

2017 Comprehensive Annual Financial Report
for the year ended in December 31, 2017



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Office of the State Auditor

July 31, 2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF CENTENNIAL, COLORADO



For The Year Ended
December 31, 2017

Prepared by:
Finance Department



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CITY OF CENTENNIAL, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2017

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Introductory Section

Introductory Section



June 30, 2018

Honorable Mayor Stephanie Piko
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, 2017 is 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 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 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 Rubin Brown LLC audited the City’s financial statements for the year ended December 31, 2017; the resulting Independent Auditors’ Report is presented in the front of the Financial Section of this report.

Consistent with the prior year, this year’s financial report reflects the implementation of the Governmental Accounting Standards Board’s Statement Number 34 (“GASB 34”). This

implementation provides 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 complements 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 preparing 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 2.0 million jobs in 2017 compared to 2.2 million jobs in 2016. With that and the labor participation rate reported at 62.7% at the end of 2017, the Federal Reserve has increased interest rates to 1.75% at their last meeting and it's expected to rise to 2.25% by the end of 2018. Gross domestic product (GDP) is expected to rise to 3.0% in 2018, an improvement from the 2.3% for 2017 with real capital spending to increase by 5.4% in 2018. Inflation is expected to be at 2.6%, 0.5% higher than in 2017, reflecting higher overall prices and expensive gasoline. The core inflation rate removes volatile gas and food prices and is expected to rise by 0.7% to 2.4% in 2018; the Federal Reserve utilizes core inflation rates when setting monetary policy. Moody's Analytics projects the U.S. to continue expanding in 2018, extending its nine-year run. This is largely due to the strong job market, which continues creating additional jobs. The tight labor market with few immigrants into the country, are expected to push wage growth to 3.0% by the end of 2018. Consumer confidence is at a record high at 125.6 for the fourth quarter 2017 which increased by 16.5 percent over the previous year. Gasoline prices have only modestly increased, which has contributed to improved consumer spending, which accounts for approximately 70% of U.S. economic output.

After growing 57,300 jobs in 2016, the pace of Colorado's employment growth slowed down in 2017, with the state adding 46,300 jobs for 2.2 percent growth. In 2018, growth will likely slow somewhat more to 1.8 percent new jobs. Even with slower growth, Colorado is still expected to be among the top ten states with the fastest growing economies. Growth slowed in 2016 but then reaccelerated in the first half of 2017. By the second quarter of 2017, real GDP had picked up 3.8 percent – making Colorado third in the country for the pace of GDP growth.

Personal income dipped from its growth rate of 6.7 percent in 2014 and 3.9 percent in 2015 to .2 percent in 2016. But then, personal income rebounded to 3.9 percent year-over-year in the second quarter of 2017. Business and consumer confidence shot up in the wake of the national election.

The slowest growing sectors are likely to be information and natural resources and mining. But overall, all industries are expected to add jobs. The state's economy has benefited from Colorado's entrepreneurial attitude. The state has had strong growth in new business formation -- and that is projected to continue into 2018. "The state's strong job growth rate over the last five years is bolstered by relatively high number of young firms compared to total businesses in Colorado," the Leed's School of Business report stated.

Centennial's labor force increased 3.4 percent over the year, a smaller percentage point increase than the state (3.6 percent), but larger than the nation (0.8 percent). Arapahoe County recorded a 3.7 percent increase in the labor force, while Metro Denver recorded a 3.8 percent increase between the third quarters of 2016 and 2017. The City recorded a 2.0 percent unemployment rate in the third quarter of 2017, which remained unchanged from the second quarter and 0.9 percent decrease over the year. The 2.0 percent was lower than the County and the State.

Centennial added 187 new businesses during 2017, bringing the total businesses to 4,906, a 4.0 percent increase. The professional and business services supersector has the highest business count of 1,516. Twelve of the thirteen supersectors recorded growth in businesses over the year, with the transportation, warehousing and utilities sector recording the largest increase of 19.2 percent. Growth in business helped to drive up Centennial's average weekly wage growth to 7.6 percent higher than Metro Denver. Overall, business in Centennial was healthy in 2017 as sales taxes grew by 1.6% and is anticipated to be relatively flat in 2018. Sales taxes represent 53% of the overall General Fund revenues for the City.

The City annually prepares an operating budget for each year under 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. In 2018, the City is preparing an update to its Five Year Strategic Plan ('The Plan'). The Plan is a projection of future expectations, and encompasses both operating and capital spending as well as revenues and 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, 2016. 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 Rubin Brown LLC for their assistance and for the professional manner 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,



Matt Sturgeon
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, 2016

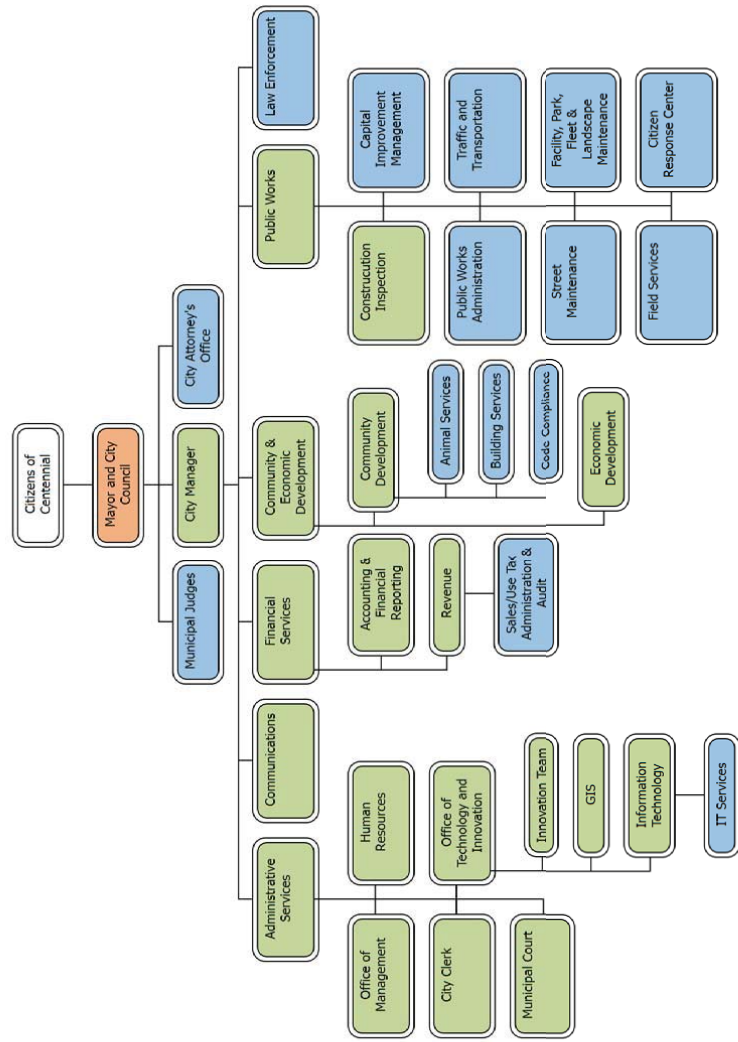
Christopher P. Morill

Executive Director/CEO



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The City as an Organization



City Staff
 Contracted Services
 Elected Officials



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2017 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**

2017 Elected Officials and Term of Office (Continued):

Council District 3



Ken Lucas
January 2020



Mark Gotto
January 2018

Council District 4

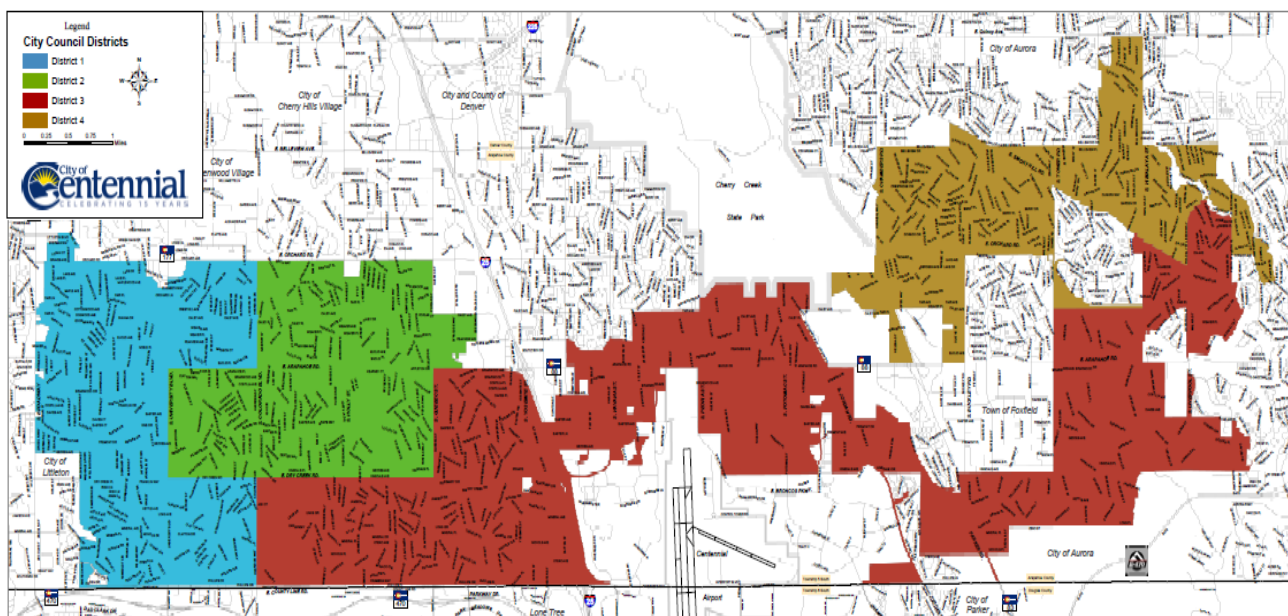


Stephanie Piko
January 2020



Charles Whelan, Mayor Pro Tem (2016)
January 2018

District Map





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& Business Consultants

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Independent Auditors' Report

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

Report On The Financial Statements

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, Colorado (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 entity's 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 entity's 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 as of December 31, 2017 and the respective changes in financial position and, where applicable, cash flows thereof 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 budgetary comparison information 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, which 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 required supplementary 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules, budgetary comparison schedules, the Local Highway Finance Report and introductory and statistical sections 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, budgetary comparison 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 such 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 combining and individual fund financial statements and schedules, budgetary comparison schedules and the Local Highway Finance Report are 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.

RubinBrown LLP

June 30, 2018

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, 2017. 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 \$250.7 million. Unrestricted net position represents \$62.7 million, or 25.0%, of total net position which is available to meet ongoing and future obligations of the City.

- Total net position of the City increased by \$3.7 million, or 1.5%, compared to 2016. 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 tax and auto use tax received and growth in investment income.
- Compared to 2016, total revenues excluding transfers, decreased \$2.3 million, or 2.6%, to \$86.9 million. Governmental activities revenue decreased \$1.7 million, or 2.0%, to \$83.4 million. The change in these revenues is attributable to a decrease in Charges for Services, (\$0.6 million), a decrease in Capital Grants and Contributions (\$0.5 million), a decrease in Sales and Use Tax revenues (\$0.9 million), Property Tax revenues (\$0.2 million) and Miscellaneous revenues (\$0.7 million). These decreases were offset by increases in revenue from Operating Grants and Contributions (\$0.1 million), other taxes (\$0.1 million), Unrestricted Franchise Fees (\$0.2 million), Investment Income (\$0.3 million), and Intergovernmental Revenues (\$0.5 million).

- The total cost of all City programs increased \$8.6 million, or 11.5%, to \$83.1 million compared to 2016. The cost of governmental activities program expenses increased \$9.0 million, or 12.6%, to \$80.3 million in 2017. The cost of business-type activities decreased by \$0.4 million, or 12.5%, to \$2.8 million in 2017.
- General Fund revenues decreased by \$0.7 million, or .9%, as compared to the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported a \$1.2 million increase in the combined ending fund balances. The combined ending governmental fund balance is \$78.7 million, of which \$30.3 million represents unassigned fund balance. The 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 36.4% 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 \$30.3 million is 36.1% of annual expenditures plus net 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, 2017, the City had total assets of \$283.5 million and the City's assets exceeded its liabilities by \$250.7 million.

The following reflects the City's Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$109,488,128	\$107,527,473	\$258,858	\$225,066	\$109,746,986	\$107,752,539
Capital Assets	173,788,950	171,757,225	7,007	11,011	173,795,957	171,768,236
Total Assets	283,277,078	279,284,698	265,865	236,077	283,542,943	279,520,775
Deferred Outflows of Resources	35,254	37,213	-	-	35,254	37,213
Liabilities						
Long-term Liabilities	2,577,698	2,579,881	-	-	2,577,698	2,579,881
Other Liabilities	13,847,915	14,746,957	265,865	236,077	14,113,780	14,983,034
Total Liabilities	16,425,613	17,326,838	265,865	236,077	16,691,478	17,562,915
Deferred Inflows of Resources	16,186,000	15,030,344	-	-	16,186,000	15,030,344
Net Position						
Net Investment in						
Capital Assets	173,788,950	171,757,225	7,007	11,011	173,795,957	171,768,236
Restricted	14,246,010	13,582,948	-	96,645	14,246,010	13,679,593
Unrestricted	62,665,756	61,624,556	-	(107,656)	62,665,756	61,516,900
Total Net Position	\$ 250,700,716	\$ 246,964,729	\$ 7,007	\$ -	\$ 250,707,723	\$ 246,964,729

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 \$173.8 million or 61.3%, of total assets. Capital assets being depreciated increased during 2017 by \$8.1 million, or

5.3%, 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 2017 by \$1.9 million, or 48.7%, due to the completion of construction in progress for infrastructure that was capitalized during 2017.

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 increased slightly overall. The City's obligation for Compensated Absences increased during 2017 from \$205,498 to \$312,003. During 2017, 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 refunding the original debt. In 2017 the District made a principal payment of \$90,000 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.

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

**Management's Discussion and Analysis
for the Year Ended December 31, 2017**



	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues -						
Charges for Services	\$2,450,364	\$3,018,960	\$3,489,655	\$4,144,783	\$5,940,019	\$7,163,743
Operating Grants and Contributions	6,734,040	6,583,898	-	-	\$6,734,040	6,583,898
Capital Grants and Contributions	4,162,707	4,660,672	-	-	\$4,162,707	4,660,672
General Revenue -						
Sales and Use Taxes	46,980,182	47,879,351	-	-	46,980,182	47,879,351
Property Taxes	14,511,077	14,711,539	-	-	14,511,077	14,711,539
Other Taxes	872,264	759,369	-	-	872,264	759,369
Unrestricted Franchise Fees	5,201,692	5,027,299	-	-	5,201,692	5,027,299
Investment Income	759,217	484,303	-	-	759,217	484,303
Loss on Disposition of Asset	(61,367)	-	-	-	(61,367)	-
Intergovernmental revenues not restricted to specific programs	762,127	321,733	-	-	762,127	321,733
Miscellaneous	938,541	1,593,655	-	-	938,541	1,593,655
Total Revenues	83,310,844	85,040,779	\$3,489,655	4,144,783	\$86,800,499	89,185,562
Expenses						
General Government	14,808,323	14,114,326	-	-	14,808,323	14,114,326
Community Services	24,816,782	24,916,037	-	-	24,816,782	24,916,037
City Infrastructure	34,723,870	26,167,030	-	-	34,723,870	26,167,030
Culture and Recreation	1,288,741	961,942	-	-	1,288,741	961,942
Urban Redevelopment	4,496,833	5,088,383	-	-	4,496,833	5,088,383
Interest on Long-term Debt	84,840	57,175	-	-	84,840	57,175
Land Use Service Fees	-	-	2,845,123	3,222,152	2,845,123	3,222,152
Total Expenses	80,219,389	71,304,893	2,845,123	3,222,152	83,064,512	74,527,045
Increase (Decrease) Before Transfers						
Transfers	3,091,455	13,735,886	644,532	922,631	3,735,987	14,658,517
Transfers	644,532	922,631	(644,532)	(922,631)	-	-
Increase (Decrease) in Net Position	3,735,987	14,658,517	-	-	3,735,987	14,658,517
Net Position, Beginning of Year						
	246,964,729	232,306,212	-	-	246,964,729	232,306,212
Net Position, End of Year	\$ 250,700,716	\$ 246,964,729	\$ -	\$ -	\$ 250,700,716	\$ 246,964,729

Governmental activities increased the City's net position by \$3.7 million, or 1.5%. Key elements of this net increase are as follows:

- Charges for Services decreased by \$0.6 million or 20.0% compared to 2016. Amounts reported in this category include Building Permit fees and Land Development applications in addition to court fines.
- Sales and Use tax decreased by \$0.9 million, or 1.9%. This change is primarily due to a reduction in Building Materials Use Tax revenue. Comparatively, the City received fewer large valuation permit projects relating to new residential, new commercial and existing commercial alteration.
- Intergovernmental revenue increased \$0.4 million or 133.3%. This increase is primarily attributable to intergovernmental agreements with metropolitan improvement districts that reimburse the City for expenses incurred in capital projects.
- Miscellaneous revenue decreased \$0.7 million or 43.8%. This decrease is primarily attributable to lower developer contributions and other local contributions in 2017.
- General government expenses increased \$0.8 million or 5.7%. During 2017, expenses in general government were attributable to costs incurred in association with contracted service for information technology support.
- City Infrastructure expenses increased \$8.6 million or 32.9%. During 2017, expenses in public works were primarily attributable to higher contracted costs for the City's public works services and additional expenditures within the Capital Improvement Plan were devoted to infrastructure where requirements for capitalization were not met.

Revenue attributable to Business-type activities decreased \$0.7 million or 15.8% 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 decreased \$0.7 million, or 1.0% in 2017 compared to 2016.
 - Property Tax revenue received during 2017 is \$0.3 million or 0.7% more than collections in 2016. The increase of property tax is due to a 3.0% increase of assessed valuation of property. The Arapahoe County Assessor is responsible for valuing all property within the City.
 - Sales Tax revenue increased by \$0.7 million or 1.8%. Overall, the City's sales tax base collections have exceeded 2016 collections by \$0.9 million. This increase is primarily attributable to increased sales tax collections from new in-City retailers and out-of-City retailers. These increases are offset by a decrease in revenues collected from sales tax compliance audits.
 - Building Materials Use Tax revenue for 2017 is \$1.7 million or 45.0% less than collections during 2016. This decrease in building materials use tax is from less construction of large new commercial property. In 2016 the City has several large projects, including a few hotels and a multi-family project in Inova Dry Creek.
 - Automotive Use Tax revenue for 2017 is \$0.2 million, or 3.7% more than collections during 2016. Automobile sales reached a record high in 2016 and have continued to increase during 2017.
 - Franchise fee revenue for 2017 is \$0.2 million, or 3.5% more than collections during 2016. Franchise fee revenue is associated with gas, electric, and cable television franchise fee services.
 - Investment income for 2017 is \$0.2 million, or 50.0% more than investment income in 2016. This increase in investment income reflects a 23.8% increase in investment purchases, an increase in the overall yield of individual investments in the City's portfolio, in addition to market adjustments.
 - Miscellaneous revenue for 2017 is \$0.5 million or 50.0% less than revenue during 2016. This decrease is primarily attributable to a decrease in grant revenue received from Bloomberg Philanthropy Innovation Grant.

Centennial Urban Redevelopment Authority (CURA) Fund

Centennial Urban Redevelopment Authority Fund revenues decreased by \$0.5 million, or 8.3% compared to 2016. The decrease in revenues is the result of lower property tax collections in the redevelopment area.

Capital Improvement Fund

Capital Improvement Fund revenues decreased by \$0.7 million, or 35.5% compared to 2016. This decrease is attributable equally to reduced developer contributions for projects, as well as a reduction in intergovernmental revenue received from Southeast Public Improvement District and federal grant revenue received for arterial time travel.

Expenditures

General Fund

- General Fund expenditures and transfers decreased \$3.8 million, or 5.0% in 2017 compared to 2016.
 - General Government expenditures increased \$0.6 million or 4.3% compared to 2016. This increase in expenditures is primarily due to an increase of \$0.6 million in the Information Technology department for contracted costs relating to the City's information technology outsourcing services.
 - Community Services expenditures decreased by \$0.1 million or 0.4% compared to 2016. This decrease is primarily due to allocation of contracted expenditures for public safety provided by the Arapahoe County Sheriff's Office.
 - City Infrastructure expenditures increased \$0.7 million or 4.7% compared to 2016. This increase is attributable to higher contracted costs for the City's public work services. These services included additional snow plowing and median maintenance that contributed to the overall increase in contract costs. Salary and benefits in the area of Planning and Development contributed incrementally.
 - Capital outlay expenditures decreased by \$0.3 million or 72.0% compared to 2016. This decrease was attributable to prior year expenditures associated with the City's remodel of the Civic Center.
 - Transfers from the General Fund to the Capital Improvement Fund increased \$3.0 million or 14.4% compared to 2016. This increase is due to increased budget appropriations to the Capital Improvement Fund for projects associated with street construction, traffic signals, and street rehabilitation. During 2017, 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.

Centennial Urban Redevelopment Authority Fund

Centennial Urban Redevelopment Authority Fund expenditures for 2017 decreased \$0.6 million, or 9.2% compared to 2016. As a direct result of decreased revenues, the remittance to Southglenn Metropolitan District also decreased accordingly.

Capital Improvement Fund

Capital Improvement Fund expenditures for 2017 were \$4.0 million, or 16.1% less than expenditures in 2016. This decrease is attributable to higher prior year costs for construction for streets and intersections including the Arapahoe Road – Waco to Himalaya widening project, and completion of the Civic Center remodel that occurred in 2016.

Fund Balance

The net change in the General Fund ending fund balance was a decrease of \$4.7 million, resulting in decreasing the fund balance to \$31,967,792. As of December 31, 2017, the General Fund ending fund balance as a percentage of 2017 expenditures and net transfers was 41.0%, which is 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, 2015, and 2017, 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 ending fund balance was an increase of \$4.3 million, or 14.3%. The increase 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 \$4.3 million, or 6.2% favorable to the amended budget, while total General Fund expenditures and transfers out were \$4.8 million, or 5.8% 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 2017 is \$2.6 million, or 7.0% favorable compared to budget. This favorable variance is the result of higher than anticipated sales tax revenues from out-of-City retailers (\$1.5 million) and in-City retailers (\$1.1 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.

- Building Materials Use Tax revenue for 2017 is \$0.5 million, or 30.8% favorable compared to budget. The variance is primarily due to several new projects that were issued permits after budget process. These projects included new commercial office at Inova Dry Creek and new multi-family residential at the Jones District Park.
- Automobile Use Tax revenue for 2017 is \$0.6 million, or 12.5% favorable compared to the budget. This variance is primarily due to higher than anticipated sales in the auto industry.
- Office of Technology and Innovation expenditures during 2017 are \$0.3 million, or 15.0% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for the year attributable to contract services for website hosting and project specific costs.
- Finance expenditures during 2017 are \$0.2 million, or 8.3% favorable compared to budget. This favorable variance is primarily due to lower than anticipated expenditures related to auditing services of the sales tax program and expenditures related to financial system services and project specific costs.
- Central services expenditures during 2017 are \$0.2 million, or 32.1% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for bailiff services and lower meeting, training and travel costs.
- Public Works during 2017 are \$1.5 million or 9.7% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for public works contracted services, lower than anticipated costs for snow removal materials due to a mild winter, and materials including fuel and asphalt. A portion of these budget savings will likely carry over in to 2018 as the contractual agreement with CH2 allows for funds to be carried over for the Flexible Services Account (FSA).
- Law Enforcement expenditures during 2017 are \$0.6 million or 2.7% favorable compared to budget. This favorable variance is primarily due to lower than anticipated expenditures through an intergovernmental agreement with the Arapahoe County Sheriff's Office.
- Community Development Administration expenditures during 2017 are \$0.2 million or 28.6% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for professional services.

Economic Factors and Next Year's Budget

The 2018 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 2018 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 2018 is \$92,304,034 excluding transfers. Department directors prepared their 2018 budgets with a zero percent increase in expenditures over the adopted 2017 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 2018 budgeted expenditures increased \$6.1 million (7.1%) from the 2017 Adopted Budget. Open Space budgeted expenditures increased \$2.8 million due principally to construction and design of the Lone Tree Creek Trail.

The 2018 Adopted Budget includes health care cost increases of 6% for health, vision, and dental insurance costs. These changes represent an increase from the 2017 Adopted Budget.

General Fund

The Adopted General Fund Budget for 2018 is \$60,990,911, excluding fund transfers. The 2018 General fund budget represents an increase of 5.6% from the 2017 Adopted Budget. This increase is primarily due to the City's contractual obligations with public works providers and law enforcement service providers. Law enforcement increases include new funding of the Arapahoe County Sheriff Office Crime Lab Services. Incentive agreements entered by the City that mandate reimbursements also attributed to the increase in the 2018 Adopted General Fund 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.



Basic Financial Statement

CITY OF CENTENNIAL, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government		
	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and investments	\$ 85,589,944	\$ 234,199	\$ 85,824,143
Taxes receivable	21,389,395	-	21,389,395
Other receivables	967,776	-	967,776
Intergovernmental receivables	1,491,271	-	1,491,271
Deposits	13,000	-	13,000
Prepaid expenses	36,742	24,659	61,401
Capital assets, not being depreciated	93,542,924	-	93,542,924
Capital assets, net of accumulated depreciation	80,246,026	7,007	80,253,033
Total assets	<u>283,277,078</u>	<u>265,865</u>	<u>283,542,943</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	35,254	-	35,254
LIABILITIES			
Accounts payable	4,664,474	239,012	4,903,486
Retainage payable	261,627	-	261,627
Accrued liabilities	3,089,576	12,885	3,102,461
Other liabilities	267,816	13,968	281,784
Accrued interest payable	7,340	-	7,340
Developer contributions and deposits	5,409,581	-	5,409,581
Non-current liabilities			
Due within one year	147,501	-	147,501
Due in more than one year	2,577,698	-	2,577,698
Total liabilities	<u>16,425,613</u>	<u>265,865</u>	<u>16,691,478</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	16,186,003	-	16,186,003
NET POSITION			
Net investment in capital assets	173,788,950	7,007	173,795,957
Restricted for:			
Emergency reserves	1,615,130	-	1,615,130
Innovation Program	150,200	-	150,200
Parks and open space	11,073,428	-	11,073,428
District infrastructure	952,022	-	952,022
Urban redevelopment	455,230	-	455,230
Unrestricted	62,665,756	(7,007)	62,658,749
Total net position	<u>\$ 250,700,716</u>	<u>\$ -</u>	<u>\$ 250,700,716</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, 2017

<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	\$ 14,808,323	\$ 286,647	\$ -	\$ -
Community services	24,816,782	1,349,682	-	-
City infrastructure	34,723,870	814,035	6,734,040	924,003
Culture and recreation	1,288,741	-	-	3,238,704
Urban redevelopment	4,496,833	-	-	-
Interest on long-term debt	84,840	-	-	-
Total governmental activities	<u>80,219,389</u>	<u>2,450,364</u>	<u>6,734,040</u>	<u>4,162,707</u>
Business-type activities:				
Land use	2,845,123	3,489,655	-	-
Total primary government	<u>\$ 83,064,512</u>	<u>\$ 5,940,019</u>	<u>\$ 6,734,040</u>	<u>\$ 4,162,707</u>

General revenues:

- Sales tax
- Use tax
- Property tax
- Auto use tax
- Other taxes
- Unrestricted franchise fees
- Investment income
- Gain (loss) on disposition
of capital asset
- Intergovernmental revenues not
restricted to specific programs
- Miscellaneous
- Transfers
- Total general revenues and transfers
- Change in net position
- Net Position - Beginning
- Net Position - Ending

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

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (14,521,676)	\$ -	\$ (14,521,676)
(23,467,100)	-	(23,467,100)
(26,251,792)	-	(26,251,792)
1,949,963	-	1,949,963
(4,496,833)	-	(4,496,833)
(84,840)	-	(84,840)
(66,872,278)	-	(66,872,278)
-	644,532	644,532
(66,872,278)	644,532	(66,227,746)
39,447,977	-	39,447,977
2,156,392	-	2,156,392
14,511,077	-	14,511,077
5,375,813	-	5,375,813
872,264	-	872,264
5,201,692	-	5,201,692
759,217	-	759,217
(61,367)	-	(61,367)
762,127	-	762,127
938,541	-	938,541
644,532	(644,532)	-
70,608,265	(644,532)	69,963,733
3,735,987	-	3,735,987
246,964,729	-	246,964,729
\$ 250,700,716	\$ -	\$ 250,700,716

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, 2017

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
ASSETS			
Cash and investments	\$ 35,051,027	\$ 492,064	\$ 37,754,154
Taxes receivable	16,013,381	5,024,872	-
Other receivables	909,933	55,113	-
Intergovernmental receivables	507,864	-	983,407
Deposits	13,000	-	-
Prepaid items	36,742	-	-
Total assets	<u>52,531,947</u>	<u>5,572,049</u>	<u>38,737,561</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	2,675,474	50,224	1,807,770
Retainage payable	9,890	-	251,737
Accrued liabilities	1,767,484	45,253	1,252,387
Other liabilities	267,816	-	-
Developer contributions and deposits	5,029,972	-	379,609
Total liabilities	<u>9,750,636</u>	<u>95,477</u>	<u>3,691,503</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	10,813,519	5,021,342	-
Grants	-	-	872,317
Total deferred inflows of resources	<u>10,813,519</u>	<u>5,021,342</u>	<u>872,317</u>
FUND BALANCE			
Nonspendable:			
Prepaid items	36,742	-	-
Restricted for:			
Emergency reserves	1,500,609	-	-
Innovation Program	150,200	-	-
Parks and Open Space	-	-	-
District Infrastructure	-	-	-
Urban Redevelopment	-	455,230	-
Assigned to:			
City infrastructure	-	-	34,173,741
Unassigned	30,280,241	-	-
Total fund balance	<u>31,967,792</u>	<u>455,230</u>	<u>34,173,741</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 52,531,947</u>	<u>\$ 5,572,049</u>	<u>\$ 38,737,561</u>

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

Total Nonmajor Funds	Total Governmental Funds
\$ 12,292,699	\$ 85,589,944
353,872	21,392,125
-	965,046
-	1,491,271
-	13,000
-	36,742
12,646,571	109,488,128
12,646,571	109,488,128
131,006	4,664,474
-	261,627
24,452	3,089,576
-	267,816
-	5,409,581
155,458	13,693,074
351,142	16,186,003
-	872,317
351,142	17,058,320
-	36,742
114,521	1,615,130
-	150,200
11,073,428	11,073,428
952,022	952,022
-	455,230
-	34,173,741
-	30,280,241
12,139,971	78,736,734
\$ 12,646,571	\$ 109,488,128

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, 2017**

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

Total fund balance - governmental funds	\$	78,736,734
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$	254,149,228
Less accumulated depreciation		<u>(80,360,278)</u>
		173,788,950
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.		
		872,317
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	\$	(2,290,000)
Deferred amount on refunding		35,254
Bond premiums payable		(123,196)
Accrued interest payable		(7,340)
Accrued compensated absences		<u>(312,003)</u>
		(2,697,285)
Total net position of governmental activities		<u><u>\$ 250,700,716</u></u>

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, 2017

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
REVENUES			
Taxes	\$ 57,415,267	\$ 4,510,963	\$ -
Intergovernmental	7,069,257	944,787	840,536
Charges for services	2,407,550	-	42,814
Franchise fees	5,201,692	-	-
Investment income	617,846	-	-
Miscellaneous	514,156	6,353	418,032
Total revenues	<u>73,225,768</u>	<u>5,462,103</u>	<u>1,301,382</u>
EXPENDITURES			
Current			
General government	14,606,351	-	-
Community services	24,816,782	-	-
City infrastructure	15,150,539	-	15,543,540
Culture and recreation	-	-	-
Urban redevelopment	-	5,441,620	-
Capital outlay	132,576	-	5,339,500
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>54,706,248</u>	<u>5,441,620</u>	<u>20,883,040</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>18,519,520</u>	<u>20,483</u>	<u>(19,581,658)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	644,532	-	23,850,000
Transfers out	(23,850,000)	-	-
Total other financing sources (uses)	<u>(23,205,468)</u>	<u>-</u>	<u>23,850,000</u>
NET CHANGE IN FUND BALANCE	(4,685,948)	20,483	4,268,342
FUND BALANCE - BEGINNING OF YEAR	<u>36,653,740</u>	<u>434,747</u>	<u>29,905,399</u>
FUND BALANCE - END OF YEAR	<u>\$ 31,967,792</u>	<u>\$ 455,230</u>	<u>\$ 34,173,741</u>

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

Total Nonmajor Funds	Total Governmental Funds
\$ 437,293	\$ 62,363,523
3,238,704	12,093,284
-	2,450,364
-	5,201,692
141,371	759,217
-	938,541
<u>3,817,368</u>	<u>83,806,621</u>
-	14,606,351
-	24,816,782
200,503	30,894,582
1,288,740	1,288,740
-	5,441,620
545,772	6,017,848
90,000	90,000
89,875	89,875
<u>2,214,890</u>	<u>83,245,798</u>
<u>1,602,478</u>	<u>560,823</u>
-	24,494,532
-	(23,850,000)
-	<u>644,532</u>
1,602,478	1,205,355
<u>10,537,493</u>	<u>77,531,379</u>
<u>\$ 12,139,971</u>	<u>\$ 78,736,734</u>



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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, 2017

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

Net change in fund balance - total governmental funds	\$	1,205,355
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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	\$ 6,296,249		
Less current year depreciation	<u>(4,203,157)</u>		2,093,092

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.			90,000
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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.			510,377
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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:			
Amortization of bond premiums	6,844		
Amortization of deferred amount on refunding	<u>(1,959)</u>		4,885

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.

Loss on disposition of asset	\$ (61,367)		
Change in accrued compensated absences	(106,505)		
Change in accrued interest payable	<u>150</u>		<u>(167,722)</u>

Change in net position of governmental activities	\$		<u><u>3,735,987</u></u>
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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, 2017

	Business-Type Activities
	Land Use
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 234,199
Prepaid expenses	24,659
Total current assets	258,858
Noncurrent assets:	
Equipment, net of accumulated depreciation	7,007
Total noncurrent assets	7,007
Total assets	265,865
LIABILITIES	
Current liabilities:	
Accounts payable	239,012
Accrued liabilities	26,853
Total liabilities	265,865
NET POSTION	
Net investment in capital assets	7,007
Unrestricted	(7,007)
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, 2017

	Business-Type Activities
	Land Use
OPERATING REVENUE	
Building permits, licenses and fees	\$ 2,536,179
Contractor's licenses and bus shelter fees	322,360
Land use permits and other income	631,116
Total operating revenue	3,489,655
OPERATING EXPENSES	
Personnel services	475,004
Contracted services	2,178,901
Services & supplies	187,214
Depreciation expense	4,004
Total operating expenses	2,845,123
OPERATING INCOME BEFORE TRANSFERS	644,532
Transfers In	537,241
Transfers Out	(1,181,773)
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, 2017

	Business-Type Activities
	Land Use
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 3,489,655
Cash paid to employees	(463,614)
Cash paid to vendors	(2,369,069)
Net cash provided by operating activities	656,972
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	537,241
Transfers out	(1,181,773)
Net cash used by non-capital financing activities	(644,532)
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,440
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	221,759
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 234,199
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 644,532
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	4,004
Increase in prepaid expenses	(21,352)
Increase in accounts payable	18,398
Decrease in accrued liabilities	11,390
Net adjustments	12,440
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 656,972

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

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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 blended 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, 2017

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, 2017

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, 2017**

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.

The City reports the following nonmajor funds:

The **Open Space Fund** accounts for a county-wide ¼ cent sales tax to pay for the preservation of open space in Arapahoe County. Funds may be used to acquire, maintain or improve open space, parks or trails.

The **Conservation Trust Fund** accounts for net lottery proceeds received from the State of Colorado on a per capita basis. Funds may be used to acquire, develop or maintain new conservation sites or for capital improvements and maintenance of recreational facilities.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City accounts for four *General Improvement Districts (GID's): Antelope, Foxridge, Cherry Park, and Walnut Hills*. These general improvement districts are blended component units and were created to provide services to the defined district area for operating and maintenance costs within each individual district.

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.

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.

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-term obligations (continued)

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.

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, 2017**

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 or resolution. 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, 2017, 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. 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, 2017, follows:

Petty Cash	\$	650
Cash Deposits		5,330,333
Investments		<u>80,493,160</u>
Total		<u>\$85,824,143</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, 2017

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, 2017, the City had bank deposits of \$3,284,539 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
- Negotiable and non-negotiable certificates of deposits
- Interest bearing bank accounts
- Municipal bonds

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.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

At December 31, 2017, the City's investment balances were as follows:

Investment	S&P Rating	% of Total	Value	Maturities			
				Less than 1 Year	1-2 Years	2-3 Years	3-5 Years
US Agency	AA+	18.67%	\$ 15,707,555	\$ 3,495,715	\$ 3,607,104	\$ 7,611,326	\$ 993,410
US Treasury Notes	NA	11.29%	9,497,521	999,060	6,618,860	1,879,601	-
Corporate Notes	AA1	1.86%	1,566,870	570,130	996,740	-	-
Corporate Notes	AA2	4.17%	3,504,515	1,518,445	1,986,070	-	-
Corporate Notes	AA3	1.78%	1,495,500	997,080	-	498,420	-
Municipal Bonds	Aaa	1.48%	1,248,450	-	-	495,585	752,865
Sovereign Government Bonds	Aaa	2.34%	1,968,100	-	-	1,968,100	-
CD's	p/1/NA	3.49%	2,934,646	736,094	490,140	1,463,868	244,544
Wells Fargo Treasury Plus		0.04%	33,839	33,839	-	-	-
Local Government Investment Pool	AAAm	54.88%	46,174,394	46,174,394	-	-	-
Total		100.00%	\$ 84,131,390	\$ 54,524,757	\$ 13,698,913	\$ 13,916,900	\$ 1,990,819

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 three years from the date of purchase.

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 and either maintain 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, 2017 the City held investments in the Federal Home Loan Bank, totaling 8.4% 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 (negotiable certificates of deposits are valued on matrix pricing based on securities' relationship to benchmark quoted prices); and Level 3 inputs are unobservable inputs.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

At December 31, 2017, the City's investments balances at fair value hierarchy are as follows:

Investment Type	Level 1	Level 2	Level 3	Total
US Agency Securities	\$ -	\$ 15,707,555	\$ -	\$ 15,707,555
US Treasury Securities	-	9,497,521	-	9,497,521
Corporate Bonds	-	6,566,885	-	6,566,885
Municipal Bonds	-	1,248,450	-	1,248,450
Sovereign Government Bonds	-	1,968,100	-	1,968,100
Negotiable Certificates of Deposit	-	2,934,646	-	2,934,646
Money Market Funds	33,839	-	-	33,839
Total Investments by Fair Value Level	<u>\$ 33,839</u>	<u>\$ 37,923,157</u>	<u>\$ -</u>	<u>37,956,996</u>
Local Government Investment Pool				<u>46,174,394</u>
Total Investments				<u><u>\$ 84,131,390</u></u>

Local Government Investment Pools

As of December 31, 2017, the City of Centennial has invested \$35,950,166 in Colorado Local Government Liquid Asset Trust + (ColoTrust). ColoTrust is valued using a NAV per share (or its equivalent) of the investments. ColoTrust does not have any unfunded commitments, redemption restrictions or redemption notice periods. ColoTrust has a rating of AAAM. Information related to ColoTrust can be found on their website, www.colotrust.com. Additionally, the City of Centennial has invested \$10,224,228 in the Colorado Surplus Asset Trust Fund (CSafe). CSafe is valued at amortized cost. The investments conform to its permitted investments and will meet Standard & Poor's investment guidelines to achieve a rating of AAAM, the highest attainable rating for a Local Government Investment Pool. Information related to CSAFE can be found on their website, www.csafe.org.

NOTE 4 – INTERFUND TRANSFERS

The following schedule summarizes the City's interfund transfer activity for the year ended December 31, 2017.

Transfers Out	Transfers In		
	Capital Improvement Fund	General Fund	Total
General Fund	\$ 23,850,000	\$ -	\$ 23,850,000
Land Use Fund	-	644,532	644,532
TOTAL	<u>\$ 23,850,000</u>	<u>\$ 644,532</u>	<u>\$ 24,494,532</u>

The transfer of \$23,850,000 from the General Fund to the Capital Improvement Fund was made to provide necessary funding for 2017 budgeted capital projects. The transfer from the Land Use Fund to the General Fund for \$644,532 was to reimburse the General Fund for past contributions.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2017 is as follows:

	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land, Easements and ROW	\$ 22,220,058	\$ -	\$ -	\$ 22,220,058
Streets - Subsurface	69,357,410	-	-	69,357,410
Construction in progress	3,908,030	2,154,972	4,097,546	1,965,456
Total capital assets, not being depreciated	<u>95,485,498</u>	<u>2,154,972</u>	<u>4,097,546</u>	<u>93,542,924</u>
Capital assets, being depreciated:				
Streets/Sidewalks/Trails	89,474,032	4,426,148	-	93,900,180
Drainage	21,094,588	-	-	21,094,588
Traffic signals	8,826,685	261,774	-	9,088,459
Traffic signs	1,872,290	-	-	1,872,290
Major bridges	16,530,480	-	-	16,530,480
Buildings	13,492,348	131,254	-	13,623,602
Comprehensive plan	89,234	140,241	89,234	140,241
Equipment	1,077,058	259,448	-	1,336,506
Fiber	-	3,019,958	-	3,019,958
Total capital assets being depreciated	<u>152,456,715</u>	<u>8,238,823</u>	<u>89,234</u>	<u>160,606,304</u>
Less accumulated depreciation for:				
Streets/Sidewalks/Trails	49,557,948	2,691,566	-	52,249,514
Drainage	9,516,026	271,882	-	9,787,908
Traffic signals	6,633,837	400,046	-	7,033,883
Traffic signs	1,836,591	-	-	1,836,591
Major bridges	6,472,071	398,297	-	6,870,368
Buildings	1,455,013	328,638	-	1,783,651
Comprehensive plan	27,867	3,506	27,867	3,506
Equipment	685,635	95,467	-	781,102
Fiber	-	13,755	-	13,755
Total accumulated depreciation	<u>76,184,988</u>	<u>4,203,157</u>	<u>27,867</u>	<u>80,360,278</u>
Total capital assets being depreciated, net	<u>76,271,727</u>	<u>4,035,666</u>	<u>61,367</u>	<u>80,246,026</u>
Governmental activities capital assets, net	<u>\$ 171,757,225</u>	<u>\$ 6,190,638</u>	<u>\$ 4,158,913</u>	<u>\$ 173,788,950</u>

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017
<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	143,165	4,004	-	147,169
Total accumulated depreciation	<u>143,165</u>	<u>4,004</u>	<u>-</u>	<u>147,169</u>
Total capital assets being depreciated, net	<u>11,011</u>	<u>(4,004)</u>	<u>-</u>	<u>7,007</u>
Governmental activities capital assets, net	<u>\$ 11,011</u>	<u>\$ (4,004)</u>	<u>\$ -</u>	<u>\$ 7,007</u>

Depreciation expense of the governmental activities was charged to the city infrastructure and general government programs in the amounts of \$4,107,690 and \$95,467, respectively.

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term obligation transactions as of December 31, 2017 are summarized below.

	Balance at December 31, 2016	Additions	Reductions	Balance at December 31, 2017	Due Within One Year
<u>Governmental Activities:</u>					
Bonds Payable					
Antelope GID Bonds (Refunded)	\$ 2,380,000	\$ -	\$ 90,000	2,290,000	\$ 95,000
Total Bonds Payable	<u>\$ 2,380,000</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 2,290,000</u>	<u>\$ 95,000</u>
Bond Premiums	130,040		6,844	123,196	6,844
Compensated absences	205,498	407,881	301,376	312,003	45,657
Total long-term obligations	<u>\$ 2,715,538</u>	<u>\$ 407,881</u>	<u>\$ 398,220</u>	<u>\$ 2,725,199</u>	<u>\$ 147,501</u>

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

Bonds outstanding and related interest requirements as of December 31, 2017, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	105,000	76,375	181,375
2023-2027	570,000	331,975	901,975
2028-2032	715,000	187,875	902,875
2033-2035	510,000	36,050	546,050
Totals	<u>\$ 2,290,000</u>	<u>\$ 967,325</u>	<u>\$ 3,257,325</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, 2017 were \$23,139.

The City had leases for certain office equipment. 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.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 8 – COMMITMENTS AND CONTINGENCIES

The City entered into construction contracts for various capital projects which are not complete as of December 31, 2017. The total unexpended commitments at December 31, 2017 are \$2,645,377 as detailed below:

Project	Total Contract Amount	Remaining Contract Amount
Infill Sidewalk Program - design SH177 between County Line Rd & Orchard Rd	\$ 142,050	\$ 70,800
Wayfinding	29,117	29,117
Arapahoe Road - Waco/Himalaya	12,525,312	6,440
Smoky Hill & Himalaya intersection	798,695	277,631
University Blvd Infill SW design	104,199	104,200
Arapahoe Rd: I-25 to Parker next steps operational study	462,562	331,641
Quebec & County Line turn lane	164,402	32,607
Traffic signals	344,755	133,387
eCLPs	429,356	158,853
Fiber backbone	2,297,952	883,456
OnBase implementation	132,457	21,729
Traffic signal equipment replacement	137,199	137,199
ITS Master Plan/IT system upgrades	273,695	151,986
SSPRD Park & Trail Improvements	2,832,932	110,000
City Wide neighborhood park improvements	113,333	13,977
High Line Canal conservancy	353,450	111,804
Center Park climbing wall addition	40,215	40,215
GIS svcs / fiber mgmt app, etc	36,000	30,335
	\$ 21,217,681	\$ 2,645,377

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.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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, 2017 is:

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Major Retail Development Projects	
Sales/Use Tax	\$ 1,880,472
Major Primary Employment Projects	
Sale/Use Tax	-
Property Tax	-
Commercial/Mixed Use Annexaton Projects	
Sales Tax	1,035,936
Building Materials Use Tax	318,205
Property Tax	16,624
Business Personal Property Tax	1,764
License Fee Tax	200
Redevelopment/Revitalization Projects	
Sales/Use Tax	1,077,702
Property Tax	-
Total	<u><u>\$ 4,330,903</u></u>

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

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 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 \$483,421 for the year ending December 31, 2017.

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 401 plan based on employee contributions to the 457 plan were \$130,186. 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

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 36,882,110	\$ 36,882,110	\$ 39,447,977	\$ 2,565,867
Use tax	1,648,000	1,648,000	2,156,392	508,392
Property tax	9,338,986	9,338,986	9,597,287	258,301
Auto use tax	4,819,750	4,819,750	5,375,813	556,063
Other taxes	663,850	663,850	837,798	173,948
Franchise fees	4,868,662	4,868,662	5,201,692	333,030
Court fines	1,613,694	1,613,694	1,293,069	(320,625)
Charges for services	584,733	584,733	1,114,481	529,748
Investment income	188,700	188,700	617,846	429,146
Intergovernmental	7,190,656	7,190,656	7,069,257	(121,399)
Miscellaneous	1,131,806	1,171,806	514,156	(657,650)
Total revenues	68,930,947	68,970,947	73,225,768	4,254,821
EXPENDITURES				
Current				
General government	10,180,140	11,044,646	10,002,887	1,041,759
Finance & administration	5,659,156	5,499,982	4,603,464	896,518
Community services	25,564,352	25,576,364	24,816,782	759,582
City infrastructure	15,860,332	16,326,159	14,684,667	1,641,492
Planning & development	479,189	690,753	465,872	224,881
Capital outlay	-	-	132,576	(132,576)
Total expenditures	57,743,169	59,137,904	54,706,248	4,431,656
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,187,778	9,833,043	18,519,520	8,686,477
OTHER FINANCING SOURCES (USES)				
Transfers in	612,909	752,639	644,532	(108,107)
Transfers out	(16,459,845)	(24,262,000)	(23,850,000)	412,000
Total other financing sources (uses)	(15,846,936)	(23,509,361)	(23,205,468)	303,893
NET CHANGE IN FUND BALANCE	(4,659,158)	(13,676,318)	(4,685,948)	8,990,370
FUND BALANCE - BEGINNING OF YEAR	36,663,436	36,653,743	36,653,740	(3)
FUND BALANCE - END OF YEAR	\$ 32,004,278	\$ 22,977,425	\$ 31,967,792	\$ 8,990,367

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND
For the Year Ended December 31, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Property tax	\$ 5,320,956	\$ 5,320,956	\$ 4,510,963	\$ (809,993)
Intergovernmental	1,050,552	1,050,552	944,787	(105,765)
Miscellaneous	150,000	150,000	6,353	(143,647)
Total revenue	6,521,508	6,521,508	5,462,103	(1,059,405)
EXPENDITURES				
Sales tax sharing pass-thru	1,050,552	1,050,552	944,787	105,765
Property tax sharing pass-thru	5,320,956	5,320,956	4,441,872	879,084
Professional services	150,000	150,000	54,961	95,039
Contingencies	-	-	-	-
Total expenditures	6,521,508	6,521,508	5,441,620	1,079,888
NET CHANGE IN FUND BALANCE	-	-	20,483	20,483
FUND BALANCE - BEGINNING OF YEAR	434,747	434,747	434,747	-
FUND BALANCE - END OF YEAR	\$ 434,747	\$ 434,747	\$ 455,230	\$ 20,483

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017

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, 2017, expenses in the Land Use Fund exceeded the amounts budgeted by \$17,892, 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



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**CITY OF CENTENNIAL, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2017**

	Open Space Fund	Conservation Trust Fund	Cherry Park General Improvement District
ASSETS			
Cash and investments	\$ 8,267,539	\$ 3,013,286	\$ 42,902
Taxes receivable	-	-	54,382
Total assets	<u>8,267,539</u>	<u>3,013,286</u>	<u>97,284</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	96,907	9,411	2,642
Accrued liabilities	-	-	-
Total liabilities	<u>96,907</u>	<u>9,411</u>	<u>2,642</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	-	-	<u>54,028</u>
FUND BALANCE			
Restricted for:			
Emergency reserves	82,837	18,242	1,735
Parks and Open Space	8,087,795	2,985,633	-
District Infrastructure	-	-	38,879
Total fund balance	<u>8,170,632</u>	<u>3,003,875</u>	<u>40,614</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 8,267,539</u>	<u>\$ 3,013,286</u>	<u>\$ 97,284</u>

See the accompanying independent auditors' report.

Walnut Hills General Improvement District	Foxridge General Improvement District	Antelope General Improvement District	Total Nonmajor Governmental Funds
\$ 583,945	\$ 247,687	137,340	\$ 12,292,699
82,775	64,277	152,438	353,872
<u>666,720</u>	<u>311,964</u>	<u>289,778</u>	<u>12,646,571</u>
4,522	11,527	5,997	131,006
24,452	-	-	24,452
<u>28,974</u>	<u>11,527</u>	<u>5,997</u>	<u>155,458</u>
<u>82,247</u>	<u>63,867</u>	<u>151,000</u>	<u>351,142</u>
2,731	2,053	6,923	114,521
-	-	-	11,073,428
<u>552,768</u>	<u>234,517</u>	<u>125,858</u>	<u>952,022</u>
<u>555,499</u>	<u>236,570</u>	<u>132,781</u>	<u>12,139,971</u>
<u>\$ 666,720</u>	<u>\$ 311,964</u>	<u>\$ 289,778</u>	<u>\$ 12,646,571</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, 2017

	Open Space Fund	Conservation Trust Fund	Cherry Park General Improvement District
REVENUES			
Taxes	\$ -	\$ -	\$ 56,647
Intergovernmental	2,666,991	571,713	-
Investment income	94,252	36,342	1,184
Total revenues	<u>2,761,243</u>	<u>608,055</u>	<u>57,831</u>
EXPENDITURES			
Current			
City infrastructure	-	-	110,249
Culture and recreation	987,540	301,200	-
Capital Outlay	545,772	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>1,533,312</u>	<u>301,200</u>	<u>110,249</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,227,931</u>	<u>306,855</u>	<u>(52,418)</u>
NET CHANGE IN FUND BALANCE	1,227,931	306,855	(52,418)
FUND BALANCE - BEGINNING OF YEAR	<u>6,942,701</u>	<u>2,697,020</u>	<u>93,032</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,170,632</u>	<u>\$ 3,003,875</u>	<u>\$ 40,614</u>

See the accompanying independent auditors' report.

Walnut Hills General Improvement District	Foxridge General Improvement District	Antelope General Improvement District	Total Nonmajor Governmental Funds
\$ 84,595	65,640	230,411	\$ 437,293
0	-	-	3,238,704
6,454	2,793	346	141,371
<u>91,049</u>	<u>68,433</u>	<u>230,757</u>	<u>3,817,368</u>
37,475	43,295	9,484	200,503
-	-	-	1,288,740
-	-	-	545,772
-	-	90,000	90,000
-	-	89,875	89,875
<u>37,475</u>	<u>43,295</u>	<u>189,359</u>	<u>2,214,890</u>
<u>53,574</u>	<u>25,138</u>	<u>41,398</u>	<u>1,602,478</u>
53,574	25,138	41,398	1,602,478
<u>501,925</u>	<u>211,432</u>	<u>91,383</u>	<u>10,537,493</u>
<u>\$ 555,499</u>	<u>\$ 236,570</u>	<u>\$ 132,781</u>	<u>\$ 12,139,971</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Intergovernmental revenue	\$ -	\$ 465,268	\$ 840,536	\$ 375,268
Charges for services	44,000	44,000	42,814	(1,186)
Developer and other contributions	-		418,032	418,032
Miscellaneous income	-	446,602	-	(446,602)
Total revenue	<u>44,000</u>	<u>955,870</u>	<u>1,301,382</u>	<u>345,512</u>
EXPENDITURES				
Rehabilitation				
Street rehabilitation program	10,200,000	11,273,876	10,932,013	341,863
Major/minor structures	150,000	471,942	4,954	466,988
Professional services	1,336,000	1,721,217	772,811	948,406
Capital outlay				
Fiber Optic Backbone	-	5,109,498	2,235,560	2,873,938
Land Improvements	275,000	275,000	-	275,000
Streets	2,925,000	9,427,392	5,308,526	4,118,866
Sidewalks	345,000	1,252,535	514,451	738,084
Traffic control & signals	320,000	2,830,369	760,827	2,069,542
IT Master Plan	1,280,000	1,280,000	278,402	1,001,598
Major Capital Project Reserve	700,000	1,000,000	-	1,000,000
Buildings	200,000	487,184	75,496	411,688
Total expenditures	<u>17,731,000</u>	<u>35,129,013</u>	<u>20,883,040</u>	<u>14,245,973</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,687,000)	(34,173,143)	(19,581,658)	14,591,485
OTHER FINANCING SOURCES				
Transfers in	<u>16,047,845</u>	<u>23,850,000</u>	<u>23,850,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,639,155)	(10,323,143)	4,268,342	14,591,485
FUND BALANCE - BEGINNING OF YEAR	<u>29,905,404</u>	<u>29,905,399</u>	<u>29,905,399</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 28,266,249</u>	<u>\$ 19,582,256</u>	<u>\$ 34,173,741</u>	<u>\$ 14,591,485</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
OPEN SPACE FUND
For the Year Ended December 31, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Intergovernmental	\$ 2,600,000	\$ 2,600,000	\$ 2,666,991	\$ 66,991
Investment income	9,000	9,000	94,252	85,252
Total revenue	2,609,000	2,609,000	2,761,243	152,243
EXPENDITURES				
Culture and recreation	290,000	380,803	987,540	(606,737)
Capital outlay	1,330,000	5,053,811	545,772	4,508,039
Total expenditures	1,620,000	5,434,614	1,533,312	3,901,302
NET CHANGE IN FUND BALANCE	989,000	(2,825,614)	1,227,931	4,053,545
FUND BALANCE - BEGINNING OF YEAR	6,942,701	6,942,701	6,942,701	-
FUND BALANCE - END OF YEAR	\$ 7,931,701	\$ 4,117,087	\$ 8,170,632	\$ 4,053,545

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
For the Year Ended December 31, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Intergovernmental	\$ 539,816	\$ 539,816	\$ 571,713	\$ 31,897
Investment income	2,000	2,000	36,342	34,342
Total revenue	541,816	541,816	608,055	66,239
EXPENDITURES				
Culture and recreation	302,500	311,943	301,200	10,743
Capital outlay	-	353	-	353
Total expenditures	302,500	312,296	301,200	11,096
NET CHANGE IN FUND BALANCE	239,316	229,520	306,855	77,335
FUND BALANCE - BEGINNING OF YEAR	2,697,019	2,697,019	2,697,020	1
FUND BALANCE - END OF YEAR	\$ 2,936,335	\$ 2,926,539	\$ 3,003,875	\$ 77,336

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 CHERRY PARK GENERAL IMPROVEMENT DISTRICT
 For the Year Ended December 31, 2017**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 48,909	\$ 48,909	\$ 52,180	\$ 3,271
Specific ownership tax	3,000	3,000	4,467	1,467
Investment income	170	170	1,184	1,014
Total revenue	<u>52,079</u>	<u>52,079</u>	<u>57,831</u>	<u>5,752</u>
EXPENDITURES				
Current				
City infrastructure	132,856	132,856	110,249	22,607
Contingencies	21,300	12,256	-	12,256
Total expenditures	<u>154,156</u>	<u>145,112</u>	<u>110,249</u>	<u>34,863</u>
NET CHANGE IN FUND BALANCE	(102,077)	(93,033)	(52,418)	40,615
FUND BALANCE - BEGINNING OF YEAR	<u>102,077</u>	<u>93,033</u>	<u>93,032</u>	<u>(1)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,614</u>	<u>\$ 40,614</u>

See the accompanying independent auditors' report

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
WALNUT HILLS GENERAL IMPROVEMENT DISTRICT
For the Year Ended December 31, 2017

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 73,081	\$ 73,081	\$ 77,927	\$ 4,846
Specific ownership tax	4,750	4,750	6,668	1,918
Investment income	640	640	6,454	5,814
Total revenue	<u>78,471</u>	<u>78,471</u>	<u>91,049</u>	<u>12,578</u>
EXPENDITURES				
Current				
City infrastructure	102,096	102,096	37,475	64,621
Contingencies	29,682	29,682	-	29,682
Total expenditures	<u>131,778</u>	<u>131,778</u>	<u>37,475</u>	<u>94,303</u>
NET CHANGE IN FUND BALANCE	(53,307)	(53,307)	53,574	106,881
FUND BALANCE - BEGINNING OF YEAR	<u>501,925</u>	<u>501,925</u>	<u>501,925</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 448,618</u>	<u>\$ 448,618</u>	<u>\$ 555,499</u>	<u>\$ 106,881</u>

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 FOXRIDGE GENERAL IMPROVEMENT DISTRICT
 For the Year Ended December 31, 2017**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 55,023	\$ 55,023	\$ 60,462	\$ 5,439
Specific ownership tax	3,300	3,300	5,178	1,878
Investment income	235	235	2,793	2,558
Total revenue	<u>58,558</u>	<u>58,558</u>	<u>68,433</u>	<u>9,875</u>
EXPENDITURES				
Current				
City infrastructure	81,826	81,826	43,295	38,531
Contingencies	27,464	27,464	-	27,464
Total expenditures	<u>109,290</u>	<u>109,290</u>	<u>43,295</u>	<u>65,995</u>
NET CHANGE IN FUND BALANCE	(50,732)	(50,732)	25,138	75,870
FUND BALANCE - BEGINNING OF YEAR	<u>211,432</u>	<u>211,432</u>	<u>211,432</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 160,700</u>	<u>\$ 160,700</u>	<u>\$ 236,570</u>	<u>\$ 75,870</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
ANTELOPE GENERAL IMPROVEMENT DISTRICT
For the Year Ended December 31, 2017

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 212,000	\$ 212,000	\$ 212,258	\$ 258
Specific ownership tax	9,000	9,000	18,153	9,153
Investment income	65	65	346	281
Total revenue	<u>221,065</u>	<u>221,065</u>	<u>230,757</u>	<u>9,692</u>
EXPENDITURES				
Current				
City infrastructure	3,180	3,180	9,484	(6,304)
Debt service				
Principal	75,000	75,000	90,000	(15,000)
Interest	122,156	122,156	89,875	32,281
Contingencies	6,150	6,150	-	6,150
Total expenditures	<u>206,486</u>	<u>206,486</u>	<u>189,359</u>	<u>17,127</u>
NET CHANGE IN FUND BALANCE	14,579	14,579	41,398	26,819
FUND BALANCE - BEGINNING OF YEAR	<u>91,383</u>	<u>91,383</u>	<u>91,383</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 105,962</u>	<u>\$ 105,962</u>	<u>\$ 132,781</u>	<u>\$ 26,819</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAND USE FUND
For the Year Ended December 31, 2017

	<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	\$ 2,750,000	\$ 2,536,179	\$ (213,821)
Contractor's licenses and bus shelter fees	301,000	351,000	322,360	(28,640)
Land use permits and other income	412,000	492,000	631,116	139,116
Transfers in	412,000	412,000	537,241	125,241
Total revenue	<u>3,525,000</u>	<u>4,005,000</u>	<u>4,026,896</u>	<u>21,896</u>
EXPENDITURES				
Personnel services	616,507	631,269	475,004	156,265
Contracted services	1,810,000	2,072,500	2,178,901	(106,401)
Services & supplies	485,584	548,592	187,214	361,378
Transfers out	612,909	752,639	1,181,773	(429,134)
Total expenditures	<u>3,525,000</u>	<u>4,005,000</u>	<u>4,022,892</u>	<u>(17,892)</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

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

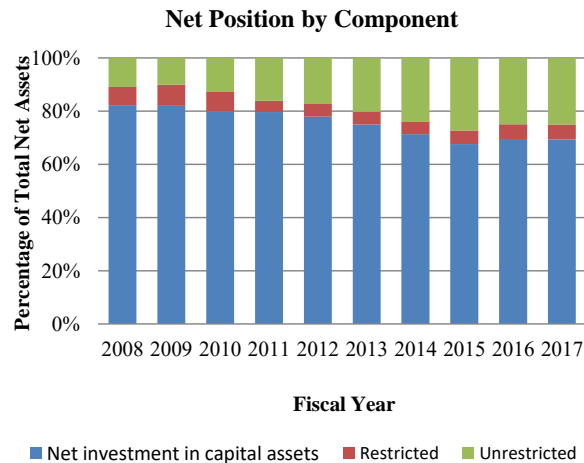
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**TABLE 1
CITY OF CENTENNIAL, COLORADO**

NET POSITION BY COMPONENT

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

	Fiscal Year		
	2008	2009	2010
Governmental activities			
Net investment in capital assets	\$ 134,743,623	\$ 137,465,454	\$ 137,094,255
Restricted	11,127,772	13,226,398	12,652,880
Unrestricted	17,882,572	17,002,149	22,116,122
Total governmental activities net position	<u>163,753,967</u>	<u>167,694,001</u>	<u>171,863,257</u>
Business-type activities			
Net investment in capital assets	-	96,713	65,256
Restricted	-	94,714	89,755
Unrestricted	-	(191,427)	(155,011)
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>
Primary government			
Net investment in capital assets	134,743,623	137,562,167	137,159,511
Restricted	11,127,772	13,321,112	12,742,635
Unrestricted	17,882,572	16,810,722	21,961,111
Total primary government net position	<u>\$ 163,753,967</u>	<u>\$ 167,694,001</u>	<u>\$ 171,863,257</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						
2011	2012	2013	2014	2015	2016	2017
\$ 144,592,118	\$ 150,533,967	\$ 153,105,667	\$ 152,496,183	\$ 157,122,370	\$ 171,757,225	\$ 173,788,950
7,656,451	9,180,350	9,515,406	9,620,070	11,690,081	13,582,948	14,246,010
29,311,672	33,582,988	41,519,235	51,615,854	63,493,761	61,624,556	62,665,756
181,560,241	193,297,305	204,140,308	213,732,107	232,306,212	246,964,729	250,700,716
39,654	31,891	10,592	24,314	15,015	11,011	7,007
88,726	94,106	92,070	91,577	119,355	96,665	-
(128,380)	(125,997)	(102,662)	(115,891)	(134,370)	(107,676)	(7,007)
-	-	-	-	-	-	-
144,631,772	150,565,858	153,116,259	152,520,497	157,137,385	171,768,236	173,795,957
7,745,176	9,274,456	9,607,476	9,711,647	11,809,436	13,679,613	14,246,010
29,183,292	33,456,991	41,416,573	51,499,963	63,359,391	61,516,880	62,658,749
\$ 181,560,241	\$ 193,297,305	\$ 204,140,308	\$ 213,732,107	\$ 232,306,212	\$ 246,964,729	\$ 250,700,716

2017 Net Position

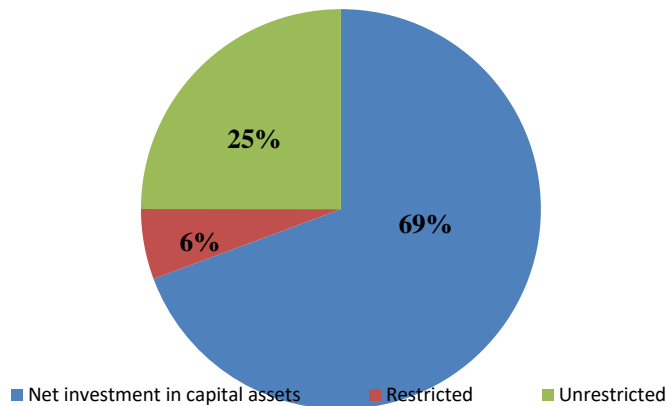


TABLE 2
CITY OF CENTENNIAL, COLORADO

CHANGE IN NET POSITION

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

	Fiscal Year		
	2008	2009	2010
<u>Governmental activities</u>			
Expenses			
General government	\$ 6,747,868	\$ 5,854,992	\$ 5,927,832
Community services	21,354,389	21,549,041	21,408,592
City infrastructure	17,720,544	17,487,628	20,013,733
Culture and recreation	84,784	581,646	367,583
Urban redevelopment	952,348	519,967	1,231,387
Interest on long-term debt	146,415	144,466	142,238
Total governmental activities expenses	<u>47,006,348</u>	<u>46,137,740</u>	<u>49,091,365</u>
Program Revenues			
Charges for services			
General government	74,780	148,014	208,659
Community services	2,300,601	2,293,552	2,368,455
City infrastructure	354,223	486,346	321,054
Urban redevelopment	1,979,802	1,293,553	-
Operating grants and contributions	4,070,855	4,308,859	4,847,044
Capital grants and contributions	5,257,705	4,741,687	3,947,075
Total governmental activities program revenues	<u>14,037,966</u>	<u>13,272,011</u>	<u>11,692,287</u>
Total governmental activities net program expense	<u>32,968,382</u>	<u>32,865,729</u>	<u>37,399,078</u>
General revenues and other changes in net position			
Taxes			
Sales tax	18,620,968	17,992,951	20,624,581
Use tax	3,265,367	2,001,964	2,060,641
Property tax	7,989,318	8,132,734	9,506,280
Auto use tax	3,522,055	3,084,446	3,064,792
Other taxes	890,664	819,445	797,403
Unrestricted franchise fees	4,827,977	4,235,611	4,653,673
Investment income	832,298	131,382	84,158
Gain (loss) on disposition of capital asset	-	-	-
Intergovernmental revenues not restricted to specific programs	-	255,033	252,382
Issuance of debt	534,366	582,696	367,958
Transfers	(394,208)	(175,466)	408,848
	<u>40,088,805</u>	<u>37,060,796</u>	<u>41,820,716</u>
	<u>\$ 7,120,423</u>	<u>\$ 4,195,067</u>	<u>\$ 4,421,638</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						
2011	2012	2013	2014	2015	2016	2017
\$ 8,491,057	\$ 10,953,334	\$ 12,845,868	\$ 11,763,347	\$ 13,170,287	\$ 14,114,326	\$ 14,808,323
21,577,444	21,736,983	21,819,639	22,174,239	23,768,969	24,916,037	24,816,782
20,568,461	22,482,836	22,215,397	24,731,604	24,689,639	26,167,030	34,723,870
496,048	736,800	2,258,120	2,546,267	1,044,536	961,942	1,288,741
5,000,756	5,843,043	5,159,616	5,548,953	4,633,280	5,088,383	4,496,833
139,905	137,299	134,611	131,665	128,631	57,175	84,840
<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>	<u>80,219,389</u>
160,262	245,346	251,061	277,175	235,142	278,988	286,647
2,236,483	2,095,843	2,201,469	2,158,468	1,849,415	1,688,580	1,349,682
375,545	387,630	280,918	816,615	806,834	1,051,392	814,035
-	-	-	-	-	-	-
5,111,685	5,354,851	5,959,577	6,209,974	6,488,723	6,583,898	6,734,040
6,654,649	7,872,115	4,849,633	3,480,178	9,147,000	4,660,672	4,162,707
<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>13,347,111</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>	<u>66,872,278</u>
27,917,744	32,782,443	34,569,315	35,673,588	38,315,195	38,770,237	39,447,977
1,677,317	2,003,344	2,987,611	2,279,161	3,542,288	3,923,583	2,156,392
12,930,171	13,301,715	13,391,623	13,976,189	12,903,382	14,711,539	14,511,077
3,178,645	3,458,033	3,747,097	4,123,965	4,594,045	5,185,531	5,375,813
519,284	539,677	586,360	628,585	639,194	759,369	872,264
4,749,865	4,646,174	5,011,913	5,128,961	5,059,425	5,027,299	5,201,692
40,173	146,534	69,801	177,993	186,853	484,303	759,217
-	-	-	-	-	-	(61,367)
253,944	267,307	363,051	568,105	451,599	321,733	762,127
277,132	453,685	354,910	445,389	866,927	1,593,655	938,541
(112,244)	72,662	651,915	543,528	923,425	922,631	644,532
<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>70,608,265</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>	<u>\$ 3,735,987</u>

TABLE 2

CITY OF CENTENNIAL, COLORADO

**CHANGE IN NET POSITION
LAST TEN FISCAL YEARS**

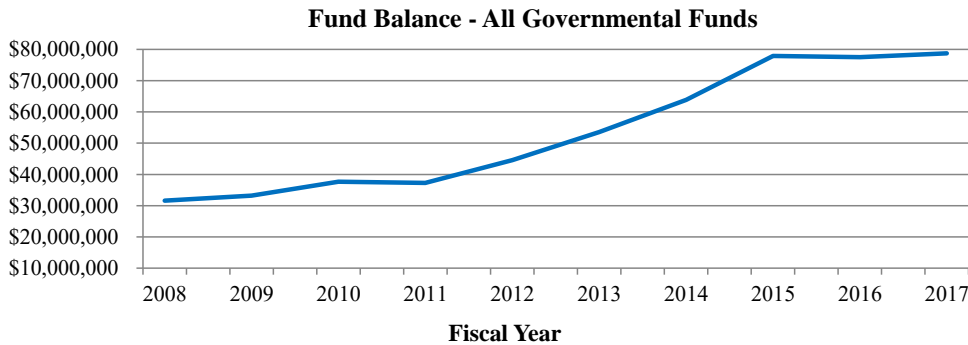
**(Accrual basis of accounting)
(Unaudited)**

	Fiscal Year		
	2008	2009	2010
<u>Business-type activities</u>			
Expenses			
Land use fund	\$ 3,548,937	\$ 3,157,146	\$ 2,991,828
Total expenses	<u>3,548,937</u>	<u>3,157,146</u>	<u>2,991,828</u>
Revenues			
Land use service fees	3,154,729	2,901,680	3,400,676
Total revenues	<u>3,154,729</u>	<u>2,901,680</u>	<u>3,400,676</u>
Operating income (loss) before transfers	<u>(394,208)</u>	<u>(255,466)</u>	<u>408,848</u>
Transfers	394,208	175,466	(408,848)
Total business-type activities change in net position	<u>-</u>	<u>(80,000)</u>	<u>-</u>
Total primary government change in net position	<u>\$ 7,120,423</u>	<u>\$ 4,115,067</u>	<u>\$ 4,421,638</u>

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ 2,957,524	\$ 3,136,858	\$ 3,068,995	\$ 3,052,575	\$ 3,978,514	\$ 3,222,152	\$ 2,845,123
<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>	<u>2,845,123</u>
2,845,280	3,209,520	3,720,910	3,596,103	4,901,939	4,144,783	3,489,655
<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>	<u>3,489,655</u>
(112,244)	72,662	651,915	543,528	923,425	922,631	644,532
<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>(644,532)</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>	<u>\$ 3,735,987</u>

TABLE 3
CITY OF CENTENNIAL, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	Fiscal Year		
	2008	2009	2010
General fund			
Reserved	\$ 1,298,064	\$ 1,261,298	\$ 1,288,696
Unreserved	13,507,740	16,806,731	20,701,513
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total general fund	<u>14,805,804</u>	<u>18,068,029</u>	<u>21,990,209</u>
All other governmental funds			
Reserved	9,916,754	11,981,515	11,379,095
Unreserved	6,875,088	3,143,991	4,294,525
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Total all other governmental funds	<u>16,791,842</u>	<u>15,125,506</u>	<u>15,673,620</u>
Total all governmental funds	<u>\$ 31,597,646</u>	<u>\$ 33,193,535</u>	<u>\$ 37,663,829</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						
2011	2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
13,762	4,009	1,493	12,427	15,196	20,568	36,742
1,472,246	1,371,302	1,651,357	1,531,979	1,359,857	1,938,105	1,650,809
5,301,033	-	-	-	-	-	-
21,536,729	28,276,576	36,514,096	40,925,461	35,171,177	34,695,067	30,280,241
<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>	<u>31,967,792</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,184,205	7,809,048	70,018	7,996,514	-	-	-
2,766,780	7,127,165	7,864,049	10,330,224	11,644,843	12,595,201	12,595,201
8,950,985	14,936,213	7,458,280	13,329,831	30,987,832	29,232,796	34,173,741
<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>46,768,942</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>	<u>\$ 78,736,734</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		
	2008	2009	2010
Revenues			
Taxes	\$ 34,288,372	\$ 32,031,540	\$ 36,053,697
Intergovernmental	9,120,836	9,462,623	8,005,719
Charges for services	4,709,406	4,221,465	2,898,168
Franchise fees	4,827,977	4,235,611	4,653,673
Investment income	832,298	131,382	84,158
Miscellaneous	534,366	582,696	367,958
Total revenues	<u>54,313,255</u>	<u>50,665,317</u>	<u>52,063,373</u>
Expenditures			
Current			
General government	6,707,616	5,837,442	6,053,572
Community services	21,354,389	21,549,041	21,408,592
City infrastructure	13,843,150	11,620,237	16,015,936
Culture & recreation	84,784	581,646	367,583
Urban redevelopment	952,348	421,892	1,231,387
Capital Outlay			
General government	7,839,369	1,138,228	2,428,907
Capital improvement	3,006,383	7,540,825	293,519
Debt Service			
Principal	55,000	60,000	60,000
Interest and fiscal charges	146,576	144,651	142,431
Bond issuance costs	-	-	-
Total expenditures	<u>53,989,615</u>	<u>48,893,962</u>	<u>48,001,927</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>323,640</u>	<u>1,771,355</u>	<u>4,061,446</u>
Other Financing Sources (Uses)			
Transfers in	900,000	2,483,847	5,882,430
Transfers out	(1,294,208)	(2,659,313)	(5,473,582)
Refunding on bonds issued	-	-	-
Premium on refunding bonds	-	-	-
Payment of refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>(394,208)</u>	<u>(175,466)</u>	<u>408,848</u>
Net change in fund balances	<u>\$ (70,568)</u>	<u>\$ 1,595,889</u>	<u>\$ 4,470,294</u>
	0.47%	0.51%	0.45%

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.

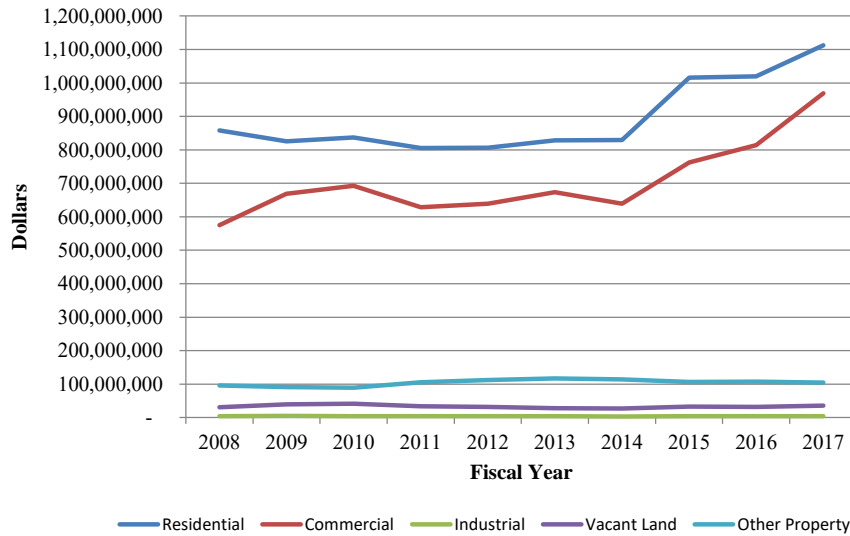
Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ 46,223,161	\$ 52,085,212	\$ 55,282,006	\$ 56,681,488	\$ 59,994,104	\$ 63,350,259	\$ 62,363,523
10,602,518	11,030,082	11,625,012	11,306,613	17,190,904	12,207,519	12,093,284
2,772,290	2,728,819	2,733,448	2,760,913	2,891,391	3,018,960	2,450,364
4,749,865	4,646,174	5,011,913	5,128,961	5,059,425	5,027,299	5,201,692
40,173	146,534	69,801	177,993	186,853	484,303	759,217
277,132	453,685	354,910	936,734	866,927	1,593,655	938,541
64,665,139	71,090,506	75,077,090	76,992,702	86,189,604	85,681,995	83,806,621
8,433,765	10,929,433	11,434,747	11,640,388	13,003,591	14,040,336	14,606,351
21,577,444	21,736,983	21,819,639	22,174,239	23,768,969	24,916,037	24,816,782
16,708,347	18,465,990	19,492,958	20,516,748	21,059,173	22,784,539	30,894,582
496,048	736,800	2,258,120	1,414,462	1,044,536	961,941	1,288,740
5,000,756	5,843,043	6,010,887	6,463,195	5,622,583	5,996,585	5,441,620
11,329,499	6,884,042	1,737,119	1,893,131	962,046	1,180,550	678,348
-	242,000	3,799,486	2,925,214	7,450,169	16,886,431	5,339,500
65,000	65,000	70,000	70,000	75,000	115,000	90,000
140,121	137,521	134,856	131,916	128,906	63,804	89,875
-	-	-	-	-	68,801	-
63,750,980	65,040,812	66,757,812	67,229,293	73,114,973	87,014,024	83,245,798
914,159	6,049,694	8,319,278	9,763,409	13,074,631	(1,332,029)	560,823
4,686,487	15,004,327	10,433,915	16,505,911	27,250,711	21,773,915	24,494,532
(4,798,731)	(14,931,665)	(9,782,000)	(15,962,383)	(26,327,286)	(20,851,284)	(23,850,000)
-	-	-	-	-	2,495,000	-
-	-	-	-	-	135,173	-
-	-	-	-	-	(2,553,682)	-
(112,244)	72,662	651,915	543,528	923,425	999,122	644,532
\$ 801,915	\$ 6,122,356	\$ 8,971,193	\$ 10,306,937	\$ 13,998,056	\$ (332,907)	\$ 1,205,355
0.39%	0.35%	0.34%	0.32%	0.32%	0.26%	0.23%

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
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
2017	1,112,772,144	968,672,714	3,754,593	35,448,815

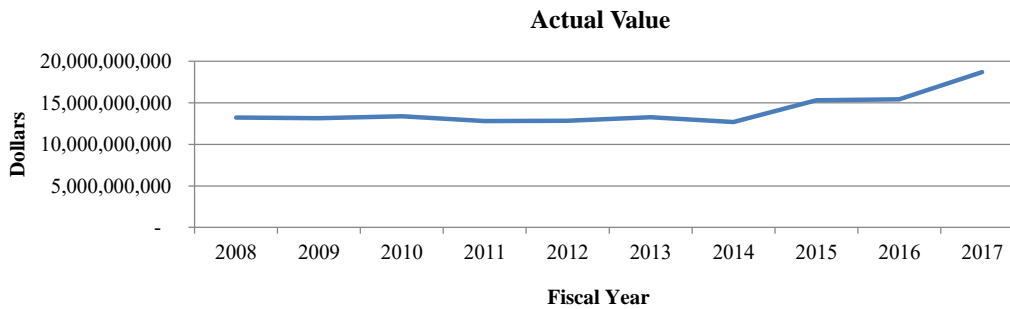
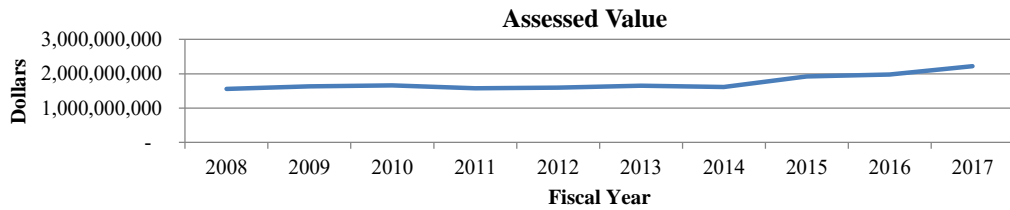
Assessed Value by Property Type



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
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%
104,722,985	2,225,371,251	5.006	18,685,635,379	11.91%



(1) Includes State assessed.

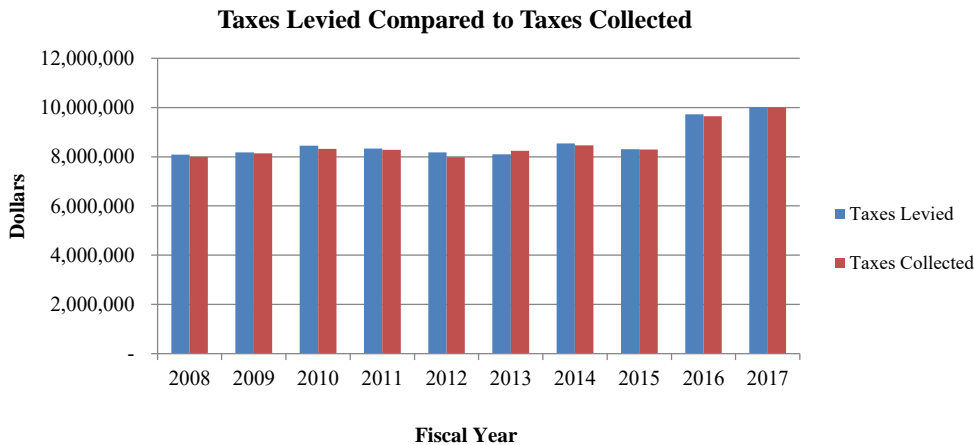
(2) The reduction in the 2007 mill levy is a temporary reduction and is the mill levy applicable to only the City of Centennial, not the General Improvement Districts.

(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
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%
2017	10,011,556	10,000,114	99.886%



(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**

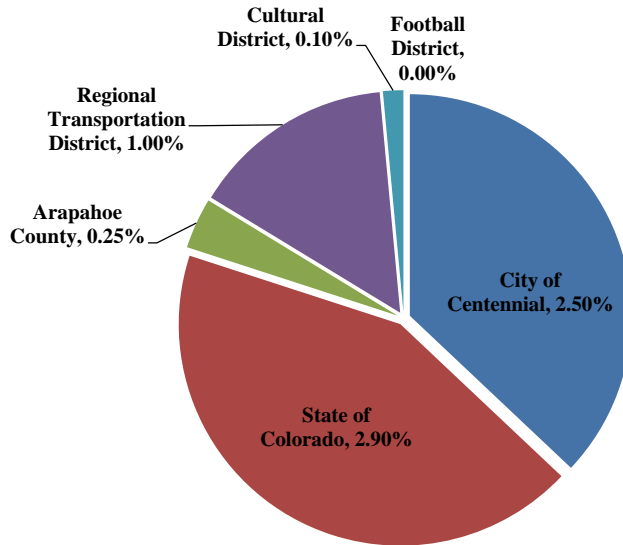
DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	City of Centennial	State of Colorado	Arapahoe County	Regional Transportation District	Cultural District	Football District	Total
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%
2017	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.



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**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
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
2017	5,836,937	307,217	631,709	470,598	23,352

(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
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
343,358	115,280	2,609,724	75,898	944,264

(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
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
2017	49,410	1,607,614	1,371,880	1,601,462	23,459,274	39,447,977

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

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

2008 and 2017

(Unaudited)

<u>Taxpayer</u>	2008		
	<u>Taxable Assessed Value</u>	<u>Ranking</u>	<u>Percentage of Total City Assessed Value</u>
Crescent Peak View Tower	\$ 13,050,000	1	0.834%
Legacy III Centennial LLC	9,860,010	2	0.630%
Oppenheimer Funds LLC	7,685,000	3	0.491%
California State Teachers	6,960,000	4	0.445%
National Digital Television	6,235,010	5	0.399%
Lexington Centennial LLC	5,510,000	6	0.352%
California State Teachers	5,336,000	7	0.341%
USF Propco I, LLC	4,897,520	8	0.313%
RREEF America REIT II Corporation	4,582,000	9	0.293%
FSP Highland Place I Corporation	4,350,010	10	0.278%
Total	<u>\$ 68,465,550</u>		<u>4.377%</u>
<u>Taxpayer</u>	2017		
	<u>Taxable Assessed Value</u>	<u>Ranking</u>	<u>Percentage of Total City Assessed Value</u>
GK Peakview Tower, LLC	\$ 15,140,610	1	0.680%
IKEA Property, Inc.	14,573,080	2	0.655%
GS Centennial, LLC	12,861,500	3	0.578%
Cascades Pwner LLC	12,016,150	4	0.540%
Briarwood Acquisition LLC	9,181,110	5	0.413%
Cole of Centennial CO, LLC	9,046,260	6	0.407%
OFI Global Asset Management	8,913,730	7	0.401%
Waterview I-III LLC	8,781,201	8	0.395%
CEGM Centennial LLC	7,786,797	9	0.350%
Dry Creek Business Park LLC	7,675,720	10	0.345%
Total	<u>\$ 105,976,158</u>		<u>4.762%</u>

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

**TABLE 10
CITY OF CENTENNIAL, COLORADO**

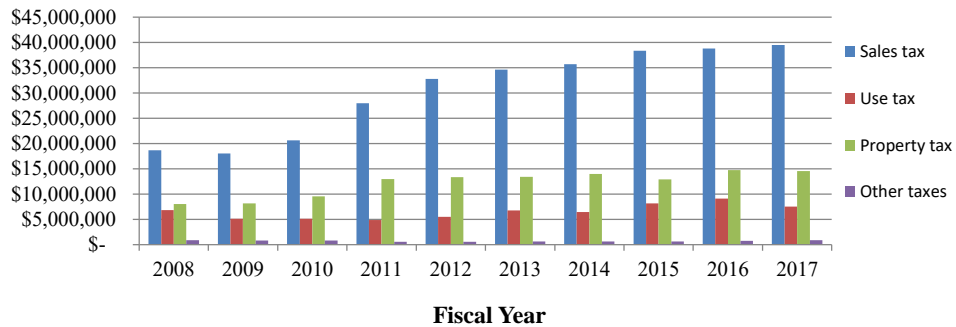
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

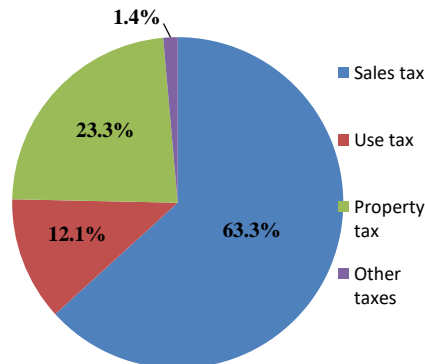
(Unaudited)

Fiscal year	Sales tax	Use tax	Property tax	Other taxes	Total
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
2017	\$ 39,447,977	\$ 7,532,205	\$ 14,511,077	\$ 872,264	\$ 62,363,523

Tax Revenues By Source



2017 Tax Revenues by Source



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



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**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		
	2008	2009	2010
Outstanding debt by type			
Governmental activities			
General obligation bonds	\$ 2,980,000	\$ 2,920,000	\$ 2,860,000
Total Primary Government outstanding debt	\$ 2,980,000	\$ 2,920,000	\$ 2,860,000
Percentage of personal income ¹	NA	NA	0.1%
Per capita ¹	NA	NA	\$ 28
Outstanding general bonded debt			
General obligation bonds	\$ 2,980,000	\$ 2,920,000	\$ 2,860,000
Percentage of personal income ¹	NA	NA	0.1%
Per capita ¹	NA	NA	\$ 28
Legal debt margin			
Debt limit ²	\$ -	\$ -	\$ -
Total net debt applicable to limit	-	-	-
Legal debt margin	\$ -	\$ -	\$ -
Legal debt margin as a percentage of the debt limit	0.0%	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						
2011	2012	2013	2014	2015	2016	2017
\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000	\$ 2,515,000	\$ 2,380,000	\$ 2,290,000
\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000	\$ 2,515,000	\$ 2,380,000	\$ 2,290,000
NA	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
NA	\$ 27	\$ 26	\$ 24	\$ 23	\$ 22	\$ 21
\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000	\$ 2,515,000	\$ 2,380,000	\$ 2,290,000
NA	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
NA	\$ 27	\$ 26	\$ 24	\$ 23	\$ 22	\$ 21
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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, 2017

(Unaudited)

Governmental Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Arapahoe Park & Recreation District	\$ 6,250,000	35.86%	2,241,250
Arapahoe Water and Wastewater Authority	141,595,762	44.96%	63,661,455
Cherry Creek School District No. 5	641,890,000	17.77%	114,063,853
Dove Valley Metropolitan District	47,640,000	42.14%	20,075,496
East Smoky Hill Metropolitan District 1	3,315,000	26.70%	885,105
East Smoky Hill Metropolitan District 2	5,705,000	0.06%	3,423
East Valley Metropolitan District	350,045	100.00%	350,045
Estancia Metropolitan District	4,110,000	100.00%	4,110,000
Goodman Metropolitan District	1,590,000	0.47%	7,473
Havana Water and Sanitation District	2,965,000	8.51%	252,322
Heritage Greens Metropolitan District	2,970,000	100.00%	2,970,000
Inverness Water & Sanitation District	10,605,753	0.65%	68,937
Littleton Public Schools	136,016,195	36.24%	49,292,269
Liverpool Metropolitan District	2,240,000	61.93%	1,387,232
Panorama Metropolitan District	4,600,000	100.00%	4,600,000
Parker Jordan Metropolitan District	10,857,875	51.38%	5,578,776
Piney Creek Village Metropolitan District	5,545,000	100.00%	5,545,000
Saddle Rock Metropolitan District	8,285,000	0.21%	17,399
Saddle Rock South Metropolitan District #4	13,775,000	0.15%	20,663
South Suburban Recreation Park District	6,715,000	46.42%	3,117,103
Southeast Public Improvement Metropolitan District	2,835,000	43.44%	1,231,524
Southglenn Metropolitan District	73,950,000	100.00%	73,950,000
Valley Club Pointe Metropolitan District	5,550,000	100.00%	5,550,000
Subtotal Overlapping Debt	<u>\$ 1,139,355,630</u>		<u>\$ 358,979,324</u>
Antelope Water System Improvement District	2,290,000	100.00%	2,290,000
Subtotal Direct Debt	<u>\$ 2,290,000</u>		<u>\$ 2,290,000</u>
Total Direct and Overlapping Debt	<u><u>\$ 1,141,645,630</u></u>		<u><u>\$ 361,269,324</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%
2017	109,932	4,066,681,149	36,993	42.4	92.80%	2.00%

** 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 is 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

2017 and 2006*

(Unaudited)

<u>Top Ten Employers</u>	<u>2017 Rank</u>	<u>Top Ten Employers</u>	<u>2006 Rank</u>
Comcast	1	Oppenheimer Management Corporation	1
Arrow Electronics	2	US Foodservice, Incorporated	2
United Healthcare	3	Citicorp Diners Club, Incorporated	3
United Launch Alliance	4	Mediaone Group, Incorporated	4
Oppenheimer Funds	5	Charles Schwab & Co, Inc.	5
Nordstrom Bank	6	Saunders Construction, Inc.	6
Sierra Nevada Corp.	7	Nationwide Mutual Insurance Company	7
Zillow Group	8	McGraw Hill Incorporated	8
Standard & Poor's (McGraw-Hill Companies)	9	Galileo International, Inc.	9
SEAKR Engineering	10	Advanced Digital Information Corp.	10
	Total		Total
<u>Employees by NAICS Industries</u>	<u>Employees</u>	<u>Employees by NAICS Industries</u>	<u>Employees</u>
Finance and Insurance, and Real Estate, and Rental and Leasing	8,171	Finance and Insurance, and Real Estate, and Rental and Leasing	9,226
Professional, Scientific, and Management, and Administrative, and Waste Management Services	14,555	Professional, Scientific, and Management, and Administrative, and Waste Management Services	9,939
Construction	5,624	Construction	5,058
Retail Trade	5,501	Retail Trade	3,854
Educational Services, and Health Care, and Social Assistance	6,883	Educational Services, and Health Care, and Social Assistance	6,282
Arts, Entertainment, and Recreation, and Accommodation, and Food Services	6,011	Arts, Entertainment, and Recreation, and Accommodation, and Food Services	6,650
Wholesale Trade	3,949	Wholesale Trade	3,504
Information	4,407	Information	2,844
Other Services (except Public Administration)	1,730	Other Services (except Public Administration)	1,304
Public Administration	1,814	Public Administration	1,179
Manufacturing	1,531	Manufacturing	547
Transportation and Warehousing, and Utilities	916	Transportation and Warehousing, and Utilities	658
Agriculture, Forestry, Fishing and Hunting, Mining	118	Agriculture, Forestry, Fishing and Hunting, Mining	197
	Total		Total
	<u><u>61,210</u></u>		<u><u>51,242</u></u>

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

* The City was unable to obtain data from 2008 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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	12.0	13.5	12.5	10.0	13.5	17.3	25.3	24.50	24.50	28.50
Community services	5.0	5.0	6.0	5.0	5.5	4.5	3.0	9.75	9.75	9.75
Finance & administration	13.0	13.0	16.0	17.0	13.5	15.0	17.5	19.50	19.50	18.50
Planning & development	15.5	14.0	14.0	13.0	9.0	8.5	5.0	3.50	3.50	3.50
City infrastructure	1.0	1.5	1.5	5.0	5.0	3.0	3.5	6.00	6.00	6.00
Total	46.5	47.0	50.0	50.0	46.5	48.3	54.3	63.25	63.25	66.25

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Recreation ⁽¹⁾										
Acres of developed park	-	-	-	-	17.12	17.12	17.12	17.12	17.12	11.00
Acres of open space parks	-	-	-	-	54.62	54.62	54.62	54.62	54.62	107.00
Public Works ⁽²⁾										
Maintenance facility	-	-	-	-	-	1	1	1	1	1
Miles of streets	408	412	412	412	418	417	428	428	431	431
Number of street lights	3,979	3,987	3,992	4,057	4,042	4,043	4,222	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		
	2008	2009	2010
General Government			
Administrative Services			
Citations processed	20,694	21,405	19,372
Employment applications processed	764	1,906	2,172
New hires processed	22	16.5	9.0
Computer service requests	529	1,710	1,856
Finance			
Accounts payable checks issued ⁽¹⁾	1,951	2,067	2,131
Purchasing card transactions	680	706	812
Sales/use tax accounts ⁽²⁾	2,783	2,922	3,245
Tax audits conducted and completed	NA	1	115
City Management			
Ordinances and resolutions approved by City Council	146	113	119
Citizen surveys received	-	-	1
Community Development			
Building permits issued	4,031	7,592	6,490
Building inspections performed	13,187	14,646	14,600
Code enforcement cases ⁽³⁾	2,085	3,581	3,264
Public Safety			
Calls for service	46,652	44,770	44,318
Average response time to Priority 1 calls ⁽⁴⁾	10.0	10.0	10.0
Hours spent on proactive patrol ⁽⁵⁾	3.7	3.6	3.6
Total arrests	3,525	3,490	3,027
Public Works			
Vehicles in fleet	6	6	6
Lane miles receiving snow & ice control	41,756	73,009	43,238
Lane miles swept	8,467	7,216	4,415

(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						
2011	2012	2013	2014	2015	2016	2017
19,654	18,645	18,794	17,559	16,146	13,767	11,535
1,040	950	907	1,185	1,282	549	239
9.0	12.0	13.0	17.0	20.0	14.0	7.0
1,250	1,175	1,467	2,146	2,261	2,385	1,259
2,207	2,545	2,928	3,052	3,169	2,985	3,067
1,050	1,148	1,105	1,309	1,410	2,480	2,724
3,618	3,855	4,033	4,254	4,460	4,585	4,889
91	113	70	64	96	96	79
131	108	133	121	117	121	90
1	1	-	-	3	3	3
5,151	7,256	5,582	8,649	10,787	5,813	5,510
14,745	15,454	15,859	26,894	30,476	19,687	23,300
2,756	1,539	1,011	922	884	958	1,100
45,360	46,086	45,541	48,740	49,410	55,502	53,227
8.6	6.3	4.9	4.4	4.4	3.5	4.0
3.6	1.5	1.3	4.6	4.4	4.4	4.4
3,025	2,572	2,300	2,364	2,377	2,506	2,170
6	6	6	6	6	6	8
66,528	34,584	56,658	55,610	57,310	56,430	37,866
5,811	7,579	8,929	11,122	8,645	8,710	10,502



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Compliance Section

Compliance Section

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.

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 2017
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)	787,442
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	11,008,788
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	593,374
2. General fund appropriations	344,887	b. Snow and ice removal	367,408
3. Other local imposts (from page 2)	9,969,365	c. Other	1,079,172
4. Miscellaneous local receipts (from page 2)	129,047	d. Total (a. through c.)	2,039,954
5. Transfers from toll facilities		4. General administration & miscellaneous	1,107,858
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,459,747
a. Bonds - Original Issues		6. Total (1 through 5)	16,403,789
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)	10,443,299	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	6,111,727	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	16,555,026	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)	16,403,789

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
		16,555,026	16,403,789		151,237

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2017

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	333,441	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	6,835,924	g. Other Misc. Receipts	
6. Total (1. through 5.)	9,969,365	h. Other	129,047
c. Total (a. + b.)	9,969,365	i. Total (a. through h.)	129,047
	(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	5,531,915	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	579,812	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.)	579,812	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	6,111,727	3. Total (1. + 2.g)	
			(Carry forward to page 1)

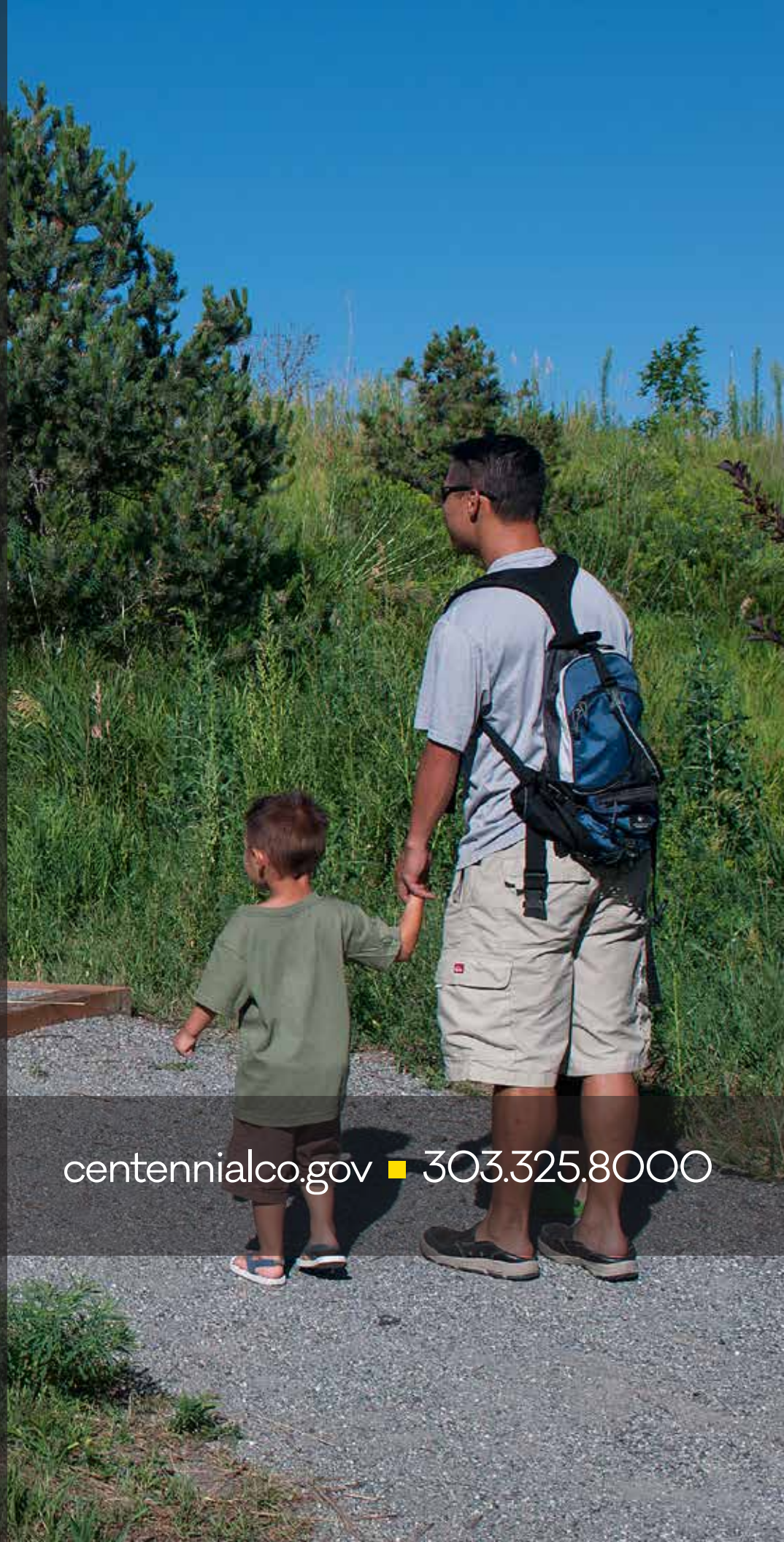
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	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		31,295	31,295
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		0	0
(3). System Preservation		0	0
(4). System Enhancement & Operation		756,147	756,147
(5). Total Construction (1) + (2) + (3) + (4)	0	756,147	756,147
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	787,442	787,442
			(Carry forward to page 1)

Notes and Comments:



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