



**2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
for the year ended in December 31, 2018

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF THE**  
**CITY OF CENTENNIAL, COLORADO**

**For The Year Ended**  
**December 31, 2018**



**Prepared By:**  
**The Department of Finance**



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**CITY OF CENTENNIAL, COLORADO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Year Ended December 31, 2018**

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# Introductory Section





June 20, 2019

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, 2018 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 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 and 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 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, 2018; the resulting Independent Auditors’ Report is presented on Page 1 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 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 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.

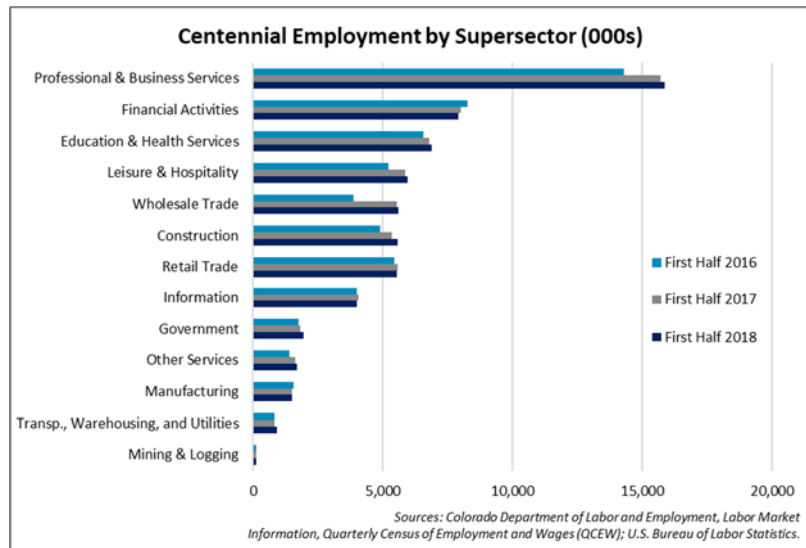
The City's management assesses and maintains effective internal controls over the accounting function and financial reporting. The City's internal controls over financial reporting provide reasonable assurance regarding the reliability of financial reporting and preparing financial statements for external purposes under 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. The City's internal controls adequately safeguard assets and provide reasonable assurance for the proper recording and reporting of financial transactions materially.

Fiscally, the national economy continues with growth as evidenced by the economy creating 2.6 million jobs in 2018 compared to 2.0 million jobs in 2017. With that and the labor participation rate reported at 63.1% at the end of 2018, the Federal Reserve has increased interest rates to 2.5% in December 2018, yet that rate may remain unchanged in 2019. Gross domestic product (GDP) is expected to drop to 2.5% in 2019 from 2.9% in 2018. Inflation is expected to be at 2.2%, 0.3% higher than in 2018, reflecting higher overall prices and expensive gasoline. The core inflation rate removes volatile gas and food prices and is expected to rise by 0.4% to 2.2% in 2018; the Federal Reserve (The Fed) utilizes core inflation rates, along with labor employment data when setting monetary policy. With these factors in mind, the Fed has signaled a more patient and flexible monetary policy. In addition, trade tensions between the U.S. and China appear to be easing. The government shutdown in January had a negative impact on consumer confidence, but consumer sentiment showed improvement in February 2019. With these factors at work, Deutsche Bank projects the U.S. to continue expanding past the 2020 presidential election, with the Fed making no rate moves until the end of 2021.

Colorado has experienced unrelenting population growth, numerous economic booms and busts, and dynamically changing industries over the past 48 years, according to the University of Colorado's Leeds School of Business. Colorado job growth will continue at 2.0% in 2019 compared to 2.4% in 2018. The three largest employment sectors driving job gains in 2019 include professional and business services, trade, transportation and utilities, and leisure and hospitality. Goods-producing sectors now account for just over one-in-eight of total jobs and 16.3% of the Colorado GDP. Proprietor employment stands at over 25% of total employment. The share of females in the state's labor force has increased to over 46%, a nearly 10% increase from 1970. In just over four decades, the state has undergone an enormous increase in college-educated population as the percent of Colorado residents 25 years or older with four or more years of college nearly tripled, from 14.9% in 1970 to 41.2% today. With the larger base of highly qualified employees, high-tech industries have added significantly to Colorado's economy and the state's key industry clusters, specifically aerospace, biosciences, IT software, and telecommunications. Residential construction is projected to rise to \$11.5 billion, up from \$1.7 billion in 2018 with commercial construction rising from \$6.95 billion to \$7.3 billion in 2019.

While the U.S. and Colorado economies will continue to expand in 2019 and 2020, momentum is expected to slow due to the global economic slowdown and stronger headwinds from tightening labor markets. Improved job opportunities and rising wages have lured additional workers into the labor force and supported growth in consumption. However, labor shortages continue to hamper certain industries, which will erode business profits as wages rise further. As the stimulative impacts of the federal tax cuts wear off, growth in business investment and consumer activity is expected to moderate but remain at elevated levels. Higher housing costs and rising interest rates have cooled housing markets in many regions of the U.S., contributing to a decline in residential construction activity. Within Colorado, construction activity remains robust but has shifted from the metro Denver and northern Front Range areas to more affordable areas of the state. A higher cost of living in a growing number of areas in Colorado will pressure consumer activity unless wage growth can keep pace with rising housing costs.

In Centennial (part of Arapahoe County), businesses employed an average of 63,447 people in 2018, a 1.1% increase from 2017. This was a slower rate of growth than occurred between 2016 and 2017, when employment increased by 7.7%, which was unusually high and included new company headquarters locating to the region. Also, in the City of Centennial, 11 of the 13 industry classification supersectors



posted increases from 2016 to 2017 while eight supersectors increased from 2017 to 2018. The three largest supersectors in the City throughout the three-year period remained professional and business services, financial activities, and education and health services. These supersectors represented 48.3% of total employment in Centennial.

Median household income for Centennial reached \$106,012 in 2017, a 3.7% increase over 2016, representing an additional \$3,775 a year. The number of households in Centennial increased slightly, rising 1.8% over-the-year, representing an increase of 703 households. The median household income in Centennial is 40.7% higher than Arapahoe County and 53.4% higher than Colorado. Median household income in Centennial rose 32.0% from 2011 to 2017, while the number of households only increased by 5.8% during the same period.

Centennial netted 184 new sales tax licenses during 2018, bringing the total businesses with sales tax licenses to 5,090, a 3.7% increase. The most number of sales tax licenses are in the Retail Trade grouping of the North American Industry Classification System (NAICS) at 1,218. The second largest number of sales tax licenses are in the Accommodation and Food Services grouping at 354. Overall, Centennial sales tax receipts were stable in 2018 as sales taxes grew by 5% compared to 2017. About half of the increase in sales tax attributes to one-time sales tax audit

revenue. Sales tax is anticipated to be relatively flat in 2019. Sales taxes represent 53% of the overall General Fund revenues for the City.

The City annually prepares an operating budget 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 of the U.S. and Canada and the Governmental Accounting Standards Board requirements. In 2018, the City updated its Strategic Plan ('The Plan') with adoption in 2019. The Plan is a projection of future expectations, and encompasses the Vision, Mission, Core Values and Goals and Strategies for the City.

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, 2017. This is the tenth year the City has been awarded the Certificate of Achievement. The Certificate of Achievement is valid for only one year. Our CAFR will meet the GFOA's Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility.

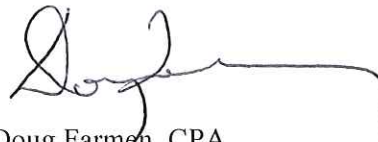
We sincerely appreciate the assistance of all City departments for their efforts throughout the year, and for their help in preparing this report. Additionally, the City thanks Rubin Brown, LLC for their assistance and for the professional manner they conducted the audit. We also acknowledge the cooperation 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 Farmen, 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, 2017**

*Christopher P. Morrill*

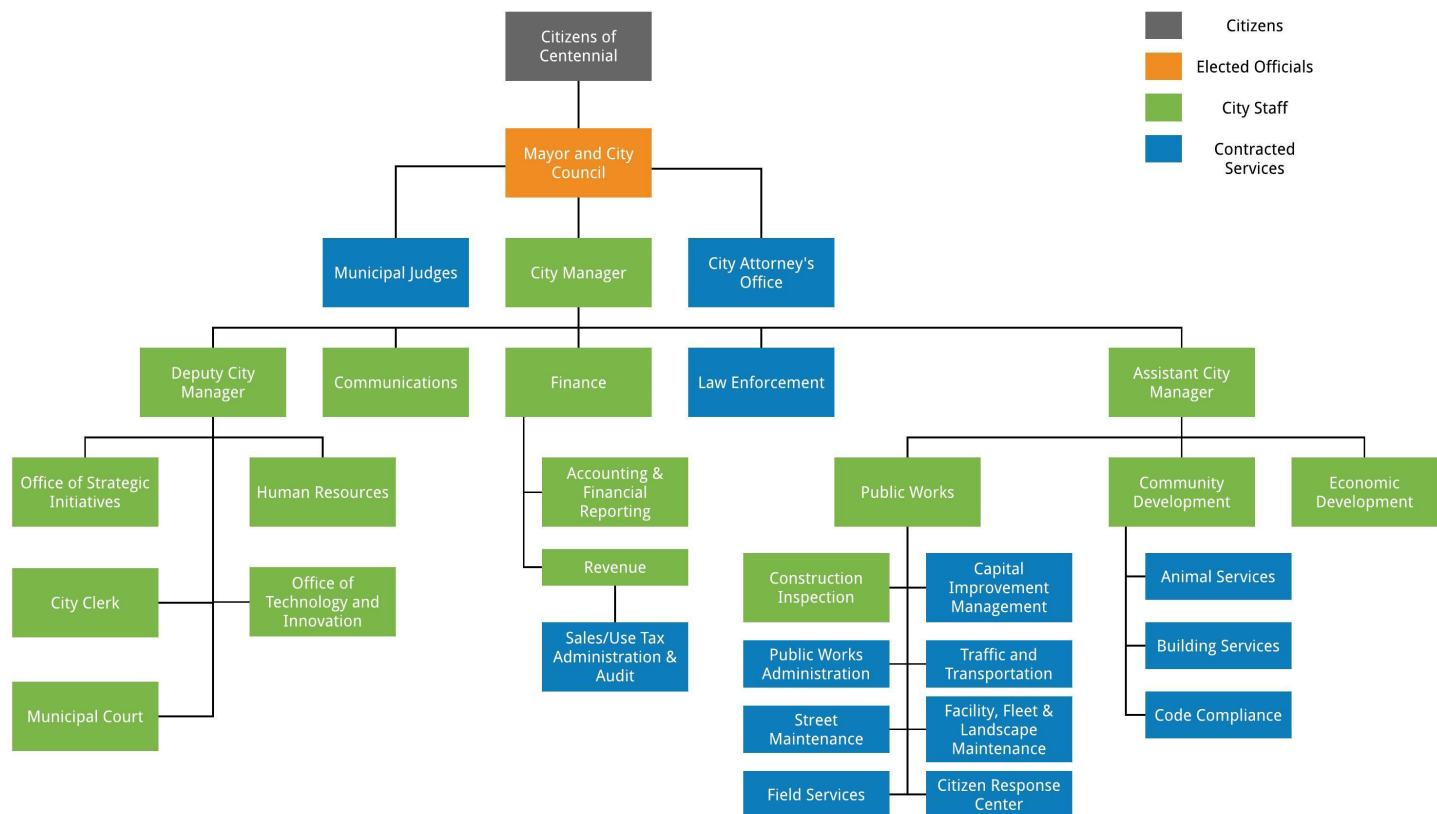
Executive Director/CEO



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# ORGANIZATIONAL CHART

## CITY STAFF AND CONTRACTED SERVICES BY SERVICE AREA





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# ELECTED OFFICIALS & TERMS OF OFFICE

## MAYOR



Stephanie Piko  
January 2022

## DISTRICT 1 COUNCIL MEMBERS



Candace Moon  
January 2020



Kathy Turley  
January 2022

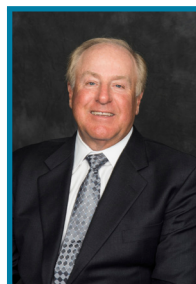


Carrie Penalosa  
January 2020



Tammy Maurer  
January 2022

## DISTRICT 2 COUNCIL MEMBERS



Ken Lucas  
January 2020



Mike Sutherland  
January 2022



Ron Weidman  
January 2020

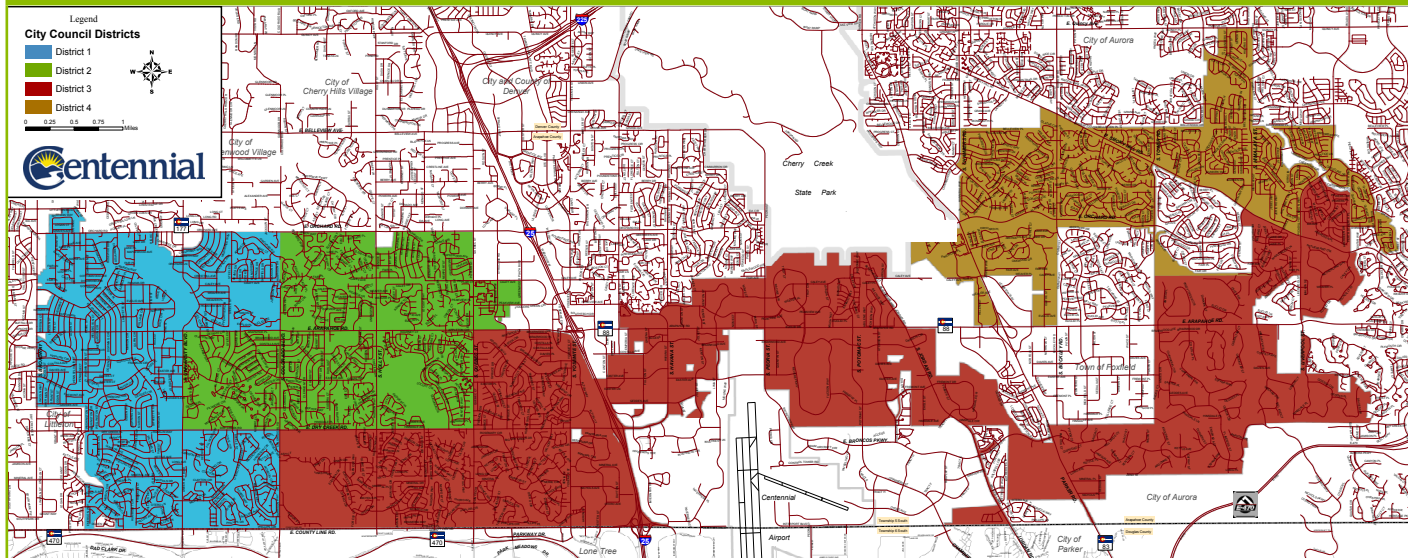


Marlo Alston  
January 2022

## DISTRICT 3 COUNCIL MEMBERS

## DISTRICT 4 COUNCIL MEMBERS

## DISTRICT MAP





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# Financial Section





RubinBrown LLP  
Certified Public Accountants &  
Business Consultants

## Independent Auditors' Report

1900 Sixteenth Street  
Suite 300  
Denver, CO 80202

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

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### 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, 2018, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2018 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 schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; 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, the schedule of expenditures of federal awards 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, the schedule of expenditures of federal awards 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.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*RubinBrown LLP*

June 20, 2019

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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, 2018. 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 in November, 2012 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 \$267.7 million. Unrestricted net position represents \$71.3 million, or 26.6%, of total net position which is available to meet ongoing and future obligations of the City.

- Total net position of the City increased by \$17.0 million, or 6.8%, compared to 2017. This net increase is the result of increased revenues as follows: Charges for Services, Sales and Use tax, Operating and Capital Grant revenue, Property tax revenue and investment earnings. Additionally, reduced expenses for City infrastructure contributed to the increase in net position for 2018.
- Compared to 2017, total revenues excluding transfers, increased \$10.6 million, or 12.2%, to \$97.4 million. Governmental activities revenue increased \$9.2 million, or 11.0%, to \$92.5 million. The change in these revenues is attributable to increases in Sales and Use tax revenues (\$3.9 million), Operating Grants and Contributions (\$1.3 million), Capital Grants and Contributions (\$1.0 million), Property Tax revenues (\$1.6 million), Investment income (\$1.1 million and miscellaneous income (\$1.0 million), offset by decreases in Intergovernmental revenue (\$0.4 million) and charges for services (\$0.2 million) with other revenue categories decreasing (0.1 million).
- The total cost of all City programs decreased \$2.7 million, or 3.2%, to \$80.4 million compared to 2017. The cost of governmental activities program expenses decreased \$3.8 million, or 4.7%, to \$76.4 million in 2018. The cost of business-type activities increased \$1.2 million, or 42.8%, to \$4.0 million in 2018.
- General Fund revenues increased by \$5.7 million, or 7.8%, as compared to the prior year.

- As of the close of the current fiscal year, the City's governmental funds reported a \$12.9 million increase in the combined ending fund balances. The combined ending governmental fund balance is \$91.6 million, of which \$30.5 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 38.5% 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 \$30.5 million is 39.2% 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

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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, 2018, the City had total assets of \$299.3 million and the City's assets exceeded its liabilities by \$267.7 million.

The following reflects the City’s Net Position:

|                                | Governmental Activities |                | Business-Type Activities |           | Total Primary Government |                |
|--------------------------------|-------------------------|----------------|--------------------------|-----------|--------------------------|----------------|
|                                | 2018                    | 2017           | 2018                     | 2017      | 2018                     | 2017           |
| <b>Assets</b>                  |                         |                |                          |           |                          |                |
| Current and Other Assets       | \$ 120,598,803          | \$109,488,128  | \$ 260,862               | \$258,858 | \$ 120,859,665           | \$109,746,986  |
| Capital Assets                 | 178,442,156             | 173,788,950    | 3,003                    | 7,007     | 178,445,159              | 173,795,957    |
| Total Assets                   | 299,040,959             | 283,277,078    | 263,865                  | 265,865   | 299,304,824              | 283,542,943    |
| Deferred Outflows of Resources | 33,296                  | 35,254         | -                        | -         | 33,296                   | 35,254         |
| <b>Liabilities</b>             |                         |                |                          |           |                          |                |
| Long-term Liabilities          | 2,474,347               | 2,577,698      | -                        | -         | 2,474,347                | 2,577,698      |
| Other Liabilities              | 12,296,731              | 13,847,915     | 263,865                  | 265,865   | 12,560,596               | 14,113,780     |
| Total Liabilities              | 14,771,078              | 16,425,613     | 263,865                  | 265,865   | 15,034,943               | 16,691,478     |
| Deferred Inflows of Resources  | 16,581,536              | 16,186,000     | -                        | -         | 16,581,536               | 16,186,000     |
| <b>Net Position</b>            |                         |                |                          |           |                          |                |
| Net Investment in              |                         |                |                          |           |                          |                |
| Capital Assets                 | 178,442,156             | 173,788,950    | 3,003                    | 7,007     | 178,445,159              | 173,795,957    |
| Restricted                     | 18,018,713              | 14,246,010     | -                        | -         | 18,018,713               | 14,246,010     |
| Unrestricted                   | 71,260,772              | 62,665,756     | (3,003)                  | -         | 71,257,769               | 62,665,756     |
| Total Net Position             | \$ 267,721,641          | \$ 250,700,716 | \$ -                     | \$ 7,007  | \$ 267,721,641           | \$ 250,707,723 |

### 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 \$178.4 million, or 66.6% of total assets. Capital assets being depreciated increased during 2018 by \$7.5 million, or 4.7%, as a result of the completion of capital projects related to streets, traffic signals, the fiber backbone, and the addition of machinery and equipment. Capital assets not being depreciated increased during 2018 by \$1.8 million, or 1.9%, due primarily to the contribution of 107 acres of open space property from Parker Jordan Metro District.

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

### Long-term Debt

The long-term debt of the City, as detailed in the Notes to the Financial Statements, has decreased \$0.1 million overall. The City's obligation for Compensated Absences decreased during 2018 from \$312,003 to \$288,421. During 2018, 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 2018 the District made a principal payment of \$95,000 in addition to all scheduled interest payments.

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

**Management's Discussion and Analysis  
for the Year Ended December 31, 2018**



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

|  | Governmental Activities |                       | Business-Type Activities |                  | Total Primary Government |                       |
|--|-------------------------|-----------------------|--------------------------|------------------|--------------------------|-----------------------|
|  | 2018                    | 2017                  | 2018                     | 2017             | 2018                     | 2017                  |
| <b>Revenues</b>  |                         |                       |                          |                  |                          |                       |
| Program Revenues -   |                         |                       |                          |                  |                          |                       |
| Charges for Services   | \$ 2,283,997            | \$2,450,364           | 4,850,544                | \$3,489,655      | \$7,134,541              | \$5,940,019           |
| Operating Grants and Contributions                             | 7,990,505               | 6,734,040             | -                        | -                | \$7,990,505              | 6,734,040             |
| Capital Grants and Contributions                               | 5,205,695               | 4,162,707             | -                        | -                | \$5,205,695              | 4,162,707             |
| General Revenue -  |                         |                       |                          |                  |                          |                       |
| Sales and Use Taxes  | 50,846,846              | 46,980,182            | -                        | -                | 50,846,846               | 46,980,182            |
| Property Taxes   | 16,071,067              | 14,511,077            | -                        | -                | 16,071,067               | 14,511,077            |
| Other Taxes  | 824,236                 | 872,264               | -                        | -                | 824,236                  | 872,264               |
| Unrestricted Franchise Fees                                    | 5,216,214               | 5,201,692             | -                        | -                | 5,216,214                | 5,201,692             |
| Investment Income  | 1,843,798               | 759,217               | -                        | -                | 1,843,798                | 759,217               |
| Loss on Disposition of Asset                                   | -                       | (61,367)              | -                        | -                | -                        | (61,367)              |
| Intergovernmental revenues not restricted to specific programs | 346,565                 | 762,127               | -                        | -                | 346,565                  | 762,127               |
| Miscellaneous  | 1,911,434               | 938,541               | -                        | -                | 1,911,434                | 938,541               |
| <b>Total Revenues</b>  | <b>92,540,357</b>       | <b>83,310,844</b>     | <b>\$4,850,544</b>       | <b>3,489,655</b> | <b>\$97,390,901</b>      | <b>86,800,499</b>     |
| <b>Expenses</b>  |                         |                       |                          |                  |                          |                       |
| General Government   | 15,174,146              | 14,808,323            | -                        | -                | 15,174,146               | 14,808,323            |
| Community Services   | 26,336,562              | 24,816,782            | -                        | -                | 26,336,562               | 24,816,782            |
| City Infrastructure  | 28,189,556              | 34,723,870            | -                        | -                | 28,189,556               | 34,723,870            |
| Culture and Recreation   | 743,593                 | 1,288,741             | -                        | -                | 743,593                  | 1,288,741             |
| Urban Redevelopment  | 5,884,743               | 4,496,833             | -                        | -                | 5,884,743                | 4,496,833             |
| Interest on Long-term Debt                                     | 82,950                  | 84,840                | -                        | -                | 82,950                   | 84,840                |
| Land Use Service Fees  | -                       | -                     | 3,958,426                | 2,845,123        | 3,958,426                | 2,845,123             |
| <b>Total Expenses</b>  | <b>76,411,550</b>       | <b>80,219,389</b>     | <b>3,958,426</b>         | <b>2,845,123</b> | <b>80,369,976</b>        | <b>83,064,512</b>     |
| <b>Increase (Decrease) Before Transfers</b>                    |                         |                       |                          |                  |                          |                       |
|  | 16,128,807              | 3,091,455             | \$892,118                | 644,532          | 17,020,925               | 3,735,987             |
| Transfers  | 892,118                 | 644,532               | (892,118)                | (644,532)        | -                        | -                     |
| <b>Increase (Decrease) in Net Position</b>                     | <b>17,020,925</b>       | <b>3,735,987</b>      | <b>-</b>                 | <b>-</b>         | <b>17,020,925</b>        | <b>3,735,987</b>      |
| <b>Net Position, Beginning of Year</b>                         |                         |                       |                          |                  |                          |                       |
|  | 250,700,716             | 246,964,729           | -                        | -                | 250,700,716              | 246,964,729           |
| <b>Net Position, End of Year</b>                               | <b>\$ 267,721,641</b>   | <b>\$ 250,700,716</b> | <b>\$ -</b>              | <b>\$ -</b>      | <b>\$ 267,721,641</b>    | <b>\$ 250,700,716</b> |

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Governmental activities increased the City's net position by \$17.0 million, or 6.8%. Key elements of this net increase are as follows:

- Charges for Services decreased by \$0.2 million or 8.0% compared to 2017. Amounts reported in this category include Building Permit fees and Land Development applications in addition to court fines.
- Sales and Use tax increased by \$3.9 million, or 8.3%. This change is primarily due in increase in sales tax from Out of City Retailers and an increase associated with higher volume of building permits and the associated use tax on materials for new construction of residential properties.
- Property tax revenue increased \$1.6 million 11.0%. This increase is primarily attributable to a 13% increase in assessed property valuations.
- Operating grants and contributions increased \$1.3 million or 19.4%. This increase is attributable to higher revenue from the state's Highway User Trust Fund.
- Capital grants and contributions increased \$1.0 million or 23.8%. This increase is primarily attributable to revenue from federal grants associated with road construction at Arapahoe and Parker.
- Investment income increase \$1.0 million or 126%. This increase is attributable to increases in the investment yield, adjustments to market value, implementation of additional sweep accounts, and an increase of \$11.5 million in investment securities.
- Miscellaneous income increased \$1.0 million or 111.0%. This increase is attributable to the recognition of the contribution of 107 acres of land valued at approximately \$1.6 million.

#### IV. Fund Financial Statement Analysis

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

##### Revenues

##### General Fund

- Overall, General Fund revenues increased \$5.7 million, or 7.8% in 2018 compared to 2017.

- 
- Property Tax revenue received during 2018 is \$1.2 million or 12.5% more than collections in 2017. The increase of property tax is due to a 12.6% overall increase of assessed valuation of property. The Arapahoe County Assessor is responsible for valuing all property within the City.
  - Sales Tax revenue received during 2018 is \$1.9 million or 4.8% more than collections in 2017. Approximately half of this increase is attributable to increased sales tax collections from new in-City retailers and out-of-City retailers. \$0.9 million of this increase was attributable to an increase in revenues collected from one-time sales tax compliance audits.
  - Building Materials Use Tax revenue for 2018 is \$1.1 million or 50.0% more than collections during 2017. This increase in building materials use tax is associated with higher volume of building permits and the associated use tax increase on materials for new construction of residential properties in Centennial during 2018.
  - Court fines revenue for 2018 is \$0.3 million, or 23.1% less than collections during 2017. Arapahoe County Sheriff's Office is responsible for public safety in the City and traffic citations issued have decreased by roughly 2,700 during 2018.
  - Investment income for 2018 is \$0.9 million, or over 100.0% more than investment income in 2017. This increase in investment income reflects an increase in cash and investments of \$6.6 million with an increase in the investment portfolio holdings of \$9.1 million. This, in addition to increased yield, implementation of additional sweep accounts, and market value adjustments provide the basis for the increase in investment income.
  - Miscellaneous revenue for 2018 is \$0.3 million or 60.0% less than revenue during 2017. 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 increased by \$0.4 million, or 7.3% compared to 2017. The increase in revenues is the result of higher property tax collections in the redevelopment area.

Capital Improvement Fund

Capital Improvement Fund revenues increased by \$0.9 million, or 40.9% compared to 2017. This increase is attributable to federal grant funds received in conjunction with Smokey Hill and Himalaya and Arapahoe and Parker construction projects.

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**Expenditures**

**General Fund**

- General Fund expenditures and transfers increased \$0.9 million, or 1.1% in 2018 compared to 2017.
  - General Government expenditures decreased \$0.6 million or 6.0% compared to 2017. This decrease in expenditures is primarily due to decrease of \$0.5 million in Nondepartmental for incentive agreements paid to retailers in 2018. During the previous year, the City remitted under an incentive agreement for construction materials use tax for the Innova Dry Creek project.
  - Finance and Administrative expenditures increased \$0.4 million or 8.6% compared to 2017. The Office of Technology expenditures increased by approximately \$0.3 million primarily due to increased salaries and benefits as prior contracted services were reduced and FTE's increased due to technical needs.
  - Community Services expenditures increased by \$1.5 million or 6.0% compared to 2017. This increase is due to an increase in contracted expenditures for public safety provided by the Arapahoe County Sheriff's Office. These changes included expenditures that supported additional ASCO staffing, equipment and funding of the ASCO Crime Lab.
  - Capital outlay expenditures increased by \$0.5 million or over 100% compared to 2017. This increase was attributable to parking lot repairs and repaving for the Civic Center.
  - City Infrastructure increased \$0.1 million or 0.04% due to various increased expenditures related to the Public Works.
  - Transfers from the General Fund to the Capital Improvement Fund and the Land Use Fund decreased \$1.1 million or 4.6% compared to 2017. This decrease is primarily due to decreased budget appropriations to the Capital Improvement Fund for projects associated with street construction, traffic signals, and street rehabilitation. During 2017, a one-time increase in the City's Street Rehabilitation program was approved. This amount was reduced to previous levels in 2018.

**Centennial Urban Redevelopment Authority Fund**

Centennial Urban Redevelopment Authority Fund expenditures for 2018 increased \$0.5 million, or 9.3% compared to 2017. As a direct result of increased revenues, the remittance to Southglenn Metropolitan District also increased accordingly.

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Capital Improvement Fund

Capital Improvement Fund expenditures for 2018 were \$5.2 million, or 24.8% less than expenditures in 2017. This decrease is attributable to lower costs and work for the Street Rehabilitation Program and lower costs for construction for streets and intersections

**Fund Balance**

The net change in the General Fund ending fund balance was an increase of \$1.1 million, resulting in increasing the fund balance to \$33,107,112. As of December 31, 2018, the General Fund ending fund balance as a percentage of 2018 expenditures and net transfers was 42.5%, 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 and County Line Road improvements.

The net change in the Capital Improvement Fund ending fund balance was an increase of \$9.0 million, or 26.3%. The increase in fund balance is primarily due budget transfer for projects including Arapahoe Road/I-25 Interchange to be completed during 2019.

**General Fund Budgetary Highlights**

In total, the City's General Fund revenues for 2018 were \$3.9 million, or 5.2% favorable to the amended budget, while total General Fund expenditures and transfers out were \$5.2 million, or 6.5% 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 2018 is \$1.8 million, or 4.6% favorable compared to budget. Approximately half of the favorable variance is the result of higher than anticipated sales tax revenues from out-of-City retailers and in-City retailers. The balance of the favorable variance is due to increases in revenues collected from one-time sales tax compliance audits.
- Intergovernmental revenue for 2018 is \$1.5 million, or 22.0% favorable compared to budget. This favorable variance is attributable to the higher than anticipated revenue from the Highway User Tax Fund stemming from a one-time distribution as a result of Colorado

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Senate Bill 18-001 which allocated additional monies from the State's General Fund to the Colorado Highway User Tax Fund to be distributed to municipalities.

- Investment revenue for 2018 was \$0.7 million, or 100% favorable compared to budget. This favorable variance is attributable to additional investment in the portfolio in addition to higher interest earnings upon reinvestment and adjustments to market value.
- General government expenditures are \$2.4 million or 20.1% favorable compared to budget and include the following:
  - Nondepartmental expenditures are \$1.7 million, or 27.0% favorable compared to budget. This was a result of lower than anticipated payments of incentive agreements that are based on tax abatements. The City budgets conservatively and as such actual expenditures were less than estimated.
  - City Manager expenditures are \$0.5 million, or 27.8% favorable compared to budget. This favorable variance is primarily due to lower than anticipated expenditures related to professional services and project specific expenditures. Various other departments comprised the additional favorable variance to the budget.
- Finance and Administrative expenditures are \$1.1 million, or 22.0% favorable compared to budget and include the following:
  - Office of Technology expenditures are \$0.7 million, or 36.8% favorable compared to budget. This favorable variance is primarily due to lower than anticipated expenditures for contracted services and for capital outlay.
  - Finance expenditures are \$0.3 million, or 12.5% favorable compared to budget. This favorable variance is primarily due to lower than anticipated expenditures for sales tax auditing services and project specific costs.
- Human Resource expenditures are \$0.1 million, or 33.3% favorable compared to budget. This favorable variance is primarily due to lower than anticipated expenditures for internship programs.
- City Infrastructure expenditures are \$1.9 million, or 12.8% favorable to budget and include the following:
  - Public Works expenditures are \$1.7 million, or 12.1% favorable compared to budget. This favorable variance is primarily attributable to lower than anticipated expenditures for the public works provider, snow removal, signal maintenance and capital outlay. A portion of

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these budget savings will likely carry over in to 2019 as the contractual agreement with CH2 allows for funds to be carried over for the Flexible Services Account (FSA).

- Facilities and Fleet are \$0.2 million, or 20.0% favorable compared to budget. This favorable variance is primarily attributable to lower than anticipated expenditures for professional services related to facilities.

### **Economic Factors and Next Year's Budget**

The 2019 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 2019 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 2019 is \$93,986,890 excluding transfers. Department directors prepared their 2019 budgets with a zero percent increase in expenditures over the adopted 2018 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 2019 budgeted expenditures increased \$1.7 million (1.8%) from the 2018 Adopted Budget.

The 2019 Adopted Budget includes health care cost increases of 6% for health, vision, and dental insurance costs. These changes represent an increase from the 2018 Adopted Budget.

### **General Fund**

The Adopted General Fund Budget for 2019 is \$67,404,910, excluding fund transfers. The 2018 General fund budget represents an increase of 10.5% from the 2018 Adopted Budget. This increase is primarily due to the City's contractual obligations with public works providers and law enforcement service providers. Law enforcement funding of the Arapahoe County Sheriff Office includes personnel and a new behavioral health response program.

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**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, 2018**

|   | <b>Primary Government</b>          |                                      |                       |
|---|------------------------------------|--------------------------------------|-----------------------|
|   | <b>Governmental<br/>Activities</b> | <b>Business -Type<br/>Activities</b> | <b>Total</b>          |
| <b>ASSETS</b>                                   |                                    |                                      |                       |
| Cash and investments                            | \$ 95,573,936                      | \$ 230,883                           | \$ 95,804,819         |
| Taxes receivable                                | 22,554,014                         | -                                    | 22,554,014            |
| Other receivables                               | 1,035,169                          | -                                    | 1,035,169             |
| Intergovernmental receivables                   | 1,253,475                          | -                                    | 1,253,475             |
| Deposits  | 8,000                              | -                                    | 8,000                 |
| Prepaid expenses                                | 174,209                            | 29,979                               | 204,188               |
| Capital assets, not being depreciated           | 95,305,707                         | -                                    | 95,305,707            |
| Capital assets, net of accumulated depreciation | 83,136,449                         | 3,003                                | 83,139,452            |
| Total assets                                    | <u>299,040,959</u>                 | <u>263,865</u>                       | <u>299,304,824</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                                    |                                      |                       |
| Deferred amount on refunding                    | 33,296                             | -                                    | 33,296                |
| <b>LIABILITIES</b>                              |                                    |                                      |                       |
| Accounts payable                                | 4,968,296                          | 252,225                              | 5,220,521             |
| Retainage payable                               | 419,173                            | -                                    | 419,173               |
| Accrued liabilities                             | 1,880,336                          | 9,672                                | 1,890,008             |
| Other liabilities                               | 774,171                            | 1,968                                | 776,139               |
| Accrued interest payable                        | 7,102                              | -                                    | 7,102                 |
| Developer contributions and deposits            | 4,122,228                          | -                                    | 4,122,228             |
| Non-current liabilities                         |                                    |                                      |                       |
| Due within one year                             | 125,425                            | -                                    | 125,425               |
| Due in more than one year                       | 2,474,347                          | -                                    | 2,474,347             |
| Total liabilities                               | <u>14,771,078</u>                  | <u>263,865</u>                       | <u>15,034,943</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                                    |                                      |                       |
| Property taxes                                  | 16,581,536                         | -                                    | 16,581,536            |
| <b>NET POSITION</b>                             |                                    |                                      |                       |
| Net investment in capital assets                | 178,442,156                        | 3,003                                | 178,445,159           |
| Restricted for:                                 |                                    |                                      |                       |
| Emergency reserves                              | 2,368,918                          | -                                    | 2,368,918             |
| Innovation Program                              | 55,642                             | -                                    | 55,642                |
| Parks and open space                            | 14,100,583                         | -                                    | 14,100,583            |
| District infrastructure                         | 1,046,200                          | -                                    | 1,046,200             |
| Urban redevelopment                             | 447,370                            | -                                    | 447,370               |
| Unrestricted                                    | 71,260,772                         | (3,003)                              | 71,257,769            |
| Total net position                              | <u>\$ 267,721,641</u>              | <u>\$ -</u>                          | <u>\$ 267,721,641</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, 2018**

| <u>Functions/Programs</u>     | <u>Program Revenues</u> |                                     |   |   |
|-------------------------------|-------------------------|-------------------------------------|---|---|
|                               | <u>Expenses</u>         | <u>Charges<br/>for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> |
| Primary government            |                         |                                     |   |   |
| Governmental activities:      |                         |                                     |   |   |
| General government            | \$ 15,174,146           | \$ 362,178                          | \$ -  | \$ 275,985                                      |
| Community services            | 26,336,562              | 1,060,950                           | -   | -   |
| City infrastructure           | 28,189,556              | 860,869                             | 7,990,505   | 1,558,219                                       |
| Culture and recreation        | 743,593                 | -                                   | -   | 3,371,491                                       |
| Urban redevelopment           | 5,884,743               | -                                   | -   | -   |
| Interest on long-term debt    | 82,950                  | -                                   | -   | -   |
| Total governmental activities | <u>76,411,550</u>       | <u>2,283,997</u>                    | <u>7,990,505</u>                                  | <u>5,205,695</u>                                |
| Business-type activities:     |                         |                                     |   |   |
| Land use                      | 3,958,426               | 4,850,544                           | -   | -   |
| Total primary government      | <u>\$ 80,369,976</u>    | <u>\$ 7,134,541</u>                 | <u>\$ 7,990,505</u>                               | <u>\$ 5,205,695</u>                             |

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

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

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

| <b>Primary Government</b>          |                                     |                 |
|------------------------------------|-------------------------------------|-----------------|
| <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>    |
| \$ (14,535,983)                    | \$ -                                | \$ (14,535,983) |
| (25,275,612)                       | -                                   | (25,275,612)    |
| (17,779,963)                       | -                                   | (17,779,963)    |
| 2,627,898                          | -                                   | 2,627,898       |
| (5,884,743)                        | -                                   | (5,884,743)     |
| (82,950)                           | -                                   | (82,950)        |
| (60,931,353)                       | -                                   | (60,931,353)    |
| -                                  | 892,118                             | 892,118         |
| (60,931,353)                       | 892,118                             | (60,039,235)    |
| 42,143,309                         | -                                   | 42,143,309      |
| 3,338,082                          | -                                   | 3,338,082       |
| 16,071,067                         | -                                   | 16,071,067      |
| 5,365,455                          | -                                   | 5,365,455       |
| 824,236                            | -                                   | 824,236         |
| 5,216,214                          | -                                   | 5,216,214       |
| 1,843,798                          | -                                   | 1,843,798       |
| 346,565                            | -                                   | 346,565         |
| 1,911,434                          | -                                   | 1,911,434       |
| 892,118                            | (892,118)                           | -               |
| 77,952,278                         | (892,118)                           | 77,060,160      |
| 17,020,925                         | -                                   | 17,020,925      |
| 250,700,716                        | -                                   | 250,700,716     |
| \$ 267,721,641                     | \$ -                                | \$ 267,721,641  |

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, 2018**

|   | <b>General<br/>Fund</b> | <b>Centennial<br/>Urban<br/>Redevelopment<br/>Authority<br/>Fund</b> | <b>Capital<br/>Improvement<br/>Fund</b> |
|---|-------------------------|--|---|
| <b>ASSETS</b>   |                         |  |   |
| Cash and investments  | \$ 35,168,159           | \$ 499,179   | \$ 44,464,154                           |
| Taxes receivable  | 17,002,899              | 5,190,563  | -                                       |
| Other receivables   | 995,442                 | 27,808   | 9,824                                   |
| Intergovernmental receivables   | 416,503                 | -  | 836,972                                 |
| Deposits  | 8,000                   | -  | -                                       |
| Prepaid items   | 174,209                 | -  | -                                       |
| Total assets  | 53,765,212              | 5,717,550  | 45,310,950                              |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCE</b>       |                         |  |   |
| <b>LIABILITIES</b>  |                         |  |   |
| Accounts payable  | 3,868,775               | 51,809   | 908,258                                 |
| Retainage payable   | 36,509                  | -  | 382,664                                 |
| Accrued liabilities   | 1,561,251               | -  | 296,790                                 |
| Other liabilities   | 384,227                 | -  | 289,944                                 |
| Developer contributions and deposits  | 3,776,917               | -  | 345,311                                 |
| Total liabilities   | 9,627,679               | 51,809   | 2,222,967                               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                         |  |   |
| Property taxes  | 11,002,613              | 5,218,371  | -                                       |
| Grants  | 27,808                  | -  | 201,974                                 |
| Total deferred inflows of resources   | 11,030,421              | 5,218,371  | 201,974                                 |
| <b>FUND BALANCE</b>   |                         |  |   |
| Nonspendable:   |                         |  |   |
| Prepaid items   | 174,209                 | -  | -                                       |
| Restricted for:   |                         |  |   |
| Emergency reserves  | 2,332,911               | -  | -                                       |
| Innovation Program  | 55,642                  | -  | -                                       |
| Parks and Open Space  | -                       | -  | -                                       |
| District Infrastructure   | -                       | -  | -                                       |
| Urban Redevelopment   | -                       | 447,370  | -                                       |
| Assigned to:  |                         |  |   |
| City infrastructure   | -                       | -  | 42,886,009                              |
| Unassigned  | 30,544,350              | -  | -                                       |
| Total fund balance  | 33,107,112              | 447,370  | 42,886,009                              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCE</b> | <b>\$ 53,765,212</b>    | <b>\$ 5,717,550</b>  | <b>\$ 45,310,950</b>                    |

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

| <b>Total<br/>Nonmajor<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-------------------------------------|---|
| \$ 15,442,444                       | \$ 95,573,936                           |
| 362,647                             | 22,556,109                              |
| -                                   | 1,033,074                               |
| -                                   | 1,253,475                               |
| -                                   | 8,000                                   |
| -                                   | 174,209                                 |
| <u>15,805,091</u>                   | <u>120,598,803</u>                      |
|                                     |   |
| 139,454                             | 4,968,296                               |
| -                                   | 419,173                                 |
| 22,295                              | 1,880,336                               |
| -                                   | 674,171                                 |
| -                                   | 4,122,228                               |
| <u>161,749</u>                      | <u>12,064,204</u>                       |
|                                     |   |
| 360,552                             | 16,581,536                              |
| 100,000                             | 329,782                                 |
| <u>460,552</u>                      | <u>16,911,318</u>                       |
|                                     |   |
| -                                   | 174,209                                 |
| 36,007                              | 2,368,918                               |
| -                                   | 55,642                                  |
| 14,100,583                          | 14,100,583                              |
| 1,046,200                           | 1,046,200                               |
| -                                   | 447,370                                 |
| -                                   | 42,886,009                              |
| -                                   | 30,544,350                              |
| <u>15,182,790</u>                   | <u>91,623,281</u>                       |
| <u>\$ 15,805,091</u>                | <u>\$ 120,598,803</u>                   |

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



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**CITY OF CENTENNIAL, COLORADO  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2018**

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

|  |                     |                              |
|--|---------------------|------------------------------|
| Total fund balance - governmental funds  |                     | \$ 91,623,281                |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  |                     |                              |
| Capital assets   | \$ 263,379,107      |                              |
| Less accumulated depreciation  | <u>(84,936,951)</u> | 178,442,156                  |
| Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.   |                     |                              |
|  |                     | 229,782                      |
| 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  | \$ (2,195,000)      |                              |
| Deferred amount on refunding   | 33,296              |                              |
| Bond premiums payable  | (116,351)           |                              |
| Accrued interest payable   | (7,102)             |                              |
| Accrued compensated absences   | <u>(288,421)</u>    | (2,573,578)                  |
| Total net position of governmental activities  |                     | <u><u>\$ 267,721,641</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, 2018**

|  | <b>General<br/>Fund</b> | <b>Centennial<br/>Urban<br/>Redevelopment<br/>Authority<br/>Fund</b> | <b>Capital<br/>Improvement<br/>Fund</b> |
|--|-------------------------|--|---|
| <b>REVENUES</b>  |                         |  |   |
| Taxes  | \$ 61,509,470           | \$ 4,967,741   | \$ -                                    |
| Intergovernmental  | 8,337,070               | 888,258  | 2,094,609                               |
| Charges for services   | 2,160,726               | -  | 123,271                                 |
| Franchise fees   | 5,216,214               | -  | -                                       |
| Investment income  | 1,452,576               | 2,534  | -                                       |
| Miscellaneous  | 226,977                 | 18,350   | 2,000                                   |
| Total revenues   | <u>78,903,033</u>       | <u>5,876,883</u>   | <u>2,219,880</u>                        |
| <b>EXPENDITURES</b>  |                         |  |   |
| Current  |                         |  |   |
| General government   | 14,474,292              | -  | -                                       |
| Community services   | 26,336,562              | -  | -                                       |
| City infrastructure  | 15,255,323              | -  | 8,699,324                               |
| Culture and recreation   | -                       | -  | -                                       |
| Urban redevelopment  | -                       | 5,884,743  | -                                       |
| Capital outlay   | 589,654                 | -  | 6,808,288                               |
| Debt service   |                         |  |   |
| Principal  | -                       | -  | -                                       |
| Interest   | -                       | -  | -                                       |
| Total expenditures   | <u>56,655,831</u>       | <u>5,884,743</u>   | <u>15,507,612</u>                       |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>22,247,202</u>       | <u>(7,860)</u>   | <u>(13,287,732)</u>                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                         |  |   |
| Transfers in   | 1,727,251               | -  | 22,000,000                              |
| Transfers out  | (22,835,133)            | -  | -                                       |
| Total other financing sources (uses)                                 | <u>(21,107,882)</u>     | <u>-</u>   | <u>22,000,000</u>                       |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | 1,139,320               | (7,860)  | 8,712,268                               |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>                              | <u>31,967,792</u>       | <u>455,230</u>   | <u>34,173,741</u>                       |
| <b>FUND BALANCE - END OF YEAR</b>                                    | <u>\$ 33,107,112</u>    | <u>\$ 447,370</u>  | <u>\$ 42,886,009</u>                    |

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

| <b>Total<br/>Nonmajor<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-------------------------------------|---|
| \$ 376,680                          | \$ 66,853,891                           |
| 3,477,636                           | 14,797,573                              |
| -                                   | 2,283,997                               |
| -                                   | 5,216,214                               |
| 388,688                             | 1,843,798                               |
| -                                   | 247,327                                 |
| <u>4,243,004</u>                    | <u>91,242,800</u>                       |
| -                                   | 14,474,292                              |
| -                                   | 26,336,562                              |
| 124,716                             | 24,079,363                              |
| 625,313                             | 625,313                                 |
| -                                   | 5,884,743                               |
| 267,081                             | 7,665,023                               |
| 95,000                              | 95,000                                  |
| 88,075                              | 88,075                                  |
| <u>1,200,185</u>                    | <u>79,248,371</u>                       |
| <u>3,042,819</u>                    | <u>11,994,429</u>                       |
| -                                   | 23,727,251                              |
| -                                   | (22,835,133)                            |
| -                                   | 892,118                                 |
| 3,042,819                           | 12,886,547                              |
| <u>12,139,971</u>                   | <u>78,736,734</u>                       |
| <u>\$ 15,182,790</u>                | <u>\$ 91,623,281</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, 2018**

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

|   |    |            |
|---|----|------------|
| Net change in fund balance - total governmental funds | \$ | 12,886,547 |
|---|----|------------|

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 | \$ 7,665,023       |           |
| Less current year depreciation  | <u>(4,675,924)</u> | 2,989,099 |

|   |  |        |
|---|--|--------|
| 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. |  | 95,000 |
|---|--|--------|

|   |  |           |
|---|--|-----------|
| Certain revenues will not be collected for several months after the City's fiscal year end; these revenues are not considered available resources and are deferred in the governmental funds. |  | (642,535) |
|---|--|-----------|

|  |                |       |
|--|----------------|-------|
| 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  | 6,845          |       |
| Amortization of deferred amount on refunding   | <u>(1,958)</u> | 4,887 |

|  |  |           |
|--|--|-----------|
| Contributions reported in the statement of activities do not provide current financial resources and therefore are not reported as income in the governmental funds. |  | 1,664,107 |
|--|--|-----------|

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

|  |            |        |
|--|------------|--------|
| Change in accrued compensated absences | \$ 23,582  |        |
| Change in accrued interest payable     | <u>238</u> | 23,820 |

|   |  |                      |
|---|--|----------------------|
| Change in net position of governmental activities |  | <u>\$ 17,020,925</u> |
|---|--|----------------------|

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, 2018**

|  | <b>Business-Type<br/>Activities</b> |
|--|-------------------------------------|
|  | <b>Land<br/>Use</b>                 |
| <b>ASSETS</b>                              |                                     |
| Current assets:                            |                                     |
| Cash and cash equivalents                  | \$ 230,883                          |
| Prepaid expenses                           | 29,979                              |
| Total current assets                       | 260,862                             |
| Noncurrent assets:                         |                                     |
| Equipment, net of accumulated depreciation | 3,003                               |
| Total noncurrent assets                    | 3,003                               |
| Total assets                               | 263,865                             |
| <b>LIABILITIES</b>                         |                                     |
| Current liabilities:                       |                                     |
| Accounts payable                           | 252,225                             |
| Accrued liabilities                        | 11,640                              |
| Total liabilities                          | 263,865                             |
| <b>NET POSTION</b>                         |                                     |
| Net investment in capital assets           | 3,003                               |
| Unrestricted                               | (3,003)                             |
| 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, 2018**

|  | <b>Business-Type<br/>Activities</b> |
|--|-------------------------------------|
|  | <b>Land<br/>Use</b>                 |
| <b>OPERATING REVENUE</b>                   |                                     |
| Building permits, licenses and fees        | \$ 3,951,822                        |
| Contractor's licenses and bus shelter fees | 330,545                             |
| Land use permits and other income          | 568,177                             |
| Total operating revenue                    | 4,850,544                           |
| <b>OPERATING EXPENSES</b>                  |                                     |
| Personnel services                         | 402,346                             |
| Contracted services                        | 3,282,721                           |
| Services & supplies                        | 269,355                             |
| Depreciation expense                       | 4,004                               |
| Total operating expenses                   | 3,958,426                           |
| <b>OPERATING INCOME BEFORE TRANSFERS</b>   | 892,118                             |
| Transfers In                               | 835,133                             |
| Transfers Out                              | (1,727,251)                         |
| <b>CHANGE IN NET POSITION</b>              | -                                   |
| <b>NET POSITION - BEGINNING OF YEAR</b>    | -                                   |
| <b>NET POSITION - END OF YEAR</b>          | \$ -                                |

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

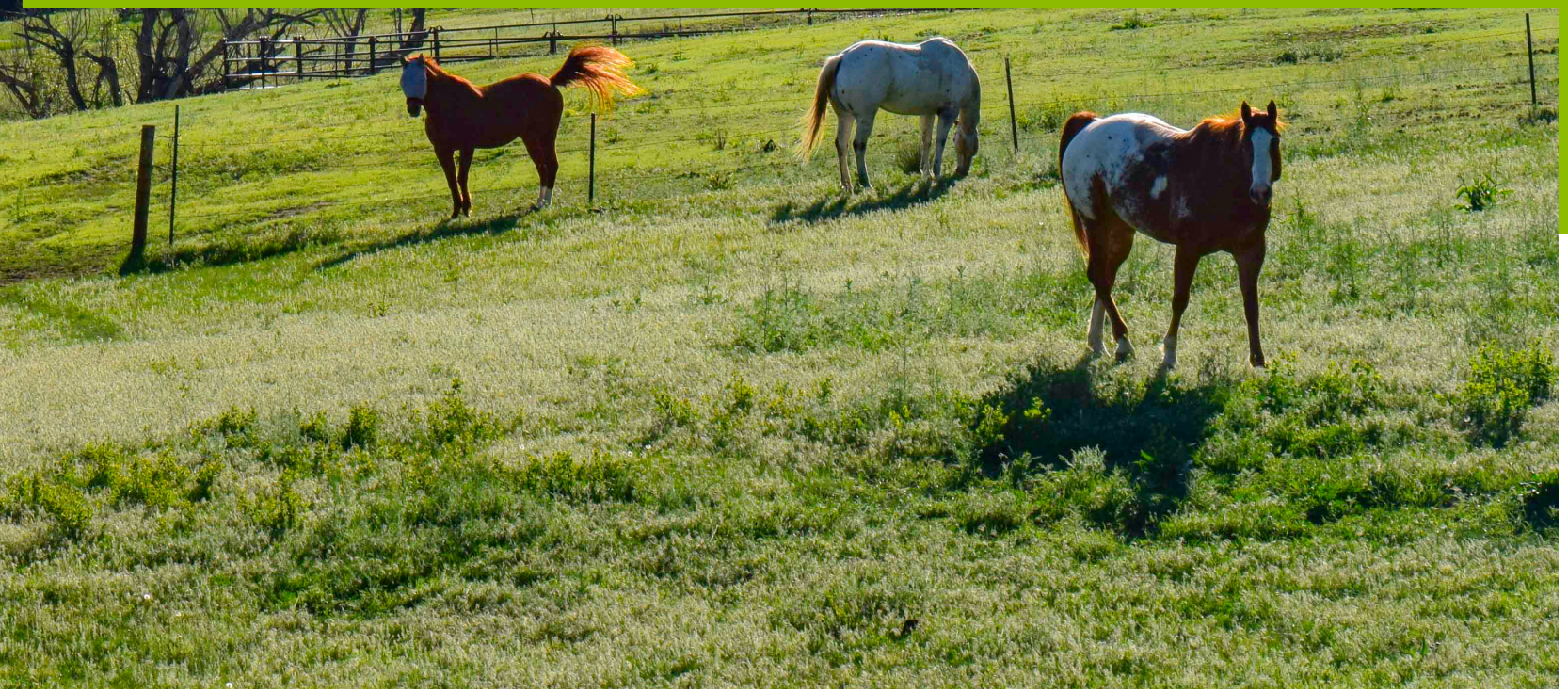
**CITY OF CENTENNIAL, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2018**

|  | <b>Business-Type<br/>Activities</b> |
|--|-------------------------------------|
|  | <b>Land<br/>Use</b>                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                     |
| Cash received from customers   | \$ 4,850,544                        |
| Cash paid to employees   | (417,559)                           |
| Cash paid to vendors   | (3,544,183)                         |
| Net cash provided by operating activities  | 888,802                             |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING<br/>ACTIVITIES</b>                                 |                                     |
| Transfers in   | 835,133                             |
| Transfers out  | (1,727,251)                         |
| Net cash used by non-capital financing activities  | (892,118)                           |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>   | (3,316)                             |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>  | 234,199                             |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>  | \$ 230,883                          |
| <b>RECONCILIATION OF OPERATING INCOME TO<br/>NET CASH PROVIDED BY OPERATING ACTIVITIES</b> |                                     |
| Operating income   | \$ 892,118                          |
| Adjustments to reconcile operating income to net cash<br>provided by operating activities: |                                     |
| Depreciation expense   | 4,004                               |
| Increase in prepaid expenses   | (5,320)                             |
| Increase in accounts payable   | 13,213                              |
| Decrease in accrued liabilities  | (15,213)                            |
| Net adjustments  | (3,316)                             |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | \$ 888,802                          |

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



# Notes to the Financial Statements



**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**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. 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, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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, 2018, 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, 2018 follows:

|               |    |                     |
|---------------|----|---------------------|
| Petty Cash    | \$ | 650                 |
| Cash Deposits |    | 602,229             |
| Investments   |    | <u>95,201,940</u>   |
| Total         |    | <u>\$95,804,819</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, 2018**

**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, 2018, the City had bank deposits of \$1,260,138 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, 2018**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

**Investments (continued)**

At December 31, 2018, 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+        | 21.23%         | \$ 20,208,944        | \$ 3,601,572         | \$ 12,094,517        | \$ 3,527,655         | \$ 985,200          |
| US Treasury Notes                | AA+        | 12.46%         | 11,864,662           | 6,625,199            | 1,869,893            | 3,369,570            | -                   |
| Corporate Notes                  | AAA        | 1.56%          | 1,485,910            | 990,050              | -                    | 495,860              | -                   |
| Corporate Notes                  | AA+        | 2.08%          | 1,982,265            | 996,665              | -                    | 985,600              | -                   |
| Corporate Notes                  | AA         | 2.68%          | 2,550,975            | 998,910              | 1,552,065            | -                    | -                   |
| Corporate Notes                  | AA-        | 3.58%          | 3,406,141            | 991,550              | 1,484,170            | 440,066              | 490,355             |
| Corporate Notes                  | A-2        | 0.26%          | 243,616              | -                    | -                    | 243,616              | -                   |
| Municipal Bonds                  | Aaa        | 1.86%          | 1,774,660            | -                    | 493,780              | 747,525              | 533,355             |
| Sovereign Government Bonds       | Aaa        | 2.06%          | 1,962,890            | -                    | 1,962,890            | -                    | -                   |
| CD's                             | P-1/2/NA   | 4.06%          | 3,867,099            | 488,145              | 2,182,885            | 719,666              | 476,402             |
| Wells Fargo Treasury Plus        |            | 0.07%          | 70,763               | 70,763               | -                    | -                    | -                   |
| Wells Fargo Stagecoach MMA       |            | 3.25%          | 3,098,193            | 3,098,193            | -                    | -                    | -                   |
| Local Government Investment Pool | AAAam      | 44.84%         | 42,685,822           | 42,685,822           | -                    | -                    | -                   |
| <b>Total</b>                     |            | <b>100.00%</b> | <b>\$ 95,201,940</b> | <b>\$ 60,546,870</b> | <b>\$ 21,640,200</b> | <b>\$ 10,529,558</b> | <b>\$ 2,485,312</b> |

*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, 2018, the City held investments in the Federal Home Loan Bank, totaling 10.2% 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

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

**Investments (continued)**

input (negotiable certificates of deposits are valued on matrix pricing based on securities' relationship to benchmark quoted prices); and Level 3 inputs are unobservable inputs.

At December 31, 2018, the City's investments balances at fair value hierarchy are as follows:

| <b>Investment Type</b>                | <b>Level 1</b>      | <b>Level 2</b>       | <b>Level 3</b> | <b>Total</b>         |
|---------------------------------------|---------------------|----------------------|----------------|----------------------|
| US Agency Securities                  | \$ -                | \$ 20,208,944        | \$ -           | \$ 20,208,944        |
| US Treasury Securities                | -                   | 11,864,662           | -              | 11,864,662           |
| Corporate Bonds                       | -                   | 9,668,907            | -              | 9,668,907            |
| Municipal Bonds                       | -                   | 1,774,660            | -              | 1,774,660            |
| Sovereign Government Bonds            | -                   | 1,962,890            | -              | 1,962,890            |
| Negotiable Certificates of Deposit    | -                   | 3,867,099            | -              | 3,867,099            |
| Money Market Funds                    | 3,168,956           | -                    | -              | 3,168,956            |
| Total Investments by Fair Value Level | <u>\$ 3,168,956</u> | <u>\$ 49,347,162</u> | <u>\$ -</u>    | <u>\$ 52,516,118</u> |
| Local Government Investment Pool      |                     |                      |                | 42,685,822           |
| Total Investments                     |                     |                      |                | <u>\$ 95,201,940</u> |

Local Government Investment Pools

As of December 31, 2018, the City of Centennial has invested \$22,088,293 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.colotruster.com](http://www.colotruster.com). Additionally, the City of Centennial has invested \$20,597,529 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](http://www.csafe.org).

**NOTE 4 – INTERFUND TRANSFERS**

The following schedule summarizes the City's interfund transfer activity for the year ended December 31, 2018:

|                      | <b>Transfers In</b>             |                      |                     | <b>Total</b>         |
|----------------------|---------------------------------|----------------------|---------------------|----------------------|
|                      | <b>Capital Improvement Fund</b> | <b>Land Use Fund</b> | <b>General Fund</b> |                      |
| <b>Transfers Out</b> |                                 |                      |                     |                      |
| General Fund         | \$ 22,000,000                   | \$ 835,133           | \$ -                | \$ 22,835,133        |
| Land Use Fund        | -                               | -                    | 1,727,251           | 1,727,251            |
| <b>TOTAL</b>         | <u>\$ 22,000,000</u>            | <u>\$ 835,133</u>    | <u>\$ 1,727,251</u> | <u>\$ 24,562,384</u> |

The transfer of \$22,000,000 from the General Fund to the Capital Improvement Fund was made to provide necessary funding for 2018 budgeted capital projects. The transfer of \$835,133 from the General Fund to the Land Use Fund was for remittance of Use Tax in conjunction with the operations of the Land Use Fund. The transfer \$1,727,251 from the Land Use Fund to the General Fund was to reimburse the General Fund for past contributions.

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 5 – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2018 is as follows:

|  | <u>Balance at<br/>December 31,<br/>2017</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Balance at<br/>December 31,<br/>2018</u> |
|--|---|---------------------|---------------------|---|
| <b><u>Governmental Activities:</u></b>         |   |                     |                     |   |
| Capital assets, not being depreciated:         |   |                     |                     |   |
| Land, Easements and ROW                        | \$ 22,220,058                               | \$ 1,664,107        | \$ -                | \$ 23,884,165                               |
| Streets - Subsurface                           | 69,357,410                                  | -                   | -                   | 69,357,410                                  |
| Construction in progress                       | 1,965,456                                   | 1,318,847           | 1,220,171           | 2,064,132                                   |
| Total capital assets,<br>not being depreciated | <u>93,542,924</u>                           | <u>2,982,954</u>    | <u>1,220,171</u>    | <u>95,305,707</u>                           |
| Capital assets, being depreciated:             |   |                     |                     |   |
| Streets/Sidewalks/Trails                       | 93,900,180                                  | 2,051,672           | -                   | 95,951,852                                  |
| Drainage                                       | 21,094,588                                  | -                   | -                   | 21,094,588                                  |
| Traffic signals                                | 9,088,459                                   | 1,223,536           | -                   | 10,311,995                                  |
| Traffic signs                                  | 1,872,290                                   | 68,709              | -                   | 1,940,999                                   |
| Major bridges                                  | 16,530,480                                  | -                   | -                   | 16,530,480                                  |
| Buildings                                      | 13,623,602                                  | 499,758             | -                   | 14,123,360                                  |
| Comprehensive plan                             | 140,241                                     | -                   | -                   | 140,241                                     |
| Equipment                                      | 1,336,506                                   | 258,202             | 99,251              | 1,495,457                                   |
| Fiber  | 3,019,958                                   | 3,464,470           | -                   | 6,484,428                                   |
| Total capital assets being depreciated         | <u>160,606,304</u>                          | <u>7,566,347</u>    | <u>99,251</u>       | <u>168,073,400</u>                          |
| Less accumulated depreciation for:             |   |                     |                     |   |
| Streets/Sidewalks/Trails                       | 52,249,514                                  | 2,830,865           | -                   | 55,080,379                                  |
| Drainage                                       | 9,787,908                                   | 437,678             | -                   | 10,225,586                                  |
| Traffic signals                                | 7,033,883                                   | 416,340             | -                   | 7,450,223                                   |
| Traffic signs                                  | 1,836,591                                   | 33,069              | -                   | 1,869,660                                   |
| Major bridges                                  | 6,870,368                                   | 394,556             | -                   | 7,264,924                                   |
| Buildings                                      | 1,783,651                                   | 337,276             | -                   | 2,120,927                                   |
| Comprehensive plan                             | 3,506                                       | 7,196               | -                   | 10,702                                      |
| Equipment                                      | 781,102                                     | 118,279             | 99,251              | 800,130                                     |
| Fiber  | 13,755                                      | 100,665             | -                   | 114,420                                     |
| Total accumulated depreciation                 | <u>80,360,278</u>                           | <u>4,675,924</u>    | <u>99,251</u>       | <u>84,936,951</u>                           |
| Total capital assets being<br>depreciated, net | <u>80,246,026</u>                           | <u>2,890,423</u>    | <u>-</u>            | <u>83,136,449</u>                           |
| Governmental activities<br>capital assets, net | <u>\$ 173,788,950</u>                       | <u>\$ 5,873,377</u> | <u>\$ 1,220,171</u> | <u>\$ 178,442,156</u>                       |

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

|   | Balance at<br>December 31,<br>2017 | Increases         | Decreases   | Balance at<br>December 31,<br>2018 |
|---|------------------------------------|-------------------|-------------|------------------------------------|
| <b><u>Business type Activities:</u></b>     |                                    |                   |             |                                    |
| 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                                   | 147,169                            | 4,004             | -           | 151,173                            |
| Total accumulated depreciation              | <u>147,169</u>                     | <u>4,004</u>      | <u>-</u>    | <u>151,173</u>                     |
| Total capital assets being depreciated, net | <u>7,007</u>                       | <u>(4,004)</u>    | <u>-</u>    | <u>3,003</u>                       |
| Governmental activities capital assets, net | <u>\$ 7,007</u>                    | <u>\$ (4,004)</u> | <u>\$ -</u> | <u>\$ 3,003</u>                    |

Depreciation expense of the governmental activities was charged to the city infrastructure, general government, and park and recreation programs in the amounts of \$4,110,193, \$118,280, and \$447,451, respectively.

**NOTE 6 – LONG-TERM OBLIGATIONS**

Long-term obligation transactions as of December 31, 2018 are summarized below.

|  | Balance at<br>December 31,<br>2017 | Additions         | Reductions        | Balance at<br>December 31,<br>2018 | Due<br>Within<br>One Year |
|--|------------------------------------|-------------------|-------------------|------------------------------------|---------------------------|
| <b><u>Governmental Activities:</u></b> |                                    |                   |                   |                                    |                           |
| Bonds Payable                          |                                    |                   |                   |                                    |                           |
| Antelope GID Bonds (Refunded )         | \$ 2,290,000                       | \$ -              | \$ 95,000         | 2,195,000                          | \$ 95,000                 |
| Total Bonds Payable                    | <u>\$ 2,290,000</u>                | <u>\$ -</u>       | <u>\$ 95,000</u>  | <u>\$ 2,195,000</u>                | <u>\$ 95,000</u>          |
| Bond Premiums                          | 123,196                            |                   | 6,845             | 116,351                            | 6,844                     |
| Compensated absences                   | 312,003                            | 422,041           | 445,623           | 288,421                            | 23,581                    |
| Total long-term obligations            | <u>\$ 2,725,199</u>                | <u>\$ 422,041</u> | <u>\$ 547,468</u> | <u>\$ 2,599,772</u>                | <u>\$ 125,425</u>         |

**NOTE 6 – LONG-TERM OBLIGATIONS**

**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

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)**

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, 2018, are as follows:

| <u>Year</u> | <u>Principle</u>    | <u>Interest</u>   | <u>Total</u>        |
|-------------|---------------------|-------------------|---------------------|
| 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        | 105,000             | 74,275            | 179,275             |
| 2024 - 2028 | 595,000             | 308,975           | 903,975             |
| 2029 - 2033 | 750,000             | 154,450           | 904,450             |
| 2034 - 2035 | 345,000             | 18,200            | 363,200             |
|             | <u>\$ 2,195,000</u> | <u>\$ 879,250</u> | <u>\$ 3,074,250</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 1<sup>st</sup> and December 31<sup>st</sup> 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, 2018 were \$33,080.

The City had leases for certain office equipment. The City does not have a current lease in place and therefore currently remits a monthly rent is comprised of a base amount and an amount based upon usage.

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The City entered into construction contracts for various capital projects which are not complete as of December 31, 2018. The total unexpended commitments at December 31, 2018 are \$3,637,589 as detailed below:

| <b>Project</b>  | <b>Total Contract<br/>Amount</b> | <b>Remaining<br/>Contract<br/>Amount</b> |
|---|----------------------------------|--|
| Infill Sidewalk Program - design SH177 between<br>County Line Rd & Orchard Rd | \$ 3,811,993                     | \$ 227,341                               |
| University Blvd. Infill SW Design   | 104,200                          | 104,200                                  |
| Arapahoe Road: I-25 to Parker Next Steps Operational Study                    | 599,470                          | 37,894                                   |
| Quebec & County Line Turn Lane  | 54,317                           | 5,224                                    |
| Quebec & County Line Rd Intersection Improvements                             | 641,000                          | 641,000                                  |
| County Line Rd/I-25 Operational Improvement Projects                          | 500,000                          | 250,000                                  |
| Arapahoe and York Intersection Improvements                                   | 110,000                          | 110,000                                  |
| Traffic Signals   | 760,577                          | 191,186                                  |
| IT Upgrades   | 620,274                          | 317,826                                  |
| Fiber backbone  | 3,302,295                        | 2,446                                    |
| Fiber: Underground utility - Material and Labor                               | 265,313                          | 262,115                                  |
| ITS Master Plan/IT Systems Upgrades   | 624,831                          | 320,984                                  |
| Additional Services - CIP   | 102,371                          | 27,230                                   |
| SSPRD Park & Trail Improvements   | 361,336                          | 149,190                                  |
| City Wide Neighborhood Parks improvements                                     | 161,425                          | 85,070                                   |
| Civic Center Park Maintenance/repair  | 181,630                          | 178,315                                  |
| High Line Canal Conservancy   | 337,255                          | 120,144                                  |
| APRD Fund Agreement   | 411,336                          | 120,144                                  |
| Professional Services - Other   | 943,655                          | 487,280                                  |
|   | <b>\$ 13,893,278</b>             | <b>\$ 3,637,589</b>                      |

**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, 2018**

**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, 2018 is:

**CITY OF CENTENNIAL, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

| <b>Tax Abatement Program</b>            | <b>Amount of<br/>Taxes Abated<br/>during the<br/>Fiscal Year</b> |
|---|--|
| Major Retail Development Projects       |  |
| Sales/Use Tax                           | \$ 2,109,626   |
| Commercial/Mixed Use Annexaton Projects |  |
| Sales Tax                               | 866,536  |
| Building Materials Use Tax              | 205,456  |
| Property Tax                            | 21,356   |
| Business Personal Property Tax          | 1,340  |
| Redevelopment/Revitalization Projects   |  |
| Sales/Use Tax                           | 1,027,913  |
| Total                                   | \$ 4,232,227   |

**Litigation**

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

**Grants**

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

**Tax, Spending and Debt Limitations**

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

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 9 – EMPLOYEE RETIREMENT PLAN (CONTINUED)**

authorized by City Council and administered by One America (American United Life Insurance Company). 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 2018 were 8% of pre-tax earnings. The City's contributions to the Plan were \$529,240 for the year ending December 31, 2018.

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. In 2018, City matching contributions to the 401 plan based on employee contributions to the 457 plan were \$136,206. There is no liability on the part of the City beyond its annual contribution and all investments of the employer match 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 with 273 current government members that was created by intergovernmental agreement 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, 2018**

|  | Budget Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------|---------------|-------------------|---|
|  | Original       | Final         |                   |   |
| <b>REVENUES</b>  |                |               |                   |   |
| Sales tax  | \$ 39,498,460  | \$ 39,498,460 | \$ 41,255,051     | \$ 1,756,591  |
| Use tax  | 3,312,200      | 3,312,200     | 3,338,082         | 25,882  |
| Property tax   | 10,730,676     | 10,730,676    | 10,752,162        | 21,486  |
| Auto use tax   | 5,193,500      | 5,193,500     | 5,365,455         | 171,955   |
| Other taxes  | 707,100        | 707,100       | 798,720           | 91,620  |
| Franchise fees   | 5,101,900      | 5,101,900     | 5,216,214         | 114,314   |
| Court fines  | 1,540,600      | 1,540,600     | 1,012,208         | (528,392)   |
| Charges for services   | 640,990        | 640,990       | 1,148,518         | 507,528   |
| Investment income  | 738,000        | 738,000       | 1,452,576         | 714,576   |
| Intergovernmental  | 6,826,374      | 6,826,374     | 8,337,070         | 1,510,696   |
| Miscellaneous  | 619,900        | 759,900       | 226,977           | (532,923)   |
| Total revenues   | 74,909,700     | 75,049,700    | 78,903,033        | 3,853,333   |
| <b>EXPENDITURES</b>  |                |               |                   |   |
| Current  |                |               |                   |   |
| General government   | 11,501,534     | 11,884,419    | 9,440,295         | 2,444,124   |
| Finance & administration   | 6,243,862      | 6,136,835     | 5,033,997         | 1,102,838   |
| Community services   | 26,588,450     | 26,600,665    | 26,336,562        | 264,103   |
| City infrastructure  | 16,120,577     | 16,706,013    | 14,756,721        | 1,949,292   |
| Planning & development   | 536,488        | 557,879       | 498,602           | 59,277  |
| Capital outlay   | -              | -             | 589,654           | (589,654)   |
| Total expenditures   | 60,990,911     | 61,885,811    | 56,655,831        | 5,229,980   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 13,918,789     | 13,163,889    | 22,247,202        | 9,083,313   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                |               |                   |   |
| Transfers in   | 1,147,158      | 1,437,768     | 1,727,251         | 289,483   |
| Transfers out  | (16,728,050)   | (22,828,050)  | (22,835,133)      | (7,083)   |
| Total other financing sources (uses)                                 | (15,580,892)   | (21,390,282)  | (21,107,882)      | 282,400   |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | (1,662,103)    | (8,226,393)   | 1,139,320         | 9,365,713   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>                              | 28,351,590     | 31,967,792    | 31,967,792        | -   |
| <b>FUND BALANCE - END OF YEAR</b>                                    | \$ 26,689,487  | \$ 23,741,399 | \$ 33,107,112     | \$ 9,365,713  |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND  
For the Year Ended December 31, 2018**

|   | Budget Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|--------------|-------------------|---|
|   | Original       | Final        |                   |   |
| <b>REVENUE</b>                          |                |              |                   |   |
| Property tax                            | \$ 5,119,164   | \$ 5,119,164 | \$ 4,967,741      | \$ (151,423)  |
| Intergovernmental                       | 1,077,487      | 1,077,487    | 888,258           | (189,229)   |
| Miscellaneous                           | 150,000        | 150,000      | 18,350            | (131,650)   |
| Investment Income                       | -              | -            | 2,534             | 2,534   |
| Total revenue                           | 6,346,651      | 6,346,651    | 5,876,883         | (469,768)   |
| <b>EXPENDITURES</b>                     |                |              |                   |   |
| Sales tax sharing pass-thru             | 1,077,487      | 1,077,487    | 888,258           | 189,229   |
| Property tax sharing pass-thru          | 5,119,164      | 5,119,164    | 4,893,225         | 225,939   |
| Professional services                   | 150,000        | 150,000      | 103,260           | 46,740  |
| Total expenditures                      | 6,346,651      | 6,346,651    | 5,884,743         | 461,908   |
| <b>NET CHANGE IN FUND BALANCE</b>       | -              | -            | (7,860)           | (7,860)   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b> | 434,747        | 455,230      | 455,230           | -   |
| <b>FUND BALANCE - END OF YEAR</b>       | \$ 434,747     | \$ 455,230   | \$ 447,370        | \$ (7,860)  |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO**  
**NOTE 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 20<sup>th</sup>, 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 15<sup>th</sup>, 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.



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# Combining & Individual Fund Financial Statements & Schedule

Combining & Individual Fund  
Financial Statements & Schedule





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**CITY OF CENTENNIAL, COLORADO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2018**

|   | <b>Open<br/>Space<br/>Fund</b> | <b>Conservation<br/>Trust<br/>Fund</b> | <b>Cherry Park<br/>General<br/>Improvement<br/>District</b> |
|---|--------------------------------|--|---|
| <b>ASSETS</b>   |                                |  |   |
| Cash and investments  | \$ 11,199,468                  | \$ 3,171,750                           | \$ 75,065   |
| Taxes receivable  | -                              | -                                      | 57,373  |
| Total assets  | <u>11,199,468</u>              | <u>3,171,750</u>                       | <u>132,438</u>  |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCE</b>       |                                |  |   |
| <b>LIABILITIES</b>  |                                |  |   |
| Accounts payable  | 111,647                        | 23,575                                 | 121   |
| Accrued liabilities   | -                              | 8,642                                  | 2,571   |
| Total liabilities   | <u>111,647</u>                 | <u>32,217</u>                          | <u>2,692</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                |  |   |
| Property taxes  | -                              | -                                      | 57,051  |
| Contributions   | 100,000                        | -                                      | -   |
| Total liabilities   | <u>100,000</u>                 | <u>-</u>                               | <u>57,051</u>   |
| <b>FUND BALANCE</b>   |                                |  |   |
| Restricted for:   |                                |  |   |
| Emergency reserves  | 11,082                         | 15,689                                 | 831   |
| Parks and Open Space  | 10,976,739                     | 3,123,844                              | -   |
| District Infrastructure   | -                              | -                                      | 71,864  |
| Total fund balance  | <u>10,987,821</u>              | <u>3,139,533</u>                       | <u>72,695</u>   |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCE</b> | <u>\$ 11,199,468</u>           | <u>\$ 3,171,750</u>                    | <u>\$ 132,438</u>   |

See the accompanying independent auditors' report.

| <b>Walnut Hills<br/>General<br/>Improvement<br/>District</b> | <b>Foxridge<br/>General<br/>Improvement<br/>District</b> | <b>Antelope<br/>General<br/>Improvement<br/>District</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--|--|--|--|
| \$ 603,292   | \$ 284,222   | \$ 108,647   | \$ 15,442,444  |
| 82,737   | 66,634   | 155,903  | 362,647  |
| <u>686,029</u>   | <u>350,856</u>   | <u>264,550</u>   | <u>15,805,091</u>                                    |
| 388  | 3,723  | -  | 139,454  |
| 2,526  | 2,556  | 6,000  | 22,295   |
| <u>2,914</u>   | <u>6,279</u>   | <u>6,000</u>   | <u>161,749</u>                                       |
| 82,247   | 66,254   | 155,000  | 360,552  |
| -  | -  | -  | 100,000  |
| <u>82,247</u>  | <u>66,254</u>  | <u>155,000</u>   | <u>460,552</u>                                       |
| 1,672  | 980  | 5,753  | 36,007   |
| -  | -  | -  | 14,100,583   |
| 599,196  | 277,343  | 97,797   | 1,046,200  |
| <u>600,868</u>   | <u>278,323</u>   | <u>103,550</u>   | <u>15,182,790</u>                                    |
| <u>\$ 686,029</u>  | <u>\$ 350,856</u>  | <u>\$ 264,550</u>  | <u>\$ 15,705,091</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, 2018**

|  | <b>Open<br/>Space<br/>Fund</b> | <b>Conservation<br/>Trust<br/>Fund</b> | <b>Cherry Park<br/>General<br/>Improvement<br/>District</b> |
|--|--------------------------------|--|---|
| <b>REVENUES</b>  |                                |  |   |
| Taxes  | \$ -                           | \$ -                                   | \$ 57,983   |
| Intergovernmental  | 2,890,523                      | 587,113                                | -   |
| Investment income  | 296,080                        | 71,525                                 | 1,707   |
| <b>Total revenues</b>  | <b>3,186,603</b>               | <b>658,638</b>                         | <b>59,690</b>   |
| <b>EXPENDITURES</b>  |                                |  |   |
| Current  |                                |  |   |
| City infrastructure  | -                              | -                                      | 27,609  |
| Culture and recreation   | 285,393                        | 339,920                                | -   |
| Capital Outlay   | 84,021                         | 183,060                                | -   |
| Debt service   |                                |  |   |
| Principal  | -                              | -                                      | -   |
| Interest   | -                              | -                                      | -   |
| <b>Total expenditures</b>  | <b>369,414</b>                 | <b>522,980</b>                         | <b>27,609</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>2,817,189</b>               | <b>135,658</b>                         | <b>32,081</b>   |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <b>2,817,189</b>               | <b>135,658</b>                         | <b>32,081</b>   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>                              | <b>8,170,632</b>               | <b>3,003,875</b>                       | <b>40,614</b>   |
| <b>FUND BALANCE - END OF YEAR</b>                                    | <b>\$ 10,987,821</b>           | <b>\$ 3,139,533</b>                    | <b>\$ 72,695</b>  |

See the accompanying independent auditors' report.

| <b>Walnut Hills<br/>General<br/>Improvement<br/>District</b> | <b>Foxridge<br/>General<br/>Improvement<br/>District</b> | <b>Antelope<br/>General<br/>Improvement<br/>District</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--|--|--|--|
| \$ 88,277  | \$ 68,523  | \$ 161,897   | \$ 376,680   |
| -  | -  | -  | 3,477,636  |
| 12,841   | 5,882  | 653  | 388,688  |
| <u>101,118</u>   | <u>74,405</u>  | <u>162,550</u>   | <u>4,243,004</u>                                     |
| 55,749   | 32,652   | 8,706  | 124,716  |
| -  | -  | -  | 625,313  |
| -  | -  | -  | 267,081  |
| -  | -  | 95,000   | 95,000   |
| -  | -  | 88,075   | 88,075   |
| <u>55,749</u>  | <u>32,652</u>  | <u>191,781</u>   | <u>1,200,185</u>                                     |
| 45,369   | 41,753   | (29,231)   | 3,042,819  |
| 45,369   | 41,753   | (29,231)   | 3,042,819  |
| 555,499  | 236,570  | 132,781  | 12,139,971   |
| <u>\$ 600,868</u>  | <u>\$ 278,323</u>  | <u>\$ 103,550</u>  | <u>\$ 15,182,790</u>                                 |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL IMPROVEMENT FUND**  
**For the Year Ended December 31, 2018**

|  | <u>Budget Amounts</u> |                      | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-----------------------|----------------------|---------------------------|---|
|  | <u>Original</u>       | <u>Final</u>         |                           |   |
| <b>REVENUE</b>   |                       |                      |                           |   |
| Federal grant funds  | \$ -                  | \$ 343,022           | \$ 1,227,644              | \$ 884,622  |
| Intergovernmental revenue  | -                     | 249,837              | 866,965                   | 617,128   |
| Charges for services   | 46,000                | 46,000               | 123,271                   | 77,271  |
| Developer and other contributions                                    | -                     | -                    | 2,000                     | 2,000   |
| Total revenue  | <u>46,000</u>         | <u>638,859</u>       | <u>2,219,880</u>          | <u>1,581,021</u>  |
| <b>EXPENDITURES</b>  |                       |                      |                           |   |
| Rehabilitation   |                       |                      |                           |   |
| Street rehabilitation program  | 6,750,000             | 8,027,208            | 7,942,270                 | 84,938  |
| Major/minor structures   | 150,000               | 562,505              | -                         | 562,505   |
| Professional services  | 630,000               | 1,774,120            | 829,720                   | 944,400   |
| Capital outlay   |                       |                      |                           |   |
| Fiber Optic Backbone   | -                     | 3,147,396            | 2,702,061                 | 445,335   |
| Land Improvements  | 275,000               | 275,000              | -                         | 275,000   |
| Streets  | 3,850,000             | 9,548,770            | 2,181,317                 | 7,367,453   |
| Sidewalks  | 625,000               | 1,807,657            | 418,713                   | 1,388,944   |
| Traffic control & signals  | 650,000               | 3,164,583            | 740,216                   | 2,424,367   |
| IT Master Plan   | 1,030,000             | 2,222,957            | 448,402                   | 1,774,555   |
| Major Capital Project Reserve  | 2,000,000             | 1,825,000            | 227,725                   | 1,597,275   |
| Buildings  | 260,000               | 688,960              | 17,188                    | 671,772   |
| Total expenditures   | <u>16,220,000</u>     | <u>33,044,156</u>    | <u>15,507,612</u>         | <u>17,536,544</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (16,174,000)          | (32,405,297)         | (13,287,732)              | 19,117,565  |
| <b>OTHER FINANCING SOURCES</b>                                       |                       |                      |                           |   |
| Transfers in   | <u>15,900,000</u>     | <u>22,000,000</u>    | <u>22,000,000</u>         | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | (274,000)             | (10,405,297)         | 8,712,268                 | 19,117,565  |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>                              | <u>19,582,256</u>     | <u>34,173,741</u>    | <u>34,173,741</u>         | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>                                    | <u>\$ 19,308,256</u>  | <u>\$ 23,768,444</u> | <u>\$ 42,886,009</u>      | <u>\$ 19,117,565</u>  |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
OPEN SPACE FUND  
For the Year Ended December 31, 2018**

|   | Budget Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|--------------|-------------------|---|
|   | Original       | Final        |                   |   |
| <b>REVENUE</b>                          |                |              |                   |   |
| Intergovernmental                       | \$ 2,720,300   | \$ 2,720,300 | \$ 2,890,523      | \$ 170,223  |
| Investment income                       | 58,700         | 58,700       | 296,080           | 237,380   |
| Total revenue                           | 2,779,000      | 2,779,000    | 3,186,603         | 407,603   |
| <b>EXPENDITURES</b>                     |                |              |                   |   |
| Culture and recreation                  | 265,000        | 270,760      | 285,393           | (14,633)  |
| Capital outlay                          | 4,110,000      | 6,963,786    | 84,021            | 6,879,765   |
| Total expenditures                      | 4,375,000      | 7,234,546    | 369,414           | 6,865,132   |
| <b>NET CHANGE IN FUND BALANCE</b>       | (1,596,000)    | (4,455,546)  | 2,817,189         | 7,272,735   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b> | 4,348,019      | 8,170,632    | 8,170,632         | -   |
| <b>FUND BALANCE - END OF YEAR</b>       | \$ 2,752,019   | \$ 3,715,086 | \$ 10,987,821     | \$ 7,272,735  |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
CONSERVATION TRUST FUND  
For the Year Ended December 31, 2018**

|   | Budget Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|--------------|-------------------|---|
|   | Original       | Final        |                   |   |
| <b>REVENUE</b>                          |                |              |                   |   |
| Intergovernmental                       | \$ 537,000     | \$ 537,000   | \$ 587,113        | \$ 50,113   |
| Investment income                       | 18,000         | 18,000       | 71,525            | 53,525  |
| Total revenue                           | 555,000        | 555,000      | 658,638           | 103,638   |
| <b>EXPENDITURES</b>                     |                |              |                   |   |
| Culture and recreation                  | 432,500        | 445,958      | 339,920           | 106,038   |
| Capital outlay                          | -              | 400,000      | 183,060           | 216,940   |
| Total expenditures                      | 432,500        | 845,958      | 522,980           | 322,978   |
| <b>NET CHANGE IN FUND BALANCE</b>       | 122,500        | (290,958)    | 135,658           | 426,616   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b> | 2,926,539      | 3,003,875    | 3,003,875         | -   |
| <b>FUND BALANCE - END OF YEAR</b>       | \$ 3,049,039   | \$ 2,712,917 | \$ 3,139,533      | \$ 426,616  |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
WALNUT HILLS GENERAL IMPROVEMENT DISTRICT  
For the Year Ended December 31, 2018**

|   | <u>Budget Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-----------------------|-------------------|---------------------------|---|
|   | <u>Original</u>       | <u>Final</u>      |                           |   |
| <b>REVENUE</b>                          |                       |                   |                           |   |
| Property tax                            | \$ 80,207             | \$ 80,207         | \$ 82,301                 | \$ 2,094  |
| Specific ownership tax                  | 5,441                 | 5,441             | 5,976                     | 535   |
| Investment income                       | 5,052                 | 5,052             | 12,841                    | 7,789   |
| Total revenue                           | <u>90,700</u>         | <u>90,700</u>     | <u>101,118</u>            | <u>10,418</u>   |
| <b>EXPENDITURES</b>                     |                       |                   |                           |   |
| Current                                 |                       |                   |                           |   |
| City infrastructure                     | 72,300                | 72,300            | 55,749                    | 16,551  |
| Contingencies                           | 3,000                 | 3,000             | -                         | 3,000   |
| Total expenditures                      | <u>75,300</u>         | <u>75,300</u>     | <u>55,749</u>             | <u>19,551</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>       | 15,400                | 15,400            | 45,369                    | 29,969  |
| <b>FUND BALANCE - BEGINNING OF YEAR</b> | <u>448,618</u>        | <u>555,499</u>    | <u>555,499</u>            | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>       | <u>\$ 464,018</u>     | <u>\$ 570,899</u> | <u>\$ 600,868</u>         | <u>\$ 29,969</u>  |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
CHERRY PARK GENERAL IMPROVEMENT DISTRICT  
For the Year Ended December 31, 2018**

|   | <u>Budget Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-----------------------|------------------|---------------------------|---|
|   | <u>Original</u>       | <u>Final</u>     |                           |   |
| <b>REVENUE</b>                          |                       |                  |                           |   |
| Property tax                            | \$ 53,727             | \$ 53,727        | \$ 54,056                 | \$ 329  |
| Specific ownership tax                  | 3,428                 | 3,428            | 3,927                     | 499   |
| Investment income                       | 1,045                 | 1,045            | 1,707                     | 662   |
| Total revenue                           | <u>58,200</u>         | <u>58,200</u>    | <u>59,690</u>             | <u>1,490</u>  |
| <b>EXPENDITURES</b>                     |                       |                  |                           |   |
| Current                                 |                       |                  |                           |   |
| City infrastructure                     | 41,310                | 41,310           | 27,609                    | 13,701  |
| Contingencies                           | 2,500                 | 2,500            | -                         | 2,500   |
| Total expenditures                      | <u>43,810</u>         | <u>43,810</u>    | <u>27,609</u>             | <u>16,201</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>       | 14,390                | 14,390           | 32,081                    | 17,691  |
| <b>FUND BALANCE - BEGINNING OF YEAR</b> | <u>-</u>              | <u>40,614</u>    | <u>40,614</u>             | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>       | <u>\$ 14,390</u>      | <u>\$ 55,004</u> | <u>\$ 72,695</u>          | <u>\$ 17,691</u>  |

See the accompanying independent auditors' report

**CITY OF CENTENNIAL, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
FOXTRIDGE GENERAL IMPROVEMENT DISTRICT  
For the Year Ended December 31, 2018**

|   | <u>Budget Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-----------------------|-------------------|---------------------------|---|
|   | <u>Original</u>       | <u>Final</u>      |                           |   |
| <b>REVENUE</b>                          |                       |                   |                           |   |
| Property tax                            | \$ 62,288             | \$ 62,288         | \$ 63,883                 | \$ 1,595  |
| Specific ownership tax                  | 4,089                 | 4,089             | 4,640                     | 551   |
| Investment income                       | 2,123                 | 2,123             | 5,882                     | 3,759   |
| Total revenue                           | <u>68,500</u>         | <u>68,500</u>     | <u>74,405</u>             | <u>5,905</u>  |
| <b>EXPENDITURES</b>                     |                       |                   |                           |   |
| Current                                 |                       |                   |                           |   |
| City infrastructure                     | 133,090               | 133,090           | 32,652                    | 100,438   |
| Debt service                            |                       |                   |                           |   |
| Contingencies                           | 2,500                 | 2,500             | -                         | 2,500   |
| Total expenditures                      | <u>135,590</u>        | <u>135,590</u>    | <u>32,652</u>             | <u>102,938</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>       | (67,090)              | (67,090)          | 41,753                    | 108,843   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b> | <u>160,700</u>        | <u>236,570</u>    | <u>236,570</u>            | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>       | <u>\$ 93,610</u>      | <u>\$ 169,480</u> | <u>\$ 278,323</u>         | <u>\$ 108,843</u>   |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO  
 BUDGETARY COMPARISON SCHEDULE  
 ANTELOPE GENERAL IMPROVEMENT DISTRICT  
 For the Year Ended December 31, 2018**

|   | <u>Budget Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-----------------------|-------------------|---------------------------|---|
|   | <u>Original</u>       | <u>Final</u>      |                           |   |
| <b>REVENUE</b>                          |                       |                   |                           |   |
| Property tax                            | \$ 215,000            | \$ 215,000        | \$ 150,924                | \$ (64,076)   |
| Specific ownership tax                  | 15,744                | 15,744            | 10,973                    | (4,771)   |
| Investment income                       | 256                   | 256               | 653                       | 397   |
| Total revenue                           | <u>231,000</u>        | <u>231,000</u>    | <u>162,550</u>            | <u>(68,450)</u>   |
| <b>EXPENDITURES</b>                     |                       |                   |                           |   |
| Current                                 |                       |                   |                           |   |
| City infrastructure                     | 3,225                 | 3,225             | 8,706                     | (5,481)   |
| Debt service                            |                       |                   |                           |   |
| Principal                               | 95,000                | 95,000            | 95,000                    | -   |
| Interest                                | 88,075                | 88,075            | 88,075                    | -   |
| Contingencies                           | 6,250                 | 6,250             | -                         | 6,250   |
| Total expenditures                      | <u>192,550</u>        | <u>192,550</u>    | <u>191,781</u>            | <u>769</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>       | 38,450                | 38,450            | (29,231)                  | (67,681)  |
| <b>FUND BALANCE - BEGINNING OF YEAR</b> | <u>105,962</u>        | <u>132,781</u>    | <u>132,781</u>            | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>       | <u>\$ 144,412</u>     | <u>\$ 171,231</u> | <u>\$ 103,550</u>         | <u>\$ (67,681)</u>  |

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**LAND USE FUND**  
**For the Year Ended December 31, 2018**

|   | <u>Budget Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-----------------------|------------------|---------------------------|---|
|   | <u>Original</u>       | <u>Final</u>     |                           |   |
| <b>REVENUE</b>                                  |                       |                  |                           |   |
| Building permits, licenses, and fees            | \$ 2,879,390          | \$ 4,090,000     | \$ 3,951,822              | \$ (138,178)  |
| Contractor's licenses and bus shelter fees      | 319,660               | 319,660          | 330,545                   | 10,885  |
| Land use permits and other income               | 611,780               | 611,780          | 568,177                   | (43,603)  |
| Transfers in                                    | 828,050               | 828,050          | 835,133                   | 7,083   |
| Total revenue                                   | <u>4,638,880</u>      | <u>5,849,490</u> | <u>5,685,677</u>          | <u>(163,813)</u>  |
| <b>EXPENDITURES</b>                             |                       |                  |                           |   |
| Personnel services                              | 535,552               | 557,752          | 402,346                   | 155,406   |
| Contracted services                             | 2,602,100             | 3,469,600        | 3,282,721                 | 186,879   |
| Services & supplies                             | 354,070               | 384,370          | 269,355                   | 115,015   |
| Transfers out                                   | 1,147,158             | 1,437,768        | 1,727,251                 | (289,483)   |
| Total expenditures                              | <u>4,638,880</u>      | <u>5,849,490</u> | <u>5,681,673</u>          | <u>167,817</u>  |
| <b>CHANGE IN NET POSITION - BUDGETARY BASIS</b> | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ 4,004</u>           | <u>\$ 4,004</u>   |
| <b>ADJUSTMENT TO GAAP BASIS</b>                 |                       |                  |                           |   |
| Depreciation                                    |                       |                  | <u>(4,004)</u>            |   |
| <b>CHANGE IN NET POSITION - GAAP BASIS</b>      |                       |                  | <u>\$ -</u>               |   |



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# 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**

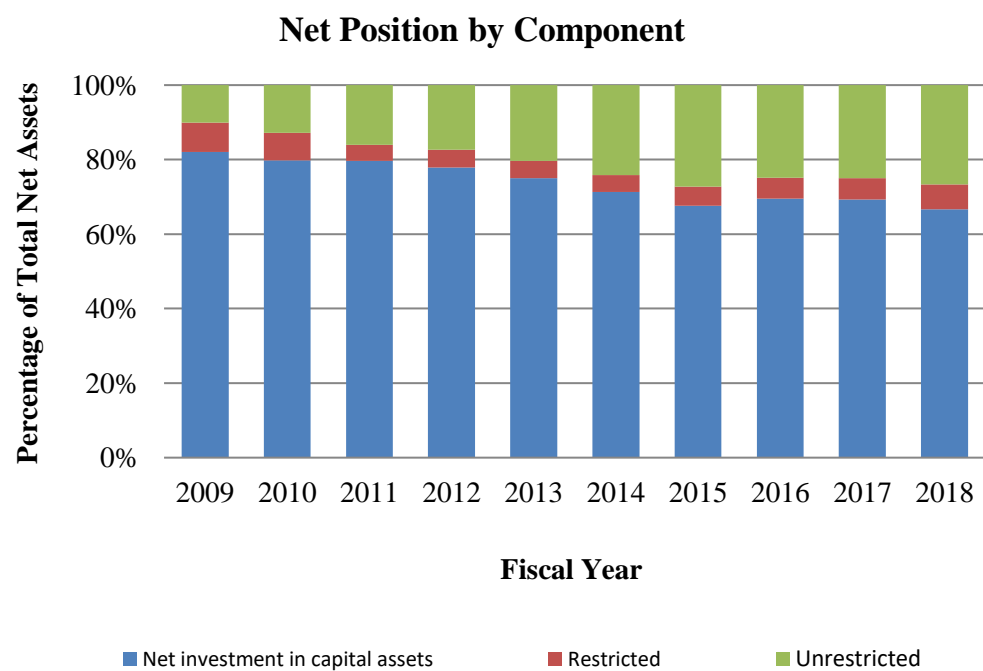
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**TABLE 1  
CITY OF CENTENNIAL, COLORADO**

**NET POSITION BY COMPONENT**

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

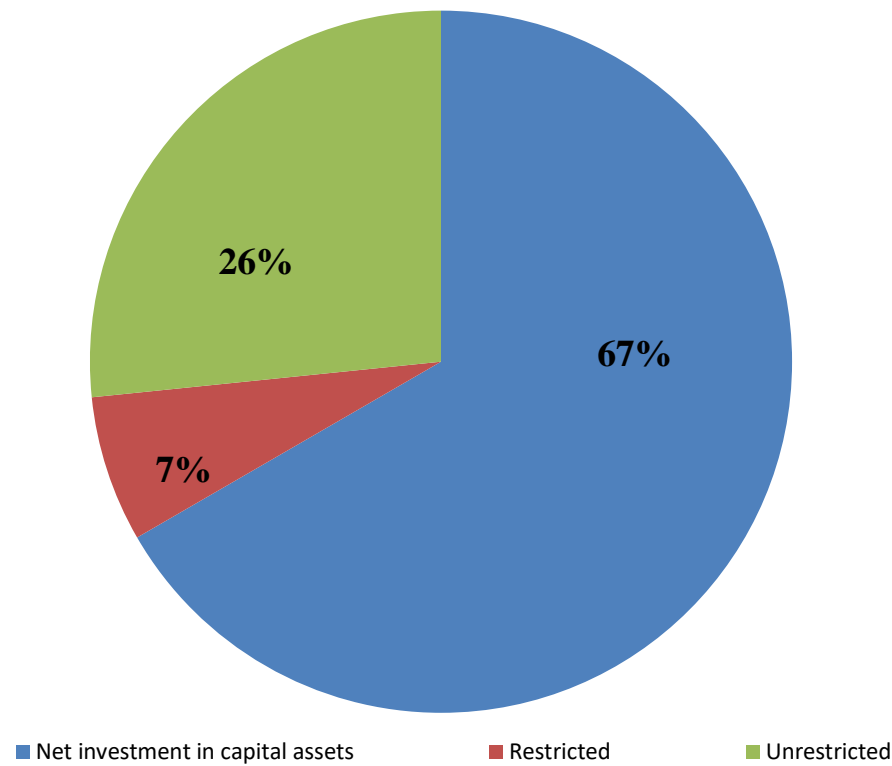
|   | Fiscal Year           |                       |                       |
|---|-----------------------|-----------------------|-----------------------|
|   | 2009                  | 2010                  | 2011                  |
| Governmental activities                     |                       |                       |                       |
| Net investment in capital assets            | \$ 137,465,454        | \$ 137,094,255        | \$ 144,592,118        |
| Restricted                                  | 13,226,398            | 12,652,880            | 7,656,451             |
| Unrestricted                                | 17,002,149            | 22,116,122            | 29,311,672            |
| Total governmental activities net position  | <u>167,694,001</u>    | <u>171,863,257</u>    | <u>181,560,241</u>    |
| Business-type activities                    |                       |                       |                       |
| Net investment in capital assets            | 96,713                | 65,256                | 39,654                |
| Restricted                                  | 94,714                | 89,755                | 88,726                |
| Unrestricted                                | (191,427)             | (155,011)             | (128,380)             |
| Total business-type activities net position | <u>-</u>              | <u>-</u>              | <u>-</u>              |
| Primary government                          |                       |                       |                       |
| Net investment in capital assets            | 137,562,167           | 137,159,511           | 144,631,772           |
| Restricted                                  | 13,321,112            | 12,742,635            | 7,745,176             |
| Unrestricted                                | 16,810,722            | 21,961,111            | 29,183,292            |
| Total primary government net position       | <u>\$ 167,694,001</u> | <u>\$ 171,863,257</u> | <u>\$ 181,560,241</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.

| <b>Fiscal Year</b> |                |                |                |                |                |                |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>2012</b>        | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    |
| \$ 150,533,967     | \$ 153,105,667 | \$ 152,496,183 | \$ 157,122,370 | \$ 171,757,225 | \$ 173,788,950 | \$ 178,442,156 |
| 9,180,350          | 9,515,406      | 9,620,070      | 11,690,081     | 13,582,948     | 14,246,010     | 18,018,713     |
| 33,582,988         | 41,519,235     | 51,615,854     | 63,493,761     | 61,624,556     | 62,665,756     | 71,260,772     |
| 193,297,305        | 204,140,308    | 213,732,107    | 232,306,212    | 246,964,729    | 250,700,716    | 267,721,641    |
| 31,891             | 10,592         | 24,314         | 15,015         | 11,011         | 7,007          | 3,003          |
| 94,106             | 92,070         | 91,577         | 119,355        | 96,665         | -              | -              |
| (125,997)          | (102,662)      | (115,891)      | (134,370)      | (107,676)      | (7,007)        | (3,003)        |
| -                  | -              | -              | -              | -              | -              | -              |
| 150,565,858        | 153,116,259    | 152,520,497    | 157,137,385    | 171,768,236    | 173,795,957    | 178,445,159    |
| 9,274,456          | 9,607,476      | 9,711,647      | 11,809,436     | 13,679,613     | 14,246,010     | 18,018,713     |
| 33,456,991         | 41,416,573     | 51,499,963     | 63,359,391     | 61,516,880     | 62,658,749     | 71,257,769     |
| \$ 193,297,305     | \$ 204,140,308 | \$ 213,732,107 | \$ 232,306,212 | \$ 246,964,729 | \$ 250,700,716 | \$ 267,721,641 |

**2018 Net Position**



**TABLE 2  
CITY OF CENTENNIAL, COLORADO**

**CHANGE IN NET POSITION**

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

|  | Fiscal Year         |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | 2009                | 2010                | 2011                |
| <b>Governmental activities</b>                                 |                     |                     |                     |
| Expenses   |                     |                     |                     |
| General government   | \$ 5,854,992        | \$ 5,927,832        | \$ 8,491,057        |
| Community services   | 21,549,041          | 21,408,592          | 21,577,444          |
| City infrastructure  | 17,487,628          | 20,013,733          | 20,568,461          |
| Culture and recreation   | 581,646             | 367,583             | 496,048             |
| Urban redevelopment  | 519,967             | 1,231,387           | 5,000,756           |
| Interest on long-term debt                                     | 144,466             | 142,238             | 139,905             |
| Total governmental activities expenses                         | <u>46,137,740</u>   | <u>49,091,365</u>   | <u>56,273,671</u>   |
| Program Revenues   |                     |                     |                     |
| Charges for services   |                     |                     |                     |
| General government   | 148,014             | 208,659             | 160,262             |
| Community services   | 2,293,552           | 2,368,455           | 2,236,483           |
| City infrastructure  | 486,346             | 321,054             | 375,545             |
| Urban redevelopment  | 1,293,553           | -                   | -                   |
| Operating grants and contributions                             | 4,308,859           | 4,847,044           | 5,111,685           |
| Capital grants and contributions                               | 4,741,687           | 3,947,075           | 6,654,649           |
| Total governmental activities program revenues                 | <u>13,272,011</u>   | <u>11,692,287</u>   | <u>14,538,624</u>   |
| Total governmental activities net program expense              | <u>32,865,729</u>   | <u>37,399,078</u>   | <u>41,735,047</u>   |
| General revenues and other changes in net position             |                     |                     |                     |
| Taxes  |                     |                     |                     |
| Sales tax  | 17,992,951          | 20,624,581          | 27,917,744          |
| Use tax  | 2,001,964           | 2,060,641           | 1,677,317           |
| Property tax   | 8,132,734           | 9,506,280           | 12,930,171          |
| Auto use tax   | 3,084,446           | 3,064,792           | 3,178,645           |
| Other taxes  | 819,445             | 797,403             | 519,284             |
| Unrestricted franchise fees                                    | 4,235,611           | 4,653,673           | 4,749,865           |
| Investment income  | 131,382             | 84,158              | 40,173              |
| Gain (loss) on disposition of capital asset                    | -                   | -                   | -                   |
| Intergovernmental revenues not restricted to specific programs | 255,033             | 252,382             | 253,944             |
| Issuance of debt   | 582,696             | 367,958             | 277,132             |
| Transfers  | (175,466)           | 408,848             | (112,244)           |
|  | <u>37,060,796</u>   | <u>41,820,716</u>   | <u>51,432,031</u>   |
|  | <u>\$ 4,195,067</u> | <u>\$ 4,421,638</u> | <u>\$ 9,696,984</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.

| <b>Fiscal Year</b>   |                      |                     |                      |                      |                     |                      |
|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| <b>2012</b>          | <b>2013</b>          | <b>2014</b>         | <b>2015</b>          | <b>2016</b>          | <b>2017</b>         | <b>2018</b>          |
| \$ 10,953,334        | \$ 12,845,868        | \$ 11,763,347       | \$ 13,170,287        | \$ 14,114,326        | \$ 14,808,323       | \$ 15,174,146        |
| 21,736,983           | 21,819,639           | 22,174,239          | 23,768,969           | 24,916,037           | 24,816,782          | 26,336,562           |
| 22,482,836           | 22,215,397           | 24,731,604          | 24,689,639           | 26,167,030           | 34,723,870          | 28,189,556           |
| 736,800              | 2,258,120            | 2,546,267           | 1,044,536            | 961,942              | 1,288,741           | 743,593              |
| 5,843,043            | 5,159,616            | 5,548,953           | 4,633,280            | 5,088,383            | 4,496,833           | 5,884,743            |
| 137,299              | 134,611              | 131,665             | 128,631              | 57,175               | 84,840              | 82,950               |
| <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>   | <u>76,411,550</u>    |
| 245,346              | 251,061              | 277,175             | 235,142              | 278,988              | 286,647             | 362,178              |
| 2,095,843            | 2,201,469            | 2,158,468           | 1,849,415            | 1,688,580            | 1,349,682           | 1,060,950            |
| 387,630              | 280,918              | 816,615             | 806,834              | 1,051,392            | 814,035             | 860,869              |
| -                    | -                    | -                   | -                    | -                    | -                   | -                    |
| 5,354,851            | 5,959,577            | 6,209,974           | 6,488,723            | 6,583,898            | 6,734,040           | 7,990,505            |
| 7,872,115            | 4,849,633            | 3,480,178           | 9,147,000            | 4,660,672            | 4,162,707           | 5,205,695            |
| <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>15,480,197</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>   | <u>60,931,353</u>    |
| 32,782,443           | 34,569,315           | 35,673,588          | 38,315,195           | 38,770,237           | 39,447,977          | 42,143,309           |
| 2,003,344            | 2,987,611            | 2,279,161           | 3,542,288            | 3,923,583            | 2,156,392           | 3,338,082            |
| 13,301,715           | 13,391,623           | 13,976,189          | 12,903,382           | 14,711,539           | 14,511,077          | 16,071,067           |
| 3,458,033            | 3,747,097            | 4,123,965           | 4,594,045            | 5,185,531            | 5,375,813           | 5,365,455            |
| 539,677              | 586,360              | 628,585             | 639,194              | 759,369              | 872,264             | 824,236              |
| 4,646,174            | 5,011,913            | 5,128,961           | 5,059,425            | 5,027,299            | 5,201,692           | 5,216,214            |
| 146,534              | 69,801               | 177,993             | 186,853              | 484,303              | 759,217             | 1,843,798            |
| -                    | -                    | -                   | -                    | -                    | (61,367)            | -                    |
| 267,307              | 363,051              | 568,105             | 451,599              | 321,733              | 762,127             | 346,565              |
| 453,685              | 354,910              | 445,389             | 866,927              | 1,593,655            | 938,541             | 1,911,434            |
| 72,662               | 651,915              | 543,528             | 923,425              | 922,631              | 644,532             | 892,118              |
| <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>77,952,278</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> | <u>\$ 17,020,925</u> |

TABLE 2

CITY OF CENTENNIAL, COLORADO

CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS

(Accrual basis of accounting)  
(Unaudited)

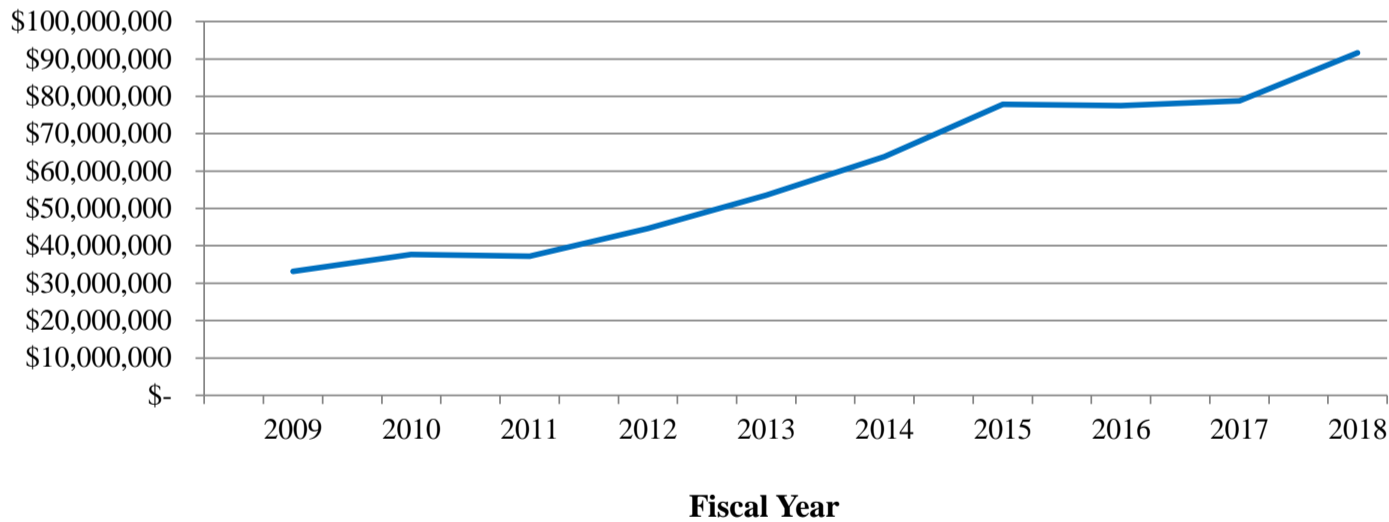
|   | Fiscal Year         |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | 2009                | 2010                | 2011                |
| <b><u>Business-type activities</u></b>                |                     |                     |                     |
| Expenses  |                     |                     |                     |
| Land use fund   | \$ 3,157,146        | \$ 2,991,828        | \$ 2,957,524        |
| Total expenses  | <u>3,157,146</u>    | <u>2,991,828</u>    | <u>2,957,524</u>    |
| Revenues  |                     |                     |                     |
| Land use service fees                                 | 2,901,680           | 3,400,676           | 2,845,280           |
| Total revenues  | <u>2,901,680</u>    | <u>3,400,676</u>    | <u>2,845,280</u>    |
| Operating income (loss) before transfers              | <u>(255,466)</u>    | <u>408,848</u>      | <u>(112,244)</u>    |
| Transfers   | 175,466             | (408,848)           | 112,244             |
| Total business-type activities change in net position | <u>(80,000)</u>     | <u>-</u>            | <u>-</u>            |
| Total primary government change in net position       | <u>\$ 4,115,067</u> | <u>\$ 4,421,638</u> | <u>\$ 9,696,984</u> |

| <b>Fiscal Year</b> |               |              |               |               |              |               |
|--------------------|---------------|--------------|---------------|---------------|--------------|---------------|
| <b>2012</b>        | <b>2013</b>   | <b>2014</b>  | <b>2015</b>   | <b>2016</b>   | <b>2017</b>  | <b>2018</b>   |
| \$ 3,136,858       | \$ 3,068,995  | \$ 3,052,575 | \$ 3,978,514  | \$ 3,222,152  | \$ 2,845,123 | \$ 3,958,426  |
| 3,136,858          | 3,068,995     | 3,052,575    | 3,978,514     | 3,222,152     | 2,845,123    | 3,958,426     |
| 3,209,520          | 3,720,910     | 3,596,103    | 4,901,939     | 4,144,783     | 3,489,655    | 4,850,544     |
| 3,209,520          | 3,720,910     | 3,596,103    | 4,901,939     | 4,144,783     | 3,489,655    | 4,850,544     |
| 72,662             | 651,915       | 543,528      | 923,425       | 922,631       | 644,532      | 892,118       |
| (72,662)           | (651,915)     | (543,528)    | (923,425)     | (922,631)     | (644,532)    | (892,118)     |
| -                  | -             | -            | -             | -             | -            | -             |
| \$ 11,737,064      | \$ 10,843,003 | \$ 9,591,799 | \$ 18,574,105 | \$ 14,658,517 | \$ 3,735,987 | \$ 17,020,925 |

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

|                                    | Fiscal Year          |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|
|                                    | 2009                 | 2010                 | 2011                 |
| General fund                       |                      |                      |                      |
| Reserved                           | \$ 1,261,298         | \$ 1,288,696         | \$ -                 |
| Unreserved                         | 16,806,731           | 20,701,513           | -                    |
| Nonspendable                       | -                    | -                    | 13,762               |
| Restricted                         | -                    | -                    | 1,472,246            |
| Assigned                           | -                    | -                    | 5,301,033            |
| Unassigned                         | -                    | -                    | 21,536,729           |
| Total general fund                 | <u>18,068,029</u>    | <u>21,990,209</u>    | <u>28,323,770</u>    |
| All other governmental funds       |                      |                      |                      |
| Reserved                           | 11,981,515           | 11,379,095           | -                    |
| Unreserved                         | 3,143,991            | 4,294,525            | -                    |
| Nonspendable                       | -                    | -                    | -                    |
| Restricted                         | -                    | -                    | 6,184,205            |
| Assigned                           | -                    | -                    | 2,766,780            |
| Total all other governmental funds | <u>15,125,506</u>    | <u>15,673,620</u>    | <u>8,950,985</u>     |
| Total all governmental funds       | <u>\$ 33,193,535</u> | <u>\$ 37,663,829</u> | <u>\$ 37,274,755</u> |

**Fund Balance - All Governmental Funds**



The information for this table was obtained from the Balance Sheet.

Statistical information is presented from 2009 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.

| <b>Fiscal Year</b>   |                      |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>2012</b>          | <b>2013</b>          | <b>2014</b>          | <b>2015</b>          | <b>2016</b>          | <b>2017</b>          | <b>2018</b>          |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| 4,009                | 1,493                | 12,427               | 15,196               | 20,568               | 36,742               | 174,209              |
| 1,371,302            | 1,651,357            | 1,531,979            | 1,359,857            | 1,938,105            | 1,650,809            | 2,388,553            |
| -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| 28,276,576           | 36,514,096           | 40,925,461           | 35,171,177           | 34,695,067           | 30,280,241           | 30,544,350           |
| <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>    | <u>33,107,112</u>    |
| -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    | -                    |
|                      | 70,018               | 70,018               | -                    | -                    | -                    | -                    |
| 7,809,048            | 7,864,049            | 7,996,514            | 10,330,224           | 11,644,843           | 12,595,201           | 15,630,160           |
| 7,127,165            | 7,458,280            | 13,329,831           | 30,987,832           | 29,232,796           | 34,173,741           | 42,886,009           |
| <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>58,516,169</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> | <u>\$ 91,623,281</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   |               |               |
|--|---------------|---------------|---------------|
|  | 2009          | 2010          | 2011          |
| <b>Revenues</b>                                      |               |               |               |
| Taxes  | \$ 32,031,540 | \$ 36,053,697 | \$ 46,223,161 |
| Intergovernmental                                    | 9,462,623     | 8,005,719     | 10,602,518    |
| Charges for services                                 | 4,221,465     | 2,898,168     | 2,772,290     |
| Franchise fees                                       | 4,235,611     | 4,653,673     | 4,749,865     |
| Investment income                                    | 131,382       | 84,158        | 40,173        |
| Miscellaneous  | 582,696       | 367,958       | 277,132       |
| Total revenues                                       | 50,665,317    | 52,063,373    | 64,665,139    |
| <b>Expenditures</b>                                  |               |               |               |
| Current  |               |               |               |
| General government                                   | 5,837,442     | 6,053,572     | 8,433,765     |
| Community services                                   | 21,549,041    | 21,408,592    | 21,577,444    |
| City infrastructure                                  | 11,620,237    | 16,015,936    | 16,708,347    |
| Culture & recreation                                 | 581,646       | 367,583       | 496,048       |
| Urban redevelopment                                  | 421,892       | 1,231,387     | 5,000,756     |
| Capital Outlay                                       |               |               |               |
| General government                                   | 1,138,228     | 2,428,907     | 11,329,499    |
| Capital improvement                                  | 7,540,825     | 293,519       | -             |
| Debt Service   |               |               |               |
| Principal  | 60,000        | 60,000        | 65,000        |
| Interest and fiscal charges                          | 144,651       | 142,431       | 140,121       |
| Bond issuance costs                                  | -             | -             | -             |
| Total expenditures                                   | 48,893,962    | 48,001,927    | 63,750,980    |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 1,771,355     | 4,061,446     | 914,159       |
| <b>Other Financing Sources (Uses)</b>                |               |               |               |
| Transfers in   | 2,483,847     | 5,882,430     | 4,686,487     |
| Transfers out  | (2,659,313)   | (5,473,582)   | (4,798,731)   |
| Refunding on bonds issued                            | -             | -             | -             |
| Premium on refunding bonds                           | -             | -             | -             |
| Payment of refunded bond escrow agent                | -             | -             | -             |
| Total other financing sources (uses)                 | (175,466)     | 408,848       | (112,244)     |
| Net change in fund balances                          | \$ 1,595,889  | \$ 4,470,294  | \$ 801,915    |
|  | 0.51%         | 0.45%         | 0.39%         |

The information for this table was obtained from the Statement of Revenue, Expenditures, and Changes in Fund Balances. Statistical information is presented from 2009 through the current year to correspond with the implementation of GASB Statement No. 34. 2011 fund balance has been restated.

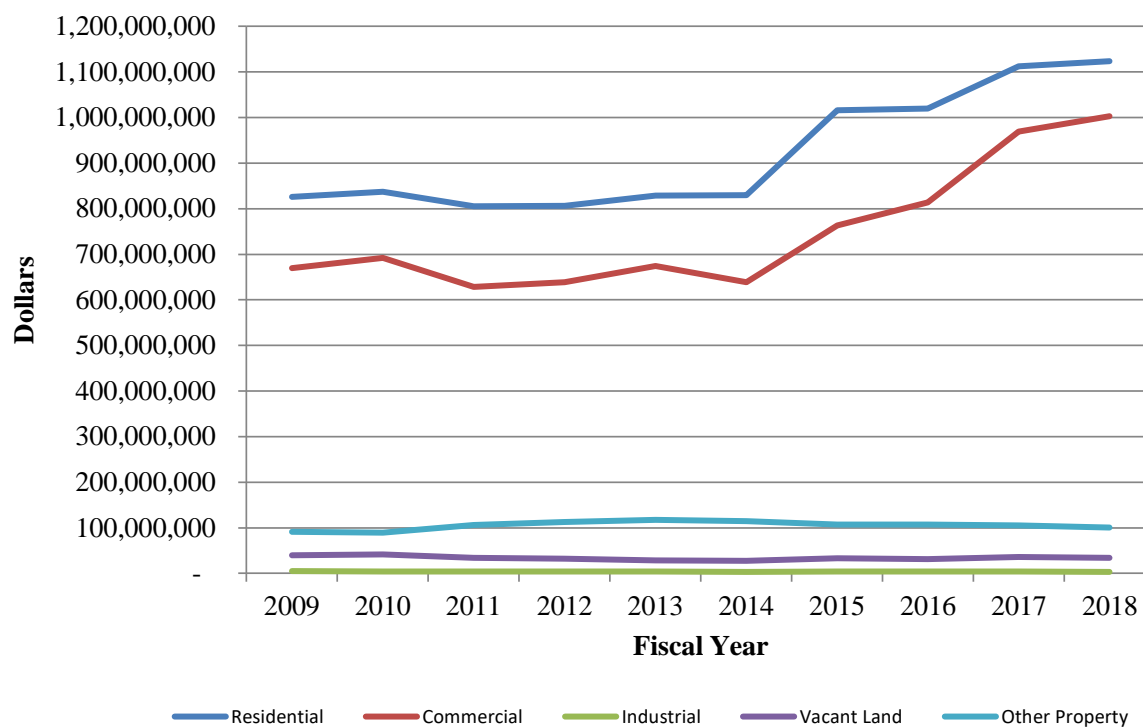
| <b>Fiscal Year</b>  |                     |                      |                      |                     |                     |                      |
|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|
| <b>2012</b>         | <b>2013</b>         | <b>2014</b>          | <b>2015</b>          | <b>2016</b>         | <b>2017</b>         | <b>2018</b>          |
| \$ 52,085,212       | \$ 55,282,006       | \$ 56,681,488        | \$ 59,994,104        | \$ 63,350,259       | \$ 62,363,523       | \$ 66,853,891        |
| 11,030,082          | 11,625,012          | 11,306,613           | 17,190,904           | 12,207,519          | 12,093,284          | 14,797,573           |
| 2,728,819           | 2,733,448           | 2,760,913            | 2,891,391            | 3,018,960           | 2,450,364           | 2,283,997            |
| 4,646,174           | 5,011,913           | 5,128,961            | 5,059,425            | 5,027,299           | 5,201,692           | 5,216,214            |
| 146,534             | 69,801              | 177,993              | 186,853              | 484,303             | 759,217             | 1,843,798            |
| 453,685             | 354,910             | 936,734              | 866,927              | 1,593,655           | 938,541             | 247,327              |
| <u>71,090,506</u>   | <u>75,077,090</u>   | <u>76,992,702</u>    | <u>86,189,604</u>    | <u>85,681,995</u>   | <u>83,806,621</u>   | <u>91,242,800</u>    |
| 10,929,433          | 11,434,747          | 11,640,388           | 13,003,591           | 14,040,336          | 14,606,351          | 14,474,292           |
| 21,736,983          | 21,819,639          | 22,174,239           | 23,768,969           | 24,916,037          | 24,816,782          | 26,336,562           |
| 18,465,990          | 19,492,958          | 20,516,748           | 21,059,173           | 22,784,539          | 30,894,582          | 24,079,363           |
| 736,800             | 2,258,120           | 1,414,462            | 1,044,536            | 961,941             | 1,288,740           | 625,313              |
| 5,843,043           | 6,010,887           | 6,463,195            | 5,622,583            | 5,996,585           | 5,441,620           | 5,884,743            |
| 6,884,042           | 1,737,119           | 1,893,131            | 962,046              | 1,180,550           | 678,348             | 856,735              |
| 242,000             | 3,799,486           | 2,925,214            | 7,450,169            | 16,886,431          | 5,339,500           | 6,808,288            |
| 65,000              | 70,000              | 70,000               | 75,000               | 115,000             | 90,000              | 95,000               |
| 137,521             | 134,856             | 131,916              | 128,906              | 63,804              | 89,875              | 88,075               |
| -                   | -                   | -                    | -                    | 68,801              | -                   | -                    |
| <u>65,040,812</u>   | <u>66,757,812</u>   | <u>67,229,293</u>    | <u>73,114,973</u>    | <u>87,014,024</u>   | <u>83,245,798</u>   | <u>79,248,371</u>    |
| 6,049,694           | 8,319,278           | 9,763,409            | 13,074,631           | (1,332,029)         | 560,823             | 11,994,429           |
| 15,004,327          | 10,433,915          | 16,505,911           | 27,250,711           | 21,773,915          | 24,494,532          | 23,727,251           |
| (14,931,665)        | (9,782,000)         | (15,962,383)         | (26,327,286)         | (20,851,284)        | (23,850,000)        | (22,835,133)         |
| -                   | -                   | -                    | -                    | 2,495,000           | -                   | -                    |
| -                   | -                   | -                    | -                    | 135,173             | -                   | -                    |
| -                   | -                   | -                    | -                    | (2,553,682)         | -                   | -                    |
| <u>72,662</u>       | <u>651,915</u>      | <u>543,528</u>       | <u>923,425</u>       | <u>999,122</u>      | <u>644,532</u>      | <u>892,118</u>       |
| <u>\$ 6,122,356</u> | <u>\$ 8,971,193</u> | <u>\$ 10,306,937</u> | <u>\$ 13,998,056</u> | <u>\$ (332,907)</u> | <u>\$ 1,205,355</u> | <u>\$ 12,886,547</u> |
| 0.35%               | 0.34%               | 0.32%                | 0.32%                | 0.36%               | 0.23%               | 0.26%                |

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

(Unaudited)

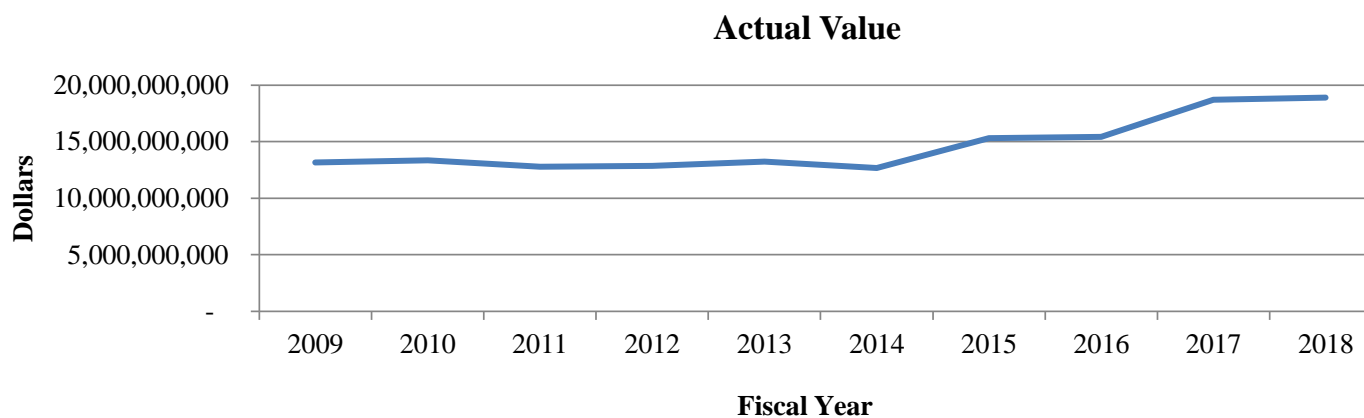
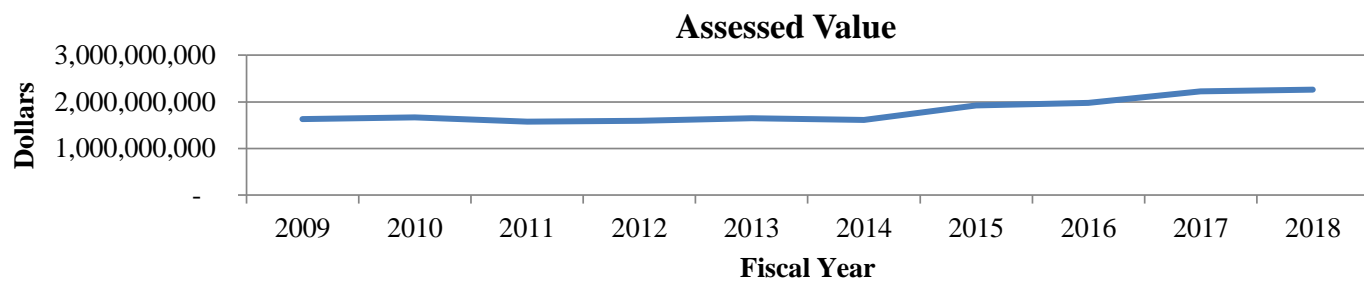
| <b>Taxable Real and Personal Property</b> |                             |                            |                            |                    |
|---|-----------------------------|----------------------------|----------------------------|--------------------|
| <b>Fiscal Year</b>                        | <b>Residential Property</b> | <b>Commercial Property</b> | <b>Industrial Property</b> | <b>Vacant Land</b> |
| 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         |
| 2018                                      | 1,123,395,670               | 1,002,914,864              | 2,894,307                  | 33,969,718         |

**Assessed Value by Property Type**



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

| <b>Taxable Real and Personal Property</b> |   |                  |                     |   |
|---|---|------------------|---------------------|---|
| <b>Other Property<sup>1</sup></b>         | <b>Total Taxable Assessed Value<sup>2</sup></b> | <b>Mill Levy</b> | <b>Actual Value</b> | <b>Assessed Value as a Percentage of Actual Value</b> |
| 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%  |
| 100,287,106                               | 2,263,461,665                                   | 5.003            | 18,903,059,214      | 11.97%  |



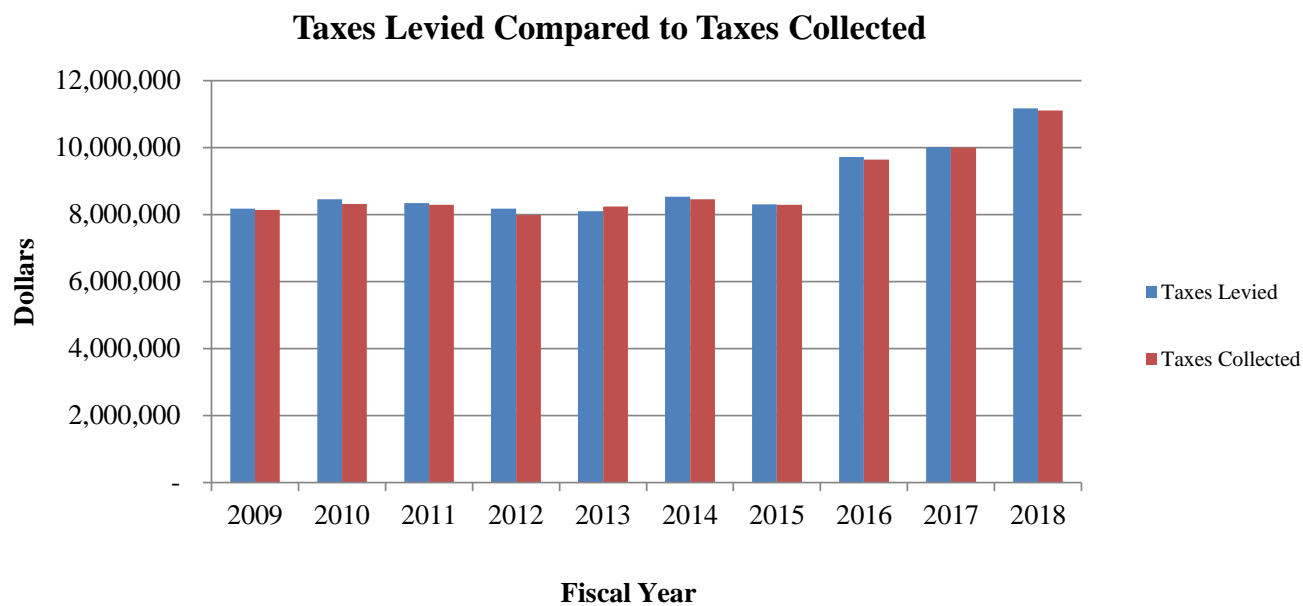
(1) Includes State assessed.

(2) 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<br>for Collection<br>in the Fiscal Year <sup>1</sup> | Collected within the<br>Fiscal Year of the Levy |                       |
|-------------|---|---|-----------------------|
|             |   | Amount <sup>2</sup>                             | Percentage<br>of Levy |
| 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%               |
| 2018        | 11,164,661  | 11,103,326                                      | 99.451%               |



(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.

Statistical information is presented from 2009 through the current year and corresponds with the implementation of GASB No. 34.

**TABLE 7  
CITY OF CENTENNIAL, COLORADO**

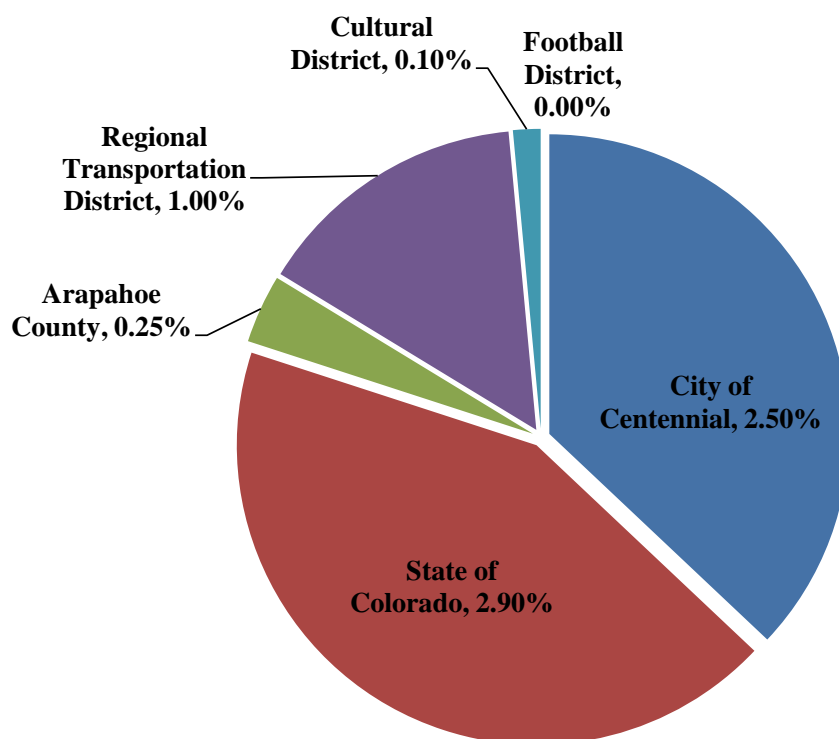
**DIRECT AND OVERLAPPING SALES TAX RATES**

**LAST TEN FISCAL YEARS**

**(Unaudited)**

| <b>Fiscal Year</b> | <b>City of Centennial</b> | <b>State of Colorado</b> | <b>Arapahoe County</b> | <b>Regional Transportation District</b> | <b>Cultural District</b> | <b>Football District</b> | <b>Total</b> |
|--------------------|---------------------------|--------------------------|------------------------|---|--------------------------|--------------------------|--------------|
| 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%        |
| 2018               | 2.50%                     | 2.90%                    | 0.25%                  | 1.00%                                   | 0.10%                    | 0.00%                    | 6.75%        |

**Direct and Overlapping Sales Tax Rates**



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

**TABLE 8  
CITY OF CENTENNIAL, COLORADO**

**GENERAL SALES TAX REVENUE, REMITTERS BY TYPE**

**LAST TEN FISCAL YEARS**

(Unaudited)

| <b>Fiscal Year</b> | <b>Accommodation<br/>and Food<br/>Service</b> | <b>Administrative<br/>Support, Waste<br/>Management<br/>and<br/>Remediation<br/>Services</b> | <b>Arts,<br/>Entertainment<br/>and Recreation</b> | <b>Construction</b> | <b>Educational<br/>Services</b> |
|--------------------|---|--|---|---------------------|---------------------------------|
| 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                          |
| 2018               | 6,126,189                                     | 233,835  | 545,909   | 458,780             | 27,253                          |

(continued)

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

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| <b>Finance and<br/>Insurance</b> | <b>Healthcare and<br/>Social<br/>Assistance</b> | <b>Information</b> | <b>Mining</b> | <b>Professional,<br/>Scientific and<br/>Technical<br/>Services</b> |
|----------------------------------|---|--------------------|---------------|--|
| 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  |
| 381,451                          | 125,240   | 3,420,275          | 93,017        | 1,084,223  |

(continued)

**TABLE 8  
CITY OF CENTENNIAL, COLORADO**

**GENERAL SALES TAX REVENUE, REMITTERS BY TYPE**

**LAST TEN FISCAL YEARS**

(Unaudited)

| Fiscal Year | Public<br>Administration | Real Estate,<br>Rental and<br>Leasing | Utilities | Wholesale<br>Trade | Other<br>Remitters | Total      |
|-------------|--------------------------|---------------------------------------|-----------|--------------------|--------------------|------------|
| 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 |
| 2018        | 40,889                   | 1,569,077                             | 1,396,634 | 1,879,993          | 23,872,288         | 41,255,053 |

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

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

**2009 and 2018**

**(Unaudited)**

| <u>Taxpayer</u>                   | <b>2009</b>                   |                |  |
|-----------------------------------|-------------------------------|----------------|--|
|                                   | <u>Taxable Assessed Value</u> | <u>Ranking</u> | <u>Percentage of Total City Assessed Value</u> |
| Crescent Peak View Tower          | \$ 13,050,000                 | 1              | 0.800%   |
| Legacy III Centennial LLC         | 9,860,010                     | 2              | 0.604%   |
| Oppenheimer Funds LLC             | 7,685,000                     | 3              | 0.471%   |
| California State Teachers         | 6,960,000                     | 4              | 0.427%   |
| National Digital Television       | 6,235,010                     | 5              | 0.382%   |
| Lexington Centennial LLC          | 5,510,000                     | 6              | 0.338%   |
| California State Teachers         | 5,336,000                     | 7              | 0.327%   |
| USF Propco I, LLC                 | 4,897,520                     | 8              | 0.300%   |
| RREEF America REIT II Corporation | 4,582,000                     | 9              | 0.281%   |
| FSP Highland Place I Corporation  | 4,350,010                     | 10             | 0.267%   |
| Total                             | <u>\$ 68,465,550</u>          |                | <u>4.197%</u>                                  |
| <u>Taxpayer</u>                   | <b>2018</b>                   |                |  |
|                                   | <u>Taxable Assessed Value</u> | <u>Ranking</u> | <u>Percentage of Total City Assessed Value</u> |
| GK Peakview Tower, LLC            | \$ 15,140,610                 | 1              | 0.669%   |
| IKEA Property, Inc.               | 14,573,080                    | 2              | 0.644%   |
| GS Centennial, LLC                | 12,861,500                    | 3              | 0.568%   |
| Cascades Pwner LLC                | 12,016,150                    | 4              | 0.531%   |
| Briarwood Acquisition LLC         | 9,181,110                     | 5              | 0.406%   |
| Cole of Centennial CO, LLC        | 9,046,260                     | 6              | 0.400%   |
| OFI Global Asset Management       | 8,913,730                     | 7              | 0.394%   |
| Waterview I-III LLC               | 8,781,201                     | 8              | 0.388%   |
| CEGM Centennial LLC               | 7,786,797                     | 9              | 0.344%   |
| Dry Creek Business Park LLC       | 7,675,720                     | 10             | 0.339%   |
| Total                             | <u>\$ 105,976,158</u>         |                | <u>4.682%</u>                                  |

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

**TABLE 10  
CITY OF CENTENNIAL, COLORADO**

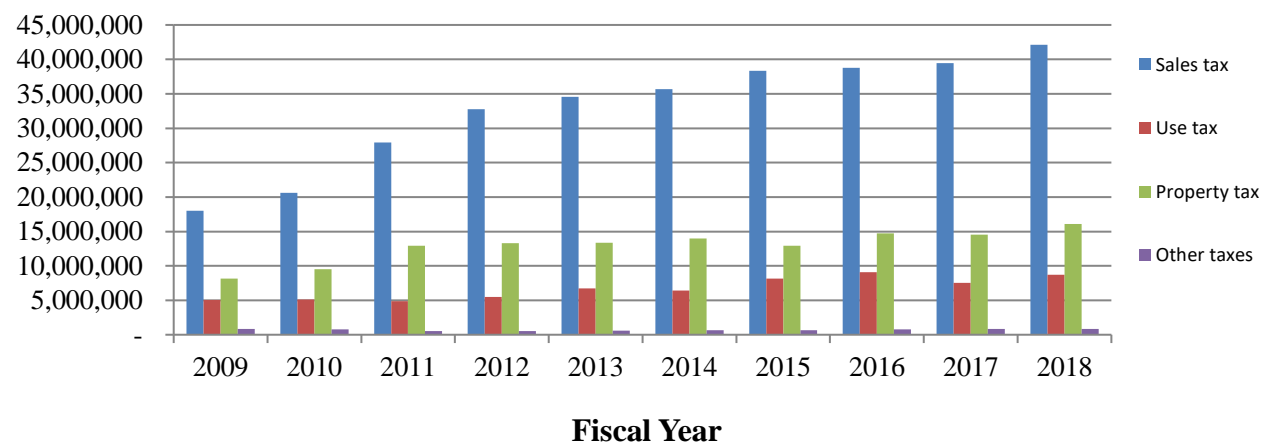
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

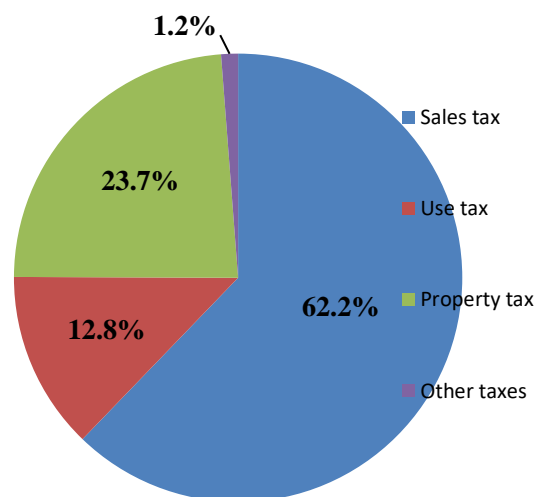
**(Unaudited)**

| <b>Fiscal year</b> | <b>Sales tax</b> | <b>Use tax</b> | <b>Property tax</b> | <b>Other taxes</b> | <b>Total</b>  |
|--------------------|------------------|----------------|---------------------|--------------------|---------------|
| 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 |
| 2018               | \$ 42,143,309    | \$ 8,703,537   | \$ 16,071,067       | \$ 824,236         | \$ 67,742,149 |

**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)**

|  | <b>Fiscal Year</b>  |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         |
| <b>Outstanding debt by type</b>                        |                     |                     |                     |
| Governmental activities                                |                     |                     |                     |
| General obligation bonds                               | \$ 2,920,000        | \$ 2,860,000        | \$ 2,795,000        |
| Bond premiums  |                     |                     |                     |
| Total Primary Government<br>outstanding debt           | <u>\$ 2,920,000</u> | <u>\$ 2,860,000</u> | <u>\$ 2,795,000</u> |
| Percentage of personal income <sup>1</sup>             | NA                  | 0.1%                | NA                  |
| Per capita <sup>1</sup>                                | NA                  | \$ 28               | NA                  |
| <b>Outstanding general bonded debt</b>                 |                     |                     |                     |
| General obligation bonds                               | <u>\$ 2,920,000</u> | <u>\$ 2,860,000</u> | <u>\$ 2,795,000</u> |
| Percentage of personal income <sup>1</sup>             | NA                  | 0.1%                | NA                  |
| Per capita <sup>1</sup>                                | NA                  | \$ 28               | NA                  |
| <b>Legal debt margin</b>                               |                     |                     |                     |
| Debt limit   | \$ -                | \$ -                | \$ -                |
| Total net debt applicable to limit                     | -                   | -                   | -                   |
| Legal debt margin                                      | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |
| Legal debt margin as a percentage<br>of the debt limit | 0.0%                | 0.0%                | 0.0%                |

<sup>1</sup> Refer to Table 13, Demographic and Economic Statistics for personal income and population.

Effective in 2008, the City became a home rule City, thus the City is no longer subject to the 3% statutory limitations for the legal debt margin.

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.

| <b>Fiscal Year</b> |              |              |              |              |              |              |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>2012</b>        | <b>2013</b>  | <b>2014</b>  | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  |
| \$ 2,730,000       | \$ 2,660,000 | \$ 2,590,000 | \$ 2,515,000 | \$ 2,380,000 | \$ 2,290,000 | \$ 2,195,000 |
|                    |              |              |              |              | 123,196      | 116,352      |
| \$ 2,730,000       | \$ 2,660,000 | \$ 2,590,000 | \$ 2,515,000 | \$ 2,380,000 | \$ 2,413,196 | \$ 2,311,352 |
| 0.1%               | 0.1%         | 0.1%         | 0.1%         | 0.1%         | 0.1%         | 0.0%         |
| \$ 27              | \$ 26        | \$ 24        | \$ 23        | \$ 22        | \$ 22        | \$ 21        |
| \$ 2,730,000       | \$ 2,660,000 | \$ 2,590,000 | \$ 2,515,000 | \$ 2,380,000 | \$ 2,413,196 | \$ 2,311,352 |
| 0.1%               | 0.1%         | 0.1%         | 0.1%         | 0.1%         | 0.1%         | 0.0%         |
| \$ 27              | \$ 26        | \$ 24        | \$ 23        | \$ 22        | \$ 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, 2018**

(Unaudited)

| <b>Governmental Unit</b>                           | <b>General<br/>Obligation<br/>Debt<br/>Outstanding</b> | <b>Estimated<br/>Percentage<br/>Applicable <sup>1</sup></b> | <b>Estimated<br/>Share of<br/>Overlapping<br/>Debt</b> |
|--|--|---|--|
| Arapahoe Park & Recreation District                | \$ 5,100,000   | 35.86%  | 1,828,860  |
| Arapahoe Water and Wastewater Authority            | 138,708,997  | 46.56%  | 64,582,909   |
| Cherry Creek School District No. 5                 | 610,545,000  | 17.82%  | 108,799,119  |
| Dove Valley Metropolitan District                  | 45,815,000   | 48.28%  | 22,119,482   |
| East Smoky Hill Metropolitan District 1            | 3,200,000  | 26.69%  | 854,080  |
| East Smoky Hill Metropolitan District 2            | 5,270,000  | 0.06%   | 3,162  |
| Estancia Metropolitan District                     | 4,110,000  | 100.00%   | 4,110,000  |
| Goodman Metropolitan District                      | 840,000  | 0.46%   | 3,864  |
| Havana Water and Sanitation District               | 1,761,300  | 9.48%   | 166,971  |
| Heritage Greens Metropolitan District              | 2,780,000  | 100.00%   | 2,780,000  |
| Littleton Public Schools                           | 130,156,195  | 36.24%  | 47,168,605   |
| Liverpool Metropolitan District                    | 2,225,000  | 61.93%  | 1,377,943  |
| Panorama Metropolitan District                     | 4,030,000  | 100.00%   | 4,030,000  |
| Parker Jordan Metropolitan District                | 9,884,975  | 52.05%  | 5,145,129  |
| Piney Creek Village Metropolitan District          | 5,355,000  | 0.10%   | 5,355  |
| Pioneer Hills Metro District                       | 3,742,510  | 100.00%   | 3,742,510  |
| Saddle Rock Metropolitan District                  | 7,830,000  | 0.21%   | 16,443   |
| Saddle Rock South Metropolitan District #4         | 13,775,000   | 0.15%   | 20,663   |
| South Suburban Recreation Park District            | 3,440,000  | 46.42%  | 1,596,848  |
| Southeast Public Improvement Metropolitan District | 2,835,000  | 45.12%  | 1,279,152  |
| Southglenn Metropolitan District                   | 71,530,000   | 100.00%   | 71,530,000   |
| Valley Club Pointe Metropolitan District           | 5,550,000  | 100.00%   | 5,550,000  |
| Subtotal Overlapping Debt                          | \$ 1,078,483,977                                       |   | \$ 346,711,095   |
| Antelope Water System Improvement District         | 2,311,352  | 100.00%   | 2,311,352  |
| Subtotal Direct Debt                               | \$ 2,311,352   |   | \$ 2,311,352   |
| Total Direct and Overlapping Debt                  | \$ 1,080,795,329                                       |   | \$ 349,022,447   |

(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)

| <b>Fiscal Year</b> | <b>Population<sup>1</sup></b> | <b>Personal Income</b> | <b>Per Capita Personal Income<sup>2</sup></b> | <b>Median Age<sup>3</sup></b> | <b>High School Graduation Rates<sup>4</sup></b> | <b>Unemployment Rate<sup>5</sup></b> |
|--------------------|-------------------------------|------------------------|---|-------------------------------|---|--------------------------------------|
| 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%                                |
| 2018               | 110,227                       | 4,999,676,266          | 45,358  | 41.0                          | 93.00%  | 3.30%                                |

\*\* 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) 2010-2012 data was obtained 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).

2010-2012 was obtained from the U.S. Census Bureau.

(3) Data obtained from the Department of Local Government (DOLA) website and it county-wide (Arapahoe County). 2010 -

2012 data was obtained from the U.S. Census Bureau.

(4) Data is based upon Colorado Department of Education and is county-wide (Arapahoe County).

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 2018 data was obtained from the Bureau of Labor Statistics.

**TABLE 14  
CITY OF CENTENNIAL, COLORADO**

**PRINCIPAL EMPLOYERS**

**2018 and 2009\***

**(Unaudited)**

| <u>Top Ten Employers</u>  | <u>2018 Rank</u>            | <u>Top Ten Employers</u>  | <u>2010* Rank</u>            |
|---|-----------------------------|---|------------------------------|
| Comcast   | 1                           | Oppenheimer Management Corporation  | 1                            |
| Arrow Electronics   | 2                           | Mediaone Group, Incorporated  | 2                            |
| United Healthcare   | 3                           | United Launch Alliance  | 3                            |
| Centura Health  | 4                           | US Foodservice, Incorporated  | 4                            |
| United Launch Alliance  | 5                           | Jones Knowledge, Incorporated   | 5                            |
| Nordstrom Bank  | 6                           | United Healthcare Services, Incorporated  | 6                            |
| Sierra Nevada Corp.   | 7                           | South Metro Fire Rescue Authority   | 7                            |
| Zillow Group  | 8                           | Saunders Construction, Inc.   | 8                            |
| Standard & Poor's (McGraw-Hill Companies)   | 9                           | US Security Associates, Incorporated  | 9                            |
| SEAKR Engineering   | 10                          | National Cinemedia, LLC   | 10                           |
| <br>  |                             |   |                              |
| <u>Employees by NAICS Industries</u>  | <u>Total Employees 2018</u> | <u>Employees by NAICS Industries</u>  | <u>Total Employees 2010*</u> |
| Finance and Insurance, and Real Estate, and Rental and Leasing                              | 7,881                       | Finance and Insurance, and Real Estate, and Rental and Leasing                              | 6,596                        |
| Professional, Scientific, and Management, and Administrative, and Waste Management Services | 16,251                      | Professional, Scientific, and Management, and Administrative, and Waste Management Services | 10,915                       |
| Construction  | 5,710                       | Construction  | 3,378                        |
| Retail Trade  | 5,566                       | Retail Trade  | 4,450                        |
| Educational Services, and Health Care, and Social Assistance                                | 6,845                       | Educational Services, and Health Care, and Social Assistance                                | 5,516                        |
| Arts, Entertainment, and Recreation, and Accommodation, and Food Services                   | 6,104                       | Arts, Entertainment, and Recreation, and Accommodation, and Food Services                   | 3,816                        |
| Wholesale Trade   | 5,639                       | Wholesale Trade   | 3,389                        |
| Information   | 4,005                       | Information   | 2,924                        |
| Other Services (except Public Administration)   | 1,722                       | Other Services (except Public Administration)   | 1,231                        |
| Public Administration   | 1,959                       | Public Administration   | 950                          |
| Manufacturing   | 1,512                       | Manufacturing   | 1,320                        |
| Transportation and Warehousing, and Utilities   | 921                         | Transportation and Warehousing, and Utilities   | 579                          |
| Agriculture, Forestry, Fishing and Hunting, Mining  | 115                         | Agriculture, Forestry, Fishing and Hunting, Mining  | 179                          |
| Total   | <u>64,230</u>               | Total   | <u>45,243</u>                |

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

\* Information for this table was not available (A)

(B) 2009 employees by NAICS industries is not available. Information based on 2010 data from Denver Regional Council of Governments (DRCOG).

**TABLE 15**  
**CITY OF CENTENNIAL, COLORADO**

**FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31**

**LAST TEN FISCAL YEARS**

**(Unaudited)**

|                          | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| General government       | 13.5        | 12.5        | 10.0        | 13.5        | 17.3        | 25.3        | 24.50        | 24.50        | 28.50        | 34.00        |
| Community services       | 5.0         | 6.0         | 5.0         | 5.5         | 4.5         | 3.0         | 9.75         | 9.75         | 9.75         | 4.00         |
| Finance & administration | 13.0        | 16.0        | 17.0        | 13.5        | 15.0        | 17.5        | 19.50        | 19.50        | 18.50        | 17.00        |
| Planning & development   | 14.0        | 14.0        | 13.0        | 9.0         | 8.5         | 5.0         | 3.50         | 3.50         | 3.50         | 9.00         |
| City infrastructure      | 1.5         | 1.5         | 5.0         | 5.0         | 3.0         | 3.5         | 6.00         | 6.00         | 6.00         | 5.00         |
| <b>Total</b>             | <b>47.0</b> | <b>50.0</b> | <b>50.0</b> | <b>46.5</b> | <b>48.3</b> | <b>54.3</b> | <b>63.25</b> | <b>63.25</b> | <b>66.25</b> | <b>69.00</b> |

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)**

|   | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Recreation <sup>(1)</sup>               |             |             |             |             |             |             |             |             |             |             |
| Acres of developed park                 | -           | -           | -           | 17.12       | 17.12       | 17.12       | 17.12       | 17.12       | 11.00       | 11.00       |
| Acres of open space parks               | -           | -           | -           | 54.62       | 54.62       | 54.62       | 54.62       | 54.62       | 107.00      | 214.00      |
| Public Works <sup>(2)</sup>             |             |             |             |             |             |             |             |             |             |             |
| Maintenance facility                    | -           | -           | -           | -           | 1           | 1           | 1           | 1           | 1           | 1           |
| Miles of streets                        | 412         | 412         | 412         | 418         | 417         | 428         | 428         | 431         | 431         | 433         |
| Number of street lights                 | 3,987       | 3,992       | 4,057       | 4,042       | 4,043       | 4,222       | 4,222       | 4,222       | 4,222       | 4,222       |
| Number of fleet vehicles                | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 7           | 7           |
| Number of equipment pieces in the fleet | NA          | NA          | NA          | NA          | NA          | NA          | NA          | NA          | NA          | 2           |

(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 |        |        |
|--|-------------|--------|--------|
|  | 2009        | 2010   | 2011   |
| <b>General Government</b>                                |             |        |        |
| Administrative Services                                  |             |        |        |
| Citations processed                                      | 21,405      | 19,372 | 19,654 |
| Employment applications processed                        | 1,906       | 2,172  | 1,040  |
| New hires processed                                      | 16.5        | 9.0    | 9.0    |
| Computer service requests                                | 1,710       | 1,856  | 1,250  |
| <b>Finance</b>   |             |        |        |
| Accounts payable checks issued <sup>(1)</sup>            | 2,067       | 2,131  | 2,207  |
| Purchasing card transactions                             | 706         | 812    | 1,050  |
| Sales/use tax accounts <sup>(2)</sup>                    | 2,922       | 3,245  | 3,618  |
| Tax audits conducted and completed                       | 1           | 115    | 91     |
| <b>City Management</b>                                   |             |        |        |
| Ordinances and resolutions approved<br>by City Council   | 113         | 119    | 131    |
| Citizen surveys received                                 | -           | 1      | 1      |
| <b>Community Development</b>                             |             |        |        |
| Building permits issued                                  | 7,592       | 6,490  | 5,151  |
| Building inspections performed                           | 14,646      | 14,600 | 14,745 |
| Code enforcement cases <sup>(3)</sup>                    | 3,581       | 3,264  | 2,756  |
| <b>Public Safety</b>                                     |             |        |        |
| Calls for service  | 44,770      | 44,318 | 45,360 |
| Average response time to Priority 1 calls <sup>(4)</sup> | 10.0        | 10.0   | 8.6    |
| Hours spent on proactive patrol <sup>(5)</sup>           | 3.6         | 3.6    | 3.6    |
| Total arrests  | 3,490       | 3,027  | 3,025  |
| <b>Public Works</b>                                      |             |        |        |
| Vehicles in fleet  | 6           | 6      | 6      |
| Lane miles receiving snow & ice control                  | 73,009      | 43,238 | 66,528 |
| Lane miles swept   | 7,216       | 4,415  | 5,811  |

(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 Sheriff's Office was unable to get the proactive patrol metric due to switching their records management system.

(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 |        |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|--------|
| 2012        | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   |
| 18,645      | 18,794 | 17,559 | 16,146 | 13,767 | 11,535 | 9,041  |
| 950         | 907    | 1,185  | 1,282  | 549    | 239    | 492    |
| 12.0        | 13.0   | 17.0   | 20.0   | 14.0   | 7.0    | 18.0   |
| 1,175       | 1,467  | 2,146  | 2,261  | 2,385  | 1,259  | 1,724  |
| 2,545       | 2,928  | 3,052  | 3,169  | 2,985  | 3,067  | 2,783  |
| 1,148       | 1,105  | 1,309  | 1,410  | 2,480  | 2,724  | 2,760  |
| 3,855       | 4,033  | 4,254  | 4,460  | 4,585  | 4,889  | 5,090  |
| 113         | 70     | 64     | 96     | 96     | 79     | 72     |
| 108         | 133    | 121    | 117    | 121    | 90     | 110    |
| 1           | -      | -      | 3      | 3      | 3      | 6      |
| 7,256       | 5,582  | 8,649  | 10,787 | 5,813  | 5,510  | 10,395 |
| 15,454      | 15,859 | 26,894 | 30,476 | 19,687 | 23,300 | 29,390 |
| 1,539       | 1,011  | 922    | 884    | 958    | 1,100  | 1,129  |
| 46,086      | 45,541 | 48,740 | 49,410 | 55,502 | 53,227 | 39,759 |
| 6.3         | 4.9    | 4.4    | 4.4    | 3.5    | 4.0    | 4.2    |
| 1.5         | 1.3    | 4.6    | 4.4    | 4.4    | 4.4    | N/A    |
| 2,572       | 2,300  | 2,364  | 2,377  | 2,506  | 2,170  | 1,835  |
| 6           | 6      | 6      | 6      | 6      | 8      | 9      |
| 34,584      | 56,658 | 55,610 | 57,310 | 56,430 | 37,866 | 45,984 |
| 7,579       | 8,929  | 11,122 | 8,645  | 8,710  | 10,502 | 10,000 |



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# Compliance Section



## **COMPLIANCE SECTION OVERVIEW**

### **SINGLE AUDIT**

Schedule of Expenditures of Federal Awards, which is required for all state and local governments with more than \$750,000 of federal expenditures.

### **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.

**Independent Auditors' Report  
On Internal Control Over Financial  
Reporting And On Compliance And Other  
Matters Based On An Audit Of Financial  
Statements Performed In Accordance With  
*Government Auditing Standards***

Honorable Mayor and Members  
of the City Council  
Centennial, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose Of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RubinBrown LLP*

June 20, 2019



**Independent Auditors' Report On Compliance  
For Each Major Federal Program, Report  
On Internal Control Over Compliance  
And Report On The Schedule Of Expenditures  
Of Federal Awards Required By The Uniform Guidance**

Honorable Mayor and Members  
of the City Council  
Centennial, Colorado

**Report On Compliance For Each Major Federal Program**

We have audited the City of Centennial, Colorado's (the City) compliance with the types of compliance requirements described in the Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal program for the year ended December 31, 2018. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and condition of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion On Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

### **Report On Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*RubinBrown LLP*

June 20, 2019

**CITY OF CENTENNIAL**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2018**

| Federal Grantor/Pass-Through<br>Grantor/Program Title                 | Federal<br>CFDA<br>Number | Pass-Through Entity<br>Identifying Number/<br>Contract Number | Federal<br>Expenditures | Expenditures<br>Sub-Recipients | Expenditures<br>To<br>Sub-Recipients |
|---|---------------------------|---|-------------------------|--------------------------------|--------------------------------------|
| <b>U.S. Department Of Transportation</b>                              |                           |   |                         |                                |                                      |
| Passed Through Colorado Department of Transportation:                 |                           |   |                         |                                |                                      |
| Highway Planning and Construction                                     | 20.205                    | AQC M193-015  | \$ 213,760              | \$                             | —                                    |
| Highway Planning and Construction                                     | 20.205                    | STU M193-014  | 363,631                 |                                | —                                    |
| Highway Planning and Construction                                     | 20.205                    | STA M193-012  | 239,118                 |                                | —                                    |
| Subtotal Highway Planning and Construction Cluster                    |                           |   | 816,509                 |                                | —                                    |
| <b>Total U.S. Department Of Transportation</b>                        |                           |   |                         |                                |                                      |
|   |                           |   | 816,509                 |                                | —                                    |
| <b>U.S. Department Of Housing And Urban Development</b>               |                           |   |                         |                                |                                      |
| Passed Through Arapahoe County:                                       |                           |   |                         |                                |                                      |
| Community Development Block Grant (CDBG - Entitlement Grants Cluster) | 14.218                    | B-18-UC-08-0002   | 275,985                 |                                | —                                    |
| <b>Total U.S. Department Of Housing And Urban Development</b>         |                           |   |                         |                                |                                      |
|   |                           |   | 275,985                 |                                | —                                    |
| <b>Total Expenditures Of Federal Awards</b>                           |                           |   |                         |                                |                                      |
|   |                           |   | \$ 1,092,494            | \$                             | —                                    |

# CITY OF CENTENNIAL

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2018

### 1. **Basis Of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the City of Centennial, Colorado (the City), for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

### 2. **Summary Of Significant Accounting**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### 3. **Indirect Costs**

The City has elected not to use the 10% *de minimis* indirect cost rate as allowed in the Uniform Guidance, Section 414.

**CITY OF CENTENNIAL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended December 31, 2018**

**Section I - Summary Of Auditors' Results**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: Unmodified  
 Internal control over financial reporting:  
     • Material weakness(es) identified? \_\_\_ yes    X no  
     • Significant deficiency(ies) identified? \_\_\_ yes    X none reported  
 Noncompliance material to financial statements noted? \_\_\_ yes    X no

**Federal Awards**

Internal control over major federal programs:  
     • Material weakness(es) identified? \_\_\_ yes    X no  
     • Significant deficiency(ies) identified? \_\_\_ yes    X none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_ yes    X no

Identification of major federal programs:

| CFDA Number | Name Of Federal Program Or Cluster        |
|-------------|---|
| 20.205      | Highway Planning and Construction Cluster |

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_ yes    X no

**CITY OF CENTENNIAL**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended December 31, 2018**

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**Section II - Financial Statement Findings**

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There were no findings relating to the City's financial statements for the year ended December 31, 2018.

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**Section III - Federal Award Findings And Questioned Costs**

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There were no findings relating to the City's federal awards for the year ended December 31, 2018.

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

|                                     |                                       |
|-------------------------------------|---------------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | City or County:<br>City of Centennial |
|                                     | YEAR ENDING :<br>December 2018        |

|  |   |
|--|---|
| This Information From The Records Of (example - City of _ or County of _):<br>City of Centennial | Prepared By: Linda Gregory<br>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     |
|---|--------------|---|------------|
| <b>A. Receipts from local sources:</b>        |              | <b>A. Local highway disbursements:</b>            |            |
| 1. Local highway-user taxes                   |              | 1. Capital outlay (from page 2)                   | 787,442    |
| a. Motor Fuel (from Item I.A.5.)              |              | 2. Maintenance:                                   | 14,832,164 |
| b. Motor Vehicle (from Item I.B.5.)           |              | 3. Road and street services:                      |            |
| c. Total (a.+b.)                              |              | a. Traffic control operations                     | 1,106,865  |
| 2. General fund appropriations                | (12,520,031) | b. Snow and ice removal                           | 388,305    |
| 3. Other local imposts (from page 2)          | 9,883,692    | c. Other  | 871,848    |
| 4. Miscellaneous local receipts (from page 2) | 0            | d. Total (a. through c.)                          | 2,367,018  |
| 5. Transfers from toll facilities             |              | 4. General administration & miscellaneous         | 2,746,209  |
| 6. Proceeds of sale of bonds and notes:       |              | 5. Highway law enforcement and safety             | 1,510,836  |
| a. Bonds - Original Issues                    |              | 6. Total (1 through 5)                            | 22,243,668 |
| b. Bonds - Refunding Issues                   |              | <b>B. Debt service on local obligations:</b>      |            |
| c. Notes                                      |              | 1. Bonds:   |            |
| d. Total (a. + b. + c.)                       | 0            | a. Interest                                       |            |
| 7. Total (1 through 6)                        | (2,636,339)  | b. Redemption                                     |            |
| <b>B. Private Contributions</b>               |              | c. Total (a. + b.)                                | 0          |
| <b>C. Receipts from State government</b>      |              | 2. Notes:   |            |
| (from page 2)                                 | 7,378,113    | a. Interest                                       |            |
| <b>D. Receipts from Federal Government</b>    |              | b. Redemption                                     |            |
| (from page 2)                                 | 1,609,792    | c. Total (a. + b.)                                | 0          |
| <b>E. Total receipts (A.7 + B + C + D)</b>    | 6,351,566    | 3. Total (1.c + 2.c)                              | 0          |
|   |              | <b>C. Payments to State for highways</b>          |            |
|   |              | <b>D. Payments to toll facilities</b>             |            |
|   |              | <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 22,243,668 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

|                              | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>      |              |               |             | 0            |
| 1. Bonds (Refunding Portion) |              |               |             |              |
| <b>B. Notes (Total)</b>      |              |               |             | 0            |

**V. LOCAL ROAD AND STREET FUND BALANCE**

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  |                      | 6,351,566         | 22,243,668             |                   | (15,892,102)      |

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2018

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

| ITEM                              | AMOUNT                    | ITEM                                      | AMOUNT                    |
|-----------------------------------|---------------------------|---|---------------------------|
| <b>A.3. Other local imposts:</b>  |                           | <b>A.4. Miscellaneous local receipts:</b> |                           |
| 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   | 307,125                   | d. Parking Meter Fees                     |                           |
| 3. Liens                          |                           | e. Sale of Surplus Property               |                           |
| 4. Licenses                       |                           | f. Charges for Services                   |                           |
| 5. Specific Ownership &/or Other  | 6,776,567                 | g. Other Misc. Receipts                   |                           |
| 6. Total (1. through 5.)          | 9,883,692                 | h. Other                                  | 0                         |
| c. Total (a. + b.)                | 9,883,692                 | i. Total (a. through h.)                  | 0                         |
|                                   | (Carry forward to page 1) |   | (Carry forward to page 1) |

| ITEM                                     | AMOUNT    | ITEM                                       | AMOUNT                    |
|--|-----------|--|---------------------------|
| <b>C. Receipts from State Government</b> |           | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes                    | 6,824,289 | 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           | 553,824   | d. Federal Transit Admin                   |                           |
| d. Other (Specify) - DOLA Grant          |           | e. U.S. Corps of Engineers                 |                           |
| e. Other (Specify)                       |           | f. Other Federal                           | 1,609,792                 |
| f. Total (a. through e.)                 | 553,824   | g. Total (a. through f.)                   | 1,609,792                 |
| 4. Total (1. + 2. + 3.f)                 | 7,378,113 | 3. Total (1. + 2.g)                        |                           |
|  |           |  | (Carry forward to page 1) |

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

|   | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) | TOTAL<br>(c)              |
|---|---|--|---------------------------|
| <b>A.1. Capital outlay:</b>                         |   |  |                           |
| a. Right-Of-Way Costs                               |   |  | 0                         |
| b. Engineering Costs                                |   | 31,295                                   | 1,393,151                 |
| c. Construction:                                    |   |  |                           |
| (1). New Facilities                                 |   |  | 0                         |
| (2). Capacity Improvements                          |   | 0  | 6,814,620                 |
| (3). System Preservation                            |   | 0  | 1,127,651                 |
| (4). System Enhancement & Operation                 |   | 756,147                                  | 599,981                   |
| (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:

