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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

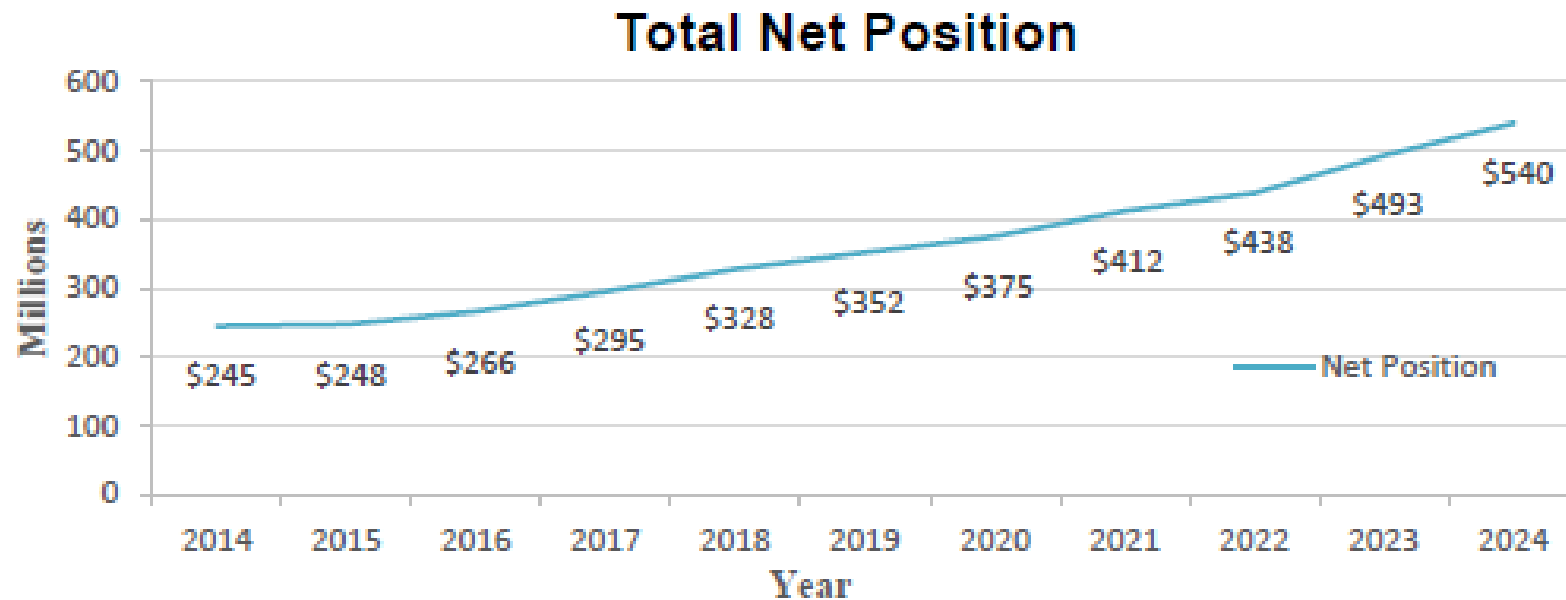


# Financial Statement Audit

- 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