City of Commerce City December 31, 2024 Audit Presentation to City Council

July 28, 2025

William Brickey and Katarina Vlcko

Agenda

- Financial Statement Audit
- Required Post-Audit Communications
- Federal Single Audit

Key Components of the Annual Comprehensive Financial Report

- **Auditor's Report Letters (page 13-15)**

- **Management's Discussion and Analysis (pages 17-29)**
  - Provides a summary of the City's financial activities

- **Basic financial statements, including footnote disclosures (pages 31 - 78)**

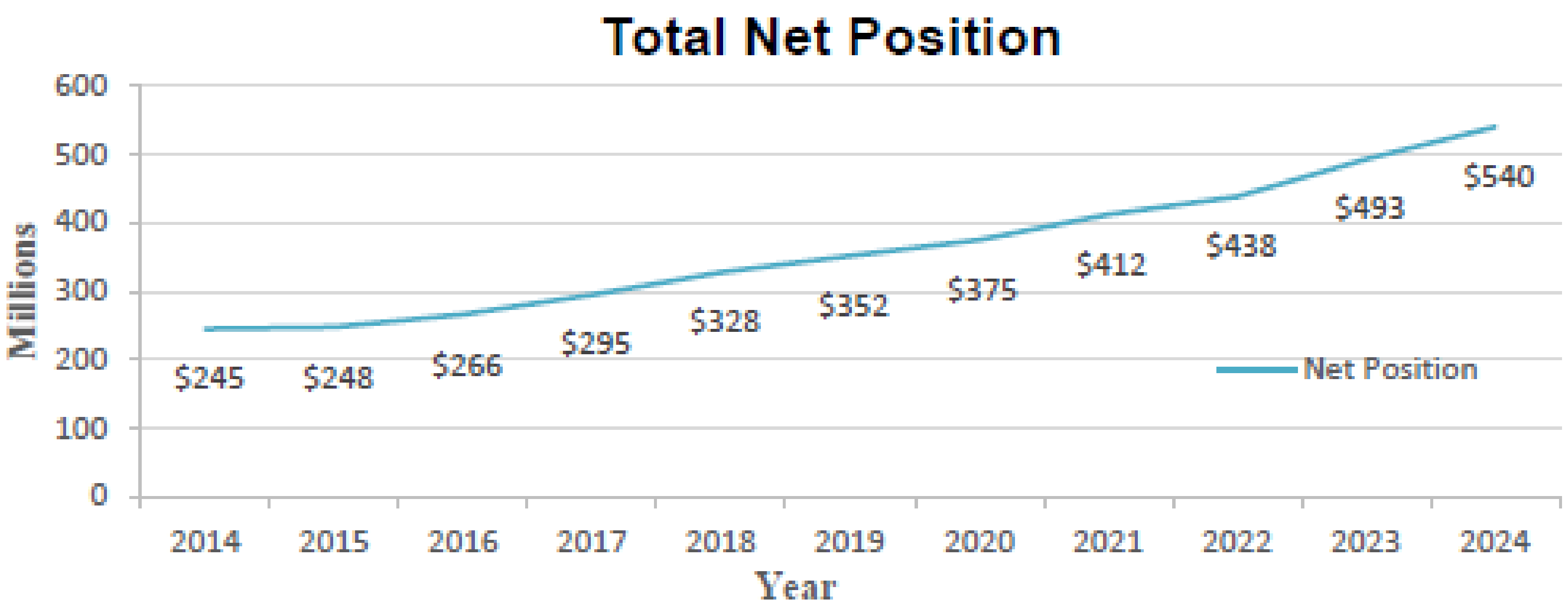
- **Required and other supplemental information (starts on page 79)**
  - Includes budgetary comparison schedules and combining financial statements

- **Statistical Section (starts on page 125)**
  - Provides detailed information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information

Financial Statement Audit

- Unmodified opinion
- Implementation of new standards:
  - GASB Statement No. 100, *Accounting Changes and Error Corrections*
  - GASB Statement No. 101, *Compensated Absences*
- Net Position Trends (see next slide)

Net Position Trends



- Net investment in capital assets - $243.9 million ($227.2 million 2023)
- Restricted net position - $52.4 million ($55.5 million in 2023)
- Unrestricted net position - $242.5 million ($209.7 million in 2023)

Change in Net Position

- **Net position increased by $46.8 million in 2024**
  - Charges for services decreased $6.0 million in 2024
  - Capital grants and contribution revenue increased $8 million in 2024
  - Property taxes increased $455 thousand in 2024
  - Sales and use tax increased $2.4 million in 2024
  - Expenses increased $7.2 million in 2024
    - Most significant increases in 2024 were general government ($2.2 million), public safety ($2.9 million), public works ($1.6 million), and finance ($1.2 million)

2024 General Fund – Fund Balance

Levels of Fund Balance:

- **Nonspendable: $275,198**
- **Restricted:**
  - TABOR reserve $4,250,700
  - Capital outlay and operations $9,851,230
- **Assigned**
  - Safeguard Reserves $18,754,242
  - Operating Reserves $11,845,279
  - Parks, Recreation & Golf Equipment $1,408,602
  - Defined Contribution Plan $5,264,794
  - Employee Assisted Housing Program $130,088
- **Unassigned (Available to Spend) Reserves $56,192,208**

Total General Fund, Fund Balance $107,972,341

Required Post-Audit Communications

- **Significant Audit Findings**
  - No transactions entered into by the City lacking authoritative guidance
  - No significant transactions that have been recognized in a different period than when the transaction occurred
  - No difficulties encountered in performing the audit
  - No disagreements with management

- **Significant Transactions**

  Commerce City Housing Authority no longer considered a component unit under GAAP

Federal Single Audit

- Federal expenditures of $3.6 million

- Two major programs tested in 2024

    - ALN 21.027 –Coronavirus State and Local Fiscal Recovery Funds ($754,896)
    - ALN 20.205 – Highway Planning and Construction ($2,215,091)

- Unmodified opinions

- Federal award findings - None

Thank you

William.Brickey@plantemoran.com- 313.496.7231

Katarina.Vlcko@plantemoran.com – 734.302.6988