

# COMMERCE CITY, CO POPULAR ANNUAL FINANCIAL REPORT

For the year ended December 31, 2021



# INTRODUCTION

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 2021 that are drawn from financial statements reported in the Annual Comprehensive Financial Report (ACFR). The ACFR 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 ACFR 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 2021 year-end financial status.

**Additional financial information can be found in the ACFR, available at city clerk’s office and online at [C3gov.com/financialreports](https://c3gov.com/financialreports).**

If you have questions regarding this report, contact the Finance Department at [finance@c3gov.com](mailto:finance@c3gov.com) or 303-289-3627.

## TABLE OF CONTENTS

- Introduction .....2
- Commerce City at a Glance  
and Organizational Chart .....4
- The City’s Net Position .....5
- Internal Service Funds .....6
- General Fund .....7
- General Fund Expenses ..... 8-9
- City Debt and Assets .....10
- Long-Term Debt .....11



**Top Row:** Oscar Madera - Ward I, Meghan Grimes - At Large, Sean Ford - At Large, Susan Noble - Ward IV, Craig Hurst - At Large  
**Bottom Row:** Rick Davis - Ward III, Mayor Pro Tem - Jennifer Allen-Thomas, Kristi Douglas - At Large, Mayor - Benjamin Huseman

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 36.18 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 1st - December 31st).



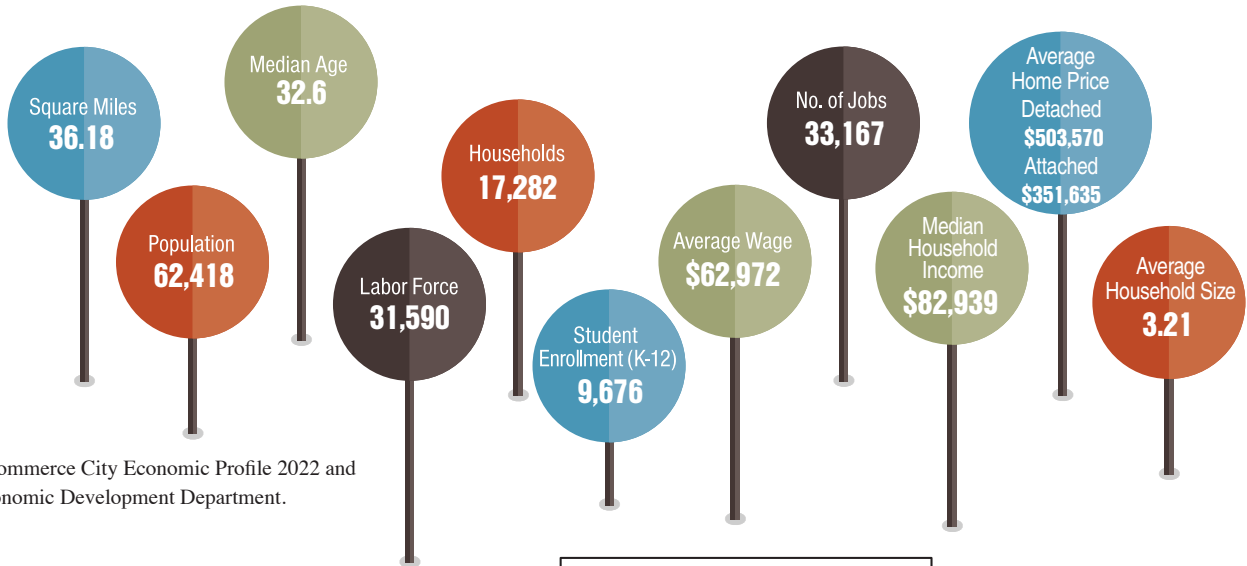
**Rocky Mountain Arsenal National Wildlife Refuge**

*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**

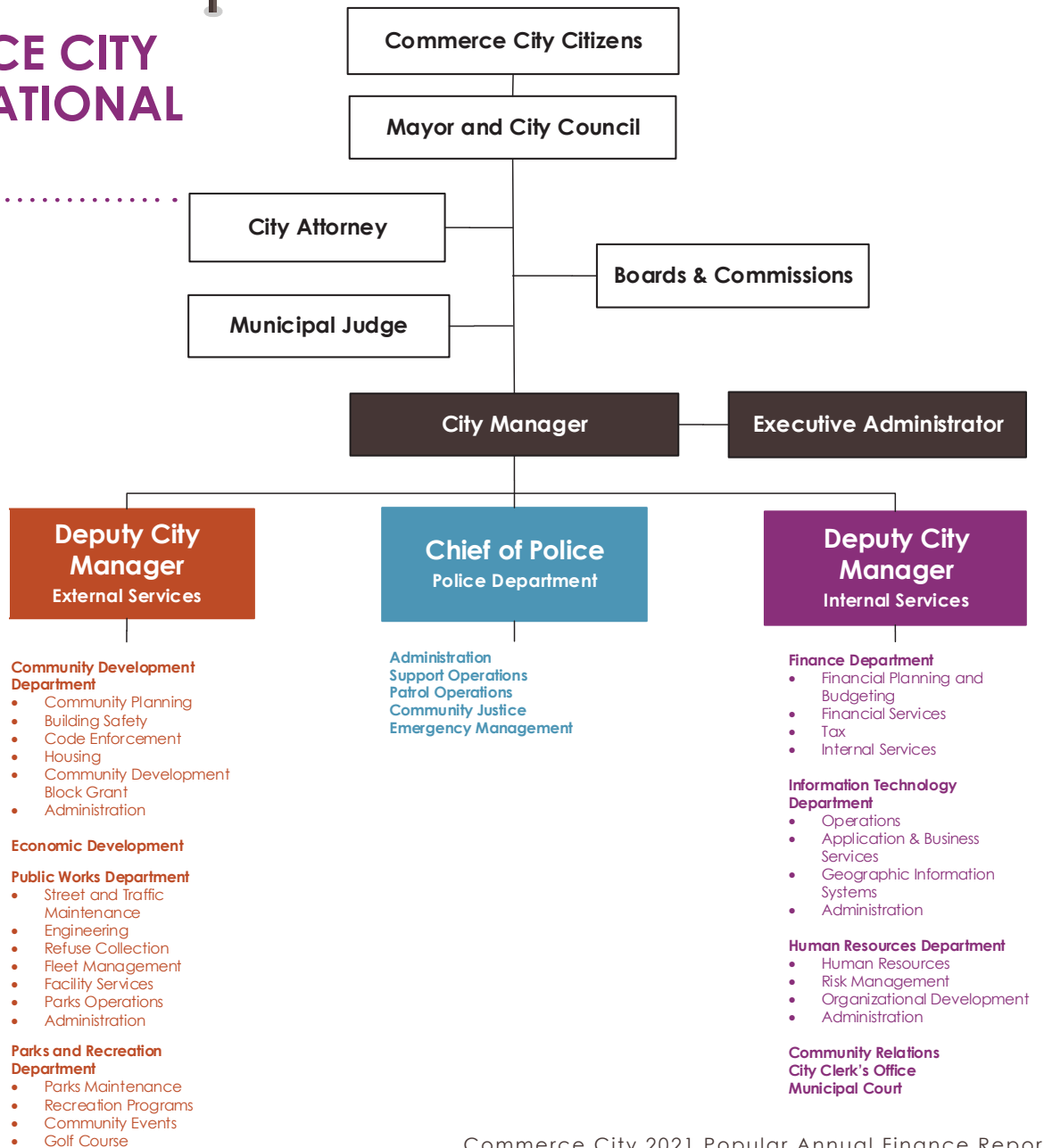
1. Promote a balanced, thriving, and inclusive city economy that cultivates, attracts, and retains business
2. Protect resident health, safety, and education by promoting public safety, environmental health, and sustainability
3. Sustain an efficient and effective city government that attracts, trains, and retains high performing employees capable of realizing Council’s vision
4. Develop and maintain public infrastructure, facilities, and transportation to improve community appearance and encourage continued development
5. Promote inclusion and equity to create a unified City that reflects its diverse residents, encourages community involvement and trust, and fosters civic pride

# COMMERCE CITY AT A GLANCE



Source: Commerce City Economic Profile 2022 and City's Economic Development Department.

## COMMERCE CITY ORGANIZATIONAL CHART



# THE CITY'S NET POSITION

Below is an overview of the city's 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 2021, the city's net position increased overall by \$36.6 million since 2020. 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 2021 published ACFR, located at [c3gov.com/financialreports](http://c3gov.com/financialreports).

The city's total net position at the end of 2021 was \$411,753,891 and is comprised of the following:



**Net investment in capital assets**  
**\$194,798,787**

Represents the city's net investment in capital assets



**Restricted**  
**\$54,344,248**

Portion that is restricted for existing resources



**Unrestricted (obligations)**  
**\$162,610,857**

Portion that is not yet classified

## GOVERNMENTAL ACTIVITIES SUMMARY

### 3-Year Trend Data

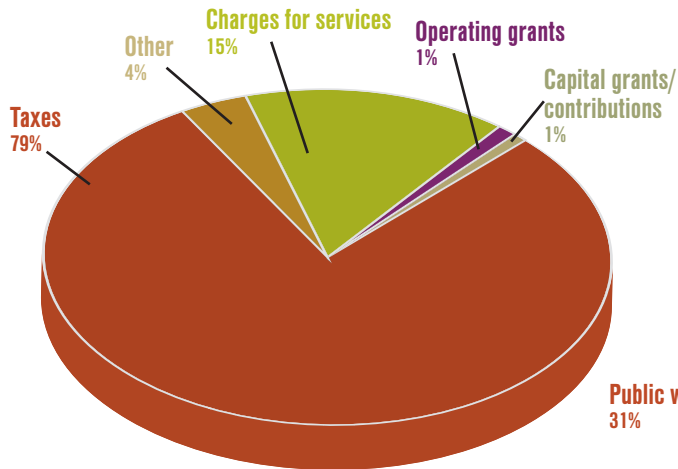
#### Governmental Activity Revenue

	2019	2020	2021
Charges for services	17,759,001	17,236,702	23,852,110
Operating grants	1,418,912	682,769	1,087,738
Capital grants/contributions	3,019,880	4,909,342	2,198,922
Taxes	91,061,645	91,989,040	121,663,697
Other	10,764,565	13,978,419	6,063,331
<b>Total</b>	<b>\$124,024,003</b>	<b>\$128,796,272</b>	<b>\$154,865,798</b>

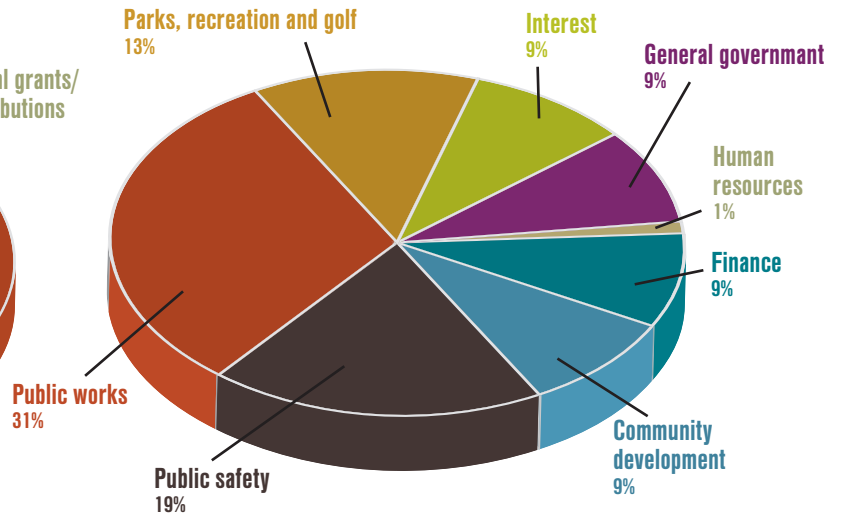
#### Governmental Activity Expenses

	2019	2020	2021
General government	8,404,634	10,842,027	10,908,393
Human resources	1,138,344	1,220,749	1,248,728
Finance	10,498,927	10,341,324	10,350,521
Community development	5,000,163	10,873,056	11,400,862
Public safety	19,648,844	21,790,833	22,162,407
Public works	27,469,869	33,034,515	36,904,188
Parks, recreation and golf	18,794,815	12,850,757	15,421,500
Interest	11,009,314	11,083,648	10,995,172
<b>Total</b>	<b>\$101,964,910</b>	<b>\$112,036,909</b>	<b>\$119,391,771</b>

## 2021 Governmental Revenues



## 2021 Total cost of services



## PROPRIETARY FUNDS

Proprietary funds 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 Enterprise Fund is reported as Business-type Activities, while the three Internal Service Funds are reported as Governmental Activities.

- The Solid Waste Management Fund collects 5% of fees earned by the Republic Services landfill operation. The revenues are used for solid waste management projects and services within the city. In 2021 the city collected \$1,177,721 in fees.

## INTERNAL SERVICE FUNDS

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 2021.



**Fleet – \$4,178,319**



**IT – \$5,020,170**



**Facility – \$3,271,699**

### Fund balance at end of 2021

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

Balance  
**\$15,810,509**

# GENERAL FUND

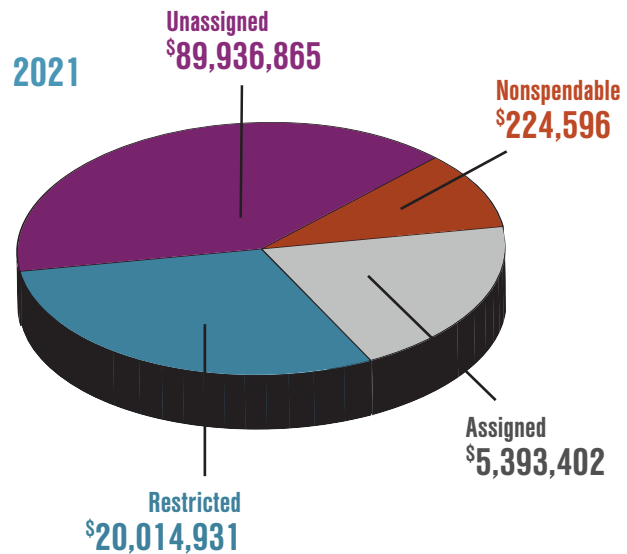
Fund balance at the end of 2021

Balance  
**\$115,569,794**

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

	2020	2021
Nonspendable	\$268,115	\$224,596
Restricted	\$18,882,057	\$20,014,931
Assigned	\$5,227,435	\$5,393,402
Unassigned	\$62,168,516	\$89,936,865
<b>Total</b>	<b>\$86,546,123</b>	<b>\$115,569,794</b>



## General Fund Revenues

### Where the money comes from:

In 2021, this fund reported \$124,920,947 in revenues and increased by 22.4% since 2020. A majority of the General Fund revenue comes from the collection of sales and use taxes.

### General Fund revenue highlights:

2K sales and use tax increased by  
**38.8%**

Sales and Use Tax increased by  
**38.8%**

Photo red light enforcement increased by  
**63.1%**

Building Permits increased by  
**41.5%**

Franchise fees increased by  
**9.6%**

Recreation/golf fees increased by  
**67.2%**

# GENERAL FUND EXPENSES

## What it takes to run the city

The city's total cost of services to run day-to-day operations is \$74,688,800. This amount increased \$2.2 million over 2020. In addition, approximately \$21.7 million was transferred from the General Fund to support other funds. Included in this amount were transfers of \$10.2 million to the Capital Expenditures Fund and \$10.6 million to the Debt Service Fund. General Fund expenditures 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**  
**\$5,832,728**



**Human Resources**  
**\$1,248,728**



**Finance**  
**\$10,350,521**



**Community Development**  
**\$4,579,666**



**Public Safety**  
**\$22,006,502**



**Public Works**  
**\$15,480,355**



**Parks, Recreation and Golf**  
**\$12,587,003**



**Debt Service**  
**\$2,603,297**

*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.*

The expenditures highlighted in the General Fund include internal service fund allocations. For more information please refer to the city's 2021 published ACFR at [c3gov.com/financialreports](http://c3gov.com/financialreports).



## Capital Expenditure Fund

The Capital Expenditure Fund pays for major capital projects such as building roads and parks. During 2021 this fund incurred \$15.8 million in capital costs.

Balance

**\$52,267,861**

### The major projects include:

Turnberry Drainage Outfall - **\$1,201,547**

88th Avenue Widening - **\$1,107,620**

IT Projects - **\$259,375**

Irondale Infrastructure - **\$1,100,154**

Turnberry Skate Park - **\$254,760**

Fulton Ditch Bridge - **\$1,207,619**

ACSD 14 Improvements - **\$141,146**



Turnberry Skate Park, completed in 2021, enhanced the Turnberry Park amenities with beginner skate elements for youth and residents.

## Northern Infrastructure GID Fund

Balance

**\$18,975,167**

The Northern Infrastructure General Improvement District Fund was established in 2008 to support the city's growth and expansion in the north. To date, completed projects include infrastructure work along East 104th Avenue. Expenditures within this Fund are largely related to debt service payments for the general obligation bonds issued to complete these projects.

## Urban Renewal Authority Fund

Balance

**\$7,188,119**

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 well on its way to becoming a vibrant, mixed-use area in the coming years. At full buildout, MHGP will provide residential, retail, office, hospitality and educational uses to the historic part of Commerce City.

**This fund expended \$6,809,073**

# CITY DEBT AND ASSETS

## Assets

The city's total governmental activity assets for 2021 were reported as \$736,122,206, with a 7.8% increase from 2020.

### Non-depreciable assets

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

**\$82,805,190**

### Depreciable assets, net of depreciation

**\$375,205,974**



#### **Buildings - \$80,580,042**

- Decreased by 5%



#### **Infrastructure - \$255,730,459**

- Decreased by 4%



#### **Parks and trails - \$31,946,285**

- Decreased by 5%



#### **Machinery, equipment and intangibles - \$6,949,188**

- Increased by 18%



The city's housing authority, a component unit, reported total capital assets, net of depreciation as \$3,561,960 in 2021. The services provided by the authority exclusively benefit the city's residents. For more information, and to view the housing authority's annual financial reports, please contact the city's finance department.



The city invested approximately \$15.8 million in capital assets for fiscal year 2021. These funds were dedicated to road/pavement management, parks, street lights, buildings, land, equipment and construction in progress.

# LONG-TERM DEBT

The city's total long-term debt outstanding is \$293,321,716 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 Districts General Obligation (GO) Bonds and Loan

**\$70,100,000** - NIGID GO Bonds

**\$14,125,000** - ECAGID GO Loan

## Sales Tax Revenue Bonds

**\$156,740,000**

## Lease Purchase Agreement

**\$316,085**

## Certificates of Participation

**\$29,305,976**

## Net Deferred Premiums

**\$22,734,654**

For more detailed information about the city's long-term debt, please refer to the 2021 ACFR, which can be found at [www.c3gov.com/financialreports](http://www.c3gov.com/financialreports).



The Henderson Hill Overlook Trailhead was completed in 2021 in partnership with the Rocky Mountain Arsenal Wildlife Refuge. It is accessible via a new paved parking lot at the intersection of E. 96th Avenue and Chambers Road.

The city has three General Improvement Districts (GIDs)

1. The Northern Infrastructure General Improvement District (NIGID)
2. The E-470 Commercial Area General Improvement District (ECAGID)
3. The E-470 Residential Area General Improvement District (ERAGID)

The objective of the NIGID is the development of roadway, water, and wastewater improvements in the District that will promote the health, prosperity, security, and general welfare of the citizens of the City and the District.

The objective of the ECAGID is the development of roadway, water, and wastewater improvements in the District that will promote the health, prosperity, security, and general welfare of the inhabitants of the City and the District.

The objective of the ERAGID is the construction, installation, maintenance, and operation of water and sewer improvements, roadway and related improvements, and recreation improvements, for the benefit of its municipal residents.

The GIDs have their own property tax levies to generate revenue necessary to retire debt.

## CONTACT THE CITY'S FINANCE DEPARTMENT

The Popular Annual Financial Report (PAFR) is a summary of financial highlights and activities for the fiscal year 2021 that are drawn from financial statements reported in the Annual Comprehensive Financial Report (ACFR). If you have questions about this report or would like to request additional information, contact the Finance Department at [finance@c3gov.com](mailto:finance@c3gov.com) or 303-289-3627. Also, visit the city's finance department website at [c3gov.com/financialreports](https://c3gov.com/financialreports) for additional information and to view published financial reports.

