



**2019**  
**COMMERCE CITY, CO**  
Popular Annual Financial Report

# INTRODUCTION

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Welcome to the City of Commerce City’s Popular Annual Financial Report (PAFR). The PAFR is a summary of financial highlights and activities for the fiscal year 2019 that are drawn from financial statements reported in the Comprehensive Annual Financial Report (CAFR). The CAFR is a more detailed and complete financial presentation prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was audited by the city’s independent external auditors.

The PAFR is an unaudited document, and while the financial data in the CAFR conforms with GAAP, the PAFR does not include fund-level details and disclosures that are required by GAAP. This report presents the city’s financial information in a readily accessible and easy to understand manner, designed to provide a meaningful recap of the city’s 2019 year-end financial status.

**Additional financial information can be found in the CAFR, available at city clerk’s office and online at [C3gov.com/financialreports](http://C3gov.com/financialreports).**

If you have questions regarding this report, contact Theresa Wilson at [twilson@c3gov.com](mailto:twilson@c3gov.com) or 303-289-8102.



**Top Row:** José Guardiola - At Large, Susan Noble - Ward IV, Mayor - Benjamin Huseman, Jennifer Allen-Thomas - Ward II, Meghan Grimes - At Large  
**Bottom Row:** Oscar Madera - Ward I, Mayor Pro Tem Nicole Frank - Ward III, Craig Hurst - At Large, Robyn Smith - At Large

As one of the state's fastest-growing communities, Commerce City is redefining itself for the next generation, building on historic values of community, industry and family. The city covers 35.54 square miles and is expected to grow to a 61-square-mile area during the next 20 years.

Commerce City is a home-rule municipality and operates under a council-manager form of government in which the city council sets the city vision and approves the budget, while the city manager serves as the chief executive officer for the organization.

City Council adopts the budget annually in November. The city's fiscal year coincides with the calendar year (January - December).



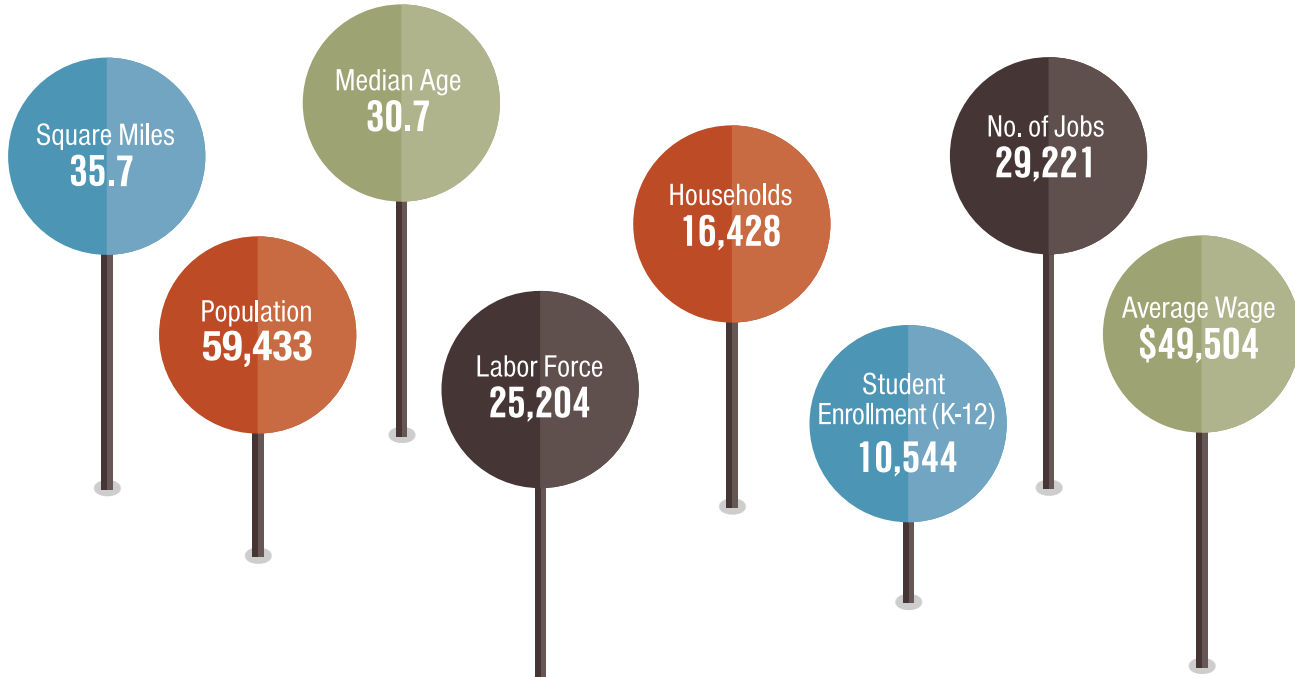
**Rocky Mountain Arsenal National Wildlife Refuge**

*The Rocky Mountain Arsenal National Wildlife Refuge is the largest land-based, urban wildlife refuge in the United States. Outdoor enthusiasts can take advantage of trails, open space and a state-of-the-art visitor center located within 27 square miles of open lakes, wetlands, and grasslands.*

**City Council's Goals**

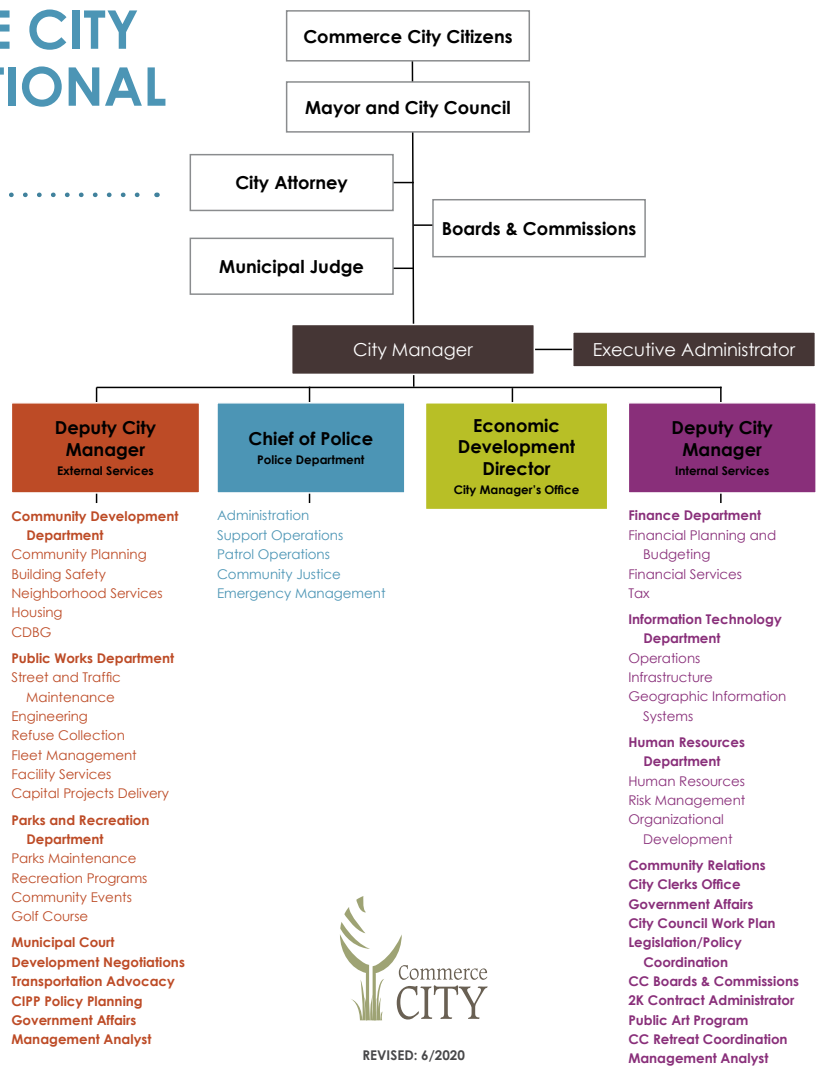
- Promote a balanced and thriving city economy
- Promote efficient and effective city government to improve levels of service
- Develop and maintain the public infrastructure to improve community appearance and encourage continued development
- Promote resident health, safety and education
- Improve community involvement and trust

# COMMERCE CITY AT A GLANCE



Source: Commerce City Economic Profile 2020

# COMMERCE CITY ORGANIZATIONAL CHART



REVISED: 6/2020

# THE CITY'S NET POSITION

Below is an overview of the city's entire net position. This number represents the financial well-being of the city as a whole. Over time these numbers can be used as a measure of the city's overall financial well-being based on increases or decreases. In 2019, the city's net position increased overall by \$23.4 million since 2018. The totals below include both governmental and business-type activities. For more details, please refer to the government-wide statement of net position in the city's 2019 published CAFR, located at [c3gov.com/financialreports](http://c3gov.com/financialreports).

The city's total net position at the end of 2019 was \$351,509,736 and is comprised of the following:



Net investment in capital assets

**\$174,278,920**

Represents the city's net investment in capital assets



Restricted

**\$60,512,209**

Portion that is restricted for existing resources



Unrestricted (obligations)

**\$116,718,607**

Portion that is not yet classified



## Buffalo Run Golf Course

The Buffalo Run Golf Course in Commerce City is an 18-hole championship course with lush rolling greens, expansive fairways and picturesque views of the Rocky Mountains and surrounding prairie lands. Learn more at [www.buffalorungolfcourse.com](http://www.buffalorungolfcourse.com).



## BUSINESS-TYPE ACTIVITIES

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Business-type Activities include the city's two types of proprietary funds. These include the city's one Enterprise Fund (Solid Waste Management) and three Internal Service Funds (Fleet Management, Information Technology, and Facility Services). All four of these proprietary funds report services for which the city charges customers a fee.

- The Solid Waste Management Fund collects 5% of fees earned by the BFI landfill operation. The revenues are used for solid waste management projects and services within the city. In 2019 the city collected \$1,278,344 in fees.

## INTERNAL SERVICE FUNDS

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The city has three funds that support all city departments in their operations and administration of activities. They provide the funding necessary to run the city's internal operations. These internal service funds include fleet management, information technology, and facility services. Below are the operating expenses for each fund in 2019.



**Fleet – \$3,822,769**



**IT – \$3,451,846**



**Facility – \$2,957,317**

### Fund balance at end of 2019

These remaining funds can be rolled over to the next year.

Balance

**\$13,883,014**

# GENERAL FUND

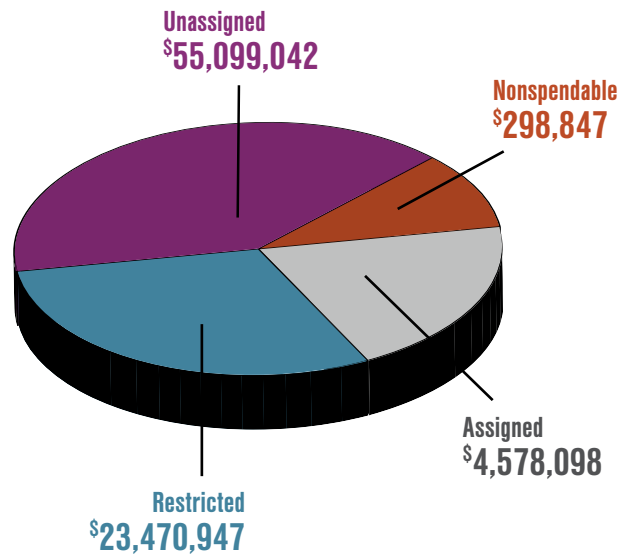
Fund balance at the end of 2019

Balance  
**\$83,446,934**

The General Fund is the city’s primary operating fund and the largest source of day-to-day service delivery. For this reason, the main focus of this report will revolve around the General Fund. This fund is used to account for all financial resources traditionally associated with government, except those required to be accounted for in another fund.

## General Fund Balances

	2018	2019
Nonspendable	\$272,486	\$298,847
Restricted	\$18,560,292	\$23,470,947
Assigned	\$ –	\$4,578,098
Unassigned	\$53,273,405	\$55,099,042
<b>Total</b>	<b>\$72,106,183</b>	<b>\$83,446,934</b>



## General Fund Revenues

### Where the money comes from:

In 2019, this fund reported \$99,228,667 in revenues and increased by 3.5% since 2018. A majority of the General Fund revenue comes from the collection of sales and use taxes.

### General Fund revenue increase highlights:

2K sales and use tax increased by  
**10.0%**

Sales and Use Tax increased by  
**4.0%**

Photo red light enforcement increased by  
**8.6%**

Building Permits increased by  
**10.3%**

Franchise fees - increased by  
**3.9%**

Recreation/golf fees - increased by  
**18.8%**

# GENERAL FUND EXPENSES

## What it takes to run the city

The city's total cost of services to run day-to-day operations is \$68,348,816. This amount increased \$6.0 million over 2018. In addition, approximately \$23.9 million was transferred from the General Fund to support other funds. Included in this amount were transfers of \$6.9 million to the Capital Expenditures Fund, \$10.2 million to the Debt Service Fund, and \$6.8 million to the Urban Renewal Authority Fund. General Fund expenses help to improve and maintain continuing operations throughout the city. The following totals include operating costs and personnel for the following functions of government:



**General Government**  
**\$5,027,620**



**Human Resources**  
**\$1,138,344**



**Finance**  
**\$10,498,927**



**Community Development**  
**\$4,098,678**



**Public Safety**  
**\$19,622,896**



**Public Works**  
**\$9,846,539**



**Parks, Recreation and Golf**  
**\$15,540,722**



**Debt Service**  
**\$2,575,090**

The expenditures highlighted in the General Fund include internal service fund allocations, they do not, however, include the operational and capital costs of the city's three internal service funds. For more information please refer to the city's 2019 published CAFR at [c3gov.com/financialreports](http://c3gov.com/financialreports).

*A 1% sales and use tax increase took effect in 2014 and contributes to continued increases in the General Fund. This tax is dedicated toward the building and maintenance of new parks, recreation and road projects. The ballot measure was a result of a two-year, community-driven process to identify how to implement programs and services that address growing population needs, achieve vision and build a better Commerce City.*

*The city's expenses continue to increase to support the city's growing population.*



## Capital Expenditure Fund

The Capital Expenditure Fund pays for major capital projects such as building roads and parks. During 2019 this fund incurred \$13.4 million in capital costs.

Balance  
**\$38,655,239**

### The major projects include:

RTD Station Project - **\$752,089**

Pavement Management - **\$2,577,500**

88th Avenue Widening - **\$1,131,821**

Core City Infrastructure - **\$1,429,753**

Parks Projects - **\$3,612,698**

IT Projects - **\$252,790**

### Pavement Maintenance & Management Program

When it comes to maintaining roads, Commerce City is committed to making the right repair on the right road at the right time. That's why the city uses a comprehensive pavement maintenance and management plan that follows a schedule for taking care of roadways.



## Northern Infrastructure GID Fund

Balance  
**\$15,132,586**

The Northern Infrastructure General Improvement District Fund was established in 2008 to support the city's growth and expansion in the north. Most of the projects included infrastructure work completed along East 104th Avenue.

## Urban Renewal Authority Fund

Balance  
**\$13,170,799**

The Commerce City Urban Renewal Authority (URA) Fund is used to account for the expenditures related to acquisition, clearance, rehabilitation, conservation, development and redevelopment in the interest of public health, safety, and welfare for residents of the city.

Major URA successes in the last 10 years include Victory Crossing (where the civic center is located) and the Mile High Greyhound Park (MHGP). MHGP was purchased by the URA in 2011 for mixed-use redevelopment. The site is envisioned to become a vibrant, mixed-use area in the coming years, combining residential, retail, office, civic and educational spaces to help revitalize this historic part of Commerce City. Current plans are to resell the property held for resale with a cost of \$4.7 million.

**This fund expended \$983,362.**

# CITY DEBT AND ASSETS

## Assets

The city's total governmental activity assets for 2019 were reported as \$670,383,687, with a 2.0% increase from 2018.

### Non-depreciable assets

(Including land, golf course, water rights, and construction in progress)

**\$72,934,872**

### Depreciable assets, net of depreciation

**\$393,692,676**



#### **Buildings - \$66,731,756**

- Increased by 1%



#### **Machinery, equipment, furniture and intangibles - \$5,236,934**

- Increased by 9%



#### **Infrastructure - \$321,723,986**

- Increased by 4%



The city's housing authority, a component unit, reported total capital assets, net of depreciation as \$918,673 in 2019. The services provided by the authority exclusively benefit the city's citizens. For more information, and to view the housing authority's annual financial reports, please contact the city's finance department.



The city invested approximately \$13.4 million in capital assets for fiscal year 2019. These funds were dedicated to road/pavement management, parks, street lights, buildings, land, equipment and construction in progress.

## LONG-TERM DEBT

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The city's total long-term debt is approximately \$271,897,605 million. More than half of that debt is due to sales tax revenue bonds which support the city's capital improvement and preservation plan.

### General Improvement District General Obligation Bond

**\$74,980,000**

### Sales Tax Revenue Bonds

**\$164,350,000**

### Lease Purchase Agreement

**\$803,310**

### Compensated Absences

**\$196,449**

### Certificates of Participation

**\$31,567,846**

For more detailed information about the city's long-term debt, please refer to the 2019 CAFR, which can be found at [www.c3gov.com/financialreports](http://www.c3gov.com/financialreports).

*Northern Infrastructure General Improvement District (NIGID) is a separate legal entity and is not the city's obligation, but is reported here as such to reflect the overall debt. The NIGID has its own property tax levy to generate the revenue necessary to retire its debt.*



### RTD Station Project

RTD announced the N Line is scheduled to open in late September 2020. The first 13 miles of the proposed 18.5-mile commuter rail line will provide service from Union Station through Denver, Commerce City, Thornton, Northglenn, and eventually to north Adams County.

The city is improving area streets using grant money obtained from the Denver Regional Council of Governments (DRCOG) to accommodate more vehicle traffic and improve pedestrian access around the Commerce City station. Improvements include repaving Colorado Boulevard between E. 70th and E. 72nd avenues and adding new sidewalks and curbs. An extension of E. 72nd Avenue will be built west of Colorado Boulevard to access the new station.



## **CONTACT THE CITY'S FINANCE DEPARTMENT**

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