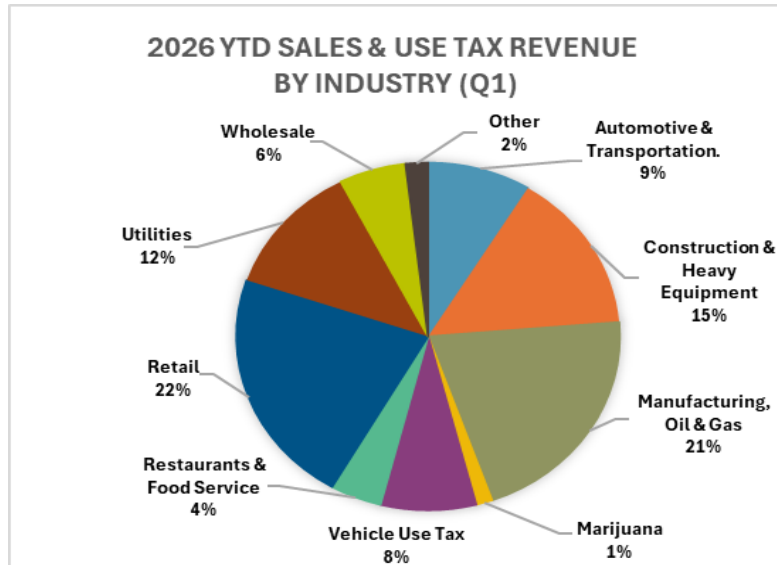
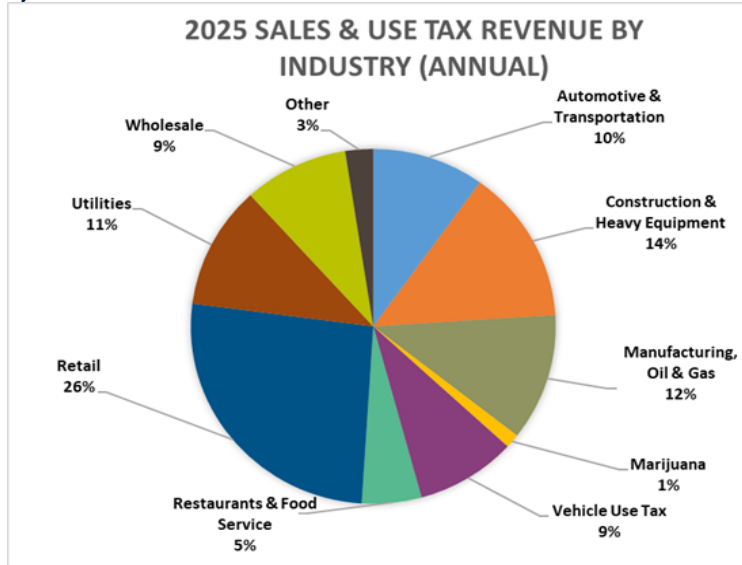
- ➔ Sales & Use Tax collections are one month in arrears; therefore, collections for Q1 represent collections from sales through the month of February only.
- ➔ Sales & Use Tax is 2.53% higher for Q1 of 2026 compared to that of 2025. This increase is due to increases in sales tax from remote sellers and internet sales.



## GENERAL FUND REVENUES

### Sales/Use Tax (con't)

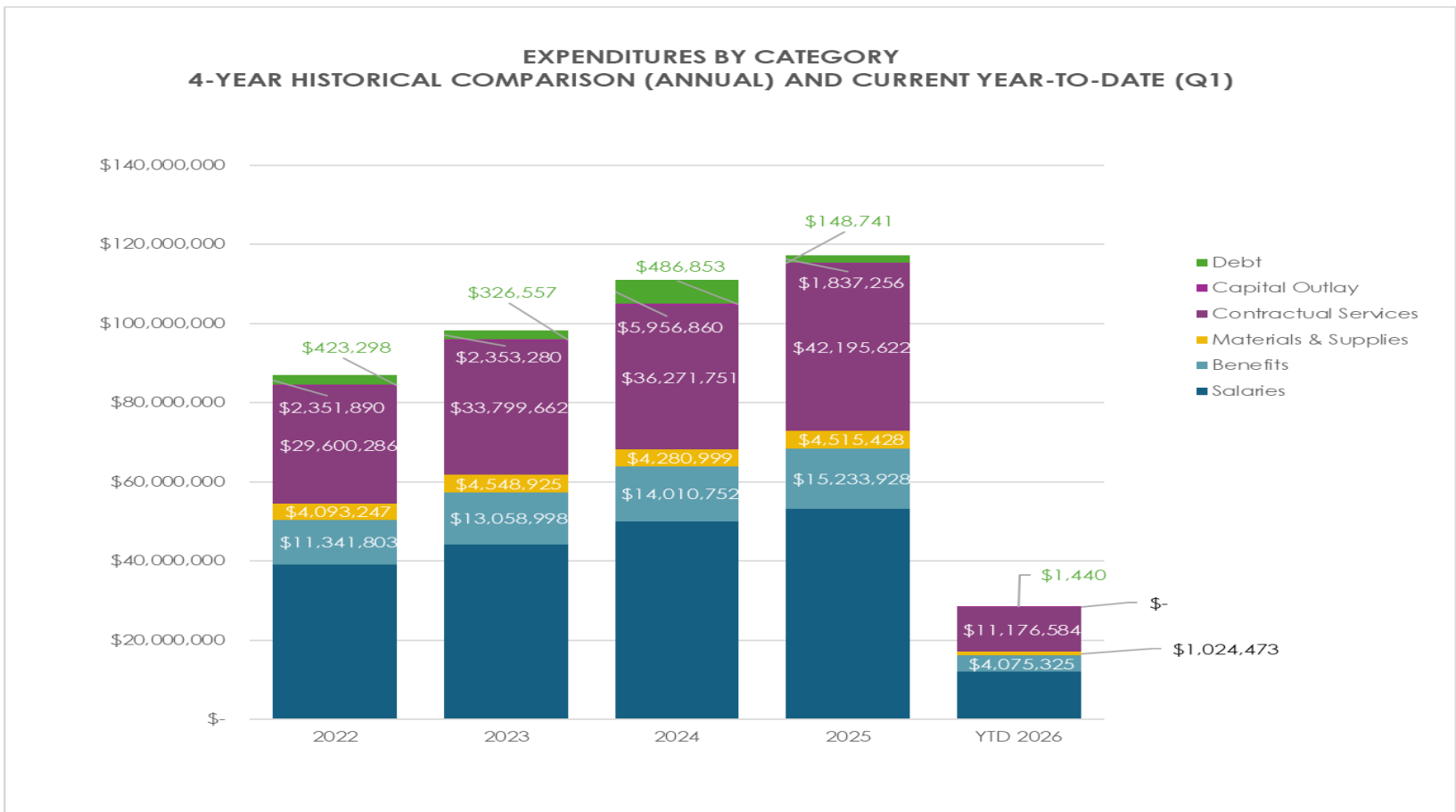
- ➔ Building Use Tax is showing a decrease in 2026. This is due to a due to one large construction factory modernization project and one 366 unit multi-family project permitted in 2025. Building Use tax is paid at the time a building permit is issued.
- ➔ Vehicle Use Tax decreased by 14.1 % in Q1 of 2026 compared to that of 2025.
- ➔ General Use Tax increased by 24.3% in Q1 of 2026 compared to that of 2025.



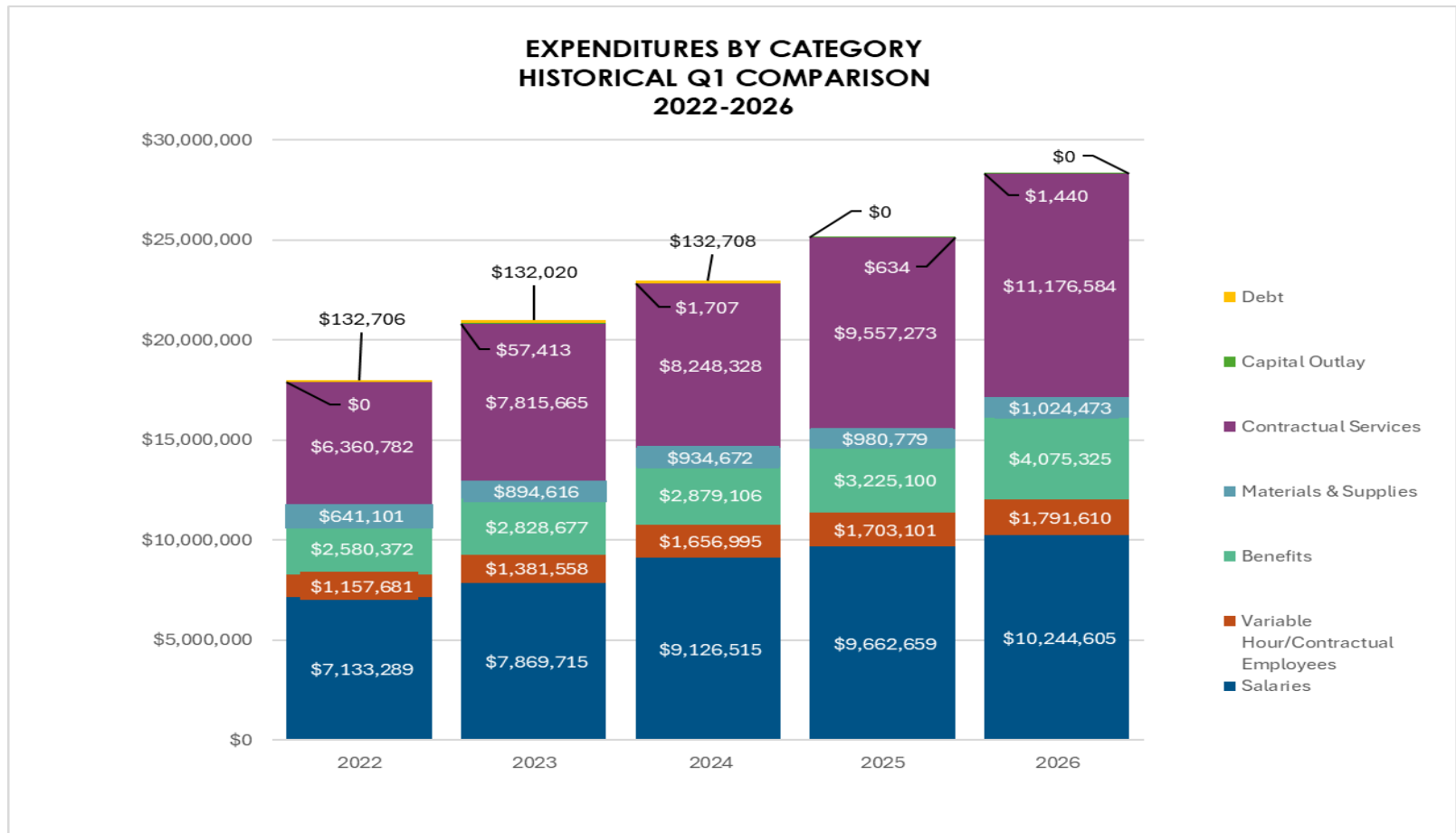
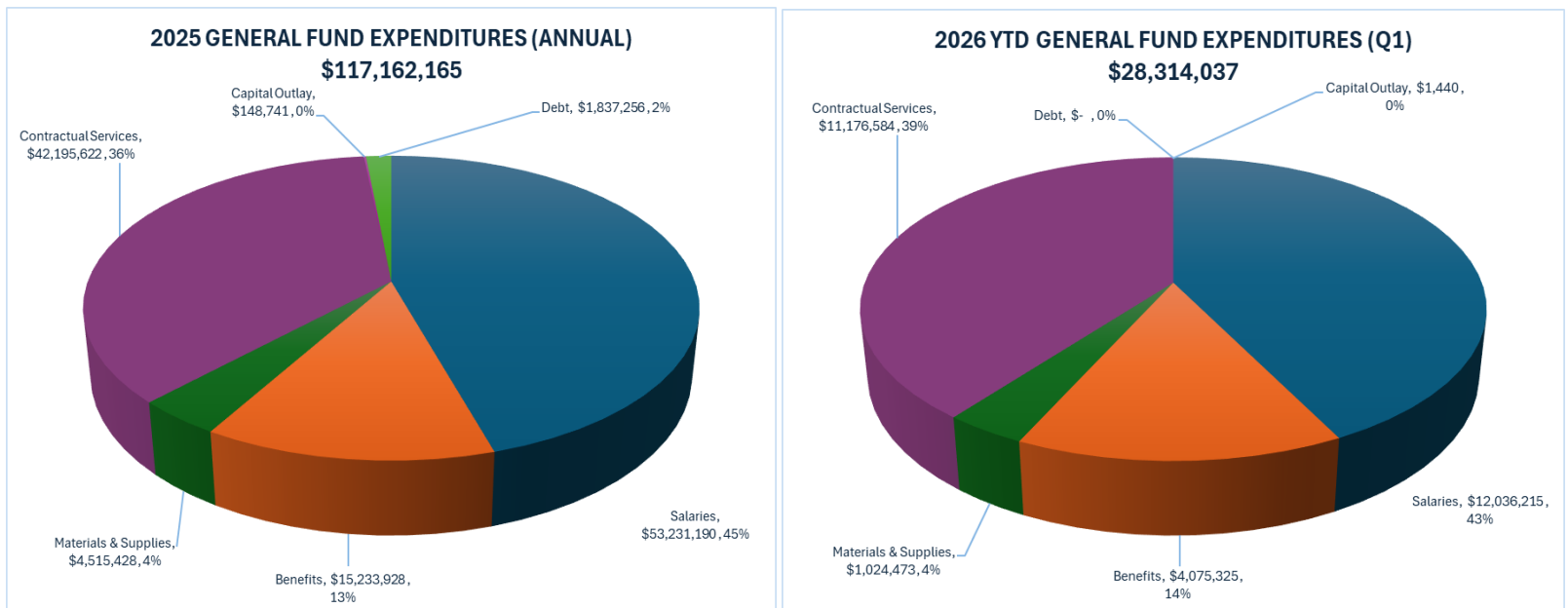
# GENERAL FUND EXPENDITURES

## Expenditures

- ➔ General Fund expenditures are broken down into six major categories. These are:
  - Salaries
  - Benefits
  - Materials & Supplies
  - Contractual Services
  - Capital Outlay
  - Debt Service
  
- ➔ Overall expenditures (not including debt service and transfers) increased \$10,308,491 (9.82%) from 2024 to 2025. Year-to-date 2026 expenditures are trending to be slightly under budget.
  
- ➔ Personnel costs increased \$4,488,303 (7.02%) from 2024 to 2025. This increase is primarily due to the addition of 20 positions in 2025, market adjustments for some positions to remain competitive when recruiting, and merit increases tied to annual evaluations. In 2026, an additional 10 positions were added.



# GENERAL FUND EXPENDITURES



- ➔ General fund expenditures increased \$3,186,912 or 12.68% in Q1 compared to the same time period in 2025.
- ➔ The largest increase from 2025 to 2026 through Q1, was in Contractual Services. This category increased \$1,619,311 or 16.94%. This increase was mostly due to increased spending in 2026 related to the citywide computer allocation, outside services general, and outside services ARPA.

## CAPITAL PROJECT FUND

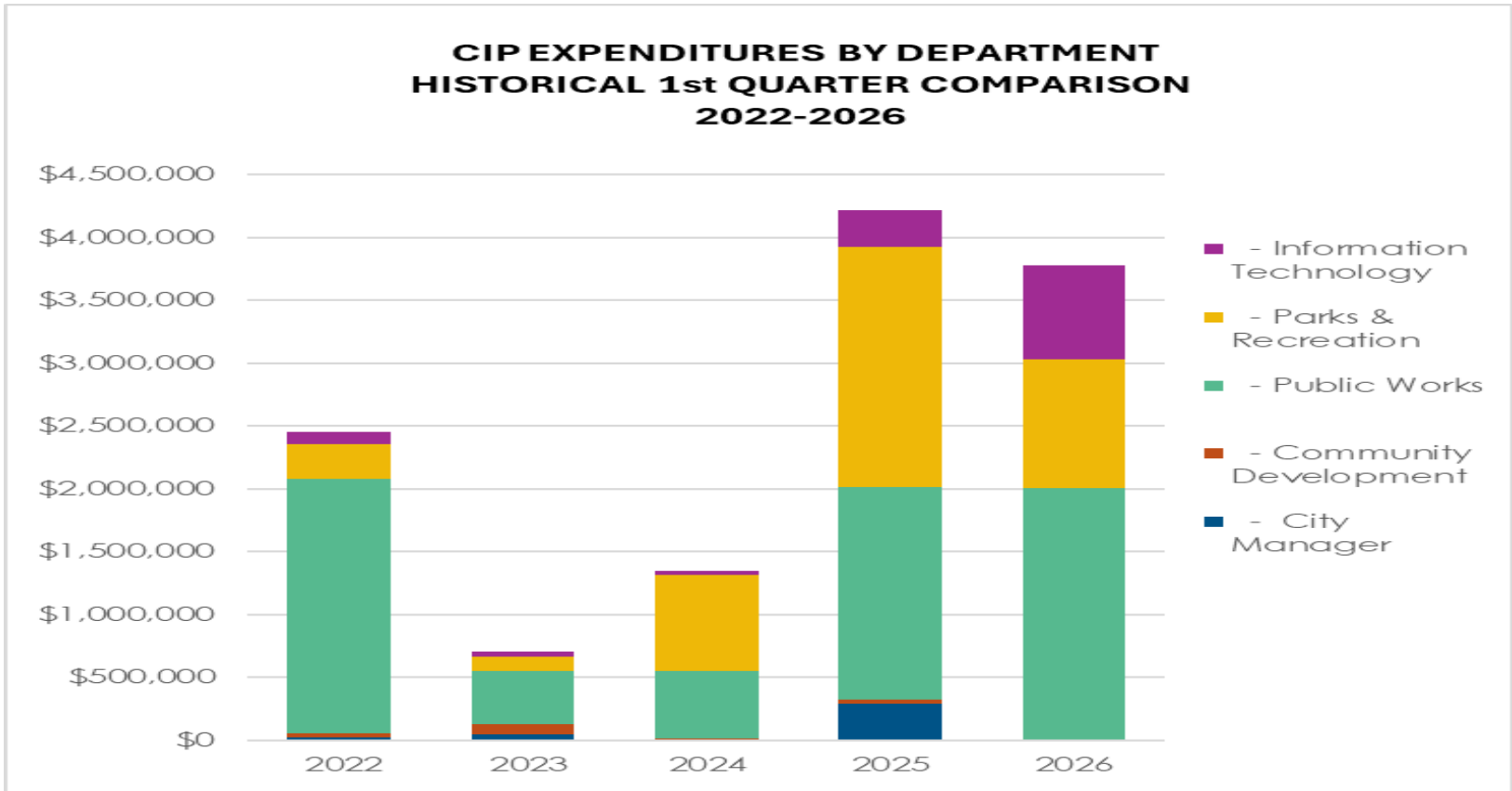
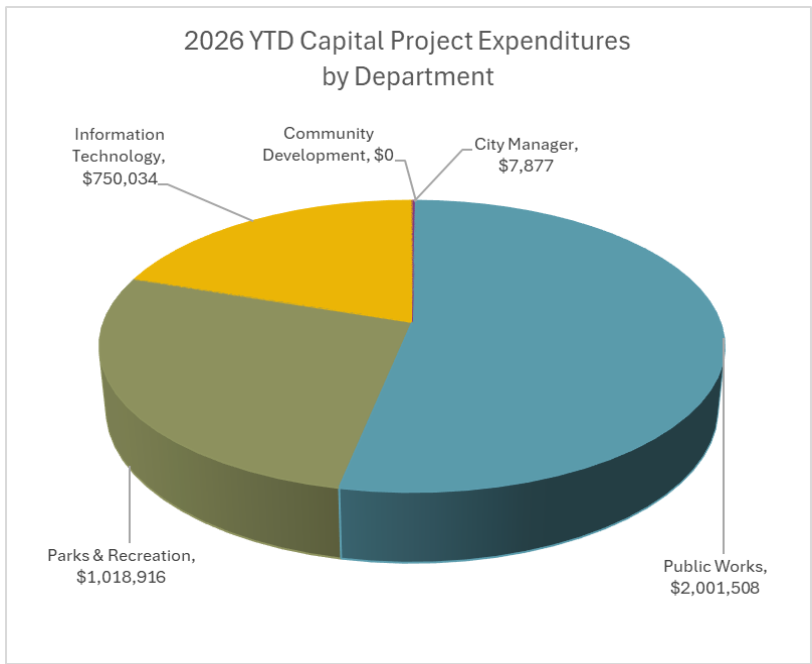
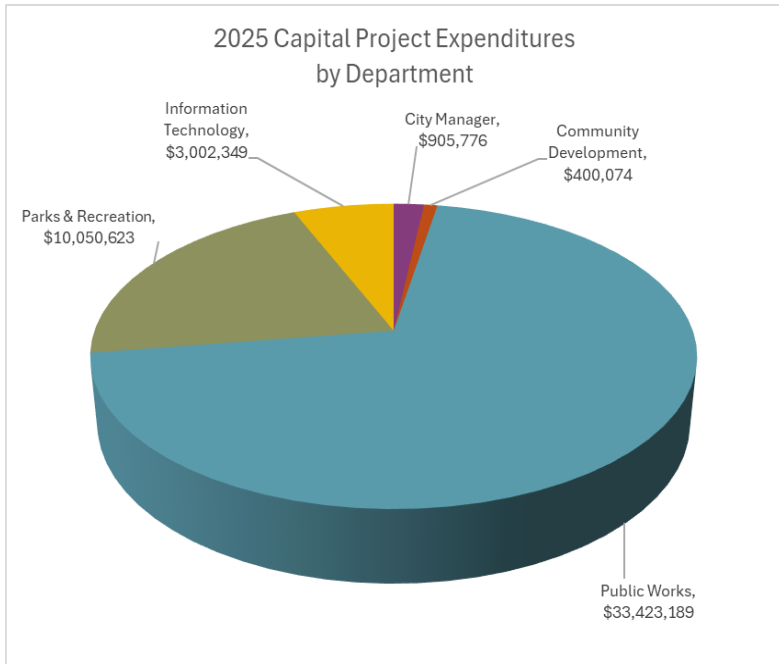
### Overview

Commerce City continues to be one of Colorado's fastest-growing communities. As a result, the demand for superior transportation, recreation, and lifestyle is high. In order to meet the demand for these services, the City must continuously invest in capital maintenance and improvement efforts. As such, the purpose of Commerce City's Capital Investment Program (CIP) is to systematically guide capital expenditures that provide budget predictability while maintaining and improving public infrastructure. The following table provides a comparison of budgeted revenues and expenditures to actual amounts.

CIP Fund	2026 Amended Budget	Actuals through 3/31/2026	Actuals as % of Budget	Comparison to prior year 3/31/2025
<b>Beginning Fund Balance</b>	<b>\$ 154,318,542</b>	<b>\$ 154,318,542</b>		<b>\$ 153,905,284</b>
<b>Revenues</b>				
Highway Users Taxes	\$ 2,350,456	\$ 359,472	15.3%	\$ 398,011
Charges for Services	29,879	-	0.0%	-
Intergovernmental	6,106,013	825,798	13.5%	266,296
Miscellaneous	315,000	-	0.0%	300,000
Investment Earnings	-	136,191	n/a	426,777
<b>Total Revenues</b>	<b>\$ 8,801,348</b>	<b>\$ 1,321,461</b>	<b>15.0%</b>	<b>\$ 1,391,084</b>
<b>Expenditures</b>				
Capital Outlay				
Projects - City Manager	\$ 110,200	\$ 7,877	7.1%	\$ 291,920
Projects - Community Development	-	-	n/a	33,410
Projects - Public Works	20,998,020	2,001,508	9.5%	1,687,010
Projects - Parks & Recreation	2,555,000	1,018,916	39.9%	1,911,280
Projects - Information Technology	1,006,000	750,034	74.6%	293,214
<b>Total Expenditures</b>	<b>\$ 24,669,220</b>	<b>\$ 3,778,335</b>	<b>15.3%</b>	<b>\$ 4,216,834</b>
Income/(Loss)	\$ (15,867,872)	\$ (2,456,874)		\$ (2,825,751)
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 15,430,085	\$ -	0.0%	\$ 1,680,125
Transfers Out	(479,364)	-	0.0%	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 14,950,721</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 1,680,125</b>
<b>Ending Fund Balance</b>	<b>\$ 153,401,391</b>	<b>\$ 151,861,668</b>		<b>\$ 152,759,658</b>
<b>Nonspendable, Restricted &amp; Assigned Fund Balances</b>				
Nonspendable	\$ -	\$ (111,760)	n/a	\$ -
Restricted	-	(42,185,725)	n/a	(51,976,056)
Assigned	-	\$ (11,607,799)	n/a	\$ (87,364,381)
<b>Ending Unassigned Fund Balance</b>	<b>\$ 153,401,391</b>	<b>\$ 97,956,384</b>	<b>n/a</b>	<b>\$ 13,419,221</b>

- The large budgeted net loss (revenues over expenditures) appears strange due to CIP projects appropriated in prior years, therefore carried forward and utilizing beginning fund balance.
- Nonspendable fund balance includes amounts for prepaid items.
- Restricted fund balance includes reserve amounts for the TABOR 3% emergency reserve.
- Assigned fund balance includes additional reserves for capital projects.

# CAPITAL PROJECT FUND



**Project Updates:**

There were two major projects in the Information Technology category. These projects were Network Infrastructure Hardware Refresh which is ongoing and part of our IT strategy to replace aging network infrastructure hardware with new modern and secure devices and systems. The second project was a Records Management System - AXON which is now live with a few data conversion costs remaining and should be closed out this summer.

In the Parks and Recreation category, there were two major projects in Q1 2026. They were; the Buffalo Run Golf Course Clubhouse Expansion and Second Creek Farm Park. The Second Creek Farm Park is a 7-acre neighborhood park at 89th and Telluride, adjacent to the recently opened Capstone Academy Charter School. Amenities include a playground, ninja course, amphitheater, basketball court, shelters, picnic tables, shade structures, open grassy area, and a parking lot. The golf course clubhouse expansion project includes a renovation and addition of 4,695 sq. ft., bringing the total building size at completion to 8,906 sq. ft. the groundbreaking ceremony for the renovation will be held on May 1. Temporary trailers are in place in order for golf operation to continue throughout the construction. During construction, limited food options will be available on site for golfers. The renovation is expected to be completed in spring 2027.

## CAPITAL PROJECT FUND

### Project Updates Continued:

The following are updates for current Public Works CIP projects:

#### **E. 96th Avenue Widening (Chambers Road to Tower Road):**

Construction of the pedestrian underpass at Telluride began this quarter, marking a significant milestone in advancing the corridor's multimodal improvements.

#### **E. 56th Avenue Reconstruction (Brighton Boulevard to Vasquez Boulevard)**

Engineering design is nearing completion as the team finalizes plans in preparation for bidding. Right of way acquisition is almost complete, ensuring the necessary land is secured for corridor widening and utility relocation.

#### **88th Avenue Widening – Segment A**

Median concrete curb and gutter installation is complete. The traffic pattern has been shifted into permanent configuration. Minor intermittent closures continue as utility providers relocate lines from overhead to underground, positioning the project for final completion.

#### **Chambers Road Widening**

Environmental studies needed for federal clearance were completed in Q1 and sent to FHWA for approval. Signal installation at 105th Avenue was completed, and design packages for traffic signals at Heartland Drive and 117th Avenue were finalized. Both will be advertised for bid in Q2. Property appraisals and acquisitions will start in Q2.

#### **Highway 2 Median Improvements**

Phase 1 construction—median installation between 96th Avenue and 104th Avenue—was completed. The project will continue northward in Q2 to implement additional safety enhancements along the corridor.

#### **120th Avenue / US 85 Interchange**

Preliminary design and environmental clearance efforts progressed this quarter. Coordination continues with partnering agencies including UPRR, FRA, CDOT, Brighton, and Adams County as the design evolves toward future phases.

#### **68th Avenue Improvements**

Design work continued with environmental investigations and collection of existing conditions data. The project team will initiate community engagement—including a survey and public meetings—during Q2.

#### **72nd Place & Monaco Street Intersection Improvements**

Design is complete and a construction contractor has been procured. The existing electrical service is being reviewed to confirm it has sufficient capacity to support the planned lighting improvements at the intersection. Construction mobilization is scheduled to begin in Q2.

#### **2026 Pavement Maintenance Program**

The updated citywide PCI data informed the 2026 maintenance plan, which includes Concrete Repairs and Mill and Overlay for asphalt roadways. Both projects are expected to be mobilized in Q2 across multiple areas of the City. 2026 Crack Repair Program: Over 700 full depth and mastic repairs were completed in northern service ranges during Q1.

## Where to Find Additional Budget and Financial Information

(Ctrl click on report name to follow link)

- [Main Budget & Financial Reports Webpage](#)
- [2024 Annual Comprehensive Financial Report \(ACFR\)](#)
- [2024 Popular Annual Financial Report \(PAFR\)](#)
- [2026 Adopted Budget](#)