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City of Commerce City December 31, 2025 Audit Presentation to City Council

June 22, 2026

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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 17-27)
 - Provides a summary of the City's financial activities
- Basic financial statements, including footnote disclosures (pages 29 - 81)
- Required and other supplemental information (starts on page 83)
 - Includes budgetary comparison schedules and combining financial statements
- Statistical Section (starts on page 134)
 - Provides detailed information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information

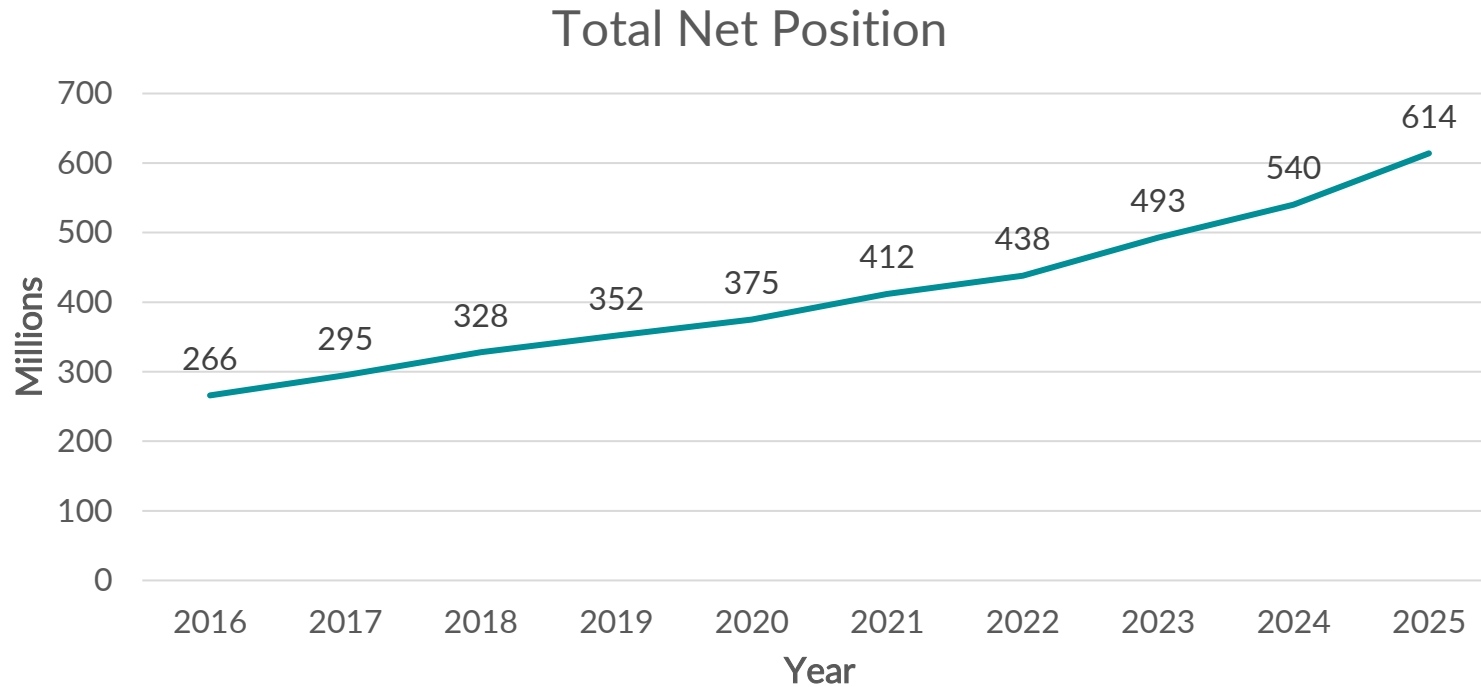


Financial Statement Audit

- Unmodified opinion
- Implementation of new standards:
 - GASB Statement No. 102, *Certain Risk Disclosures*
- Net Position Trends (see next slide)



Net Position Trends



- Net investment in capital assets - \$273.9 million (\$243.9 million 2024)
- Restricted net position - \$75 million (\$52.4 million in 2024)
- Unrestricted net position - \$264.9 million (\$242.5 million in 2024)



Change in Net Position

- Net position increased by \$73.7 million in 2025
 - Charges for services increased \$6.0 million in 2025
 - Operating grants increased \$4 million in 2025
 - Property taxes decreased \$737 thousand in 2025
 - Sales and use tax increased \$14 million in 2025
 - Expenses increased \$9.5 million in 2025
 - Most significant increases in 2025 were general government (\$3 million), public safety (\$4.8 million), and parks, recreation and golf (\$1.7 million)



2025 General Fund – Fund Balance

Levels of Fund Balance:

- **Nonspendable: \$269,325**
- **Restricted:**
 - TABOR reserve \$4,925,893
 - Capital outlay and operations \$16,627,873
- **Assigned**
 - Safeguard Reserves \$19,904,479
 - Operating Reserves \$12,944,011
 - Parks, Recreation & Golf Equipment \$1,765,222
 - Defined Contribution Plan \$5,795,015
 - Employee Assisted Housing Program \$125,346
- **Unassigned (Avail to Spend) Reserves \$54,295,370**

Total General Fund, Fund Balance \$116,652,534



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



Federal Single Audit

- Federal expenditures of \$11.4 million
- One major program tested in 2025
 - ALN 20.205 – Highway Planning and Construction (\$6,435,493)
- Unmodified opinion
- Federal award findings - None



Thank you

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