



COMMERCE CITY, CO POPULAR ANNUAL FINANCIAL REPORT

For the year ended December 31, 2023



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 2023 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 2023 year-end financial status.

Additional financial information can be found in the ACFR, at the city clerk’s office and online at c3gov.com/FinancialReports.

If you have questions regarding this report, contact the Finance Department at finance@c3gov.com or 303-289-3627.

TABLE OF CONTENTS

- Introduction2
- Commerce City at a Glance and Organizational Chart4
- The City’s Net Position5
- Internal Service Funds6
- General Fund7
- General Fund Expenses8
- Capital Expenditures Fund9
- Urban Renewal Authority9
- City Debt and Assets10
- Long-Term Debt11



*Top Row: Steve Douglas, Mayor; Susan Noble, Mayor Pro Tem/Ward IV; Oscar Madera, Ward I
 Middle Row: Rocky Teter, Ward II; Renée M. Chacon, Ward III; Sean Ford, At-Large
 Bottom Row: Kristi Douglas, At-Large; Craig Kim, At-Large; Charles Dukes, 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 36.33 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 1-December 31).



The city hosted its first-ever Hispanic Heritage Month celebration in Downtown Derby in Sept. 2023, celebrating with live entertainment, authentic food, and more.

City Council’s Goals

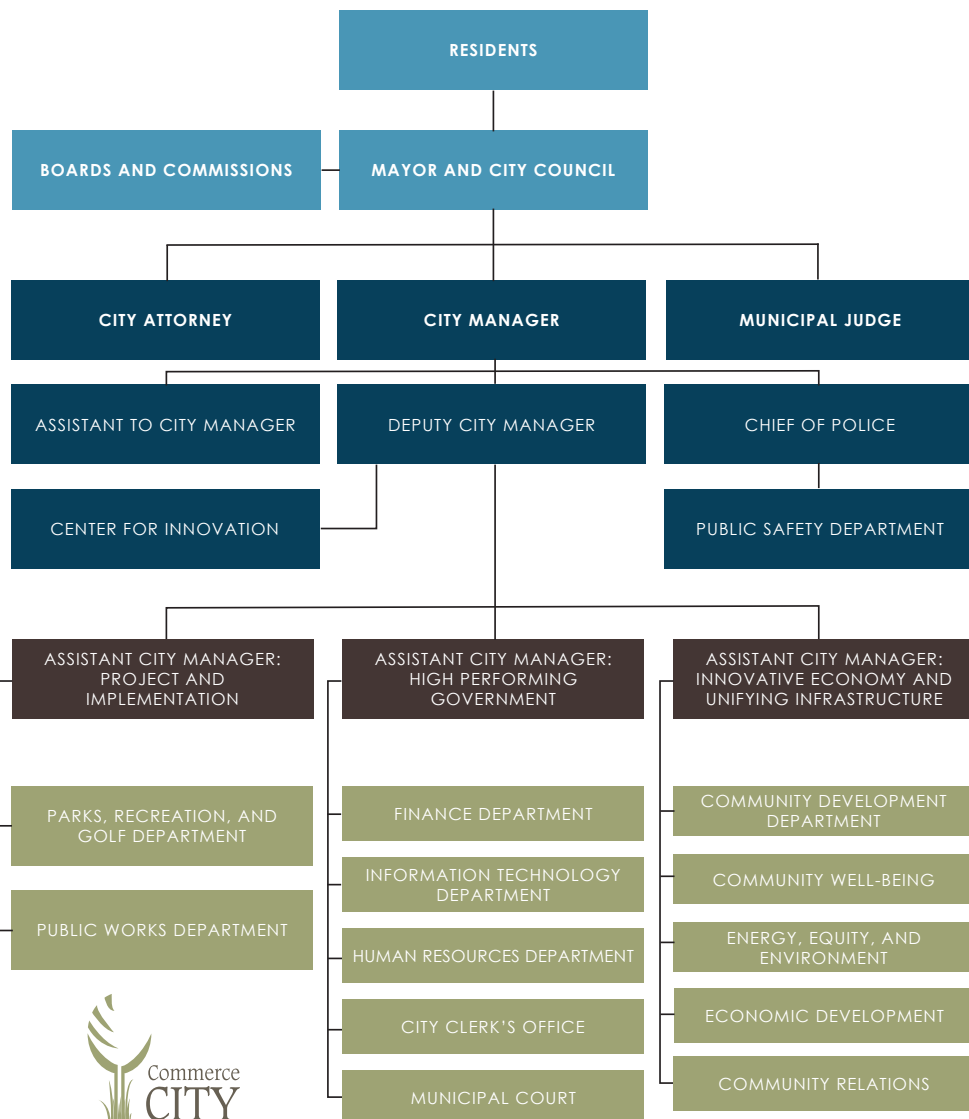
1. Promote a balanced, thriving, and inclusive city economy that cultivates, attracts, and retains business
2. Protect resident health, safety, and education by promoting public safety, environmental health, and sustainability
3. Develop and maintain public infrastructure, facilities, and transportation to improve community appearance and encourage continued development
4. Address the full spectrum of housing needs, encourage sustainable development, and protect residents through enhanced oversight and balanced residential growth
5. Promote City unity and support our diverse community by encouraging community connectivity, fostering civic pride, and improving resident health and wellness
6. Lead in managerial best practices through strong stewardship of public funds, being an employer of choice, and providing technologically innovative and transparent public service

COMMERCE CITY AT A GLANCE



Sources: Commerce City Economic Profile, Planning and Economic Development Departments, U.S. Census Bureau, Colorado Department of Education.

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 2023, the city's net position increased overall by \$55.1 million from 2022. 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 2023 published ACFR, located at c3gov.com/FinancialReports.

The city's total net position at the end of 2023 was \$493,162,998 and is comprised of the following:



Net investment in capital assets
\$227,222,100

Represents the city's net investment in capital assets



Restricted
\$55,500,602

Portion that is restricted for existing resources



Unrestricted (obligations)
\$210,440,296

Portion that is not yet classified

GOVERNMENTAL ACTIVITIES SUMMARY

5-Year Trend Data

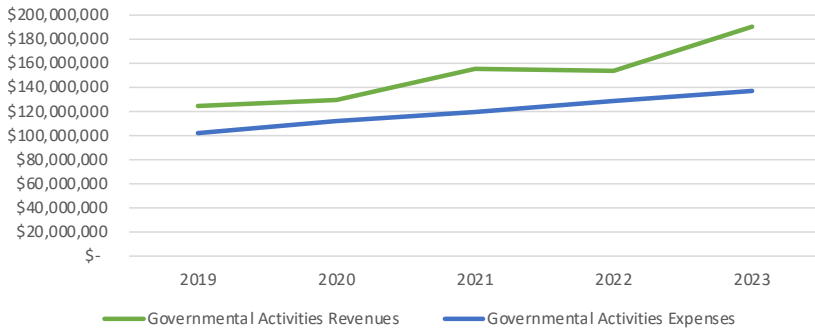
Governmental Activities Revenues

	2019	2020	2021	2022	2023
Charges for services	17,759,001	17,236,702	23,852,110	19,183,755	27,233,773
Operating grants	1,418,912	682,769	1,087,738	1,669,656	1,514,667
Capital grants/contributions	3,019,880	4,909,342	2,198,922	21,110,171	17,298,551
Taxes	91,061,645	91,989,040	121,663,697	125,372,984	125,632,075
Other	10,764,565	13,978,419	6,063,331	(13,824,835)	18,650,637
Total	\$124,024,003	\$128,796,272	\$154,865,798	\$153,511,731	\$190,329,703

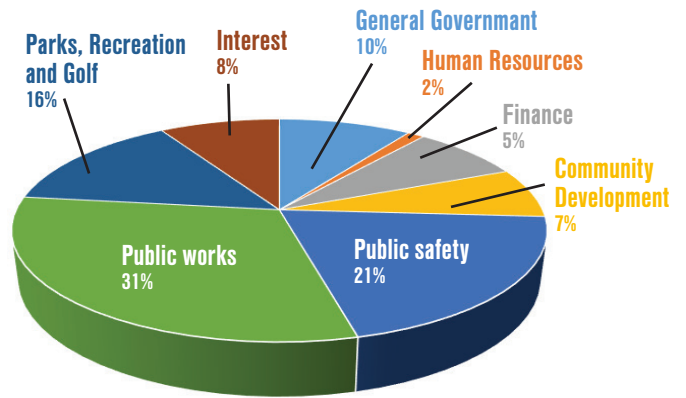
Governmental Activities Expenses

	2019	2020	2021	2022	2023
General government	8,404,634	10,842,027	10,908,393	12,280,883	13,911,182
Human resources	1,138,344	1,220,749	1,248,728	1,559,306	2,154,762
Finance	10,498,927	10,341,324	10,350,521	10,277,011	6,716,608
Community development	5,000,163	10,873,056	11,400,862	9,261,784	9,578,375
Public safety	19,648,844	21,790,833	22,162,407	25,809,762	29,434,807
Public works	27,469,869	33,034,515	36,904,188	39,648,726	41,912,708
Parks, recreation and golf	18,794,815	12,850,757	15,421,500	18,489,801	22,195,739
Interest	11,009,314	11,083,648	10,995,172	11,153,065	10,722,751
Total	\$101,964,910	\$112,036,909	\$119,391,771	\$128,480,338	\$136,626,932

Governmental Activities Revenues & Expenses 2019-2023



2023 Total Cost of Services



	2019	2020	2021	2022	2023
Governmental Activities Revenues	\$124,024,003	\$128,796,272	\$154,865,798	\$153,511,731	\$190,329,703
Governmental Activities Expenses	\$101,964,910	\$112,036,909	\$119,391,771	\$128,480,338	\$136,626,932

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 2023 the city collected \$1,424,767 in fees.

INTERNAL SERVICE FUNDS

The city has four 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 2023.



Fleet Management – \$4,829,692



Information Technology – \$6,534,315



Facility Services – \$4,028,605



Benefits – \$4,913,996

Fund balance at end of 2023

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

Balance

\$21,486,713

GENERAL FUND

Fund balance at the end of 2023

Balance
\$103,782,887

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.

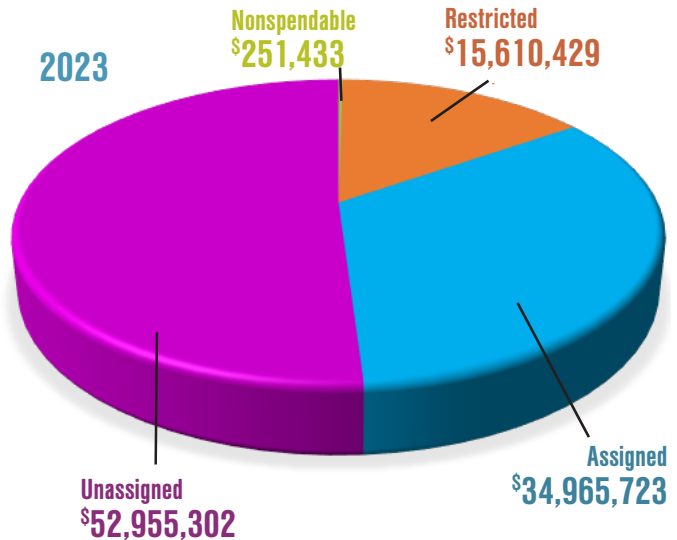
General Fund Balances

	2019	2020	2021	2022	2023
Nonspendable	\$298,847	\$268,115	\$224,596	\$249,068	\$251,433
Restricted	\$23,470,947	\$18,882,057	\$20,014,931	\$17,787,133	\$15,610,429
Assigned	\$4,578,098	\$5,227,435	\$5,393,402	\$4,447,162	\$34,965,723
Unassigned	\$55,099,042	\$62,168,516	\$89,936,865	\$63,754,614	\$52,955,302
Total	\$83,446,934	\$86,546,123	\$115,569,794	\$86,237,977	\$103,782,887

General Fund Revenues

Where the money comes from:

In 2023, this fund reported \$138,481,850 in revenues an increase of 23.4% from 2022. This increase is caused by the mark-to-market entry recorded at year-end 2023. This is not a realized gain, however, is a required book entry to account for the current market rate prices of bonds withing the City’s investment portfolio. Since the City does not sell its bonds prior to maturity, this positive book entry is never realized as a gain. 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
2.2%

Sales and Use Tax increased by
2.2%

Photo red light enforcement decreased by
-2.4%

Building Permits decreased by
-6.8%

Franchise fees decreased by
-1.4%

Recreation/golf fees increased by
4.6%

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.

GENERAL FUND EXPENSES

What it takes to run the city

The city's total cost of services to run day-to-day operations is \$98,395,993. This amount increased \$11.4 million over 2022. In addition, approximately \$23.1 million was transferred from the General Fund to support other funds. Included in this amount were transfers of \$8.4 million to the Capital Expenditures Fund and \$12.7 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
\$9,305,633



Human Resources
\$2,154,762



Finance
\$6,716,608



Community Development
\$7,372,861



Public Safety
\$30,299,725



Public Works
\$21,579,038



Parks, Recreation and Golf
\$18,609,247



Debt Service
\$2,358,119

The expenditures highlighted in the General Fund include internal service fund allocations. For more information please refer to the city's 2023 published ACFR at c3gov.com/FinancialReports.



In 2023, the city installed 58-speed tables and humps along 34 different corridors around schools in the city.

Commerce City is growing with home sales and building permits on a double-digit percentage rise and more than 60,000 individuals calling the city home.

Capital Expenditure Fund

The Capital Expenditure Fund pays for major capital projects such as building roads and parks. During 2023 this fund incurred \$15.6 million in capital costs.

Balance
\$139,340,437

The major projects include:

Concrete/Sidewalk Repair - **\$550,641**

Pavement Management - **\$2,215,765**

Monaco Park Renovation - **\$758,401**

Northern Infrastructure GID Fund

Balance
\$6,098,573

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 in Northern Infrastructure GID Fund. Debt service costs increased in 2023 for a planned additional principal payment of the 2013 NIGID General Obligation Bonds.

Urban Renewal Authority Fund

Balance
\$3,821,287

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 20 years include Victory Crossing (where the civic center is located) and the Mile High Greyhound Park (MHGP) redevelopment project. 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 \$2,472,780

CITY DEBT AND ASSETS

Assets

The city's total governmental activity assets for 2023 were reported as \$828,165,640, with a 3.8% increase from 2022.

Non-depreciable assets

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

\$91,278,755

Depreciable assets, net of depreciation

\$377,794,924



Buildings - \$74,449,928

- Decreased by 3%



Infrastructure - \$265,106,117

- Decreased by 2%



Parks and trails - \$27,326,724

- Decreased by 7%



Machinery, equipment and intangibles - \$10,912,155

- Increased by 49%



The Commerce City Housing Authority, a component unit, reported total capital assets, net of depreciation as \$4,961,065 in 2023. 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 \$15.6 million in capital assets for fiscal year 2023. 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 \$291,184,678 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

\$48,205,000 - NIGID GO Bonds

\$13,660,000 - ECAGID GO Loan

Sales Tax Revenue Bonds

\$194,195,000

Certificates of Participation

\$26,861,664

Net Deferred Premiums

\$8,263,014

For more detailed information about the city's long-term debt, please refer to the 2023 ACFR, which can be found at c3gov.com/FinancialReports.



For decades, Rusty the mechanical rabbit set the pace for races at the Mile High Greyhound Park. Now he is back and permanently installed in front of The Landing at Greyhound Park, an apartment building on the site and home to Greyhound Grounds Coffee House.

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 2023 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 or 303-289-3627. Also, visit the city's finance department website at c3gov.com/financialreports for additional information and to view published financial reports.

