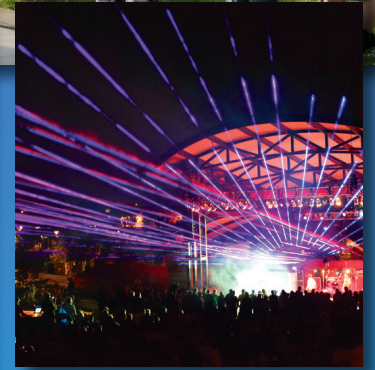


2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended in December 31, 2016



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF CENTENNIAL, COLORADO



For The Year Ended
December 31, 2016

Prepared by:
Finance Department



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CITY OF CENTENNIAL, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2016

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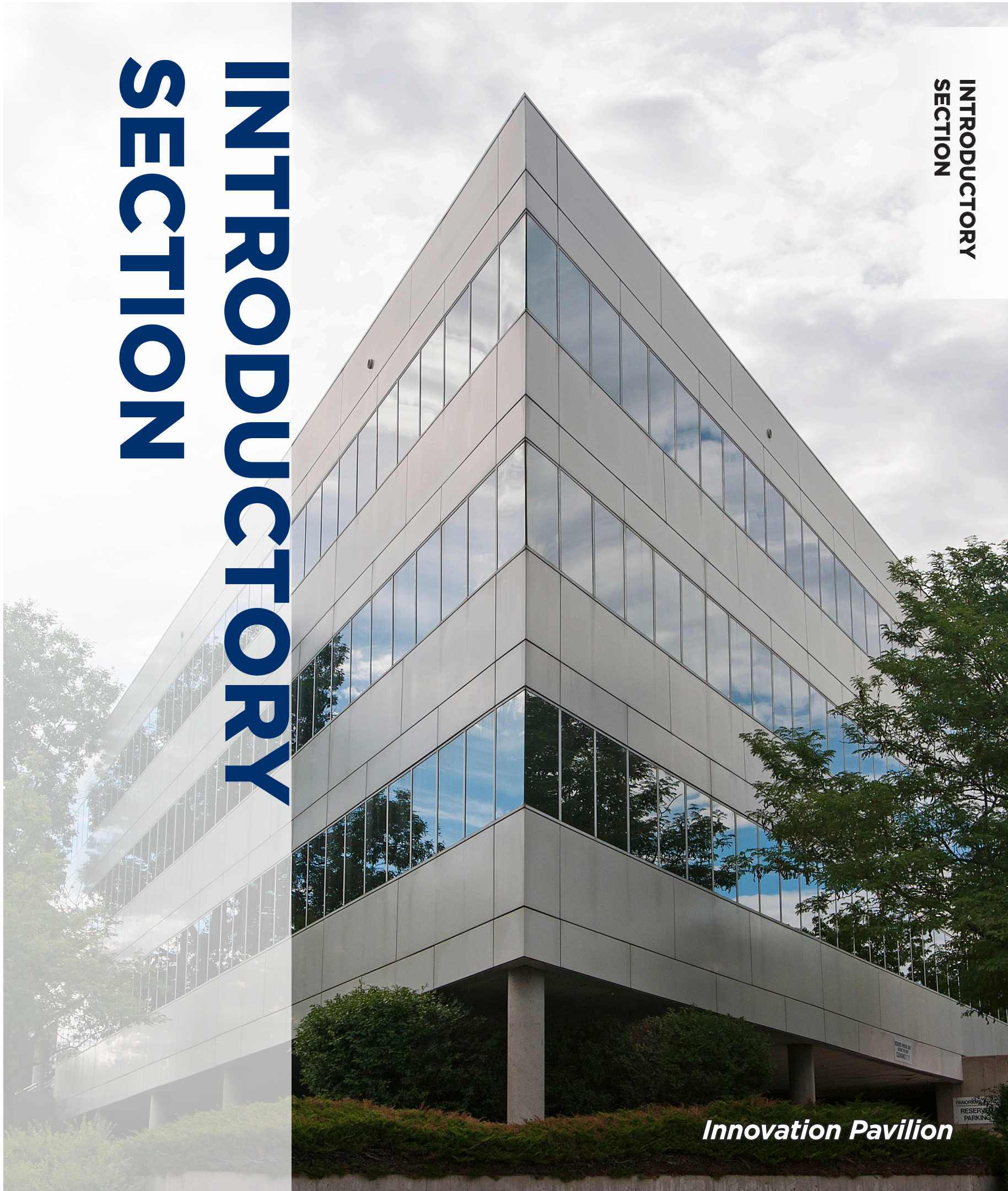
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**INTRODUCTORY
SECTION**

INTRODUCTORY SECTION



Innovation Pavilion



June 23, 2017

Honorable Mayor Cathy A. Noon
Members of the City Council, and
Citizens of Centennial, Colorado

TRANSMITTAL LETTER

Formal Transmittal

The Comprehensive Annual Financial Report (“CAFR”) of the City of Centennial, Colorado for the fiscal year ended December 31, 2016 is hereby formally transmitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, resides with the City. We believe that the data, as presented, is accurate in all material respects, that it is reported in a manner designed to present fairly the financial position and the results of operations of the City, and that all disclosures necessary to enable the reader to gain an understanding of the City’s financial position have been included.

City Profile

The City of Centennial, Colorado (the “City”) was incorporated on September 12, 2000 and elected its first officials on February 6, 2001. The City functions under a Council-Manager form of government since its current Home Rule Charter was adopted and approved by the voters on June 10, 2008. The City functions with a citywide elected mayor and eight council members. Two council members are elected from each of the City’s four districts. The City promotes the health and safety of its citizens by providing public works, law enforcement, animal control, engineering, and planning and zoning services. The City also serves the business community by providing business and sales tax licenses as well as liquor licenses. Citizens receive fire protection, libraries, park and recreation services, schools, water, and utilities through numerous special districts.

The City’s Financial Condition

The CAFR includes all financial activities for which the City Council is accountable to the citizens of the City, either by Charter or statute. All applicable funds, departments and offices are included in these financial statements as part of the Primary Government of the City. In addition, the general improvement districts, while legally separate entities, have significant financial and operational relationships with the City and are thus included in the CAFR. Colorado statutes and City Charter require an annual financial statement audit of the City’s accounts and financial records by an independent certified public accountant (“CPA”) as selected by the City Council. The CPA firm of Swanhorst & Company LLC conducted the audit of the City’s financial statements for the year ended December 31, 2016; the resulting Independent Auditors’ Report is presented in the front of the Financial Section of this report.

Consistent with the prior year, the current year's financial report reflects the implementation of the Governmental Accounting Standards Board's Statement Number 34 ("GASB 34"). This implementation is intended to provide better presentation and more complete information to the users of governmental financial statements. GASB 34 requires that management provide a narrative introduction, general overview, and analysis to accompany the basic financial statements, in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately behind the Independent Auditor's Report.

The City's management is responsible for assessing and maintaining effective internal controls over the accounting function and financial reporting. The City's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. As with any system of internal controls, the City's control over the accounting and financial reporting functions is inherently limited as the concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the likely benefits resulting from the control; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe the City's internal controls adequately safeguard assets and provide reasonable assurance for the proper recording and reporting of financial transactions in all material respects.

The national economy continues with growth as evidenced by the economy creating 2.2 million jobs in 2016 compared to 2.07 million in 2015. With that and the labor participation rate reported at 62.7% at the end of 2016, the Federal Reserve has increased interest rates at their last meeting. Gross domestic product (GDP) is expected to rise to 2.1% in 2017, an improvement from the 1.9% for 2016 with manufacturing forecast to increase faster than the general economy. Inflation is expected to be at 1.9%, 0.4% higher than in 2016. These low rates of inflation were attributable to declining oil prices. The core inflation rate removes volatile gas and food prices; the Federal Reserve utilizes core inflation rates when setting monetary policy. The Federal Reserve has a 2.0% target inflation rate thereby allowing the Federal Reserve room to raise interest rates closer to a historical norm. Increasing employment, accelerating wage growth, and improving consumer sentiment cumulatively result in the projection for increased consumer spending, which accounts for approximately 70% of U.S. economic output. Forbes reports that they see early indications of the industrial sector of the economy increasing in the latter part of 2017, predicting it will contribute to the anticipated economic up tick. Areas to watch with caution within the economy are rapid inflation forcing interest rate hikes earlier than anticipated, stock market corrections, or a substantial reduction in consumer confidence.

Colorado's economy continued to improve during 2016 with growth expected to increase slightly in 2017 led by hiring in construction, tourism and health care. These improving conditions are supported by employment growth, with economists in Colorado noting that 2017 job gains are estimated to be 63,400 which represents a 2.4% growth rate. During 2016, the Colorado economy continued to outperform the rest of the nation. Leisure and hospitality industries had positive growth with a 5% increase in jobs while steady growth was maintained in the financial services sector. Colorado growth is expected in every sector in 2017 except natural resources and mining. However, net farm income dropped to \$444 million in 2016 and is expected to decline to \$392 million in 2017. Job increases occurred in Colorado's construction industry due to more individual moves to Colorado, making the state the second fastest-growing state in terms of

percentage change, at 1.9%. With the influx of new families to Colorado, demand has spurred housing prices resulting in continued double-digit home price gains combined with low single-digit income gains that have the effect of eroding affordability levels in the housing market.

The seven-county Metro Denver area is home to over 3.1 million people and has realized average annual growth of 1.8% since 2006. That trend should continue into 2017, doubling the U.S. growth rate of .8%. Age composition of the region will continue shifting significantly over the next 15 years. Individuals ages 65 and older population now comprise over 22% of Colorado's population, yet shy of the millennial generation which is the largest age group with ages 18-35, having a population share of over 24% and is at close to 755,000 population. This means a large number of Millennials will be entering the 35-54 age category over the next six years, approaching their peak income potential range and a potential boost in spending power in Metro Denver.

The local economy continued to experience growth during 2016, and is expected to continue positive growth during 2017. The residential housing market continues to be grow with the median home value in Centennial at \$420,000, an increase of approximately 8.1% over the past year. Inventory of homes on the market is low with prices continuing to outpace income growth. Low mortgage rates have provided relief to the skyrocketing home prices, but as mortgage rates increase, affordability has decreased. December 2016 ended with just over 4,000 homes on the market in an eleven county region in Colorado with single-family detached home selling at an average of \$434,421 and attached condos averaging \$308,212.

The City annually prepares an operating budget for each year in accordance with the City Charter, City policies, the Colorado Constitution, and Colorado State Budget Law(s). The City's budget process addresses the guidelines of the Government Finance Officers Association, while also incorporating City Council's goals, ordinances, and resolutions, which provide policy direction that responds to the needs and desires of the community. The City also prepares a Five Year Strategic Plan. The Plan is a projection of future expectations, and encompasses both operating and capital spending as well as revenues. The Five Year Strategic Plan is used for current and future service and infrastructure decision making.

Awards and Acknowledgements

The report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada ("GFOA"). The GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. This is the ninth year the City has been awarded the Certificate of Achievement. The Certificate of Achievement is valid for only one year. We believe that our current CAFR will meet the GFOA's Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility.

We sincerely appreciate the assistance of all City departments for their efforts throughout the year, and for their help in preparing this report. Additionally, we thank Swanhorst & Company for their assistance and for the professional manner in which they conducted the audit. We also acknowledge the cooperation and assistance of the Finance Department for their efforts

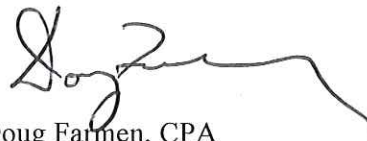
throughout the year as we work together to conduct and report on the City's financial operations.

We also thank the members of the City's Audit Committee, and recognize the Mayor and City Council for their support, leadership, and continued desire to ensure the highest standards of professionalism in the management of the City's financial affairs.

Respectfully submitted,



Elisha Thomas
Interim City Manager



Doug Farnen, CPA
Finance Director/CFO



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Centennial
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

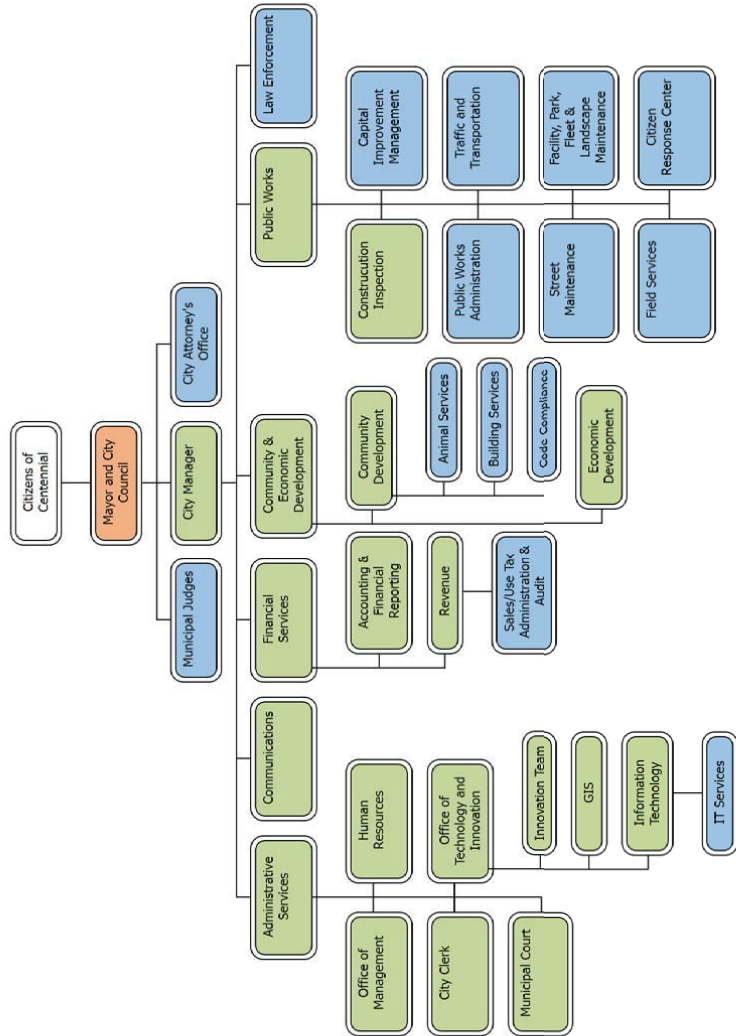
December 31, 2015

Executive Director/CEO



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The City as an Organization



City Staff
 Contracted Services
 Elected Officials



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2016 Elected Officials and Term of Office

Mayor



Cathy Noon
January 2018

Council District 1



Candace Moon
January 2020



Kathy Turley
January 2018

Council District 2



Carrie Penaloza
January 2020



Doris Truhlar
January 2018

2016 Elected Officials and Term of Office (Continued):

Council District 3



Ken Lucas
January 2020



Mark Gotto
January 2018

Council District 4

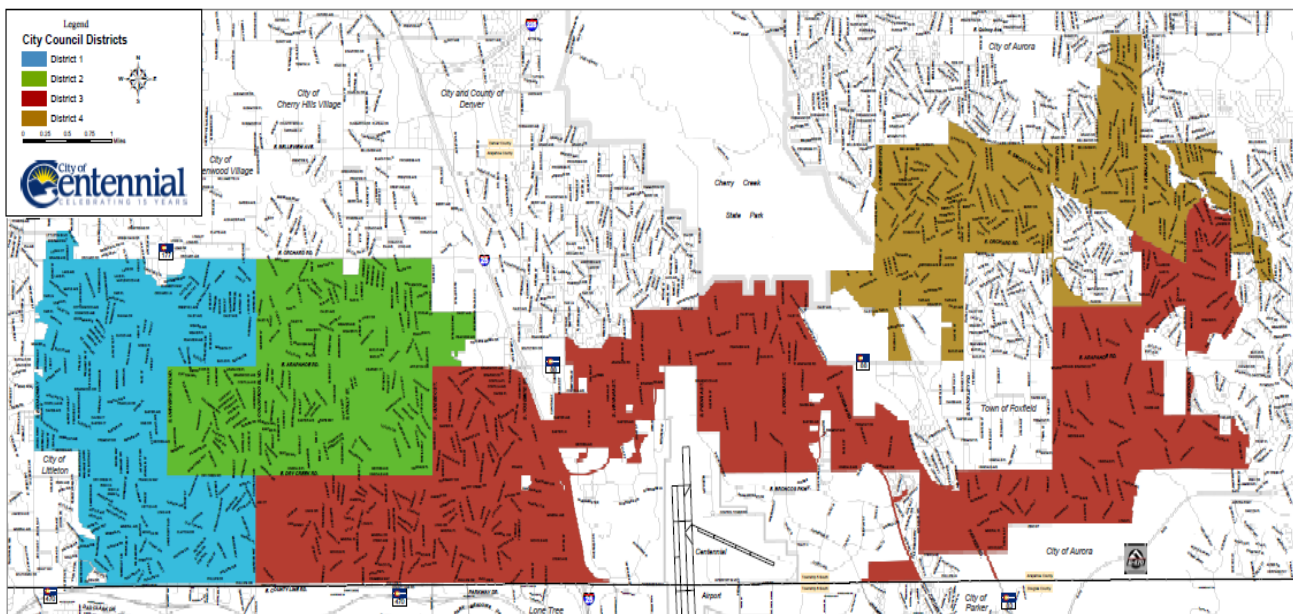


Stephanie Piko
January 2020



Charles Whelan, Mayor Pro Tem (2016)
January 2018

District Map



FINANCIAL SECTION

FINANCIAL SECTION



Music and a Movie at Centennial Center Park Amphitheater



Honorable Mayor and Members of the City Council
City of Centennial
Centennial, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centennial as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Centennial, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centennial as of December 31, 2016, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters (Required Supplementary Information)

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Other Information)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Centennial’s basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Ernst & Young LLP

June 23, 2017

This section of the City of Centennial's Comprehensive Annual Financial Report ("CAFR") offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2016. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, the basic financial statements, and the notes to the financial statements, contained in this report.

I. Financial Highlights

Taken as a whole, the City's increase in net position demonstrates the continued positive overall financial health of the City. One factor contributing to the City's overall financial health is voter approval for temporarily waiving the revenue limits of Article X, Section 20 of the Colorado Constitution from January, 2005 through December, 2015. The use of these revenues is restricted to costs for road and street repair/maintenance, public safety, and open space acquisition/maintenance.

In November, 2012 the City received voter approval to permanently extend the waiver of the revenue limits of Article X, Section 20 of the Colorado Constitution. As a result of this permanent waiver, the City may collect, retain, and spend revenues over the Taxpayer Bill of Rights (TABOR) revenue limitations from any and all sources. This will ensure the City's continued ability to fund City services and infrastructure projects.

At the close of the year, total assets of the City exceeded its liabilities (net position) by \$246.9 million. Unrestricted net position represents \$61.5 million, or 24.9%, of total net position which is available to meet ongoing and future obligations of the City.

- Total net position of the City increased by \$14.7 million, or 6.3%, compared to 2015. This net increase is the result of an increase in net investment in capital assets related to infrastructure construction, in addition to growth of sales and use tax, property tax and auto use tax received. Additionally, the City has continued to manage costs and reduce expenses in various areas.
- The total cost of all City programs increased \$3.1 million, or 4.3%, to \$74.5 million compared to 2015. The cost of governmental activities program expenses increased \$3.9 million, or 5.7%, to \$71.3 million in 2016. The cost of business-type activities decreased by \$0.8 million, or 19.0%, to \$3.2 million in 2016.
- Compared to 2015, total revenues excluding transfers, decreased \$0.8 million, or 0.9%, to \$89.1 million. Governmental activities revenue decreased \$45,243, or 0.05%, to \$85.0 million. The change in these revenues is attributable to a decrease in Capital Grants and Contributions (\$4.5 million), with offsetting increases in Sales and Use Tax revenues (\$1.4 million), Property Tax (\$1.8 million), Investment income (\$0.3 million), and Miscellaneous revenues (\$0.7 million).

- General Fund revenues increased by \$3.2 million, or 4.5%, as compared to the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported a \$0.3 million decrease in the combined ending fund balances. The combined ending governmental fund balance is \$77.5 million, of which \$34.7 million represents unassigned fund balance. This unassigned fund balance is available for spending at the City's discretion within the purposes specified for the City's funds. It is important to note that the unassigned fund balance represents 39.9% of total governmental expenditures. It is the stated policy of the City to make every effort, even in difficult economic times, to maintain its fund balance for the General Fund at a level equal to no less than 25.0% of annual expenditures plus transfers. The General Fund balance of \$36.7 million is 49.0% of annual expenditures plus transfers.

II. Overview of the Financial Statements

Management's Discussion and Analysis is intended to provide an introduction to the City's basic financial statements. The City's basic financial statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements. Following these statements, this report provides additional supplementary information. The basic financial statements include two types of statements that present unique views of the City's financial position: (1) government-wide financial statements; and (2) fund financial statements.

1. Government-wide Financial Statements

The government-wide financial statements are intended to provide readers with a broad overview of the City's financial condition. They are presented using accounting methods very similar to a privately owned business, or the *economic resources* measurement focus, and full accrual accounting.

- *The Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows and outflows with the balance reported as *Net Position*. Over time, increases or decreases in net position can serve as an indicator of the City's financial condition.
- *The Statement of Activities* presents information showing how the City's net position changed during the given fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Capital expenditures are not included in this statement; however capital grant revenues are reported.

2. Fund Financial Statements

The fund financial statements focus on specific elements of the City's finances and report on fund-specific operations in more detail than the government-wide financial statements. A fund is a grouping of resources that are segregated for the purpose of carrying on a specific activity or attaining certain objectives in accordance with given regulations, restrictions, or limitations.

Governmental Funds

The governmental funds presentation is different from the governmental activities section of the government-wide financial statements even though these two statements account for essentially the same activities. Governmental funds, as presented, have a budgetary or *current financial resources* measurement focus and use the modified accrual basis of accounting. That is, the governmental funds presentation focuses on the City's near-term financial position and changes thereto.

Proprietary Funds

Proprietary funds are unlike governmental funds in that they report the business-type activities of the City.

- *Enterprise funds* account for the operation of governmental programs that are intended to be supported primarily by user fees. These fees are presented as business-type activities on the government-wide financial statements but are presented in greater detail in the fund financial statements. In both cases, enterprise funds are presented using the *economic resources* measurement focus and full accrual accounting.

3. Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a thorough understanding of the data provided in the government-wide and the fund financial statements.

III. Government-wide Financial Statement Analysis

Assets

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the City. As of December 31, 2016, the City had total assets of \$279.5 million and the City's assets exceeded its liabilities by \$262.0 million.

The following reflects the City's Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$107,527,473	\$104,974,633	\$225,066	\$294,130	\$107,752,539	\$105,268,763
Capital Assets	171,757,225	157,122,370	11,011	15,015	171,768,236	157,137,385
Total Assets	279,284,698	262,097,003	236,077	309,145	279,520,775	262,406,148
Deferred Outflows of Resources	37,213	-	-	-	37,213	-
Liabilities						
Long-term Liabilities	2,579,881	2,677,728	-	-	2,579,881	2,677,728
Other Liabilities	14,746,957	12,123,909	236,077	309,145	14,983,034	12,433,054
Total Liabilities	17,326,838	14,801,637	236,077	309,145	17,562,915	15,110,782
Deferred Inflows of Resources	15,030,344	14,989,154	-	-	15,030,344	14,989,154
Net Position						
Net Investment in						
Capital Assets	171,757,225	157,122,370	11,011	15,015	171,768,236	157,137,385
Restricted	13,582,948	11,690,081	96,645	119,355	13,679,593	11,809,436
Unrestricted	61,624,556	63,493,761	(107,656)	(134,370)	61,516,900	63,359,391
Total Net Position	\$ 246,964,729	\$ 232,306,212	\$ -	\$ -	\$ 246,964,729	\$ 232,306,212

Capital Assets

Capital assets include items such as infrastructure, buildings, equipment, land, and other tangible and intangible items. Infrastructure assets include streets, sidewalks, traffic signals, and drainage systems. The City uses these assets to provide services to the community and thus they are not available for immediate spending.

Capital assets are the largest portion of the City's total assets representing \$171.8 million or 61.5%, of total assets. Capital assets being depreciated increased during 2016 by \$22.5 million, or 17.3%, as a result of the completion of capital projects related to streets, traffic signals, buildings, and the addition of machinery and equipment. Capital assets not being depreciated decreased during 2016 by \$4.5 million, or 4.5%, due to the completion of construction in progress for infrastructure that was capitalized during 2016.

Additional information regarding the City's capital assets can be found in Note 5 – Capital Assets in the Notes to the Financial Statements section of this report.

Long-term Debt

The long-term debt of the City, as detailed in the Notes to the Financial Statements, has decreased slightly overall. The City's obligation for Compensated Absences decreased during 2016 from \$249,943 to \$205,498. During 2016, the City did not enter into any additional long-term debt agreements.

During 2005, the Antelope General Improvement District issued \$3.05 million of general obligation bonds. During 2016 the District issued Antelope General Improvement District Refunding Series 2016. Proceeds from this issuance refunded the original debt; during 2016 the District made a principal payment of \$115,000 in addition to all scheduled interest payments.

Additional information regarding the City's long-term debt may be found in Note 6 – Long-term Obligations in the Notes to the Financial Statements section of this report.

**Management's Discussion and Analysis
for the Year Ended December 31, 2016**



The following reflects the City's Change in Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues -						
Charges for Services	\$3,018,960	\$2,891,391	\$4,144,783	\$4,901,939	\$7,163,743	\$7,793,330
Operating Grants and Contributions	6,583,898	6,488,723	-	-	\$6,583,898	6,488,723
Capital Grants and Contributions	4,660,672	9,147,000	-	-	\$4,660,672	9,147,000
General Revenue -						
Sales and Use Taxes	47,879,351	46,451,528	-	-	47,879,351	46,451,528
Property Taxes	14,711,539	12,903,382	-	-	14,711,539	12,903,382
Other Taxes	759,369	639,194	-	-	759,369	639,194
Unrestricted Franchise Fees	5,027,299	5,059,425	-	-	5,027,299	5,059,425
Investment Income	484,303	186,853	-	-	484,303	186,853
Intergovernmental revenues not restricted to specific programs	321,733	451,599	-	-	321,733	451,599
Miscellaneous	1,593,655	866,927	-	-	1,593,655	866,927
Total Revenues	85,040,779	85,086,022	\$4,144,783	4,901,939	\$89,185,562	89,987,961
Expenses						
General Government	14,114,326	13,170,287	-	-	14,114,326	13,170,287
Community Services	24,916,037	23,768,969	-	-	24,916,037	23,768,969
City Infrastructure	26,167,030	24,689,639	-	-	26,167,030	24,689,639
Culture and Recreation	961,942	1,044,536	-	-	961,942	1,044,536
Urban Redevelopment	5,088,383	4,633,280	-	-	5,088,383	4,633,280
Interest on Long-term Debt	57,175	128,631	-	-	57,175	128,631
Land Use Service Fees	-	-	3,222,152	3,978,514	3,222,152	3,978,514
Total Expenses	71,304,893	67,435,342	3,222,152	3,978,514	74,527,045	71,413,856
Increase (Decrease) Before Transfers						
Transfers	13,735,886	17,650,680	922,631	923,425	14,658,517	18,574,105
Transfers	922,631	923,425	(922,631)	(923,425)	-	-
Increase (Decrease) in Net Position	14,658,517	18,574,105	-	-	14,658,517	18,574,105
Net Position, Beginning of Year						
	232,306,212	213,732,107	-	-	232,306,212	213,732,107
Net Position, End of Year	\$ 246,964,729	\$ 232,306,212	\$ -	\$ -	\$ 246,964,729	\$ 232,306,212

Governmental activities increased the City's net position by \$14.7 million, or 6.3%. Key elements of this net increase are as follows:

- Operating Grants and Contributions increased by \$0.1 million, or 1.5% compared to 2015. Amounts reported in this category include the Highway Users Tax Fund revenue and Road and Bridge Shareback funds.
- Capital Grants and Contributions decreased by \$4.6 million, or 49.0%, compared to 2015. Amounts reported in this category include intergovernmental grants and contributions for capital road construction. This decrease is the result of prior year contributions to one-time projects for road construction.
- Sales and Use tax increased by \$1.4 million, or 3.0%. This change is primarily the result of higher revenues in the sales tax base derived from new businesses inside the City of Centennial such as TopGolf, Performance Cycle and Home Goods. In addition, sales tax from out-of-City retailers increased from 2015 and offset the decrease of \$1.2 million attributed to sales tax compliance audits.
- General government expenses increased \$0.9 million or 7.2%. During 2016, expenses in general government were attributable to costs incurred in association with the Bloomberg Philanthropy Grant and incentive agreements to promote economic development.
- Community Services expenses increased \$1.1 million or 4.8%. During 2016, expenses in community services were primarily attributable to higher costs for contracted services provided by Arapahoe County Sheriff's office.
- City Infrastructure expenses increased \$1.5 million or 6.0%. During 2016, expenses in public works were primarily attributable to higher contracted costs for the City's public works services provided by CH2M.

Revenue attributable to Business-type activities decreased \$0.8 million or 15.4% compared to the prior year as a result of a decrease in Building Permit fees and Building Plan Review fees.

IV. Fund Financial Statement Analysis

As noted earlier, the City uses fund accounting to segregate resources for the purpose of carrying on a specific activity or attaining certain objectives in accordance with regulations, restrictions, or other limitations on the use of the funds.

Revenues

General Fund

- Overall, General Fund revenues increased \$3.2 million, or 4.5%, in 2016 compared to 2015.
 - Property Tax revenue received during 2016 is \$1.3 million or 17.0% more than collections in 2015. The increase of property tax is due to a 17.4% increase of assessed valuation of property. The Arapahoe County Assessor is responsible for valuing all property within the City.
 - Sales Tax revenue increased by \$0.5 million or 1.2%. Overall, the City's sales tax base collections have exceeded 2015 collections by \$1.1 million. Sales tax from out-of-City retailers has increased \$0.9 million over collections in 2015. Sales tax compliance audits decreased in the current year by \$1.2 million, due to collection of two large audit payments in March of the prior year.
 - Building Materials Use Tax revenue for 2016 is \$0.4 million, or 10.7% more than collections during 2015. Residential and Commercial permits (New and Remodel) have increased by 634, and One Stop/Miscellaneous permits have decreased by 4,208 when compared to 2015. The total valuation of permits for 2016 has increased by \$164.4 million as compared to 2015 primarily due to new residential permits for multi-family units at Inova Dry Creek and commercial remodels and new commercial. The One Stop/Miscellaneous permits decreased compared to 2015 due to re-roofing permits in 2015 caused by a large hail storm at the end of September 2014.
 - Highway User Tax Fund (HUTF) revenue for 2016 is \$0.1 million or 2.0% more than collections during 2015. The percentage share of HUTF revenue is recalculated annually in July and is based on the City's 1) previous year's vehicle registration figure, as certified by the Department of Revenue to the State Treasurer and 2) previous year's miles of open, used and maintained streets as certified to the Treasurer by CDOT. There is an increase in collections during 2016 due to recalculated percentages in July 2016 for HUTF distributions received in the second half of 2016.
 - Investment income for 2016 is \$0.4 million and more than double the investment income in 2015. This change in investment income reflects an increase in the overall yield of individual investments in the City's portfolio, in addition to market adjustments.
 - Miscellaneous revenue for 2016 is \$0.3 million or 38.5% more than revenue during 2016. This is primarily attributable to local contributions.

Centennial Urban Redevelopment Authority (CURA) Fund

Centennial Urban Redevelopment Authority Fund revenues increased by \$0.4 million, or 6.6% more than collections during 2015. The increase in revenues is the result of higher property tax collections in the redevelopment area.

Capital Improvement Fund

Capital Improvement Fund revenues decreased by \$4.5 million, or 68.9% compared to 2015. This decrease is attributable to funds received during 2015 through intergovernmental agreements for the Arapahoe Road – Waco to Himalaya widening project. Intergovernmental agreements for construction during 2016 were substantially less and were utilized for the Dry Creek Light Rail construction.

Expenditures

General Fund

- General Fund expenditures and transfers decreased \$2.8 million, or 3.6% in 2016 compared to 2015.
 - General Government expenditures increased \$1.0 million, or 7.7%, compared to 2015. This net increase in expenditures is primarily due to an increase of \$0.3 million in the Office of Innovation with spending under the Bloomberg Grant. Nondepartmental expenditures increased by \$0.3 million due principally to incentive agreements for economic development. Other Departments including the City Manager's Office, Communications and Elected Officials contributed incrementally to increased expenditures.
 - Community Services expenditures increased \$1.1 million or 4.8% compared to 2015. This increase is attributable to contracted expenditures for public safety provided by the Arapahoe County Sheriff's Office.
 - City Infrastructure expenditures increased \$0.8 million or 6.4% compared to 2015. This increase is attributable to higher contracted costs for the City's public work services, work provided for the City's public works services provided by CH2. Enhanced services included additional snow plowing and median maintenance that contributed to the overall increase in contract costs.
 - Transfers from the General Fund to the Capital Improvement Fund decreased \$5.5 million or 21.0% compared to 2015. This decrease is due to reduced budget transfer to the Capital Improvement Fund for projects associated with street construction, traffic signals, and street rehabilitation. During 2016 funds were utilized for the City's Street Rehabilitation program and the Arapahoe Road – Waco to Himalaya and the Arapahoe

Road – Dry Creek and Smokey Hill construction projects. Amounts to support the continued project in 2016 were transferred to the Capital Improvement Fund in 2015.

Centennial Urban Redevelopment Authority Fund

Centennial Urban Redevelopment Authority Fund expenditures for 2016 increased \$0.4 million, or 6.7% compared to 2015. As a direct result of increased revenues, the remittance to Southglenn Metropolitan District also increased accordingly.

Capital Improvement Fund

Capital Improvement Fund expenditures for 2016 were \$10.2 million, or 69.3% more than expenditures in 2015. This increase is attributable to the continued construction for streets and intersections including the Arapahoe Road – Waco to Himalaya widening project, construction of the fiber optic backbone and completion of the Civic Center remodel.

Fund Balance

The net change in the General Fund balance was an increase of \$0.1 million, increasing the fund balance to \$36,653,740. As of December 31, 2016, the General Fund fund balance as a percentage of 2016 expenditures and transfers out was 49.0%, which was in compliance with the City's minimum fund balance policy of 25% of expenditures and transfers out.

Economic peaks and planned savings allow the City the opportunity to increase fund balance; strong financial planning in turn, provides financial flexibility during economic downturns. Since incorporation, the City has increased the General Fund fund balance each year, with the exception of 2006 and 2015, where a significant amount was transferred to the Capital Improvement Fund for capital projects. Transfers for capital projects will fund construction of additional street rehabilitation and widening to include future projects at Quincy Avenue, County Line Road improvements, and additions to the City's fiber optic backbone.

The net change in the Capital Improvement Fund fund balance was a decrease of \$2.1 million, or 6.4%. The decrease in fund balance is primarily due a revised budget transfer for projects associated with street rehabilitation, and the ITS Master Plan.

General Fund Budgetary Highlights

In total, the City's General Fund revenues for 2016 were \$3.9 million, or 5.5% favorable to the amended budget, while total General Fund expenditures and transfers out were \$4.2 million, or 5.3% favorable to the amended budget. Several factors contributed to the favorable variance to the amended budget; the primary reasons are described below.

- Sales Tax revenue for 2016 is \$1.3 million, or 3.5% favorable compared to budget. This favorable variance is the result of higher than anticipated sales tax revenues from out-of-City retailers (\$0.5 million) and in-City retailers (\$0.8 million). These increases are primarily from

newly licensed businesses, however a slight increase in sales tax collections from existing businesses also contributes to the variance. Also, contributing to the favorable variance is compliance audit revenue and penalties and interest from late sales tax returns.

- Building Materials Use Tax revenue for 2016 is \$1.7 million, or 74.4% favorable compared to budget. The variance is primarily due to several new projects that were issued permits after the revised budget process. These projects included new commercial office at Inova Dry Creek and new multi-family residential at the Jones District Park.
- Office of Innovation expenditures during 2016 are \$1.5 million or 74.4% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for the year attributable to contract services related to the installation of conduit and pull boxes, professional services related to the fiber optic backbone design, fiber consulting services and expenditures related to the Bloomberg Philanthropies Innovation Grant. These funds will carry forward in to 2017.
- Information Technology expenditures during 2016 are \$0.4 million or 25.0% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs project costs related to ARC GIS and LIDAR and information technology services and salaries and benefits.
- Nondepartmental expenditures during 2016 are \$0.6 million or 12.0% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for litigation and incentive agreements. Incentive agreements the City has entered into relate to an effort to promote economic development and redevelopment in the City. In summary, under various projects, the City has agreed to either forego a portion of its sales and/or property tax to reimburse property owners for construction and maintenance of public improvements. The remaining favorable variance is due to amounts set aside for contingencies that were not utilized during the year.
- Public Works during 2016 are \$1.1 million or 7.6% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for public works services and lower than anticipated costs for traffic signal maintenance and materials including fuel and asphalt. A portion of these budget savings will likely carry over in to 2017 as the contractual agreement with CH2 allows for funds to be carried over for the Flexible Services Account (FSA).street utilities. A portion of these budget savings will likely carry forward in to 2016 as the contractual agreement allows funds to be carried over for the Flexible Services Agreement.
- Facilities and Fleet expenditures during 2016 are \$0.3 million or 27.9% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for professional services, utilities for the City's office space, and building improvement. Also

contributing to the favorable variance is the lower than anticipated costs for a heavy duty truck.

Economic Factors and Next Year's Budget

The 2017 Budget was developed to provide desired City services at the maximum level possible while maintaining financially responsible practices. While the City has been fortunate to be somewhat resilient to the impact of the downturn in the overall market in prior years, the City remains cautious about the local economy over the next several years. The 2017 and future budgets will respond to the challenge of balancing the on-going maintenance of infrastructure with the community's standards of excellence in public works, public safety, quality of life, and the increasing demands for services and facilities.

The City's budget is the long-range plan by which financial policy is implemented and controlled. City Council's goals, City-wide objectives, ordinances and resolutions provide policy direction that respond to the needs and desires of the community. The City's budget process is a continuous cycle that begins with City Council's strategic vision and planning, continues through the planning and development stages of the budget, and finishes with the final adoption of the budget by Council in November/December.

The total budget for 2017 is \$86,151,977 excluding transfers. Department directors prepared their 2017 budgets with a zero percent increase in expenditures over the adopted 2016 budget, excluding increases for salaries, health care costs, and other types of expenditures beyond the control of the City (e.g. gas, asphalt, concrete, and other materials). Increases were permitted for certain contractual obligations of the City, such as increases required by service providers. The 2017 budgeted expenditures increased \$3.2 million (3.9%) from the 2016 Adopted Budget. The increase in expenditures is primarily due to funding in the 2017 Budget for one-time capital projects as well as the system upgrades project within Office of Technology & Innovation.

The 2017 Adopted Budget includes health care cost increases of 6%, and 2% for health, vision, and dental insurance costs, respectively, based on estimated projections. These changes represent an increase from the 2016 Adopted Budget.

General Fund

The Adopted General Fund Budget for 2017 is \$57,743,169, excluding fund transfers. The 2017 General Fund budget represents an increase of 5.6% from the 2016 Adopted Budget. This increase is primarily due to the City's contractual obligation with the public works and law enforcement service providers, and funding for the matching requirement of the Bloomberg Philanthropies Grant. Without the increases for these contractual obligations and grant match, the Adopted 2017 General Fund Budget would have increased approximately 1.1% from the 2016 Adopted Budget.

V. Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning the information provided in this report or other financial information should be addressed to Finance Director, City of Centennial, 13133 East Arapahoe Road, Centennial, Colorado 80112, or via telephone at (303) 325-8000.



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BASIC FINANCIAL STATEMENT

**BASIC FINANCIAL
STATEMENT**

DeKoevend Park

CITY OF CENTENNIAL, COLORADO
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government		
	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and investments	\$ 84,183,620	\$ 221,759	\$ 84,405,379
Taxes receivable	20,047,394	-	20,047,394
Other receivables	1,485,774	-	1,485,774
Intergovernmental receivables	1,770,796	-	1,770,796
Deposits	19,321	-	19,321
Prepaid expenses	20,568	3,307	23,875
Capital assets, not being depreciated	95,485,498	-	95,485,498
Capital assets, net of accumulated depreciation	76,271,727	11,011	76,282,738
Total assets	<u>279,284,698</u>	<u>236,077</u>	<u>279,520,775</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	37,213	-	37,213
LIABILITIES			
Accounts payable	6,403,461	220,614	6,624,075
Retainage payable	675,655	-	675,655
Accrued liabilities	2,311,879	15,463	2,327,342
Other liabilities	190,076	-	190,076
Accrued interest payable	7,490	-	7,490
Developer contributions and deposits	5,022,739	-	5,022,739
Non-current liabilities			
Due within one year	135,657	-	135,657
Due in more than one year	2,579,881	-	2,579,881
Total liabilities	<u>17,326,838</u>	<u>236,077</u>	<u>17,562,915</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	15,030,344	-	15,030,344
NET POSITION			
Net investment in capital assets	171,757,225	11,011	171,768,236
Restricted for:			
Emergency reserves	2,407,920	96,665	2,504,585
Innovation Program	317,849	-	317,849
Parks and open space	9,539,590	-	9,539,590
District infrastructure	882,842	-	882,842
Urban redevelopment	434,747	-	434,747
Unrestricted	61,624,556	(107,676)	61,516,880
Total net position	<u>\$ 246,964,729</u>	<u>\$ -</u>	<u>\$ 246,964,729</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CITY OF CENTENNIAL, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities:				
General government	\$ 14,114,326	\$ 278,988	\$ -	\$ -
Community services	24,916,037	1,688,580	-	-
City infrastructure	26,167,030	1,051,392	6,583,898	1,420,698
Culture and recreation	961,942	-	-	3,239,974
Urban redevelopment	5,088,383	-	-	-
Interest on long-term debt	57,175	-	-	-
Total governmental activities	<u>71,304,893</u>	<u>3,018,960</u>	<u>6,583,898</u>	<u>4,660,672</u>
Business-type activities:				
Land use	3,222,152	4,144,783	-	-
Total primary government	<u>\$ 74,527,045</u>	<u>\$ 7,163,743</u>	<u>\$ 6,583,898</u>	<u>\$ 4,660,672</u>

General revenues:
 Sales tax
 Use tax
 Property tax
 Auto use tax
 Other taxes
 Unrestricted franchise fees
 Investment income
 Intergovernmental revenues not
 restricted to specific programs
 Miscellaneous
 Transfers
 Total general revenues and transfers
 Change in net position
 Net Position - Beginning
 Net Position - Ending

These financial statements should be read only in connection with
 the accompanying notes to financial statements.

**Net (Expense) Revenue and
Change in Net Position**

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (13,835,338)	\$ -	\$ (13,835,338)
(23,227,457)	-	(23,227,457)
(17,111,042)	-	(17,111,042)
2,278,032	-	2,278,032
(5,088,383)	-	(5,088,383)
(57,175)	-	(57,175)
(57,041,363)	-	(57,041,363)
-	922,631	922,631
(57,041,363)	922,631	(56,118,732)
38,770,237	-	38,770,237
3,923,583	-	3,923,583
14,711,539	-	14,711,539
5,185,531	-	5,185,531
759,369	-	759,369
5,027,299	-	5,027,299
484,303	-	484,303
321,733	-	321,733
1,593,655	-	1,593,655
922,631	(922,631)	-
71,699,880	(922,631)	70,777,249
14,658,517	-	14,658,517
232,306,212	-	232,306,212
\$ 246,964,729	\$ -	\$ 246,964,729

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**CITY OF CENTENNIAL, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
ASSETS			
Cash and investments	\$ 40,915,147	\$ 512,019	\$ 31,665,093
Taxes receivable	14,519,836	5,125,027	-
Other receivables	827,904	47,605	608,109
Intergovernmental receivables	667,321	-	1,103,475
Deposits	19,321	-	-
Prepaid items	20,568	-	-
Total assets	<u>56,970,097</u>	<u>5,684,651</u>	<u>33,376,677</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	3,550,724	68,604	2,252,536
Retainage payable	-	-	675,655
Accrued liabilities	1,882,807	162,512	242,109
Other liabilities	190,076	-	-
Developer contributions and deposits	5,022,739	-	-
Total liabilities	<u>10,646,346</u>	<u>231,116</u>	<u>3,170,300</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	9,609,049	5,018,788	-
Grants	60,962	-	300,978
Total deferred inflows of resources	<u>9,670,011</u>	<u>5,018,788</u>	<u>300,978</u>
FUND BALANCE			
Nonspendable:			
Prepaid items	20,568	-	-
Restricted for:			
Emergency reserves	1,620,256	-	672,603
Innovation Program	317,849	-	-
Parks and Open Space	-	-	-
District Infrastructure	-	-	-
Urban Redevelopment	-	434,747	-
Assigned to:			
City infrastructure	-	-	29,232,796
Unassigned	34,695,067	-	-
Total fund balance	<u>36,653,740</u>	<u>434,747</u>	<u>29,905,399</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 56,970,097</u>	<u>\$ 5,684,651</u>	<u>\$ 33,376,677</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

Total Nonmajor Funds		Total Governmental Funds	
\$	11,091,361	\$	84,183,620
	402,531		20,047,394
	2,156		1,485,774
	-		1,770,796
	-		19,321
	-		20,568
	<u>11,496,048</u>		<u>107,527,473</u>
	531,597		6,403,461
	-		675,655
	24,451		2,311,879
	-		190,076
	-		5,022,739
	<u>556,048</u>		<u>14,603,810</u>
	402,507		15,030,344
	-		361,940
	<u>402,507</u>		<u>15,392,284</u>
	-		20,568
	115,061		2,407,920
	-		317,849
	9,539,590		9,539,590
	882,842		882,842
	-		434,747
	-		29,232,796
	-		34,695,067
	<u>10,537,493</u>		<u>77,531,379</u>
\$	<u>11,496,048</u>	\$	<u>107,527,473</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.



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CITY OF CENTENNIAL, COLORADO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$	77,531,379
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$	247,942,213
Less accumulated depreciation		(76,184,988)
		171,757,225
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.		
		361,940
Long-term liabilities, including bonds payable, accrued interest payable, and accrued compensated absences are not due and payable in the current year and, therefore, are not reported in governmental funds.		
Bonds payable	\$	(2,380,000)
Deferred amount on refunding		37,213
Bond premiums payable		(130,040)
Accrued interest payable		(7,490)
Accrued compensated absences		(205,498)
		(2,685,815)
Total net position of governmental activities		\$ 246,964,729

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CITY OF CENTENNIAL, COLORADO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
REVENUES			
Taxes	\$ 57,870,131	\$ 5,065,109	\$ -
Intergovernmental	6,890,684	908,202	1,168,659
Charges for services	2,717,705	-	301,255
Franchise fees	5,027,299	-	-
Investment income	407,136	-	-
Miscellaneous	1,024,217	23,274	546,164
Total revenues	<u>73,937,172</u>	<u>5,996,585</u>	<u>2,016,078</u>
EXPENDITURES			
Current			
General government	14,040,336	-	-
Community services	24,916,037	-	-
City infrastructure	14,471,000	-	8,014,625
Culture and recreation	-	-	-
Urban redevelopment	-	5,996,585	-
Capital outlay	473,636	-	16,886,431
Debt service			
Principal	-	-	-
Interest	-	-	-
Bond Issuance Costs	-	-	-
Total expenditures	<u>53,901,009</u>	<u>5,996,585</u>	<u>24,901,056</u>
REVENUE OVER (UNDER)			
EXPENDITURES	<u>20,036,163</u>	<u>-</u>	<u>(22,884,978)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	922,631	-	20,824,530
Transfers out	(20,851,284)	-	-
Refunding bonds issued	-	-	-
Premium on refunding bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>(19,928,653)</u>	<u>-</u>	<u>20,824,530</u>
NET CHANGE IN FUND BALANCE	107,510	-	(2,060,448)
FUND BALANCE - BEGINNING OF YEAR	<u>36,546,230</u>	<u>434,747</u>	<u>31,965,847</u>
FUND BALANCE - END OF YEAR	<u>\$ 36,653,740</u>	<u>\$ 434,747</u>	<u>\$ 29,905,399</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

Total Nonmajor Funds	Total Governmental Funds
\$ 415,019	\$ 63,350,259
3,239,974	12,207,519
-	3,018,960
-	5,027,299
77,167	484,303
-	1,593,655
3,732,160	85,681,995
-	14,040,336
-	24,916,037
298,914	22,784,539
961,941	961,941
-	5,996,585
706,914	18,066,981
115,000	115,000
63,804	63,804
68,801	68,801
2,215,374	87,014,024
1,516,786	(1,332,029)
26,754	21,773,915
-	(20,851,284)
2,495,000	2,495,000
135,173	135,173
(2,553,682)	(2,553,682)
103,245	999,122
1,620,031	(332,907)
8,917,462	77,864,286
\$ 10,537,493	\$ 77,531,379



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CITY OF CENTENNIAL, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balance - total governmental funds \$ (332,907)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlay	\$ 18,066,981	
Less current year depreciation	<u>(3,432,126)</u>	14,634,855

Repayments of long-term obligations are reported as expenditures in governmental funds, however they reduce long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities. 115,000

Certain revenues will not be collected for several months after the City's fiscal year end; these revenues are not considered available resources and are deferred in the governmental funds. 266,986

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Premium on refunding bonds	\$ (135,173)	
Refunding bonds issued	(2,495,000)	
Payment to refunded bond escrow agent	2,553,682	
Amortization of bond premiums	5,133	
Amortization of deferred amount on refunding	<u>(1,469)</u>	(72,827)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued compensated absences	\$ 44,445	
Change in accrued interest payable	<u>2,965</u>	47,410

Change in net position of governmental activities \$ 14,658,517

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CITY OF CENTENNIAL, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2016

	Business-Type Activities
	Land Use
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 221,759
Prepaid expenses	3,307
Total current assets	225,066
Noncurrent assets:	
Equipment, net of accumulated depreciation	11,011
Total noncurrent assets	11,011
Total assets	236,077
LIABILITIES	
Current liabilities:	
Accounts payable	220,614
Accrued liabilities	15,463
Total liabilities	236,077
NET POSTION	
Net investment in capital assets	11,011
Restricted for:	
Emergency reserves	96,665
Unrestricted	(107,676)
Total net position	\$ -

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CITY OF CENTENNIAL, COLORADO
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended December 31, 2016

	Business-Type Activities
	Land Use
OPERATING REVENUE	
Building permits, licenses and fees	\$ 3,028,427
Contractor's licenses and bus shelter fees	326,849
Land use permits and other income	789,507
Total operating revenue	4,144,783
OPERATING EXPENSES	
Personnel services	475,559
Contracted services	2,529,125
Services & supplies	213,464
Depreciation expense	4,004
Total operating expenses	3,222,152
OPERATING INCOME BEFORE TRANSFERS	922,631
Transfers Out	(922,631)
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	-
NET POSITION - END OF YEAR	\$ -

These financial statements should be read only in connection with
the accompanying notes to financial statements.

CITY OF CENTENNIAL, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended December 31, 2016

	Business-Type Activities
	Land Use
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 4,144,783
Cash paid to employees	(485,324)
Cash paid to vendors	(2,805,746)
Net cash provided by operating activities	853,713
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out	(922,631)
Net cash used by non-capital financing activities	(922,631)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(68,918)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	290,677
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 221,759
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 922,631
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	4,004
Decrease in prepaid expenses	146
Decrease in accounts payable	(63,303)
Decrease in accrued liabilities	(9,765)
Net adjustments	(68,918)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 853,713

These financial statements should be read only in connection with
the accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS



NOTES TO THE
FINANCIAL
STATEMENTS

Centennial Under the Stars

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 – DEFINITION OF REPORTING ENTITY

The City of Centennial, Colorado (the “City”) is located in the southern region of the Denver Metropolitan area, was incorporated on September 12, 2000, and elected its first officials on February 6, 2001. On June 17, 2008, the citizens voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The City operates under a Council/ Manager form of government with City Council consisting of a citywide elected mayor and eight council members where two council members are elected from each of the City’s four districts.

The City promotes the health and safety of its citizens by providing public works, law enforcement, animal control, engineering, and planning and zoning services. The City also serves the business community by providing liquor licenses. City citizens receive fire protection, libraries, park and recreation services, schools, water and utilities through special districts.

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. In addition, any legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City.

Based on the application of these criteria, the following component units are included in the City’s reporting entity because of the significance of their operational or financial relationship with the City.

General Improvement Districts

During 2002, Arapahoe County transferred governing responsibility and accountability of three General Improvement Districts (GIDs) to the City. The transferred GIDs include Foxridge General Improvement District, Cherry Park General Improvement District, and Walnut Hills General Improvement District. During 2004, Antelope General Improvement District was created for the purpose of acquiring, contracting, installing and providing a water system of underground water pipelines to furnish water service within the district. The GIDs are legally separate from the City; members of the City Council, including the Mayor, are the board members of the Districts, with each member serving terms commensurate with their term as Mayor or member of City Council, and management of the City has operational responsibility for the GIDs. For financial reporting purposes, the GIDs are reported in the City’s financial statements as blended component units in a single fund. Separate financial statements for the GIDs are not prepared.

Centennial Urban Redevelopment Authority

The Centennial Urban Redevelopment Authority (CURA) was established in 2005 pursuant to Part 1 of Article 25 of Title 31, Colorado Revised Statutes (the “Urban Renewal Law”) which provides for the creation and operation of an urban renewal authority to function in the City. The purpose of CURA is to develop, redevelop or rehabilitate the blighted area within the Southglenn Mall Redevelopment area. The Authority is a separate legal entity from the City; members of the City Council, including the Mayor, are the commissioners of the Authority, with each member serving terms commensurate with their term as Mayor or member of City Council, and management of the City has operational responsibility for CURA. For financial reporting purposes, the Authority is reported as a blended component unit in the City’s financial statements. Separate financial statements for the Authority are not prepared.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 – DEFINITION OF REPORTING ENTITY (CONTINUED)

Certain services are provided to residents of the City by the following entities, which are not component units of the City.

Water and Sanitation services are provided by Southeast Englewood Water District, South Englewood Sanitation District, Southeast Metro Storm Water Authority, Willows Water District, South Arapahoe Sanitation District, Arapahoe Estates Water District, Southgate Water and Sanitation District, Arapahoe County Water and Wastewater Authority, East Cherry Creek Valley Water and Sanitation District, Havana Water District, Castlewood Water and Sanitation District, Denver Water, and East Valley Water and Sanitation District.

Fire protection services are provided by Littleton Fire Protection District, South Metro Fire District, and Cunningham Fire Protection District.

Parks and recreation services are provided by South Suburban Parks and Recreation District, Arapahoe Park and Recreation District, and the Arapahoe Recreation District.

Library services are provided by the Arapahoe Library District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements consist of government-wide statements including a Statement of Net Position and a Statement of Activities, and fund financial statements that provide a more detailed level of financial information. The following summary of significant accounting policies is presented to assist the reader in evaluating the City's financial statements.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These financial statements include all of the activities of the City's primary government and its blended component units in the governmental activities column; business-type activities are included in a separate column. The effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support. The government-wide focus relates to the sustainability of the City as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (continued)

Government-wide Financial Statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each function or segment of the City is funded from the general revenues of the City.

Fund Financial Statements

All financial transactions of the City are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated in one column as Nonmajor Funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide and Proprietary Fund Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. For example, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities. Contributed infrastructure assets are recorded as capital contributions when received.

Governmental Fund Financial Statements

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are taxes, intergovernmental revenues, franchise fees, and investment income. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures, other than interest on long-term obligations, are recorded when the fund liability is incurred or the long-term obligation is paid. Principal and interest on long-term debt are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Compensated absences are recorded only when payment is due.

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary Fund Financial Statements

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

When both restricted and unrestricted resources are available for a specific use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The ***Centennial Urban Redevelopment Authority Fund*** primarily accounts for sales and property tax increments received, as well as the related payments made pursuant to the Public Finance Agreement concerning the Streets at SouthGlenn redevelopment.

The ***Capital Improvement Fund*** accounts for resources used for the acquisition, construction, and improvements of infrastructure and other City assets. Revenues for this fund are primarily derived from the City's General Fund and intergovernmental grants.

The City reports the following major proprietary fund:

The ***Land Use Fund*** accounts for City building and land use operations financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges. The Land Use Fund accounts for the fees and other revenues collected for services provided by the Planning and Development Department.

Assets, Liabilities, and Net Position/Fund Balance

Cash and investments

The City's cash and cash equivalents include amounts that are readily convertible to cash and are not subject to significant risk from changes in interest rates. Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position/Fund Balance (continued)

The City follows the practice of pooling cash of most funds to maximize daily investment earnings. Except when required by trust or other agreements, all cash is deposited to, and disbursed from, applicable fund operating accounts. Cash in excess of immediate operating requirements is swept from operating accounts to investment accounts.

Receivables

Receivables are reported net of an allowance for uncollectible accounts, where applicable.

Property taxes receivable

Property taxes attach as an enforceable lien on property on January 1 and are levied by City Council based on assessed valuations determined by the County Assessor each year. The levy is set annually by December 15, by certification to the County Commissioners. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April, or if in equal installments at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November. The County Treasurer remits the taxes collected monthly to the City.

Property taxes levied in the previous year, but collected in the subsequent year, are recorded as taxes receivable and deferred inflows of resources in the year there is an enforceable lien and the amount is measurable. Amounts deferred are subsequently recorded as revenue in the year they are available or collected.

Prepaid expenses

Certain payments to vendors reflect costs applicable to future years and are recorded as prepaid expenses/items in both government-wide and fund financial statements using the consumption method.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets owned by the City (e.g. roads, bridges, sidewalks, and similar items) acquired since 2004, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary fund in the fund financial statements. Purchases or construction of capital assets are recorded as expenditures in the governmental funds.

Capital assets are defined by the City as machinery and equipment with an individual cost of \$5,000 or greater, land, easements and buildings, and infrastructure with the same individual cost threshold, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if the actual historical cost is not available. Donated capital assets are recorded at the acquisition value on the date of donation. Contributed infrastructure by developers or other governmental entities is recorded as capital contributions and additions to the systems at the acquisition value. Interest accrued during construction is not capitalized.

Intangible assets included in capital assets not being depreciated consist of easements and rights of way and are capitalized at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position/Fund Balance (continued)

Capital assets are depreciated using the straight-line method of depreciation over the estimated economic useful lives as follows:

Buildings	50 Years
Machinery and equipment	3 - 5 Years
Infrastructure:	
Bridges	50 Years
Storm drainage system	75 Years
Streets and sidewalks	20 Years
Signals	10 Years
Signs	20 Years
Fiber Cable	30 Years
Comprehensive Plan	40 Years

Deferred inflows of resources

Deferred inflows include property taxes earned, but levied for a subsequent year. In addition, grants not available as current financial resources are reported as deferred inflows in the governmental fund financial statements.

Compensated absences

The City’s compensated absences policy allows employees to accumulate earned but unused paid time off (PTO) benefits of at least 3.08 hours per pay period depending on length of service and employment status (an increase in PTO hours occurs when an employee reaches 4 years of service and again at 7 years of service; part-time employees earn PTO at a different rate than full-time employees). Employees may carry over PTO hours equivalent to the annual accrual for the employee during the immediately preceding year. Such carry-over leave must be used within the year into which it is carried over. PTO hours accrued above the carry-over amount during the preceding calendar year, and not used by December 31, will be forfeited, and will not be paid by the City. In the event of separation from the City, an employee is paid 100% of accumulated PTO benefits.

In the governmental fund financial statements, compensated absences are recognized as current salary costs when paid. In the government-wide and proprietary fund financial statements, compensated absences are reported when earned. The City’s General Fund is used to liquidate compensated absences of the governmental activities.

Long-term obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and bond discounts in the year of issue. The face amount of the debt issued is reported as other financing sources.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position/Fund Balance (continued)

Long-term obligations (continued)

Issuance costs, whether or not withheld from the debt proceeds received, are reported as current expenses or expenditures.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Fund balance

In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable Fund Balance - Nonspendable amounts are those that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash, including inventories and prepaids.
- Restricted Fund Balance - Restricted amounts are those that are restricted for specific purpose. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable. For example, the Fund Balances of the Open Space and Conservation Trust Funds are reported as Restricted for parks and open space, as the use of fund resources is restricted for specific uses as defined by Arapahoe County and the State of Colorado, respectively.

Fund Balances Restricted for emergency reserves constitute fiscal year spending as defined by a 1992 amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only and, if used, to be repaid within one year. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary/fringe benefit increases. These reserves are required to be three percent (3%) or more of fiscal year spending (as defined by TABOR); these reserves are included in the Fund Balance in the category “Restricted”. The use of this reserve is restricted to the purpose for which it was established and can be used solely for declared emergencies.

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position/Fund Balance (continued)

- Committed Fund Balance – Committed amounts are those that can only be used for specific purposes pursuant to constraints imposed by the City Council by ordinance. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. This classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned Fund Balance - Assigned amounts are those that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. City Council may assign fund balances as directed in the City’s approved Fund Balance & Reserve Policy.
- Unassigned Fund Balance - Unassigned Fund Balance is applicable only to the General Fund and represents the remaining fund balance after amounts are set aside for other classifications.

As of December 31, 2016, the City had in place a minimum fund balance policy which states that the overall fund balance of the General Fund shall equal no less than twenty-five percent (25%) of annual expenditures, including transfers. Additionally, the City had in place a ten percent (10%) operating reserve in the General Fund totaling \$7,475,229 calculated on the annual expenditures, including transfers. This is to be used for emergency purposes as designated by City Council. The City of Centennial has not established a formal policy for its use of restricted and unrestricted (committed, assigned, and unassigned) fund balance. However, if expenditures are incurred for a specific purpose, the City uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed amounts, assigned amounts, and finally, by unassigned amounts.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2016, follows:

Petty Cash	\$	650
Cash Deposits		18,865,826
Investments		<u>65,538,903</u>
Total		<u>\$84,405,379</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government to deposit cash in eligible, as determined by state regulators, public depositories. Eligible public depositories must pledge eligible collateral, as determined by the PDPA, for any amounts in excess of the required FDIC insurance having a market value in excess of 102% of the aggregate uninsured public deposits. The PDPA allows the institution to create a single collateral pool for all public funds, however eligible collateral must be held in the custody of any Federal

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash Deposits (continued)

Reserve Bank or any branch thereof, or of any depository trust company which is a member of the Federal Reserve System and supervised by the State Banking Board.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2016, the City had bank deposits of \$18,791,262 collateralized with securities held by the financial institutions' agents, but not in the City's name.

Investments

The City is required to comply with State statutes and the City's Investment Policy which specify instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. Custodial risk is not addressed by State statutes or by City policy.

- Obligations of the United States and certain U.S. government agency securities
- Certain corporate or bank securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The City's policy is to invest funds to attain a market rate of return throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio; the primary investment goals are safety, liquidity, and maximizing yield while avoiding speculation.

At December 31, 2016, the City's investment balances were as follows:

Investment	S&P Rating	% of Total	Fair Value	Maturities		
				Less than 1 Year	1-2 Years	2-3 Years
US Agency	AA+	14.40%	\$ 9,438,728	\$ 5,511,265	\$ 3,498,425	\$ 429,038
Us Treasury Notes	NA	14.76%	9,676,719	1,997,825	997,660	6,681,234
Corporate Notes	AA1	0.76%	500,350	500,350	-	-
Corporate Notes	AA2	0.76%	498,835		498,835	-
Wells Fargo Treasury Plus		0.02%	10,011	10,011		
Local Government Investment Pool	AAA-m	69.29%	45,414,260	45,414,260		
Total		100.00%	\$ 65,538,903	\$ 53,433,711	\$ 4,994,920	\$ 7,110,272

Interest Rate Risk – The City's investment policy limits the final maturity of investments in U.S. Treasury and Agency securities to a maximum of five years, or as dictated by state statutes governing said investments. Likewise, investments in corporate notes cannot have a final maturity exceeding 3 years from the date of purchase.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

Credit Risk – Securities rated in the highest rating category by each of the nationally recognized statistical rating organizations (NRSROs) may be purchased, subject to maturity limits. In the event that an agency security carries a rating lower than the highest category by any NRSRO, the security is eligible for purchase subject to any statutory limits regarding final maturity and rating as permitted by State law. Corporate notes must be rated at least AA- or the equivalent by two or more NRSROs. Commercial paper must be rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the commercial paper. State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission’s Rule 2a-7, and either assets of one billion dollars or the highest rating issued by a NRSRO.

Concentration of Credit Risk – The City’s investment policy requires that at no time shall the aggregate investment in corporate notes, commercial paper, and banker’s acceptances exceed 50% of the City’s total investment portfolio. Furthermore, investments in corporate notes and commercial paper shall not individually exceed 25% of the City’s investment portfolio, and no more than 5% of the City’s investment portfolio may be invested in the obligations of any one issuer of corporate debt or commercial paper. Investments in U.S. agency securities shall not exceed 90% of the City’s total portfolio and no more than 30% of the portfolio can be invested in any one issuer of agency securities. As of December 31, 2016 the City held investments in the Federal Home Loan Bank, totaling 5.4% of the total portfolio.

Fair Value Measurements – The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quotes prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2016, the City’s investments in U.S. Treasury and Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs). The City’s investment in Colotrust was reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs) and the City’s investments in CSAFE and the Wells Fargo Treasury Plus Money Market Fund were reported at the net asset value per share, which was measured using amortized cost.

Local Government Investment Pools

As of December 31, 2016, the City had \$44,511,131 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE). The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission’s Rule 2a-7, with each share valued at \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 – INTERFUND TRANSFERS

The following schedule summarizes the City’s interfund transfer activity for the year ended December 31, 2016.

<u>Transfers Out</u>	Transfers In			Total
	Capital Improvement Fund	General Fund	Open Space Fund	
General Fund	\$ 20,824,530	\$ -	\$ 26,754	\$ 20,851,284
Land Use Fund	-	922,631	-	922,631
TOTAL	\$ 20,824,530	\$ 922,631	\$ 26,754	\$ 21,773,915

The transfer of \$20,824,530 from the General Fund to the Capital Improvement Fund was made to provide necessary funding for 2016 budgeted capital projects. The transfer from the Land Use Fund to the General Fund for \$922,631 was to reimburse the General Fund for past contributions. The General Fund transferred \$26,754 to the Open Space Fund for the use on the Centennial Center Park Lavatory Expansion. This transfer recognizes receipt of revenue from various developer contributions for regional improvements since the City’s incorporation in 2001.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 5 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2016 is as follows:

	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land, Easements and ROW	\$ 21,762,791	\$ 457,267	\$ -	\$ 22,220,058
Streets - Subsurface	69,357,410		-	69,357,410
Construction in progress	8,842,378	1,778,400	6,712,748	3,908,030
Total capital assets, not being depreciated	99,962,579	2,235,667	6,712,748	95,485,498
Capital assets, being depreciated:				
Streets/Sidewalks/Trails	70,641,108	18,832,924	-	89,474,032
Drainage	21,094,588	-	-	21,094,588
Traffic signals	8,621,886	204,799	-	8,826,685
Traffic signs	1,872,290		-	1,872,290
Major bridges	16,530,480	-	-	16,530,480
Buildings	10,053,565	3,438,783	-	13,492,348
Comprehensive plan	89,234	-	-	89,234
Equipment	1,009,502	67,556	-	1,077,058
Total capital assets being depreciated	129,912,653	22,544,062	-	152,456,715
Less accumulated depreciation for:				
Streets/Sidewalks/Trails	47,707,235	1,850,713	-	49,557,948
Drainage	9,234,765	281,261	-	9,516,026
Traffic signals	6,225,088	408,749	-	6,633,837
Traffic signs	1,727,823	108,768	-	1,836,591
Major bridges	6,071,426	400,645	-	6,472,071
Buildings	1,193,689	261,324	-	1,455,013
Comprehensive plan	25,636	2,231	-	27,867
Equipment	567,200	118,435	-	685,635
Total accumulated depreciation	72,752,862	3,432,126	-	76,184,988
Total capital assets being depreciated, net	57,159,791	19,111,936	-	76,271,727
Governmental activities capital assets, net	\$ 157,122,370	\$ 21,347,603	\$ 6,712,748	\$ 171,757,225

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016
<u>Business type Activities:</u>				
Capital assets, being depreciated:				
Equipment	\$ 154,176	\$ -	\$ -	\$ 154,176
Total capital assets being depreciated	<u>154,176</u>	<u>-</u>	<u>-</u>	<u>154,176</u>
Less accumulated depreciation for:				
Equipment	139,161	4,004	-	143,165
Total accumulated depreciation	<u>139,161</u>	<u>4,004</u>	<u>-</u>	<u>143,165</u>
Total capital assets being depreciated, net	<u>15,015</u>	<u>(4,004)</u>	<u>-</u>	<u>11,011</u>
Governmental activities capital assets, net	<u>\$ 15,015</u>	<u>\$ (4,004)</u>	<u>\$ -</u>	<u>\$ 11,011</u>

Depreciation expense of the governmental activities was charged to the city infrastructure and general government programs in the amounts of \$3,313,691 and \$118,435, respectively.

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term obligation transactions as of December 31, 2016 are summarized below.

	Balance at December 31, 2015	Additions	Reductions	Balance at December 31, 2016	Due Within One Year
<u>Governmental Activities:</u>					
Bonds Payable					
Antelope GID Bonds	\$ 2,515,000	\$ -	\$ 2,515,000	\$ -	\$ -
Antelope GID Bonds (Refunded)	-	2,495,000	115,000	2,380,000	90,000
Total Bonds Payable	<u>2,515,000</u>	<u>2,495,000</u>	<u>2,630,000</u>	<u>2,380,000</u>	<u>90,000</u>
Bond Premiums		135,173	5,133	130,040	-
Compensated absences	249,943	420,732	465,177	205,498	45,657
Total long-term obligations	<u>\$ 2,764,943</u>	<u>\$ 3,050,905</u>	<u>\$ 3,100,310</u>	<u>\$ 2,715,538</u>	<u>\$ 135,657</u>

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

In March 2016, the Antelope General Improvement District issued General Obligation Refunding Bonds Series 2016, in the principal amount of \$2,495,000. Proceeds of this issuance were used to refund \$2,515,000 of General Obligation Bonds Series 2005. The 2005 Bonds were issued for the purposes of: (i) financing or reimbursing all or any part of the costs of acquiring, construction, relocating, installing and providing a system of water pipelines to furnish municipal water service within the District; (ii) providing capitalized interest to pay a portion of debt service on the bonds; and (iii) pay the costs of issuance of the bonds. Although the District issued bonds for the purposes stated above, and has recorded the related obligation, the water system is owned and maintained by the Arapahoe County Water and Wastewater Authority (ACWWA) and therefore no corresponding asset is recorded by the District. As a result, the refunded debt has been removed from the financial statements.

The refunding resulted in an accounting loss of \$38,682, a decrease in the aggregate debt of \$443,639, and an economic gain (the difference between the present value of the old and the new debt service payments) of approximately \$330,146. The refunded bonds were called and paid in full on March 22, 2016. Bonds outstanding and related interest requirements as of December 31, 2016, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 90,000	\$ 89,875	\$ 179,875
2018	95,000	88,075	183,075
2019	95,000	85,225	180,225
2020	100,000	82,375	182,375
2021	100,000	79,375	179,375
2022-2026	550,000	350,825	900,825
2027-2031	685,000	222,125	907,125
2032-2035	665,000	59,325	724,325
Totals	<u>\$ 2,380,000</u>	<u>\$ 1,057,200</u>	<u>\$ 3,437,200</u>

The General Obligation Refunding Bonds, Series 2016 are due on December 1 of each year to 2035, with interest varying from 2.0% to 5.0%, payable semi-annually on June 1st and December 31st of year.

NOTE 7 – OPERATING LEASES

The City leases certain office equipment and storage facilities. Leases related to property not having elements of ownership are classified as operating leases. Lease payments are recorded as expenses or expenditures when due. Total expenditures on such leases for the year ended December 31, 2016 were approximately \$7,065.

The City had leases for certain office equipment through May 2017. Monthly rent is comprised of a base amount and an amount based upon usage. These leases generally do not have purchase options; however, the City may renew the terms of each agreement upon expiration.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

The City entered into construction contracts for various capital projects which are not complete as of December 31, 2016. The total unexpended commitments at December 31, 2016 are \$3,959,789 as detailed below.

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

<u>Projects</u>	<u>Total Contract Amount</u>	<u>Remaining Contract Amount</u>
ARPD Park & Trail Improvements	\$ 128,000	\$ 40,083
Arapahoe Road ITS Improvements	293,834	48,608
Arapahoe Road - Waco/ Himalaya Between County Line and Orchard	9,894,833	499,150
Yosemite Sidewalk Infill	612,381	41
SSPRD Park & Trail Improvements	520,074	328,167
Quebec & County Line Turn lane	115,329	25,524
Arapahoe Road/I-25 Interchange	3,009,734	3,009,734
Smokey Hill & Himalaya Intersection	42,657	5,044
Civic Center Building Remodel	<u>3,211,631</u>	<u>3,438</u>
Total	<u>\$ 17,828,472</u>	<u>\$ 3,959,789</u>

Commitments – Economic Development

The City has entered into various agreements in an effort to promote economic development and re-development within the City. These agreements offer reductions in sales tax, use tax (including construction use tax and automobile use tax), property taxes, and business licensing fees.

The City derives authority for tax abatement under the Economic Development Incentive Policy approved by City Council in 2007. Under this policy businesses are eligible to receive tax abatements based on various project criteria: Major Retail Development, Major Primary Employment, Commercial/Mixed-Use Annexation, and Redevelopment/Revitalization. Within each project, the City has agreed to either forego a portion of its sales and/or property tax, or pay a portion of its sales and/or property tax in order to reimburse the property owners for construction and maintenance of public improvements. In an effort to promote immediate economic development, property owners have paid for and installed the improvements in advance. In each project area, the revenues to the City were either zero or declining. As such, the City was in a position to both enhance its economic base or improve overall economic vitality in areas surrounding the specific projects.

Major Retail Development project criteria provides sales and use tax abatements to further encourage retail development in the area. Criteria for an incentive agreement include significant private-sector financial investment, projects that promote a higher or better use of the property and provide positive fiscal and economic impact to the City. Criteria also include the requirement that the development add new and unique tenants to the market and /or trade area. These projects must mitigate any perceived or potential negative impacts to the surrounding area and additionally minimize the negative impact on consumer spending from existing projects in the City.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Major Primary Employment project criteria provides sales and/or property tax abatements to encourage business growth within the City. Criteria for an incentive agreement include significant private-sector financial investment and provide quality employment opportunities for the City's citizens and the region. Quality employment opportunities are currently defined as a minimum of fifty new jobs at a pay rate equal to 66% (excluding benefits) of the City's median household income. Major Primary Employment projects will demonstrate a positive direct and/or indirect fiscal and economic impact to the City. These proposed projects must mitigate any perceived or potential negative impacts to the surrounding area and additionally demonstrate a long-term commitment to the City.

Commercial/Mixed Use Annexation project criteria provides sales/use, property, and business license fee tax abatements to enable the annexation of fully developed, partially developed, or vacant land that is commercial or mixed-use in nature. Criteria for these incentive agreements include a demonstration of reasonable potential for positive fiscal and economic benefit to the City. These proposed projects must be a geographically logical addition to the City and reasonably served by the City and its service/infrastructure providers. Additionally, criteria include the requirement that the project mitigate any perceived or potential negative impacts to the surrounding area.

Redevelopment/Revitalization project criteria provides sales and/or property tax abatements to encourage the redevelopment and/or revitalization of areas that have experienced either no growth or negative growth within the City. Criteria for these incentive agreements include projects that meet or exceed the goals and objectives of the City's Comprehensive plan and amendments with significant new private-sector financial investment designed to provide positive fiscal and economic impact to the City. These proposed projects must promote a higher and better use of the property or improve the financial performance and viability of the existing property. Additionally, proposed projects must be consistent with the community's vision and mitigate any perceived or potential negative impacts to the surrounding area, while being respectful of existing adjacent property types.

Parties to the incentive agreements and the various components therein are different, however each financial agreement is set to expire at either a date certain, or when a given amount of funds have been paid to reimburse the project developers, whichever occurs first. In no instance has the City incurred credit or enhanced any debts or entered into any lease/purchase arrangements related to these agreements and project areas.

As reimbursements are payable solely from the sales/use and property tax revenue increments generated by each project area, long-term debt is not required to be reported on the City's financial statements. Information relevant to the disclosure of these projects for the fiscal year ended December 31, 2016 is:

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Major Retail Development Projects	
Sales/Use Tax	\$ 2,181,285
Major Primary Employment Projects	
Sale/Use Tax	-
Property Tax	-
Commercial/Mixed Use Annexaton Projects	
Sales Tax	1,025,268
Building Materials Use Tax	543,909
Property Tax	18,908
Business Personal Property Tax	515
License Fee Tax	75
Redevelopment/Revitalization Projects	
Sales/Use Tax	1,040,819
Total	\$ 4,810,779

Litigation

Notices of claims for damages have been filed with the City and forwarded to its insurer, Colorado Intergovernmental Risk Sharing Agency (CIRSA). After consideration of applicable insurance policy coverage, and the relative merits of each claim or lawsuit, and consultation with CIRSA and the City Attorney, it is the opinion of the City that the potential ultimate liability resulting from these actions, if any, will not have a material adverse financial effect on the City.

Grants

The City receives revenue from various federal and state grant programs, which are subject to final review and approval by the respective grantor agencies.

Tax, Spending and Debt Limitations

Article X, Section 20 (TABOR) of the State Constitution has several limitations, including those for new tax revenue, expenditures, property taxes and the issuance of debt. These provisions of the Constitution are complex and subject to legal and judicial interpretation. In the opinion of management, the City is in compliance with such provisions. On November 6, 2012, the City’s electors approved Ballot Issue Number 2D providing voter authorization for the City to retain and spend revenues derived from any and all sources, in existence at that time

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

or in the future, in excess of the spending or other limitations as set forth in Article X, Section 20 of the Colorado Constitution.

NOTE 9 – EMPLOYEE RETIREMENT PLAN

The City has a defined contribution money purchase pension plan (City of Centennial Money Purchase Plan) authorized by City Council and administered by Principal Financial Group. The City Council is authorized to amend the Plan provisions, and determines the contributions made by the City. The Plan covers all employees of the City. The City contributes on behalf of each participant 10% of earnings for the Plan year. Each participant is required to contribute to the Plan as a condition of participation. Employer contributions vest at 62% upon hiring, with vesting at 71% at year one, 80% at year two, 90% at year three, and 100% at year four. Participant contributions during 2016 were 8% of pre-tax earnings. The City's contributions to the Plan were \$461,091 for the year ending December 31, 2016.

Effective January 1, 2016, the City amended the 457 Plan to allow an employer contribution of up to 3% of employee contributions to the plan. The matching contribution was terminated on July 1, 2016. Effective July 1, 2016 the City amended the money purchase plan to allow employer matching contributions of up to 3%, based on employee contributions to the 457 plan. City matching contributions to the 457 plan and the money purchase plan were \$57,888 and \$60,047 respectively. There is no liability on the part of the City beyond its annual contribution and all investments of the 457 plan are held for the exclusive benefit of the employees.

NOTE 10 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts; damage to, or destruction of, assets; errors or omissions; injuries to employees; or acts of God. The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 174 municipalities to provide property, worker's compensation, general and automobile liability and public officials' coverage to its members. CIRSA is governed by a seven member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

REQUIRED SUPPLEMENTARY INFORMATION



REQUIRED
SUPPLEMENTARY
INFORMATION

Tagawa Gardens

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 35,383,749	\$ 37,470,919	\$ 38,770,237	\$ 1,299,318
Use tax	1,648,000	2,249,465	3,923,583	1,674,118
Property tax	9,227,812	9,335,608	9,260,946	(74,662)
Auto use tax	4,308,684	4,432,276	5,185,531	753,255
Other taxes	603,146	674,246	729,834	55,588
Franchise fees	5,110,432	4,820,457	5,027,299	206,842
Court fines	1,796,489	1,553,622	1,629,746	76,124
Charges for services	648,834	636,607	1,087,959	451,352
Investment income	188,700	230,700	407,136	176,436
Intergovernmental	6,528,247	6,902,741	6,890,684	(12,057)
Miscellaneous	1,334,436	1,751,062	1,024,217	(726,845)
Total revenues	<u>66,778,529</u>	<u>70,057,703</u>	<u>73,937,172</u>	<u>3,879,469</u>
EXPENDITURES				
Current				
General government	11,115,973	13,066,860	9,991,107	3,075,753
Finance & administration	3,753,429	3,310,186	4,049,229	(739,043)
Community services	24,796,255	25,037,385	24,916,037	121,348
City infrastructure	14,411,582	15,535,109	14,077,961	1,457,148
Planning & development	625,825	807,567	393,039	414,528
Capital outlay	-	-	473,636	(473,636)
Total expenditures	<u>54,703,064</u>	<u>57,757,107</u>	<u>53,901,009</u>	<u>3,856,098</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>12,075,465</u>	<u>12,300,596</u>	<u>20,036,163</u>	<u>7,735,567</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	215,478	203,675	922,631	718,956
Transfers out	(15,847,381)	(21,171,289)	(20,851,284)	320,005
Total other financing sources (uses)	<u>(15,631,903)</u>	<u>(20,967,614)</u>	<u>(19,928,653)</u>	<u>1,038,961</u>
NET CHANGE IN FUND BALANCE	(3,556,438)	(8,667,018)	107,510	8,774,528
FUND BALANCE - BEGINNING OF YEAR	<u>28,664,683</u>	<u>36,546,232</u>	<u>36,546,230</u>	<u>(2)</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,108,245</u>	<u>\$ 27,879,214</u>	<u>\$ 36,653,740</u>	<u>\$ 8,774,526</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND
For the Year Ended December 31, 2016

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 5,319,915	\$ 5,268,273	\$ 5,065,109	\$ (203,164)
Intergovernmental	1,050,552	916,367	908,202	(8,165)
Miscellaneous	150,000	150,000	23,274	(126,726)
Total revenue	<u>6,520,467</u>	<u>6,334,640</u>	<u>5,996,585</u>	<u>(338,055)</u>
EXPENDITURES				
Sales tax sharing pass-thru	1,050,552	916,367	908,202	8,165
Property tax sharing pass-thru	5,319,915	5,268,273	4,986,749	281,524
Professional services	150,000	150,000	101,634	48,366
Contingencies	-	434,747	-	434,747
Total expenditures	<u>6,520,467</u>	<u>6,769,387</u>	<u>5,996,585</u>	<u>772,802</u>
NET CHANGE IN FUND BALANCE	-	(434,747)	-	434,747
FUND BALANCE - BEGINNING OF YEAR	-	434,747	434,747	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,747</u>	<u>\$ 434,747</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City adopts an annual budget for all governmental funds on a basis consistent with generally accepted accounting principles. Budgetary comparisons for the Enterprise Fund are presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure, and depreciation is not budgeted.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- Prior to September 20th, the City Manager submits to the City Council a proposed operating budget by fund, department and object for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Upon receipt of the proposed budget, City Council publishes a notice indicating that such proposed budget is available for inspection and open for public hearing.
- Prior to December 15th, the budget is legally adopted through City Council resolution. All operating budget appropriations lapse at year-end, although unexpended appropriations may be re-appropriated for the next year.
- The legal level of budgetary control is exercised at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within the same fund, with subsequent notification to City Council. City Council must approve any revisions that alter the total expenditures of any fund.

Legal Compliance

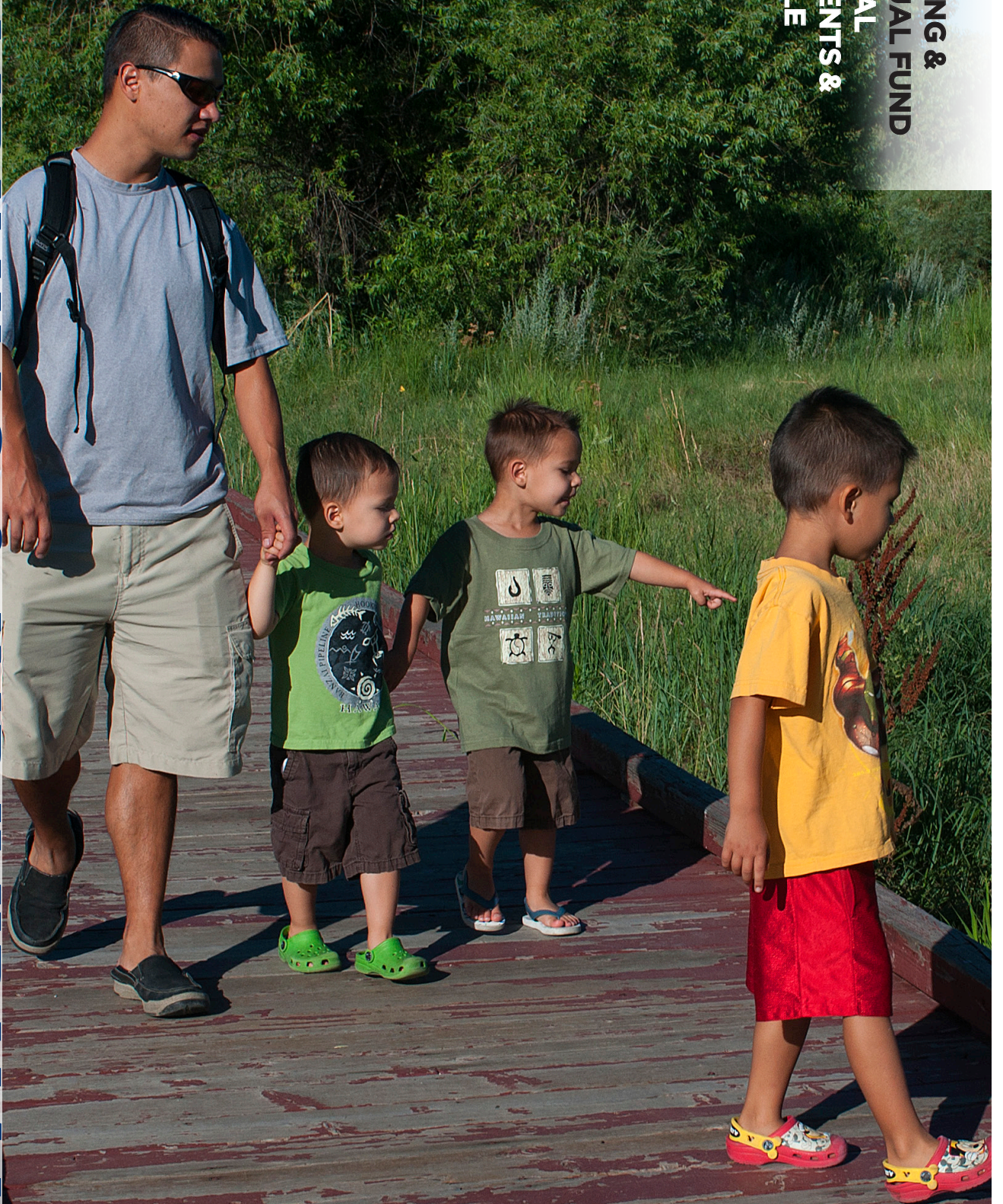
- For the year ended December 31, 2016, expenses in the Land Use Fund exceeded the amounts budgeted by \$392,773 due primarily to higher than budgeted amounts for contracted services and transfers to the General Fund.



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**COMBINING &
INDIVIDUAL FUND
FINANCIAL
STATEMENTS &
SCHEDULE**

COMBINING & INDIVIDUAL FUND FINANCIAL STATEMENTS & SCHEDULE



Cherry Creek Ecological Valley Park

**CITY OF CENTENNIAL, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016**

	Open Space Fund	Conservation Trust Fund	General Improvement District Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 7,424,121	\$ 2,697,366	\$ 969,874	\$ 11,091,361
Taxes receivable	-	-	402,531	402,531
Other receivables	-	-	2,156	2,156
Total assets	<u>7,424,121</u>	<u>2,697,366</u>	<u>1,374,561</u>	<u>11,496,048</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable	481,420	346	49,831	531,597
Accrued liabilities	-	-	24,451	24,451
Total liabilities	<u>481,420</u>	<u>346</u>	<u>74,282</u>	<u>556,048</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	402,507	402,507
FUND BALANCE				
Restricted for:				
Emergency reserves	80,693	19,438	14,930	115,061
Parks and Open Space	6,862,008	2,677,582	-	9,539,590
District Infrastructure	-	-	882,842	882,842
Total fund balance	<u>6,942,701</u>	<u>2,697,020</u>	<u>897,772</u>	<u>10,537,493</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 7,424,121</u>	<u>\$ 2,697,366</u>	<u>\$ 1,374,561</u>	<u>\$ 11,496,048</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Open Space Fund	Conservation Trust Fund	General Improvement District Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 415,019	\$ 415,019
Intergovernmental	2,604,765	635,209	-	3,239,974
Investment income	58,252	12,725	6,190	77,167
Total revenues	<u>2,663,017</u>	<u>647,934</u>	<u>421,209</u>	<u>3,732,160</u>
EXPENDITURES				
Current				
City infrastructure	-	-	298,914	298,914
Culture and recreation	706,174	255,767	-	961,941
Capital Outlay	706,914	-	-	706,914
Debt service				
Principal	-	-	115,000	115,000
Interest	-	-	63,804	63,804
Bond Issuance Costs	-	-	68,801	68,801
Total expenditures	<u>1,413,088</u>	<u>255,767</u>	<u>546,519</u>	<u>2,215,374</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>1,249,929</u>	<u>392,167</u>	<u>(125,310)</u>	<u>1,516,786</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	26,754	-	-	26,754
Refunding Bonds Issued	-	-	2,495,000	2,495,000
Premium on Refunding Bonds	-	-	135,173	135,173
Payment to Refunded Bond Escrow Agent	-	-	(2,553,682)	(2,553,682)
Total other financing sources (uses)	<u>26,754</u>	<u>-</u>	<u>76,491</u>	<u>103,245</u>
NET CHANGE IN FUND BALANCE	1,276,683	392,167	(48,819)	1,620,031
FUND BALANCE - BEGINNING OF YEAR	<u>5,666,018</u>	<u>2,304,853</u>	<u>946,591</u>	<u>8,917,462</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,942,701</u>	<u>\$ 2,697,020</u>	<u>\$ 897,772</u>	<u>\$ 10,537,493</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Federal grant funds	\$ -	\$ 852,520	\$ -	\$ (852,520)
Intergovernmental revenue	-	857,500	1,168,659	311,159
Charges for services	42,619	42,619	301,255	258,636
Developer and other contributions	-	506,356	546,164	39,808
Miscellaneous income	-	858,935	-	(858,935)
Total revenue	42,619	3,117,930	2,016,078	(1,101,852)
EXPENDITURES				
Rehabilitation				
Street rehabilitation program	6,170,000	9,150,000	7,222,720	1,927,280
Major/minor structures	150,000	362,505	55,563	306,942
Professional services	325,000	732,000	90,468	641,532
Capital outlay				
Fiber Optic Backbone	-	5,700,000	590,502	5,109,498
Land Improvements	-	12,603	-	12,603
Streets	325,000	16,055,682	10,976,014	5,079,668
Sidewalks	75,000	2,850,828	2,018,293	832,535
Traffic control & signals	515,000	3,972,730	400,562	3,572,168
Major Capital Project Reserve	8,130,000	13,270,047	-	13,270,047
Buildings	200,000	3,497,742	3,210,558	287,184
Nob Hill Neighborhood Improvements	-	291,773	336,376	(44,603)
Total expenditures	15,890,000	55,895,910	24,901,056	30,994,854
REVENUE OVER (UNDER) EXPENDITURES	(15,847,381)	(52,777,980)	(22,884,978)	29,893,002
OTHER FINANCING SOURCES				
Transfers in	15,847,381	21,171,289	20,824,530	(346,759)
NET CHANGE IN FUND BALANCE	-	(31,606,691)	(2,060,448)	29,546,243
FUND BALANCE - BEGINNING OF YEAR	-	31,965,847	31,965,847	-
FUND BALANCE - END OF YEAR	\$ -	\$ 359,156	\$ 29,905,399	\$ 29,546,243

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
OPEN SPACE FUND
For the Year Ended December 31, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Intergovernmental	\$ 2,400,000	\$ 2,554,765	\$ 2,604,765	\$ 50,000
Investment income	7,515	9,275	58,252	48,977
Miscellaneous	-	26,754	-	(26,754)
Total revenue	2,407,515	2,590,794	2,663,017	72,223
EXPENDITURES				
Culture and recreation	290,000	340,825	706,174	(365,349)
Capital outlay	1,685,000	6,701,754	706,914	5,994,840
Contingencies	432,515	1,214,233	-	1,214,233
Total expenditures	2,407,515	8,256,812	1,413,088	6,843,724
REVENUE OVER (UNDER) EXPENDITURES	-	(5,666,018)	1,249,929	6,915,947
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	26,754	26,754
NET CHANGE IN FUND BALANCE	-	(5,666,018)	1,276,683	6,942,701
FUND BALANCE - BEGINNING OF YEAR	-	5,666,018	5,666,018	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 6,942,701	\$ 6,942,701

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
For the Year Ended December 31, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Intergovernmental	\$ 550,544	\$ 539,818	\$ 635,209	\$ 95,391
Investment income	3,000	2,000	12,725	10,725
Total revenue	<u>553,544</u>	<u>541,818</u>	<u>647,934</u>	<u>106,116</u>
EXPENDITURES				
Culture and recreation	202,500	203,563	255,767	(52,204)
Capital outlay	200,000	1,978,820	-	1,978,820
Contingencies	151,044	664,288	-	664,288
Total expenditures	<u>553,544</u>	<u>2,846,671</u>	<u>255,767</u>	<u>2,590,904</u>
NET CHANGE IN FUND BALANCE	-	(2,304,853)	392,167	2,697,020
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>2,304,853</u>	<u>2,304,853</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,697,020</u>	<u>\$ 2,697,020</u>

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL IMPROVEMENT DISTRICT FUND
For the Year Ended December 31, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Property tax	\$ 389,812	\$ 385,263	\$ 385,484	\$ 221
Specific ownership tax	16,022	24,600	29,535	4,935
Investment income	1,110	1,110	6,190	5,080
Total revenue	<u>406,944</u>	<u>410,973</u>	<u>421,209</u>	<u>10,236</u>
EXPENDITURES				
Current				
City infrastructure	319,566	404,497	298,914	105,583
Debt service				
Principal	75,000	75,000	115,000	(40,000)
Interest	125,456	125,456	63,804	61,652
Bond Issuance Costs	-	-	68,801	(68,801)
Contingencies	14,033	546,495	-	546,495
Total expenditures	<u>534,055</u>	<u>1,151,448</u>	<u>546,519</u>	<u>604,929</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(127,111)</u>	<u>(740,475)</u>	<u>(125,310)</u>	<u>615,165</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	-	-	2,495,000	2,495,000
Premium on Refunding Bonds	-	-	135,173	135,173
Payment to Refunded Bond Escrow Agent	-	-	(2,553,682)	(2,553,682)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>76,491</u>	<u>76,491</u>
NET CHANGE IN FUND BALANCE	(127,111)	(740,475)	(48,819)	691,656
FUND BALANCE - BEGINNING OF YEAR	<u>127,111</u>	<u>946,591</u>	<u>946,591</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 206,116</u>	<u>\$ 897,772</u>	<u>\$ 691,656</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAND USE FUND
For the Year Ended December 31, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Building permits, licenses, and fees	\$ 2,400,000	\$ 2,364,716	\$ 3,028,427	\$ 663,711
Contractor's licenses and bus shelter fees	301,000	293,763	326,849	33,086
Land use permits and other income	412,000	527,161	789,507	262,346
Transfers in	412,000	562,366	-	(562,366)
Total revenue	<u>3,525,000</u>	<u>3,748,006</u>	<u>4,144,783</u>	<u>396,777</u>
EXPENDITURES				
Personnel services	488,061	509,029	475,559	33,470
Contracted services	2,090,596	2,090,595	2,529,125	(438,530)
Services & supplies	318,865	382,341	213,464	168,877
Transfers out	627,478	766,041	922,631	(156,590)
Total expenditures	<u>3,525,000</u>	<u>3,748,006</u>	<u>4,140,779</u>	<u>(392,773)</u>
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	4,004	<u>\$ 4,004</u>
ADJUSTMENT TO GAAP BASIS				
Depreciation			<u>(4,004)</u>	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ -</u>	

See the accompanying independent auditors' report.



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STATISTICAL SECTION

STATISTICAL SECTION

Little Dry Creek

STATISTICAL SECTION OVERVIEW

Statistical tables are used to provide a historical financial review. The various tables provide information which is useful in analyzing the existing financial position of the City and identifying potential trends.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's significant local revenue sources which are sales and use tax and property tax.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

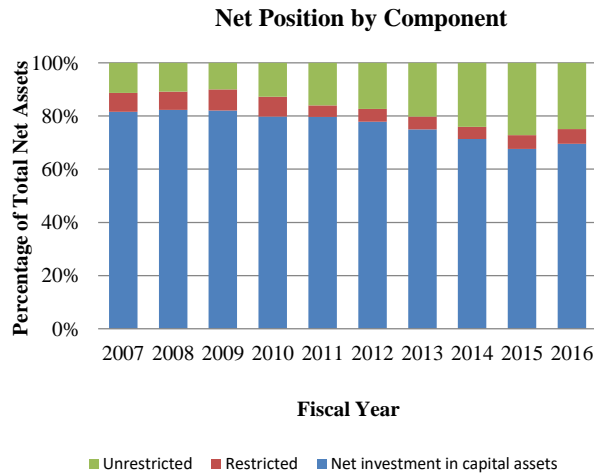
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

TABLE 1
CITY OF CENTENNIAL, COLORADO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

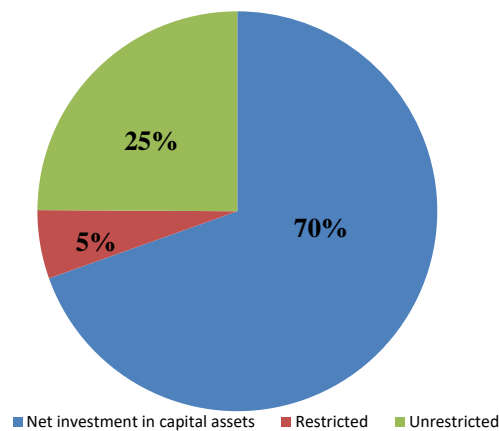
	Fiscal Year		
	2007	2008	2009
Governmental activities			
Net investment in capital assets	\$ 127,795,949	\$ 134,743,623	\$ 137,465,454
Restricted	11,038,753	11,127,772	13,226,398
Unrestricted	17,798,842	17,882,572	17,002,149
Total governmental activities net position	<u>156,633,544</u>	<u>163,753,967</u>	<u>167,694,001</u>
Business-type activities			
Net investment in capital assets	-	-	96,713
Restricted	-	-	94,714
Unrestricted	-	-	(191,427)
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>
Primary government			
Net investment in capital assets	127,795,949	134,743,623	137,562,167
Restricted	11,038,753	11,127,772	13,321,112
Unrestricted	17,798,842	17,882,572	16,810,722
Total primary government net position	<u>\$ 156,633,544</u>	<u>\$ 163,753,967</u>	<u>\$ 167,694,001</u>



The information for this table was obtained from the Statement of Net Position, a statement required by GASB Statement No. 34 and updated by GASB Statement No. 63. The city of Centennial implemented GASB Statement No. 34 in 2004 and GASB Statement 63 in 2012. 2011 net position has been restated.

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
\$ 137,094,255	\$ 144,592,118	\$ 150,533,967	\$ 153,105,667	\$ 152,496,183	\$ 157,122,370	\$ 171,757,225
12,652,880	7,656,451	9,180,350	9,515,406	9,620,070	11,690,081	13,582,948
22,116,122	29,311,672	33,582,988	41,519,235	51,615,854	63,493,761	61,624,556
171,863,257	181,560,241	193,297,305	204,140,308	213,732,107	232,306,212	246,964,729
65,256	39,654	31,891	10,592	24,314	15,015	11,011
89,755	88,726	94,106	92,070	91,577	119,355	96,665
(155,011)	(128,380)	(125,997)	(102,662)	(115,891)	(134,370)	(107,676)
-	-	-	-	-	-	-
137,159,511	144,631,772	150,565,858	153,116,259	152,520,497	157,137,385	171,768,236
12,742,635	7,745,176	9,274,456	9,607,476	9,711,647	11,809,436	13,679,613
21,961,111	29,183,292	33,456,991	41,416,573	51,499,963	63,359,391	61,516,880
\$ 171,863,257	\$ 181,560,241	\$ 193,297,305	\$ 204,140,308	\$ 213,732,107	\$ 232,306,212	\$ 246,964,729

2016 Net Position



**TABLE 2
CITY OF CENTENNIAL, COLORADO**

CHANGE IN NET POSITION

**LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)**

	Fiscal Year		
	2007	2008	2009
<u>Governmental activities</u>			
Expenses			
General government	\$ 5,533,732	\$ 6,747,868	\$ 5,854,992
Community services	20,838,991	21,354,389	21,549,041
City infrastructure	20,656,685	17,720,544	17,487,628
Culture and recreation	91,185	84,784	581,646
Urban redevelopment	607,222	952,348	519,967
Interest on long-term debt	165,240	146,415	144,466
Total governmental activities expenses	<u>47,893,055</u>	<u>47,006,348</u>	<u>46,137,740</u>
Program Revenues			
Charges for services			
General government	47,070	74,780	148,014
Community services	2,059,722	2,300,601	2,293,552
City infrastructure	202,963	354,223	486,346
Urban redevelopment	683,752	1,979,802	1,293,553
Operating grants and contributions	4,319,189	4,070,855	4,308,859
Capital grants and contributions	4,038,680	5,257,705	4,741,687
Total governmental activities program revenues	<u>11,351,376</u>	<u>14,037,966</u>	<u>13,272,011</u>
Total governmental activities net program expense	<u>36,541,679</u>	<u>32,968,382</u>	<u>32,865,729</u>
General revenues and other changes in net position			
Taxes			
Sales tax	18,736,167	18,620,968	17,992,951
Use tax	1,237,313	3,265,367	2,001,964
Property tax	7,525,978	7,989,318	8,132,734
Auto use tax	3,994,315	3,522,055	3,084,446
Other taxes	964,459	890,664	819,445
Unrestricted franchise fees	4,253,003	4,827,977	4,235,611
Investment income	1,657,727	832,298	131,382
Intergovernmental revenues not restricted to specific programs	-	-	255,033
Issuance of debt	264,919	534,366	582,696
Insurance proceeds	-	-	-
Contributions	-	-	-
Transfers	(1,129,494)	(394,208)	(175,466)
	<u>37,504,387</u>	<u>40,088,805</u>	<u>37,060,796</u>
	<u>\$ 962,708</u>	<u>\$ 7,120,423</u>	<u>\$ 4,195,067</u>

The information for this table was obtained from the Statement of Activities, a statement required by GASB Statement No. 34 and updated by GASB Statement No. 63. The City of Centennial implemented GASB Statement No. 34 in 2004 and GASB Statement No. 63 in 2012. 2011 net position has been restated.

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
\$ 5,927,832	\$ 8,491,057	\$ 10,953,334	\$ 12,845,868	\$ 11,763,347	\$ 13,170,287	\$ 14,114,326
21,408,592	21,577,444	21,736,983	21,819,639	22,174,239	23,768,969	24,916,037
20,013,733	20,568,461	22,482,836	22,215,397	24,731,604	24,689,639	26,167,030
367,583	496,048	736,800	2,258,120	2,546,267	1,044,536	961,942
1,231,387	5,000,756	5,843,043	5,159,616	5,548,953	4,633,280	5,088,383
142,238	139,905	137,299	134,611	131,665	128,631	57,175
<u>49,091,365</u>	<u>56,273,671</u>	<u>61,890,295</u>	<u>64,433,251</u>	<u>66,896,075</u>	<u>67,435,342</u>	<u>71,304,893</u>
208,659	160,262	245,346	251,061	277,175	235,142	278,988
2,368,455	2,236,483	2,095,843	2,201,469	2,158,468	1,849,415	1,688,580
321,054	375,545	387,630	280,918	816,615	806,834	1,051,392
-	-	-	-	-	-	-
4,847,044	5,111,685	5,354,851	5,959,577	6,209,974	6,488,723	6,583,898
3,947,075	6,654,649	7,872,115	4,849,633	3,480,178	9,147,000	4,660,672
<u>11,692,287</u>	<u>14,538,624</u>	<u>15,955,785</u>	<u>13,542,658</u>	<u>12,942,410</u>	<u>18,527,114</u>	<u>14,263,530</u>
<u>37,399,078</u>	<u>41,735,047</u>	<u>45,934,510</u>	<u>50,890,593</u>	<u>53,953,665</u>	<u>48,908,228</u>	<u>57,041,363</u>
20,624,581	27,917,744	32,782,443	34,569,315	35,673,588	38,315,195	38,770,237
2,060,641	1,677,317	2,003,344	2,987,611	2,279,161	3,542,288	3,923,583
9,506,280	12,930,171	13,301,715	13,391,623	13,976,189	12,903,382	14,711,539
3,064,792	3,178,645	3,458,033	3,747,097	4,123,965	4,594,045	5,185,531
797,403	519,284	539,677	586,360	628,585	639,194	759,369
4,653,673	4,749,865	4,646,174	5,011,913	5,128,961	5,059,425	5,027,299
84,158	40,173	146,534	69,801	177,993	186,853	484,303
252,382	253,944	267,307	363,051	568,105	451,599	321,733
367,958	277,132	453,685	354,910	445,389	866,927	1,593,655
-	-	-	-	-	-	-
-	-	-	-	-	-	-
408,848	(112,244)	72,662	651,915	543,528	923,425	922,631
<u>41,820,716</u>	<u>51,432,031</u>	<u>57,671,574</u>	<u>61,733,596</u>	<u>63,545,464</u>	<u>67,482,333</u>	<u>71,699,880</u>
<u>\$ 4,421,638</u>	<u>\$ 9,696,984</u>	<u>\$ 11,737,064</u>	<u>\$ 10,843,003</u>	<u>\$ 9,591,799</u>	<u>\$ 18,574,105</u>	<u>\$ 14,658,517</u>

TABLE 2
CITY OF CENTENNIAL, COLORADO

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2007	2008	2009
<u>Business-type activities</u>			
Expenses			
Land use fund	\$ 4,029,924	\$ 3,548,937	\$ 3,157,146
Total expenses	<u>4,029,924</u>	<u>3,548,937</u>	<u>3,157,146</u>
Revenues			
Land use service fees	2,900,430	3,154,729	2,901,680
Total revenues	<u>2,900,430</u>	<u>3,154,729</u>	<u>2,901,680</u>
Operating income (loss) before transfers	<u>(1,129,494)</u>	<u>(394,208)</u>	<u>(255,466)</u>
Transfers	1,129,494	394,208	175,466
Total business-type activities change in net position	<u>-</u>	<u>-</u>	<u>(80,000)</u>
Total primary government change in net position	<u>\$ 962,708</u>	<u>\$ 7,120,423</u>	<u>\$ 4,115,067</u>

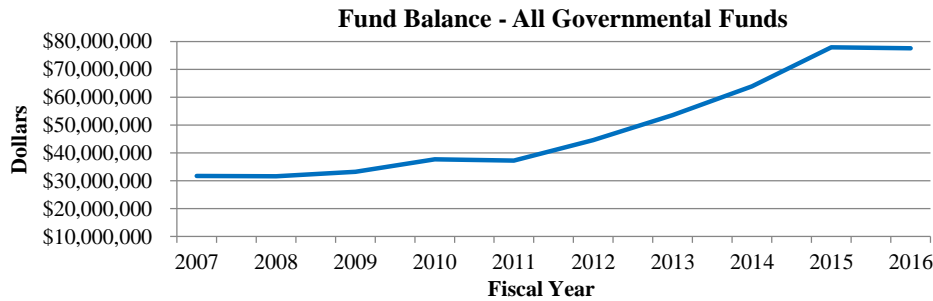
The information for this table was obtained from the Statement of Activities, a statement required by GASB Statement No. 34 and updated by GASB Statement No. 63. The City of Centennial implemented GASB Statement No. 34 in 2004 and GASB Statement No. 63 in 2012. 2011 net position has been restated.

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
\$ 2,991,828	\$ 2,957,524	\$ 3,136,858	\$ 3,068,995	\$ 3,052,575	\$ 3,978,514	\$ 3,222,152
<u>2,991,828</u>	<u>2,957,524</u>	<u>3,136,858</u>	<u>3,068,995</u>	<u>3,052,575</u>	<u>3,978,514</u>	<u>3,222,152</u>
3,400,676	2,845,280	3,209,520	3,720,910	3,596,103	4,901,939	4,144,783
<u>3,400,676</u>	<u>2,845,280</u>	<u>3,209,520</u>	<u>3,720,910</u>	<u>3,596,103</u>	<u>4,901,939</u>	<u>4,144,783</u>
408,848	(112,244)	72,662	651,915	543,528	923,425	922,631
<u>(408,848)</u>	<u>112,244</u>	<u>(72,662)</u>	<u>(651,915)</u>	<u>(543,528)</u>	<u>(923,425)</u>	<u>(922,631)</u>
-	-	-	-	-	-	-
<u>\$ 4,421,638</u>	<u>\$ 9,696,984</u>	<u>\$ 11,737,064</u>	<u>\$ 10,843,003</u>	<u>\$ 9,591,799</u>	<u>\$ 18,574,105</u>	<u>\$ 14,658,517</u>

**TABLE 3
CITY OF CENTENNIAL, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year		
	2007	2008	2009
General fund			
Reserved	\$ 1,490,558	\$ 1,298,064	\$ 1,261,298
Unreserved	13,199,627	13,507,740	16,806,731
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total general fund	<u>14,690,185</u>	<u>14,805,804</u>	<u>18,068,029</u>
All other governmental funds			
Reserved	9,683,858	9,916,754	11,981,515
Unreserved	7,294,171	6,875,088	3,143,991
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Total all other governmental funds	<u>16,978,029</u>	<u>16,791,842</u>	<u>15,125,506</u>
Total all governmental funds	<u>\$ 31,668,214</u>	<u>\$ 31,597,646</u>	<u>\$ 33,193,535</u>



The information for this table was obtained from the Balance Sheet. The City of Centennial incorporated during 2001. Statistical information is presented from 2005 through the current year to correspond with the implementation of GASB Statement No. 34. 2011 Fund balance has been restated. GASB 54 was implemented in 2011.

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
\$ 1,288,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,701,513	-	-	-	-	-	-
-	13,762	4,009	1,493	12,427	15,196	20,568
-	1,472,246	1,371,302	1,651,357	1,531,979	1,359,857	1,938,105
-	5,301,033	-	-	-	-	-
-	21,536,729	28,276,576	36,514,096	40,925,461	35,171,177	34,695,067
<u>21,990,209</u>	<u>28,323,770</u>	<u>29,651,887</u>	<u>38,166,946</u>	<u>42,469,867</u>	<u>36,546,230</u>	<u>36,653,740</u>
11,379,095	-	-	-	-	-	-
4,294,525	-	-	-	-	-	-
-	-	-	70,018	70,018	-	-
-	6,184,205	7,809,048	7,864,049	7,996,514	10,330,224	11,644,843
-	2,766,780	7,127,165	7,458,280	13,329,831	30,987,832	29,232,796
<u>15,673,620</u>	<u>8,950,985</u>	<u>14,936,213</u>	<u>15,392,347</u>	<u>21,396,363</u>	<u>41,318,056</u>	<u>40,877,639</u>
<u>\$ 37,663,829</u>	<u>\$ 37,274,755</u>	<u>\$ 44,588,100</u>	<u>\$ 53,559,293</u>	<u>\$ 63,866,230</u>	<u>\$ 77,864,286</u>	<u>\$ 77,531,379</u>

TABLE 4
CITY OF CENTENNIAL, COLORADO
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2007	2008	2009
Revenues			
Taxes	\$ 32,458,232	\$ 34,288,372	\$ 32,031,540
Intergovernmental	8,153,516	9,120,836	9,462,623
Charges for services	2,993,507	4,709,406	4,221,465
Franchise fees	4,253,003	4,827,977	4,235,611
Investment income	1,657,727	832,298	131,382
Miscellaneous	264,919	534,366	582,696
Total revenues	49,780,904	54,313,255	50,665,317
Expenditures			
Current			
General government	5,535,338	6,707,616	5,837,442
Community services	20,877,510	21,354,389	21,549,041
City infrastructure	13,729,987	13,843,150	11,620,237
Culture & recreation	91,185	84,784	581,646
Urban redevelopment	607,222	952,348	421,892
Capital Outlay			
General government	20,615	7,839,369	1,138,228
Capital improvement	3,948,517	3,006,383	7,540,825
Debt Service			
Principal	15,000	55,000	60,000
Interest and fiscal charges	161,401	146,576	144,651
Bond issuance costs	-	-	-
Total expenditures	44,986,775	53,989,615	48,893,962
Revenue over expenditures	4,794,129	323,640	1,771,355
Other Financing Sources (Uses)			
Transfers in	3,880,306	900,000	2,483,847
Transfers out	(5,009,800)	(1,294,208)	(2,659,313)
Refunding on bonds issued	-	-	-
Premium on refunding bonds			
Payment of refunded bond escrow agent	-	-	-
Total other financing sources (uses)	(1,129,494)	(394,208)	(175,466)
Net change in fund balances	\$ 3,664,635	\$ (70,568)	\$ 1,595,889
	0.43%	0.47%	0.51%

The information for this table was obtained from the Statement of Revenue, Expenditures, and Changes in Fund Balances. The City of Centennial Incorporated during 2001. Statistical information is presented from 2005 through the current year to correspond with the implementation of GASB Statement No. 34. 2011 fund balance has been restated.

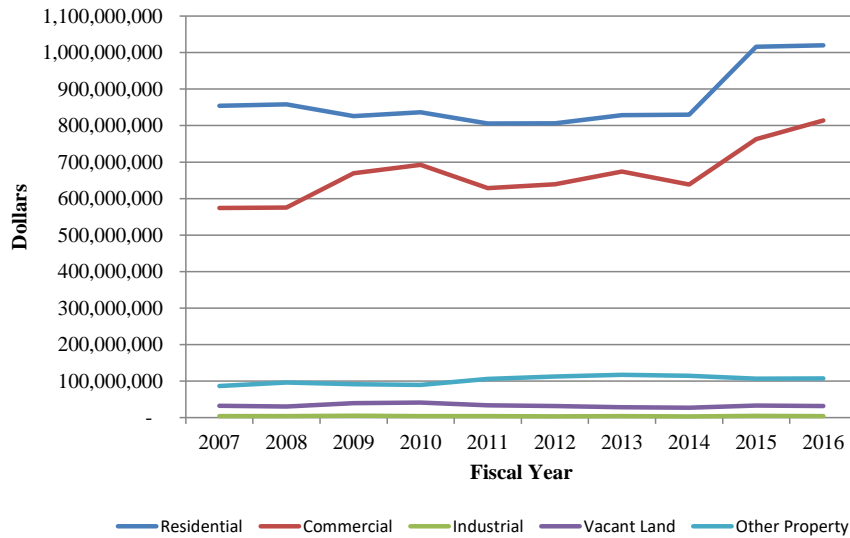
Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
\$ 36,053,697	\$ 46,223,161	\$ 52,085,212	\$ 55,282,006	\$ 56,681,488	\$ 59,994,104	\$ 63,350,259
8,005,719	10,602,518	11,030,082	11,625,012	11,306,613	17,190,904	12,207,519
2,898,168	2,772,290	2,728,819	2,733,448	2,760,913	2,891,391	3,018,960
4,653,673	4,749,865	4,646,174	5,011,913	5,128,961	5,059,425	5,027,299
84,158	40,173	146,534	69,801	177,993	186,853	484,303
367,958	277,132	453,685	354,910	936,734	866,927	1,593,655
52,063,373	64,665,139	71,090,506	75,077,090	76,992,702	86,189,604	85,681,995
6,053,572	8,433,765	10,929,433	11,434,747	11,640,388	13,003,591	14,040,336
21,408,592	21,577,444	21,736,983	21,819,639	22,174,239	23,768,969	24,916,037
16,015,936	16,708,347	18,465,990	19,492,958	20,516,748	21,059,173	22,784,539
367,583	496,048	736,800	2,258,120	1,414,462	1,044,536	961,941
1,231,387	5,000,756	5,843,043	6,010,887	6,463,195	5,622,583	5,996,585
2,428,907	11,329,499	6,884,042	1,737,119	1,893,131	962,046	1,180,550
293,519	-	242,000	3,799,486	2,925,214	7,450,169	16,886,431
60,000	65,000	65,000	70,000	70,000	75,000	115,000
142,431	140,121	137,521	134,856	131,916	128,906	63,804
-	-	-	-	-	-	68,801
48,001,927	63,750,980	65,040,812	66,757,812	67,229,293	73,114,973	87,014,024
4,061,446	914,159	6,049,694	8,319,278	9,763,409	13,074,631	(1,332,029)
5,882,430	4,686,487	15,004,327	10,433,915	16,505,911	27,250,711	21,773,915
(5,473,582)	(4,798,731)	(14,931,665)	(9,782,000)	(15,962,383)	(26,327,286)	(20,851,284)
-	-	-	-	-	-	2,495,000
-	-	-	-	-	-	135,173
-	-	-	-	-	-	(2,553,682)
408,848	(112,244)	72,662	651,915	543,528	923,425	999,122
\$ 4,470,294	\$ 801,915	\$ 6,122,356	\$ 8,971,193	\$ 10,306,937	\$ 13,998,056	\$ (332,907)
0.45%	0.39%	0.35%	0.34%	0.32%	0.32%	0.36%

TABLE 5
CITY OF CENTENNIAL, COLORADO
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

(Unaudited)

Taxable Real and Personal Property				
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant Land
2007	853,954,730	574,216,450	4,300,230	32,639,130
2008	858,294,520	575,249,170	4,073,630	30,689,950
2009	825,768,350	669,231,830	5,188,900	39,676,100
2010	836,719,860	692,470,620	4,342,740	41,195,980
2011	805,653,220	628,640,180	3,950,100	33,667,080
2012	806,330,190	639,120,040	3,749,580	31,861,900
2013	828,687,270	674,005,480	3,853,830	28,528,060
2014	829,759,643	638,791,805	3,203,964	27,076,642
2015	1,015,627,930	762,947,109	4,518,504	32,702,013
2016	1,019,871,345	814,015,395	3,983,920	31,562,557

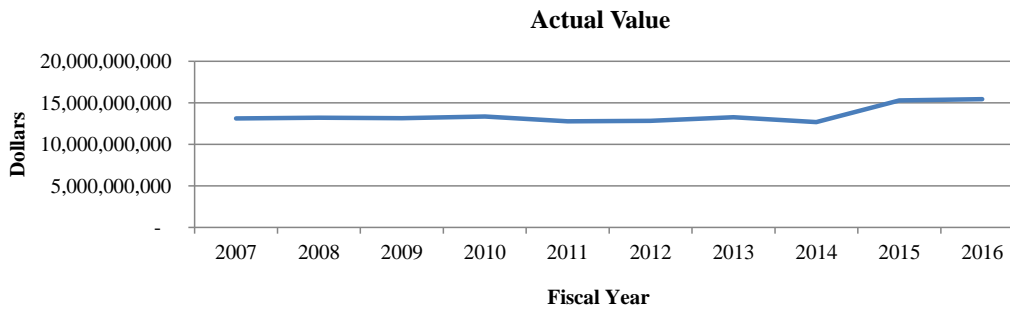
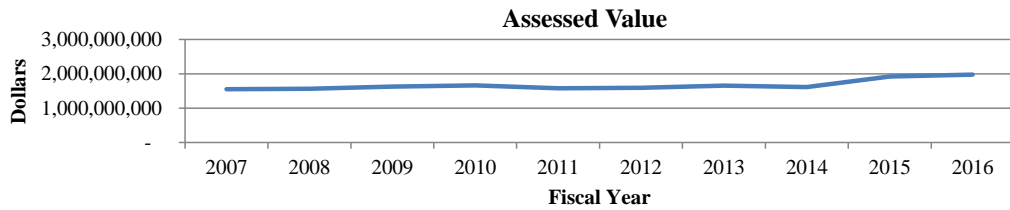
Assessed Value by Property Type



The information for this table was provided by Public Finance Associates and the Arapahoe County Assessor's Office.

Taxable Real and Personal Property

Other Property¹	Total Taxable Assessed Value³	Mill Levy²	Actual Value	Assessed Value as a Percentage of Actual Value
86,587,340	1,551,697,880	4.958	13,133,258,542	11.82%
95,876,250	1,564,183,520	5.054	13,215,858,210	11.84%
91,294,120	1,631,159,300	5.047	13,150,665,012	12.40%
89,317,930	1,664,047,130	5.077	13,363,879,048	12.45%
105,985,000	1,577,895,580	5.077	12,783,754,657	12.34%
112,373,110	1,593,434,820	5.129	12,843,506,833	12.41%
117,278,110	1,652,352,750	5.073	13,250,414,532	12.47%
114,499,519	1,613,331,573	5.015	12,681,267,675	12.72%
106,858,997	1,922,654,553	5.030	15,296,547,327	12.57%
107,203,490	1,976,636,707	5.026	15,440,461,365	12.80%



(1) Includes State assessed.

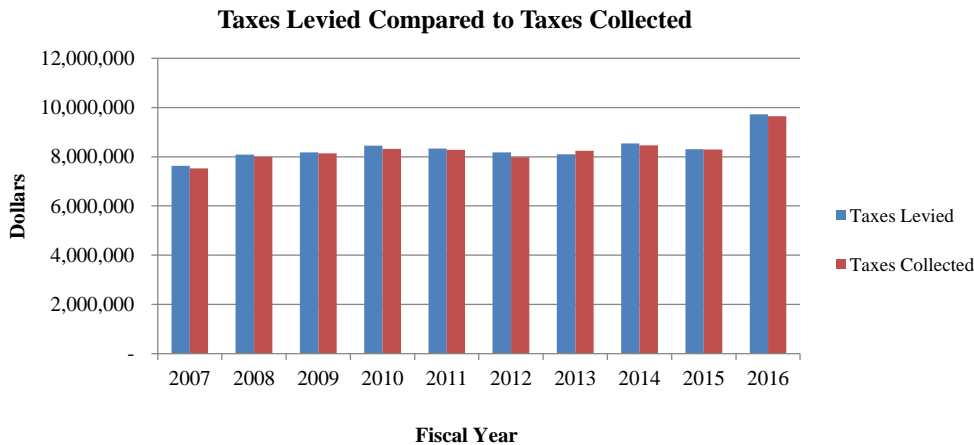
(2) The reduction in the 2007 mill levy is a temporary reduction and is the mill levy applicable to only the City of Centennial, not the General Improvement Districts.

(3) Beginning in 2008, total taxable assessed value includes the valuation of property, included in the Centennial Urban Redevelopment Authority; This amount has been excluded in the City's Certification of Tax.

**TABLE 6
CITY OF CENTENNIAL, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Taxes Levied for Collection in the Fiscal Year ¹	Collected within the Fiscal Year of the Levy	
		Amount ²	Percentage of Levy
2007	7,628,936	7,525,978	98.650%
2008	8,088,081	7,989,318	98.779%
2009	8,172,853	8,132,734	99.509%
2010	8,450,787	8,322,818	98.486%
2011	8,339,583	8,286,203	99.360%
2012	8,172,727	7,984,301	97.694%
2013	8,104,801	8,243,117	101.707%
2014	8,538,323	8,463,100	99.119%
2015	8,308,406	8,294,394	99.831%
2016	9,720,882	9,646,430	99.234%



(1) Data obtained from Certification of Tax Levies for the General Fund and each General Improvement District; amount does not include taxes levied for collection for the Centennial Urban Redevelopment Authority as this amount represents the increment attributable to the redevelopment area and applicable tax levies.

(2) Data obtained from Table 10, Revenues by Source, Governmental Funds.

Arapahoe County is the collection agent for the City and does not provide data indicating to which levy year delinquent tax collections relate, and therefore the collection of delinquent taxes are not reported on this table. Typically less than 2% of the total taxes levied each year are delinquent. For Fiscal Year 2013, the City collected delinquent taxes at least equal to 1.707%; the exact amount of delinquent taxes collected is unknown, as this separate information is not provided by Arapahoe County.

The City of Centennial incorporated during 2001. Statistical information is presented from 2005 through the current year to correspond with the implementation of GASB No. 34.

**TABLE 7
CITY OF CENTENNIAL, COLORADO**

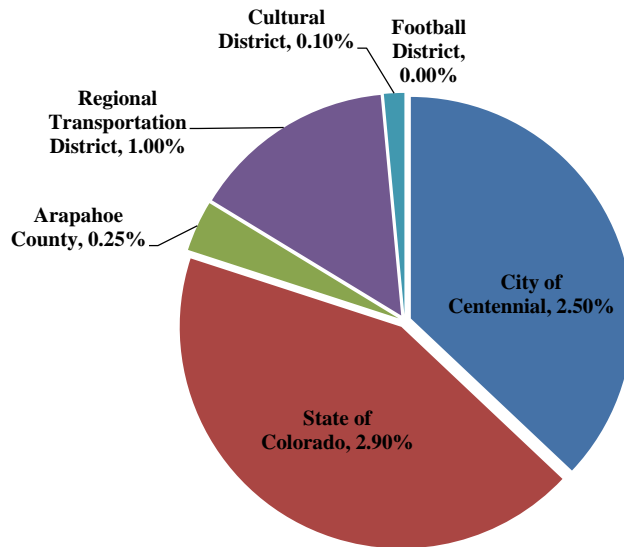
DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	City of Centennial	State of Colorado	Arapahoe County	Regional Transportation District	Cultural District	Football District	Total
2007	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2008	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2009	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2010	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2011	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2012	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2013	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%
2014	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%
2015	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%
2016	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%

Direct and Overlapping Sales Tax Rates



The information for this table was obtained from annual Colorado Municipal League (CML) Financial Condition Reports, City annual financial statements, and the Arapahoe County Finance Department. Information has been presented for all years available.

TABLE 8
CITY OF CENTENNIAL, COLORADO
GENERAL SALES TAX REVENUE, REMITTERS BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Accommodation and Food Service	Administrative Support, Waste Management and Remediation Services	Arts, Entertainment and Recreation	Construction	Educational Services
2007	2,907,889	221,959	6,277	167,805	33,423
2008	2,916,546	201,703	11,142	108,623	12,884
2009	2,710,339	128,220	13,916	185,144	29,399
2010	3,154,244	187,868	6,685	242,605	50,597
2011	3,478,385	204,754	50,884	245,183	74,579
2012	3,907,917	235,344	88,912	390,521	76,669
2013	4,393,073	243,380	98,107	303,080	35,123
2014	4,907,666	206,222	123,155	671,418	17,338
2015	5,453,979	243,243	374,477	482,058	18,370
2016	5,554,529	254,511	779,653	533,473	20,433

(continued)

The information for this table was obtained from the Colorado Department of Revenue.

Finance and Insurance	Healthcare and Social Assistance	Information	Mining	Professional, Scientific and Technical Services
134,518	75,176	2,430,547	44,339	400,002
144,254	79,692	2,488,893	48,218	443,339
129,778	66,424	1,859,609	24,562	244,087
110,647	83,936	2,344,054	28,308	620,785
121,119	96,535	2,498,242	30,980	639,787
147,666	103,892	2,460,400	40,721	1,118,743
205,453	105,989	2,623,327	43,466	883,521
223,940	106,657	2,410,509	59,180	777,654
319,362	95,153	3,529,595	50,744	913,342
306,858	109,693	2,384,231	53,296	1,224,532

(continued)

**TABLE 8
CITY OF CENTENNIAL, COLORADO**

GENERAL SALES TAX REVENUE, REMITTERS BY TYPE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Public Administration	Real Estate, Rental and Leasing	Utilities	Wholesale Trade	Other Remitters	Total
2007	18,038	579,290	946,226	641,626	10,129,052	18,736,167
2008	17,989	581,958	1,106,171	694,251	9,765,305	18,620,968
2009	28,195	498,303	978,302	328,524	10,768,149	17,992,951
2010	39,197	772,453	1,147,683	699,110	11,136,408	20,624,581
2011	46,140	899,378	1,193,441	809,886	17,528,451	27,917,744
2012	45,575	1,197,449	1,172,699	827,769	20,968,166	32,782,443
2013	46,894	626,742	1,294,802	1,084,729	22,581,629	34,569,315
2014	53,619	1,323,164	1,375,769	1,792,930	21,624,367	35,673,588
2015	55,505	1,657,637	1,331,587	1,592,739	22,197,404	38,315,195
2016	54,299	1,460,806	1,295,873	1,397,895	23,338,139	38,770,237

The information for this table was obtained from the Colorado Department of Revenue.



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**TABLE 9
CITY OF CENTENNIAL, COLORADO
PRINCIPAL PROPERTY TAXPAYERS**

2007 and 2016

(Unaudited)

<u>Taxpayer</u>	2007		
	<u>Taxable Assessed Value</u>	<u>Ranking</u>	<u>Percentage of Total City Assessed Value</u>
Crescent Real Estate Funding VIII LP	\$ 13,050,000	1	0.841%
Legacy III Centennial LLC	9,860,010	2	0.635%
Oppenheimer Funds LLC	7,685,000	3	0.495%
California State Teachers	6,960,000	4	0.449%
National Digital Television	6,235,010	5	0.402%
Lexington Centennial LLC	5,510,000	6	0.355%
California State Teachers	5,336,000	7	0.344%
USF Propco I, LLC	4,897,520	8	0.316%
RREEF America REIT II Corp	4,582,000	9	0.295%
FSP Highland Place I Corp	4,350,010	10	0.280%
Total	<u>\$ 68,465,550</u>		<u>4.412%</u>
<u>Taxpayer</u>	2016		
	<u>Taxable Assessed Value</u>	<u>Ranking</u>	<u>Percentage of Total City Assessed Value</u>
IKEA Property, Inc.	\$ 13,391,620	1	0.677%
GK Peakview Tower, LLC	12,843,230	2	0.650%
Legacy III Centennial, LLC	11,979,900	3	0.606%
GS Centennial, LLC	11,644,080	4	0.589%
Cole of Centennial CO, LLC	8,540,500	5	0.432%
OFI Global Asset Management	7,850,010	6	0.397%
Southglenn Property Holdings, LLC	7,320,470	7	0.370%
Waterview I-III LLC	6,707,990	8	0.339%
GS Centennial, LLC	6,139,590	9	0.311%
National Digital Television	6,003,000	10	0.304%
Total	<u>\$ 92,420,390</u>		<u>4.676%</u>

Total assessed value represents values reported on Table 5, Assessed and Actual Value of Taxable Property.

**TABLE 10
CITY OF CENTENNIAL, COLORADO**

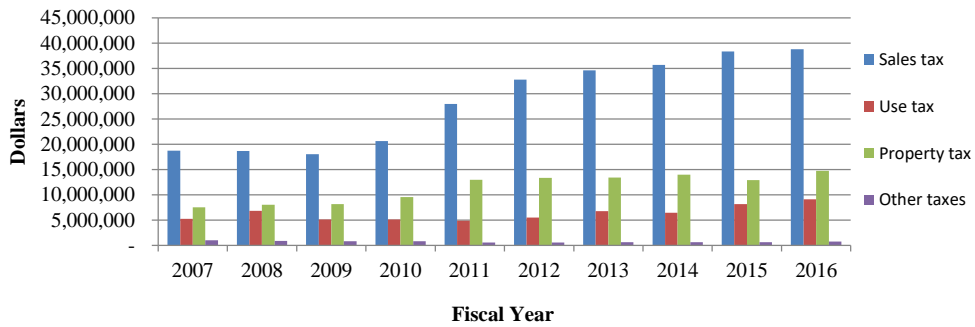
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

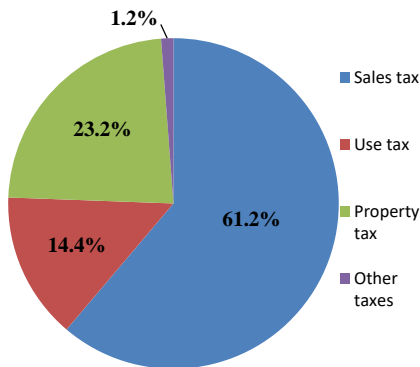
(Unaudited)

Fiscal year	Sales tax	Use tax	Property tax	Other taxes	Total
2007	18,736,167	5,231,628	7,525,978	964,459	32,458,232
2008	18,620,968	6,787,422	7,989,318	890,664	34,288,372
2009	17,992,951	5,086,410	8,132,734	819,445	32,031,540
2010	20,624,581	5,125,433	9,506,280	797,403	36,053,697
2011	27,917,744	4,855,962	12,930,171	519,284	46,223,161
2012	32,782,443	5,461,377	13,301,715	539,677	52,085,212
2013	34,569,315	6,734,708	13,391,623	586,360	55,282,006
2014	35,673,588	6,403,126	13,976,189	628,585	56,681,488
2015	38,315,195	8,136,333	12,903,382	639,194	59,994,104
2016	38,770,237	9,109,114	14,711,539	759,369	63,350,259

Tax Revenues By Source



2016 Tax Revenues by Source



The information for this table was obtained from the Statement of Revenue, Expenditures and Changes in Fund Balance.

**TABLE 11
CITY OF CENTENNIAL, COLORADO**

**RATIOS OF:
OUTSTANDING DEBT BY TYPE,
OUTSTANDING GENERAL BONDED DEBT
AND LEGAL DEBT MARGIN**

LAST TEN FISCAL YEARS

(Unaudited)

	Fiscal Year		
	2007	2008	2009
Outstanding debt by type			
Governmental activities			
General obligation bonds	\$ 3,035,000	\$ 2,980,000	\$ 2,920,000
Total Primary Government outstanding debt	\$ 3,035,000	\$ 2,980,000	\$ 2,920,000
Percentage of personal income ¹	0.1%	NA	NA
Per capita ¹	\$ 31	NA	NA
Outstanding general bonded debt			
General obligation bonds	\$ 3,035,000	\$ 2,980,000	\$ 2,920,000
Percentage of personal income ¹	0.1%	NA	NA
Per capita ¹	\$ 31	NA	NA
Legal debt margin			
Debt limit ²	\$ 393,997,756	\$ -	\$ -
Total net debt applicable to limit	3,035,000	-	-
Legal debt margin	\$ 390,962,756	\$ -	\$ -
Legal debt margin as a percentage of the debt limit	99.2%	0.0%	0.0%

¹ Refer to Table 13, Demographic and Economic Statistics for personal income and population.

² State statutes limit the City's outstanding general debt to no more than 3% of actual property values.

Beginning in 2008, the City was no longer subject to the 3% statutory limitations as the City became home rule. Article XII of the City's Home Rule Charter does not provide a limit on bonded indebtedness; rather, it is left to the discretion of the City Council subject to the constitutional requirements of TABOR or other constitutional provisions.

Demographic and economic statistical data was not available for this report from sources consistent with those in prior years. Although the City believes demographic and economic statistics have remained relatively consistent with prior years, "NA" or "Not Applicable" has been reported here as the actual data is not available.

General obligation bond debt reported on this Table represents the debt of Antelope General Improvement District.

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
\$ 2,860,000	\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000	\$ 2,515,000	\$ 2,380,000
\$ 2,860,000	\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000	\$ 2,515,000	\$ 2,380,000
0.1%	NA	0.1%	0.1%	0.1%	0.1%	0.1%
\$ 28	NA	\$ 27	\$ 26	\$ 24	\$ 23	\$ 22
\$ 2,860,000	\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000	\$ 2,515,000	\$ 2,380,000
0.1%	NA	0.1%	0.1%	0.1%	0.1%	0.1%
\$ 28	NA	\$ 27	\$ 26	\$ 24	\$ 23	\$ 22
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

TABLE 12
CITY OF CENTENNIAL, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2016

(Unaudited)

Governmental Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Arapahoe Estates Water District	\$ 104,994	100.00%	\$ 104,994
Arapahoe Park & Recreation District	7,400,000	35.86%	2,653,640
Arapahoe Water and Wastewater Authority	129,060,000	44.96%	58,025,376
Cherry Creek School District No. 5	458,270,000	17.77%	81,434,579
Dove Valley Metropolitan District	48,515,000	42.14%	20,444,221
East Smoky Hill Metropolitan District 1	3,585,000	26.70%	957,195
East Smoky Hill Metropolitan District 2	6,055,000	0.06%	3,633
East Valley Metropolitan District	371,922	100.00%	371,922
Estancia Metropolitan District	3,935,000	100.00%	3,935,000
Goodman Metropolitan District	2,170,000	0.47%	10,199
Havana Water and Sanitation District	2,930,000	8.51%	249,343
Heritage Greens Metropolitan District	2,950,000	100.00%	2,950,000
Inverness Metropolitan Improvement District	3,580,000	0.98%	35,084
Inverness Water & Sanitation District	11,360,000	0.65%	73,840
Littleton Public Schools	141,696,194	36.24%	51,350,701
Liverpool Metropolitan District	2,650,000	61.93%	1,641,145
Panorama Metropolitan District	5,155,000	100.00%	5,155,000
Parker Jordan Metropolitan District	14,315,000	51.38%	7,355,047
Piney Creek Village Metropolitan District	5,909,840	100.00%	5,909,840
Saddle Rock South Metropolitan District	9,155,000	0.21%	19,226
Saddle Rock South Metropolitan District #4	14,560,000	0.15%	21,840
South Suburban Recreation Park District	12,835,000	46.42%	5,958,007
Southeast Public Improvement Metropolitan District	3,130,000	43.44%	1,359,672
Southglenn Metropolitan District	73,160,000	100.00%	73,160,000
Valley Club Pointe Metropolitan District	5,699,352	100.00%	5,699,352
Subtotal Overlapping Debt	<u>\$ 968,552,302</u>		<u>\$ 328,878,855</u>
Antelope Water System Improvement District	2,380,000	100.00%	2,380,000
Subtotal Direct Debt	<u>\$ 2,380,000</u>		<u>\$ 2,380,000</u>
Total Direct and Overlapping Debt	<u><u>\$ 970,932,302</u></u>		<u><u>\$ 331,258,855</u></u>

(1)The stated percentage represents the amount of the governmental unit which lies within the boundaries of the City. These percentages were provided by each of the governmental units.

The information for this table was primarily obtained from each governmental unit.

**TABLE 13
CITY OF CENTENNIAL, COLORADO**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Population¹	Personal Income	Per Capita Personal Income²	Median Age³	High School Graduation Rates⁴	Unemployment Rate⁵
2007	98,826	4,887,736,308	49,458	36.2	78.13%	3.80%
2008	** NA	NA	NA	NA	NA	NA
2009	** NA	NA	NA	NA	NA	NA
2010	100,377	3,878,968,788	38,644	40.5	95.60%	4.80%
2011	** NA	NA	NA	NA	NA	NA
2012	102,603	4,171,222,362	40,654	40.5	96.80%	7.00%
2013	103,743	4,227,734,736	40,752	40.5	96.60%	6.50%
2014	106,114	4,384,948,822	41,323	41.1	88.60%	4.00%
2015	107,201	4,433,404,556	41,356	40.9	92.80%	4.20%
2016	109,726	4,537,828,456	41,356	42.4	92.80%	3.70%

** Demographic and economic statistical data was not available for this report from sources consistent with those in the prior years. Although the City believes demographic and economic statistics have remained relatively consistent with the prior years, "NA" or "Not Applicable" has been reported here as the actual data is not available.

(1) 2006-2007 data was obtained from the Denver Regional Council of Governments (DRCOG). 2010-2012 data was from the US Census Bureau. 2013-2015 data obtained from the US Census Bureau Estimates.

(2) Data was obtained from the Colorado Department of Labor and Employment and is county-wide (Arapahoe County). 2007 Per Capita Personal Income is carry-over from 2006 as current data was not available at the time of this report. 2010-2012 data was obtained from the U.S. Census Bureau.

(3) Data obtained from the Department of Local Government (DOLA) website and it county-wide (Arapahoe County). 2010 - 2012 data was obtained from the U.S. Census Bureau.

(4) Data is based upon Colorado Department of Education and is county-wide (Arapahoe County). Graduation rate calculation modified beginning in 2006. 2010 data was calculated based on information from Applied Geographic Solutions. 2012 and 2013 data was obtained from the Bureau of Labor Statistics. Colorado Department of Education.

(5) Data represents the Unemployment Rate for Arapahoe County and is based on information from the Colorado Department of Labor and Employment. 2010 data was obtained from Applied Geographic Solutions. 2012 and 2013 data was obtained from the Bureau of Labor Statistics.

**TABLE 14
CITY OF CENTENNIAL, COLORADO**

PRINCIPAL EMPLOYERS

2016 and 2006*

(Unaudited)

<u>Top Ten Employers</u>	<u>2016 Rank</u>	<u>Top Ten Employers</u>	<u>2006 Rank</u>
Comcast	1	Oppenheimer Management Corporation	1
United Healthcare	2	US Foodservice, Incorporated	2
United Launch Alliance	3	Citicorp Diners Club, Incorporated	3
Oppenheimer Funds	4	Mediaone Group, Incorporated	4
Arrow Electronics	5	Charles Schwab & Co, Inc.	5
Nordstrom Bank	6	Saunders Construction, Inc.	6
Sierra Nevada Corp.	7	Nationwide Mutual Insurance Company	7
US Foods	8	McGraw Hill Incorporated	8
Pearson eCollege	9	Galileo International, Inc.	9
Saunders Construction	10	Advanced Digital Information Corp.	10
<u>Employees by NAICS Industries</u>	<u>Total Employees</u>	<u>Employees by NAICS Industries</u>	<u>Total Employees</u>
Finance and Insurance, and Real Estate, and Rental and Leasing	7,047	Finance and Insurance, and Real Estate, and Rental and Leasing	9,226
Professional, Scientific, and Management, and Administrative, and Waste Management Services	9,747	Professional, Scientific, and Management, and Administrative, and Waste Management Services	9,939
Construction	2,854	Construction	5,058
Retail Trade	6,704	Retail Trade	3,854
Educational Services, and Health Care, and Social Assistance	12,296	Educational Services, and Health Care, and Social Assistance	6,282
Arts, Entertainment, and Recreation, and Accommodation, and Food Services	4,346	Arts, Entertainment, and Recreation, and Accommodation, and Food Services	6,650
Wholesale Trade	2,184	Wholesale Trade	3,504
Information	2,671	Information	2,844
Other Services (except Public Administration)	2,885	Other Services (except Public Administration)	1,304
Public Administration	1,805	Public Administration	1,179
Manufacturing	3,777	Manufacturing	547
Transportation and Warehousing, and Utilities	2,516	Transportation and Warehousing, and Utilities	658
Agriculture, Forestry, Fishing and Hunting, Mining	685	Agriculture, Forestry, Fishing and Hunting, Mining	197
	Total		Total
	<u>59,518</u>		<u>51,242</u>

The Classification codes are obtained from the North American Industry Classification System. (NAICS).

* The City was unable to obtain data from 2007 and instead provides data from 2006.

The information for this table was partially obtained from the U.S. Census Bureau (2013 Employees by NAICS Industries).

The total number of employees for each of the employers listed above is not available.

**TABLE 15
CITY OF CENTENNIAL, COLORADO**

FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31

LAST TEN FISCAL YEARS

(Unaudited)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	8.0	12.0	13.5	12.5	10.0	13.5	17.3	25.3	24.50	28.50
Community services	11.0	5.0	5.0	6.0	5.0	5.5	4.5	3.0	9.75	9.75
Finance & administration	13.0	13.0	13.0	16.0	17.0	13.5	15.0	17.5	19.50	18.50
Planning & development	9.0	15.5	14.0	14.0	13.0	9.0	8.5	5.0	3.50	3.50
City infrastructure	-	1.0	1.5	1.5	5.0	5.0	3.0	3.5	6.00	6.00
Total	<u>41.0</u>	<u>46.5</u>	<u>47.0</u>	<u>50.0</u>	<u>50.0</u>	<u>46.5</u>	<u>48.3</u>	<u>54.3</u>	<u>63.25</u>	<u>66.25</u>

The information for this table was obtained from the City's Finance Department.

TABLE 16
CITY OF CENTENNIAL, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

(Unaudited)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Recreation ⁽¹⁾										
Acres of developed park	-	-	-	-	-	17.12	17.12	17.12	17.12	17.12
Acres of open space parks	-	-	-	-	-	54.62	54.62	54.62	54.62	54.62
Public Works ⁽²⁾										
Maintenance facility	-	-	-	-	-	-	1	1	1	1
Miles of streets	408	408	412	412	412	418	417	428	428	431
Number of street lights	3,711	3,979	3,987	3,992	4,057	4,042	4,043	4,222	4,222	4,222
Number of fleet vehicles	6	6	6	6	6	6	6	6	6	6
Number of equipment pieces in the fleet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(1) Prior to 2012 all parks and recreation services, including assets, were provided through the South Suburban Parks & Recreation (SSPRD) District and the Arapahoe Park and Recreation District (APRD). While SSPRD and APRD still provide these services, the City has begun to purchase its own infrastructure for recreation purposes.

(2) Law Enforcement services, including assets, are provided by the Arapahoe County Sheriff's Office through and Intergovernmental Agreement.

(3) Public Works services, including assets, are provided by the Arapahoe County Public Works Department through an Intergovernmental Agreement (through June, 2008) and by CH2MHill OMI (beginning July 1, 2009). Therefore, the number of fleet vehicles reported represents only those fleet vehicles belonging to the City, and does not include any equipment pieces in the fleet as these assets are owned by the City's service provider. The number of fleet vehicles reported here are used for all City purposes.

The information for this table was obtained from the City's Public Works Department.



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TABLE 17
CITY OF CENTENNIAL, COLORADO
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year		
	2007	2008	2009
General Government			
Administrative Services			
Citations processed	17,837	20,694	21,405
Employment applications processed	771	764	1,906
New hires processed	23	22	16.5
Computer service requests	265	529	1,710
Finance			
Accounts payable checks issued ⁽¹⁾	1,795	1,951	2,067
Purchasing card transactions	381	680	706
Sales/use tax accounts ⁽²⁾	3,597	2,783	2,922
Tax audits conducted and completed	NA	NA	1
City Management			
Ordinances and resolutions approved by City Council	160	146	113
Citizen surveys received	2	-	-
Community Development			
Building permits issued	4,329	4,031	7,592
Building inspections performed	13,048	13,187	14,646
Code enforcement cases ⁽³⁾	1,504	2,085	3,581
Public Safety			
Calls for service	48,876	46,652	44,770
Average response time to Priority 1 calls ⁽⁴⁾	6.6	10.0	10.0
Hours spent on proactive patrol ⁽⁵⁾	4.2	3.7	3.6
Total arrests	4,903	3,525	3,490
Public Works			
Vehicles in fleet	6	6	6
Lane miles receiving snow & ice control	171,042	41,756	73,009
Lane miles swept	5,562	8,467	7,216

(1) The number of checks issued is based upon the number of check stock used during the calendar year.

(2) The number of Sales and Use tax accounts is based upon vendors actively filing sales tax returns.

(3) The number of cases includes code enforcement of residential and commercial properties, and does not include the total number of violations, inspections, or right-of-way sign removal.

(4) The response time is in the number of minutes

(5) The number of hours is based upon the average daily hours on patrol per Deputy.

(6) The number of lane miles receiving snow and ice control maintenance is based upon the total number of miles driven. During 2008, the City's snow removal routes did not change from prior years, rather the City changed snow removal providers.

The information for this table was obtained from the following City department/division/offices: Municipal Court, Human Resources, Information Technology, Finance, City Clerk, Building, Public Safety, Code Enforcement and Public Works.

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
19,372	19,654	18,645	18,794	17,559	16,146	13,767
2,172	1,040	950	907	1,185	1,282	549
9.0	9.0	12.0	13.0	17.0	20.0	14.0
1,856	1,250	1,175	1,467	2,146	2,261	2,385
2,131	2,207	2,545	2,928	3,052	3,169	2,985
812	1,050	1,148	1,105	1,309	1,410	2,480
3,245	3,618	3,855	4,033	4,254	4,460	4,585
115	91	113	70	64	96	96
119	131	108	133	121	117	121
1	1	1	-	-	3	3
6,490	5,151	7,256	5,582	8,649	10,787	5,813
14,600	14,745	15,454	15,859	26,894	30,476	19,687
3,264	2,756	1,539	1,011	922	884	958
44,318	45,360	46,086	45,541	48,740	49,410	55,502
10.0	8.6	6.3	4.9	4.4	4.4	3.5
3.6	3.6	1.5	1.3	4.6	4.4	4.4
3,027	3,025	2,572	2,300	2,364	2,377	2,506
6	6	6	6	6	6	6
43,238	66,528	34,584	56,658	55,610	57,310	56,430
4,415	5,811	7,579	8,929	11,122	8,645	8,710



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COMPLIANCE SECTION

COMPLIANCE SECTION



Centennial Trail

COMPLIANCE SECTION OVERVIEW

OTHER REPORTS

Local Highway Finance Report, which is an annual statement of receipts and expenditures required to be submitted annually to the Colorado Department of Transportation as part of the mileage certification process.



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The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT

City or County:
City of Centennial
YEAR ENDING :
December 2016

This Information From The Records Of (example - City of _ or County of _) Prepared By: Linda Gregory
Phone: 303-754-3368

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	11,422,143
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	13,176,937
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	260,473
2. General fund appropriations	15,400,723	b. Snow and ice removal	786,829
3. Other local imposts (from page 2)	9,103,271	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	1,047,302
5. Transfers from toll facilities		4. General administration & miscellaneous	2,238,141
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,459,746
a. Bonds - Original Issues		6. Total (1 through 5)	29,344,269
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	24,503,994	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	5,976,991	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	30,480,985	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	29,344,269

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		30,480,985	29,344,269		1,136,716

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,800,000	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	313,109	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,990,162	g. Other Misc. Receipts	
6. Total (1. through 5.)	9,103,271	h. Other	0
c. Total (a. + b.)	9,103,271	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	5,406,009	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	570,982	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	570,982	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	5,976,991	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		1,272,380	1,272,380
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		9,626,664	9,626,664
(3). System Preservation		122,537	122,537
(4). System Enhancement & Operation		400,562	400,562
(5). Total Construction (1) + (2) + (3) + (4)	0	10,149,763	10,149,763
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	11,422,143	11,422,143
			(Carry forward to page 1)

Notes and Comments:



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