2025

# 3rd Quarter 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, 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 provides a comparison of budgeted revenues and expenditures to actual amounts.

Key Take Aways: Revenues in the General Fund are on track to meet the projected budgeted amounts. License and Permit revenue is trending higher than budgeted due to a building permit issued for a large one time construction project. Charges for Services revenue is also trending ahead of budget due to higher than expected Plan Check and Zoning Board fees in Community Development as well as higher than expected programmatic revenues from the recreation centers in PRG. Investment earnings were budgeted at a conservative level and are trending higher than anticipated.

| General Fund | 2025 Amended Budget | Actuals through 9/30/2025 | Actuals as % of Budget | Comparison to prior year 9/30/2024 |
|---|---|---|---|---|
| **Beginning Fund Balance** | **$ 107,972,341** | **$ 107,972,341** | | **$ 103,782,887** |
| **Revenues** | | | | |
| Taxes | $ 117,471,658 | $ 87,240,334 | 74.3% | $ 78,051,031 |
| Licenses and Permits | 4,726,182 | 4,361,845 | 92.3% | 4,294,626 |
| Intergovernmental | 7,632,828 | 81,516 | 1.1% | 56,628 |
| Charges for Services | 7,953,634 | 9,140,179 | 114.9% | 8,409,654 |
| Fines and Forfeits | 1,361,909 | 1,130,746 | 83.0% | 890,724 |
| Investment Earnings | 1,500,000 | 4,943,890 | 329.6% | 3,832,356 |
| Miscellaneous | 844,902 | 220,296 | 26.1% | 1,010,156 |
| **Total Revenues** | **$ 141,491,114** | **$ 107,118,807** | **75.7%** | **$ 96,545,174** |
| **Expenditures** | | | | |
| General Administration | $ 16,372,125 | $ 9,313,834 | 56.9% | $ 7,691,835 |
| Human Resources | 3,265,122 | 2,319,415 | 71.0% | 1,822,243 |
| Finance | 10,046,887 | 5,696,216 | 56.7% | 5,096,992 |
| Community Development | 13,363,283 | 6,388,547 | 47.8% | 5,971,219 |
| Public Safety | 37,448,970 | 26,991,624 | 72.1% | 23,908,462 |
| Public Works | 23,745,458 | 16,523,518 | 69.6% | 16,169,023 |
| Parks, Recreation & Golf | 20,541,029 | 15,862,823 | 77.2% | 15,093,228 |
| Debt Service (COP Payments) | 1,839,676 | 458,548 | 24.9% | 4,718,118 |
| **Total Expenditures** | **$ 126,622,550** | **$ 83,554,526** | **66.0%** | **$ 80,471,121** |
| **Income/(Loss)** | **$ 14,868,564** | **$ 23,564,280** | | **$ 16,074,053** |
| **Other Financing Sources (Uses)** | | | | |
| Transfers In | $ - | $ - | 0.0% | $ 4,288,680 |
| Transfers Out | (26,024,675) | (21,667,192) | 83.3% | (25,575,962) |
| **Total Other Financing Sources (Uses)** | **$ (26,024,675)** | **$ (21,667,192)** | **83.3%** | **$ (21,287,282)** |
| Ending Fund Balance | $ 96,816,230 | $ 109,869,429 | | $ 98,569,657 |
| **Nonspendable, Restricted & Assigned Fund Balances** | | | | |
| Nonspendable | $ (275,198) | $ (275,198) | 0.0% | $ (251,433) |
| Restricted | (14,101,930) | (14,101,930) | 100.0% | (15,610,429) |
| Assigned | (37,403,005) | $ (37,403,005) | 100.0% | $ (34,965,723) |
| **Ending Unassigned Fund Balance** | **$ 45,036,097** | **$ 58,089,296** | | **$ 47,742,072** |

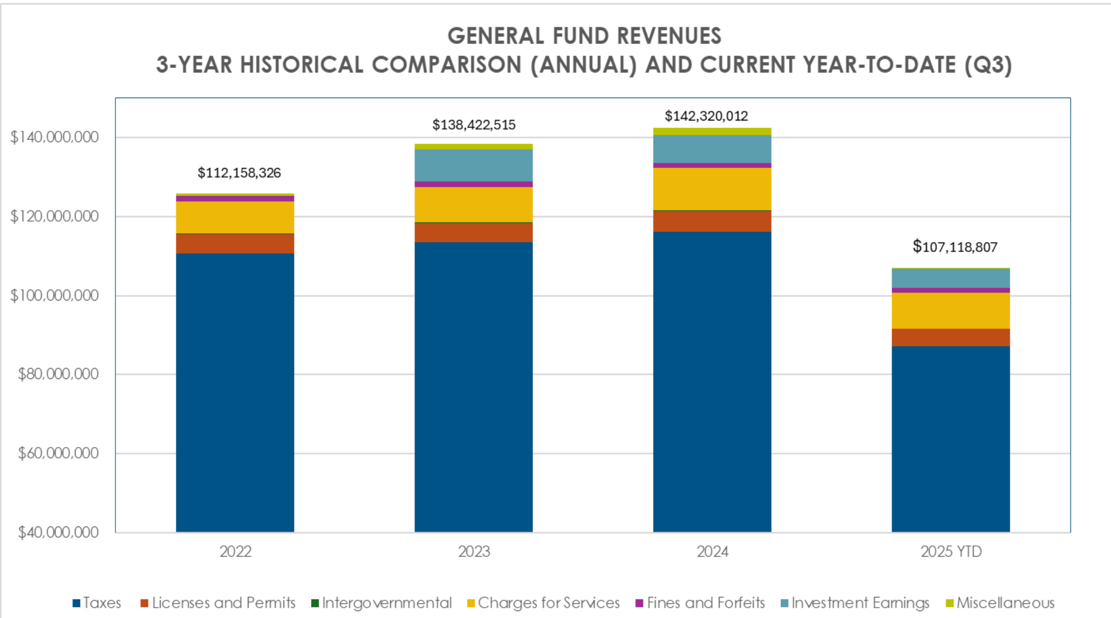
- Sales & Use Tax revenues are received one month in arrears, therefore trending and percent of budget will appear lower than expected.
- Revenues and expenditures should be at 75% to meet projected budget.
- Nonspendable fund balance includes amounts for inventories, prepaid items, and long-term receivables.
- 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.

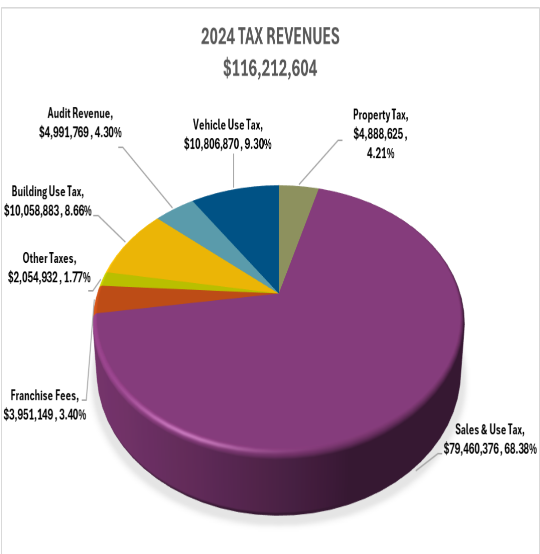
# GENERAL FUND REVENUES

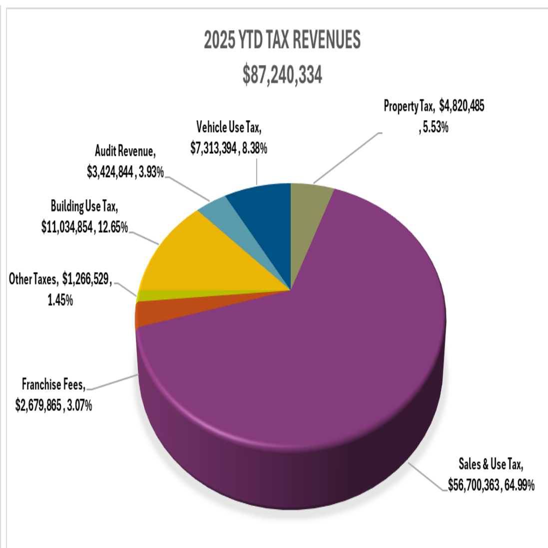
## Revenue

- General Fund revenues increased from year end 2023 to year end 2024 by 2.82%. 2025 revenues are on target to meet 2025 budgeted projections.

- The majority of the General Fund revenue increase from 2023 to 2024 is due to increased Sales & Use Tax revenues (2.42%). Through Q3 2025, Sales and Use Taxes have increased by 13.20% over 3rd quarter 2024.



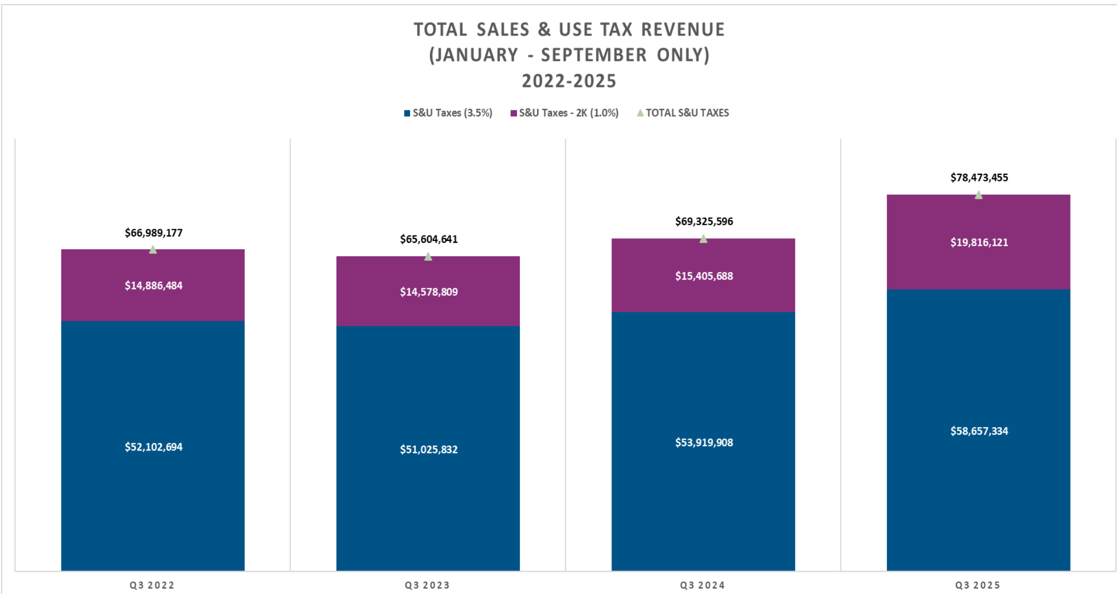



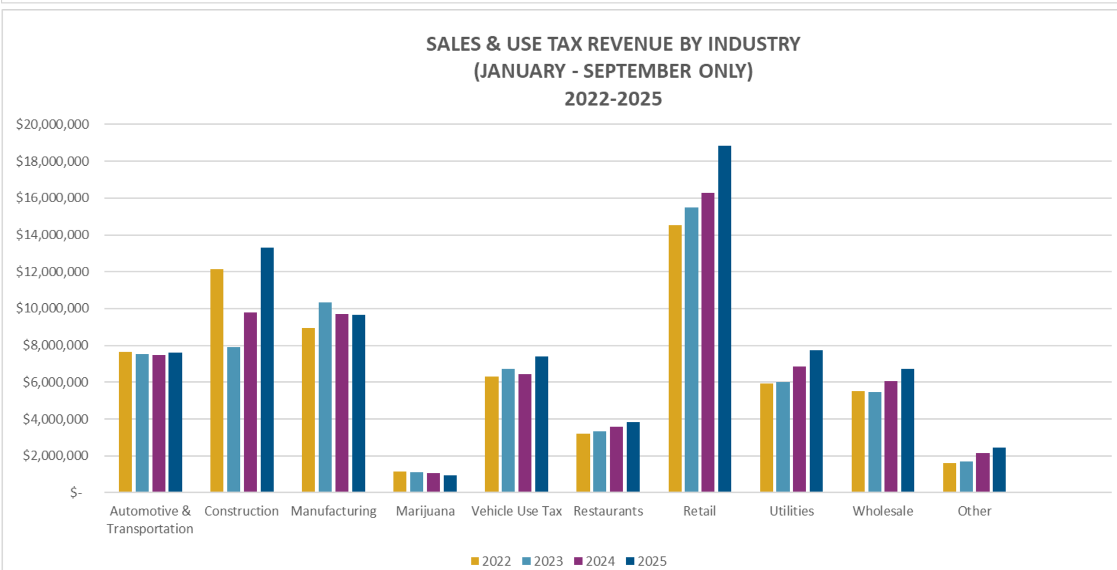



# GENERAL FUND REVENUES

## Sales/Use Tax

- Sales & Use Tax collections are one month in arrears; therefore, collections for the 3rd quarter only represent collections from sales through the month of August only.
- Sales & Use Tax is 13.20% higher for the 3rd quarter of 2025 compared to that of 2024. This large increase is primarily due to a $2.5M use tax payment received for a large construction project in the city plus increases in sales tax from remote sellers and internet sales.
- Marijuana tax, which is included in "Other Taxes" decreased 10.86% and Retail Sales Tax increased 15.72% from the same period in 2024.

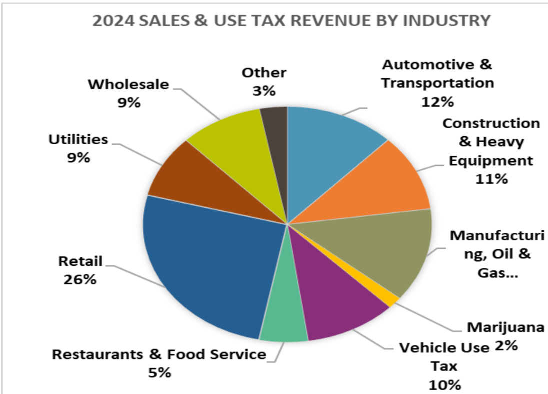


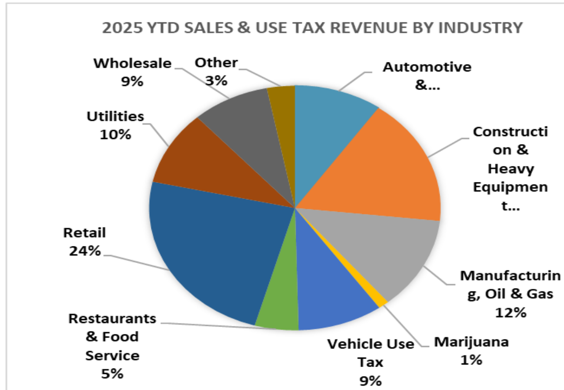



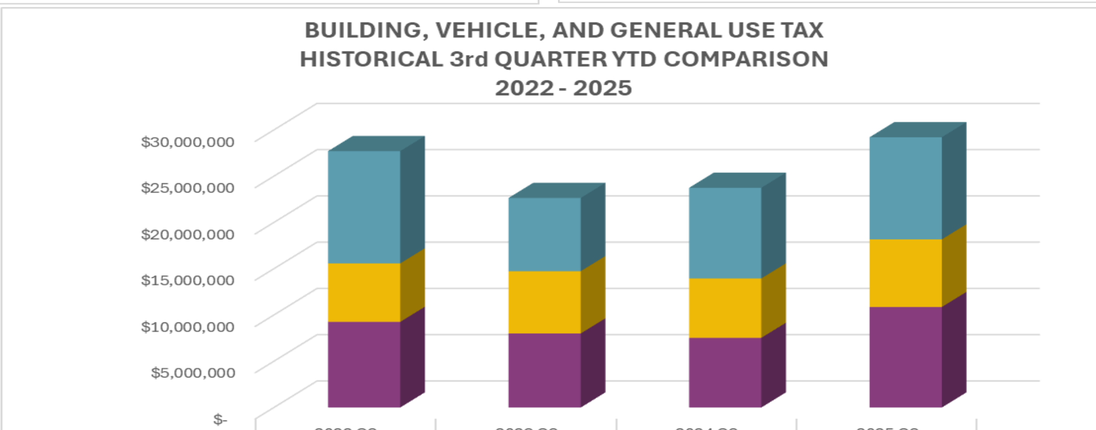
# GENERAL FUND REVENUES

## Sales/Use Tax

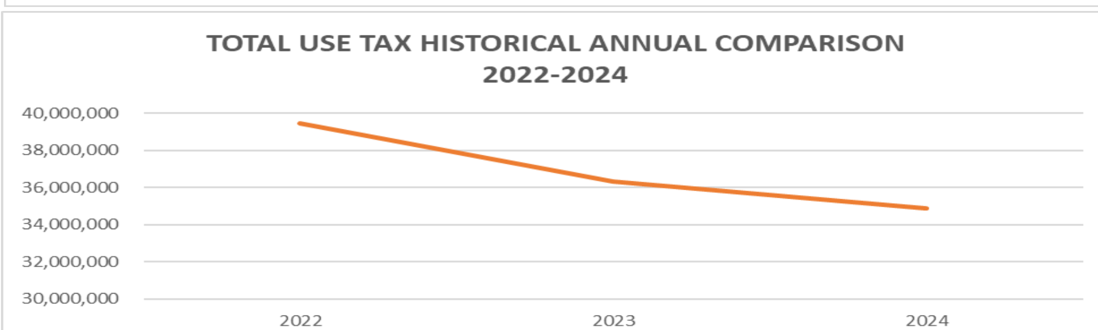
- Building Use Tax increased significantly in the first 3 quarters of 2025 due to one large construction factory modernization project and one 366 unit multi-family project. Building Use Tax is generally paid at the time a building permit is issued.
- Vehicle Use Tax increased by 13.9 % in the first 3 quarters of 2025 compared to that of 2024.
- General Use Tax increased by 44.3% in the first 3 quarters of 2025 compared to that of 2024.




| | 2022 Q3 | 2023 Q3 | 2024 Q3 | 2025 Q3 |
|---|---|---|---|---|
| Building Use Tax | $12,131,617 | $7,911,402 | $9,794,554 | $11,034,854 |
| Vehicle Use Tax | $6,323,377 | $6,731,468 | $6,421,671 | $7,313,394 |
| General Use Tax | $9,250,894 | $8,003,069 | $7,528,282 | $10,862,197 |



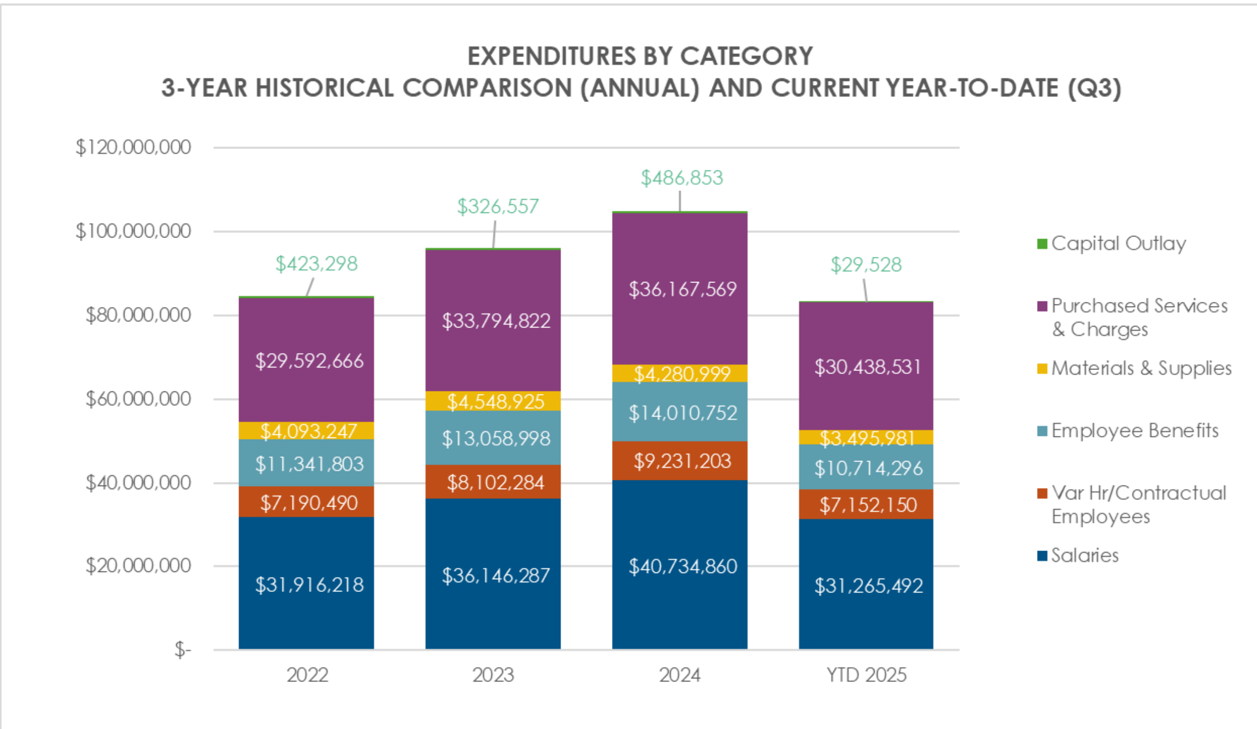
# GENERAL FUND EXPENDITURES

## Expenditures

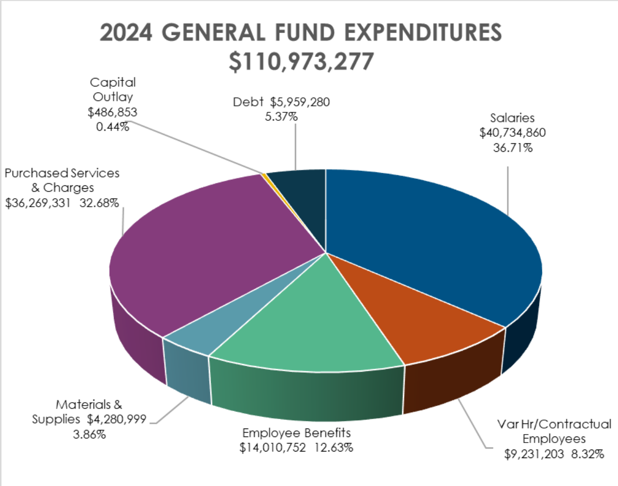
- General Fund expenditures are broken down into six major categories. These are:
  - Salaries for full-time staff
  - Salaries for part-time staff and contract workers
  - Employee Benefits
  - Materials & Supplies
  - Purchased Services & Charges
  - Capital Outlay
  - Debt Service

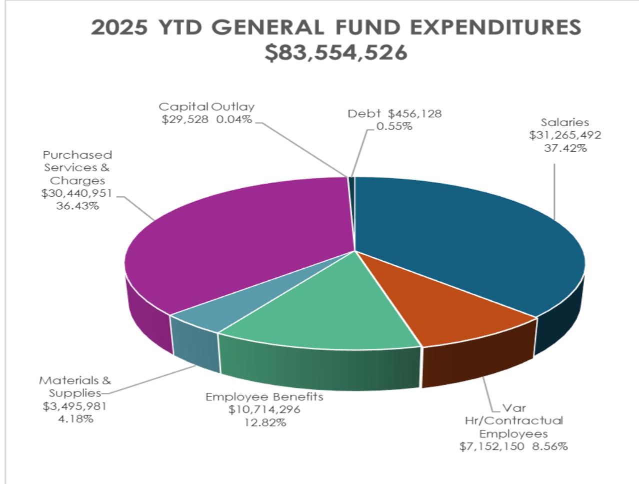
- Overall expenditures (not including debt service) increased $8,932,905 (9.31%) from 2023 to 2024. Year-to-date 2025 expenditures are trending to be slightly under budget.

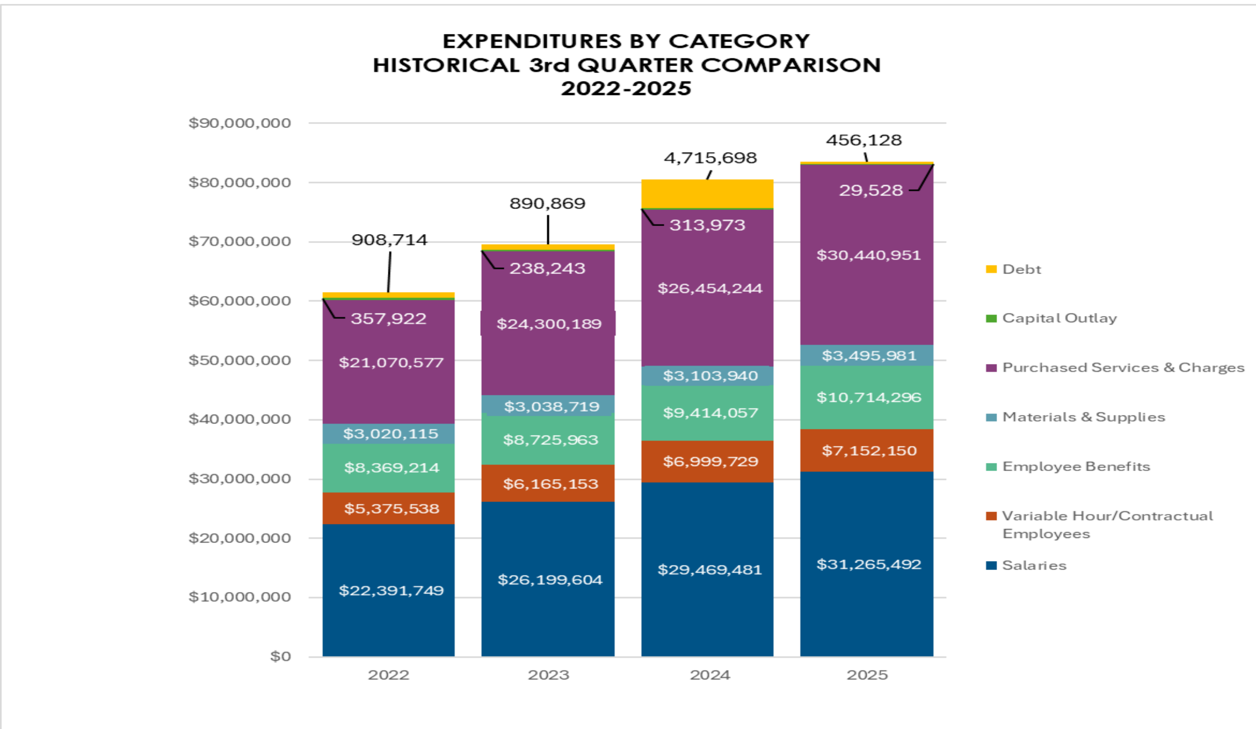
- Personnel costs increased $6,669,246 (11.64%) from 2023 to 2024. This increase is primarily due to the addition of 21 positions in 2024, market adjustments for some positions to remain competitive when recruiting, and merit increases tied to annual evaluations. In 2025, an additional 18 positions were added.



# GENERAL FUND EXPENDITURES




- General fund expenditures increased $7,342,975 or 9.7% in 3rd quarter compared to the same time period in 2024.

- The largest increase from 2024 to 2025 through 3rd quarter, was in Purchased Services and Charges. This category increased $3,986,707 or 15.1%. 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.

# CAPITAL PROJECT FUND

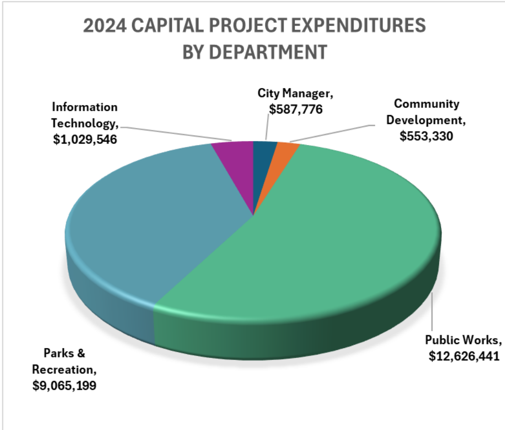
## Overview

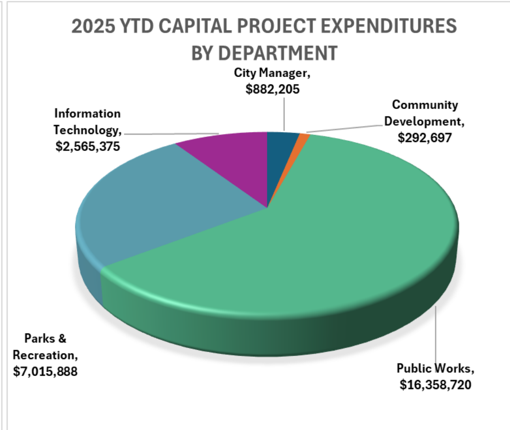
Commerce City continues to be one of Colorado's fastest-growing communities. As a result, the demand for superior transportation, recreation, and lifestyle is high. In order to meet the demand for these services, the City must continuously invest in capital maintenance and improvement efforts. As such, 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.

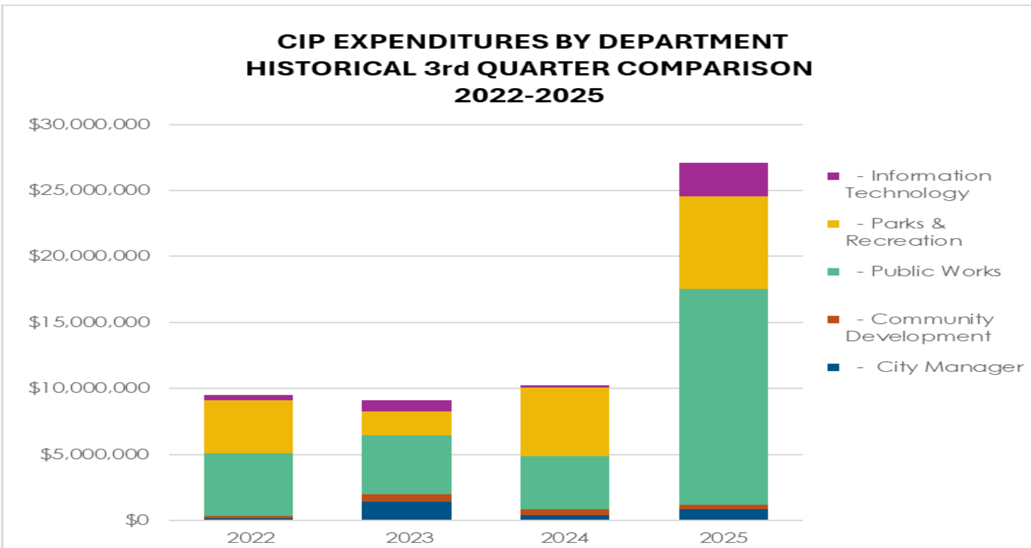
| CIP Fund | 2025 Amended Budget | Actuals through 9/30/2025 | Actuals as % of Budget | Comparison to prior year 9/30/2024 |
|---|---|---|---|---|
| **Beginning Fund Balance** | **$ 153,905,284** | **$ 153,905,284** | | **$ 139,340,437** |
| **Revenues** | | | | |
| Highway Users Taxes | $ 2,150,645 | $ 1,682,381 | 78.2% | $ 1,656,834 |
| Charges for Services | 28,456 | 16,729 | 58.8% | 13,656 |
| Intergovernmental | 49,708,616 | 4,608,561 | 9.3% | 5,277,806 |
| Miscellaneous | 38,000 | 305,000 | 802.6% | - |
| Investment Earnings | - | 1,114,348 | n/a | 1,950,069 |
| **Total Revenues** | **$ 51,925,717** | **$ 7,727,020** | **14.9%** | **$ 8,898,366** |
| **Expenditures** | | | | |
| Capital Outlay | | | | |
| Projects - City Manager | $ 3,857,428 | $ 882,205 | 22.9% | $ 410,848 |
| Projects - Community Development | 1,755,607 | 292,697 | 16.7% | 444,271 |
| Projects - Public Works | 159,577,426 | 16,358,720 | 10.3% | 4,019,844 |
| Projects - Parks & Recreation | 40,515,703 | 7,015,888 | 17.3% | 5,219,597 |
| Projects - Information Technology | 7,913,885 | 2,565,375 | 32.4% | 143,068 |
| **Total Expenditures** | **$ 213,620,048** | **$ 27,114,885** | **12.7%** | **$ 10,237,628** |
| Income/(Loss) | $ (161,694,331) | $ (19,387,866) | | $ (1,339,262) |
| **Other Financing Sources (Uses)** | | | | |
| Transfers In | $ 17,140,483 | $ 13,966,108 | 81.5% | $ 19,867,100 |
| Transfers Out | - | - | - | - |
| **Total Other Financing Sources (Uses)** | **$ 17,140,483** | **$ 13,966,108** | **81.5%** | **$ 19,867,100** |
| **Ending Fund Balance** | **$ 9,351,436** | **$ 148,483,526** | | **$ 157,868,274** |
| **Nonspendable, Restricted & Assigned Fund Balances** | | | | |
| Nonspendable | $ - | $ (111,760) | n/a | $ - |
| Restricted | - | (42,185,725) | n/a | (51,976,056) |
| Assigned | - | $ (11,607,799) | n/a | $ (87,364,381) |
| **Ending Unassigned Fund Balance** | **$ 9,351,436** | **$ 94,578,242** | **n/a** | **$ 18,527,837** |

- The amended budget for Public Works Projects includes funds appropriated for CDOT federal passthrough grants for the Chambers Road Widening, Highway 2 Median, and 88th Ave Widening projects.
- 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




Construction on the 96th Avenue widening project began in March of 2025. The original scope of work for the project will take 16 months to complete and will make improvements from 96th Avenue from Chambers Road to Tower Road. Work will include widening the road to a four-lane landscaped-median divided roadway, new streetlighting, new traffic signals, critical water infrastructure, drainage improvements and the new construction of pedestrian underpass. In addition, a second project phase has been added. This second phase includes installing a pedestrian underpass on the west side of the Reunion intersection. Construction on the underpass will begin following the initial project phase is completed. Finally, staff and City Council are working through the process to determine if sound walls will be installed as a third phase to the project.

Construction on the 88th Avenue widening project began in Q2 of 2025. The contracts for construction and construction management have been executed. Once complete, the project will improve the first segment of 88th  to include four lanes with a raised median, turn lanes, and a signal at the entrance to the Mile High Flea Market. In addition, sidewalks will be added to improve multimodal transportation, and landscaping, lighting, and drainage will also be improved. Phase B of the project will begin in 2026, pending budget approval in November 2025.

The City's Safety Action Plan was adopted by City Council. The Transportation Master Plan is scheduled for Council adoption in December of 2025. Corridor studies for Highway 2 and 64th Avenue remain underway, and a Stormwater Prioritization Plan is in the initial stages of development with the Mile High Flood District.

Projects in the City Manager category include: Adams Tower, and Public Art Maintenance, Construction and Operations.

Projects in the Community Development category include: CDBG Program and Land Development Code.

# 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)**
- **2025 Budget at a Glance**
- **2025 Adopted Budget**