

Centennial 2022

Annual Comprehensive Financial Report
for the year ended December 31, 2021



CITY OF CENTENNIAL, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2021

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Centennial

Introductory Section





September 27, 2022

Honorable Mayor Stephanie Piko
Members of the City Council, and
Citizens of Centennial, Colorado

The Comprehensive Annual Financial Report (“Annual Report”) of the City of Centennial, Colorado for the fiscal year ended December 31, 2021 is formally transmitted in conformity with generally accepted accounting principles in the United States of America (GAAP). The 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.

The Annual Report 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 Annual Report. 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, 2021; the resulting Independent Auditors’ Report is presented on Page 1 of this 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.

In addition to meeting the requirements of the City Charter and state statute, the audit included a federally mandated Single Audit designed to meet the needs of federal grantor agencies per the requirements of Title 2 U.S. Code of Federal Regulations Part 200, (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City’s internal controls and compliance with legal requirements involved in the administration of federal awards. The reports issued by the independent auditors are presented in the compliance section at the end of this report.

GAAP 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.

Profile of the City

The City of Centennial, Colorado (the "City") was incorporated on September 12, 2000 and elected its first officials on February 6, 2001. The City became a home-rule City under Article XX of the Colorado Constitution June 17, 2008. The Home Rule Charter established a Council-Manager form of government. The City Council is the legislative power, which appoints the City Manager to execute the laws and administer the City Government. City Council is comprised of eight members, two elected from each District that serve four-year staggered terms. The Mayor serves a four year term and is elected at-large.

The City of Centennial is located in the southern region of the Denver Metropolitan Area. The City shares boundaries with the cities of Littleton, Greenwood Village, Aurora, Lone Tree, Town of Foxfield, and unincorporated areas of Arapahoe and Douglas counties. The City's current incorporated area is more than 29 square miles located entirely within Arapahoe County. Centennial is home to approximately 110,000 residents and over 5,300 local businesses.

The City is a thriving community committed to excellence and reinforced by a unifying community vision of a innovative, healthy, and safe Centennial. 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, sales tax and liquor licenses. Citizens receive fire protection, libraries, park and recreation services, schools, water, and utilities through numerous special districts.

The City focuses on the Vision statement which states: The City of Centennial is a connected community where neighborhoods matter, education is embraced, businesses are valued, and innovation is absolute. Additionally, the mission states: Driven to provide exceptional service to the Centennial community. Along with the vision and mission statements, the City is committed to six goals and strategies, described below, which serves as the framework for the development of the annual operating and capital budgets.

- Economic Vitality - Centennial's access to an educated workforce, superior infrastructure, and predictable policies provide an environment where businesses flourish.
- Fiscal Sustainability - Through prudent budgeting and investment practices, Centennial demonstrates fiscal responsibility and is resilient to economic change.
- Future Ready City Government - Our City government is attentive to the community's current needs while anticipating change. Centennial is innovative and prepared to leverage technology and resources to benefit our community.
- Public Safety and Health - Centennial strives to be the safest City in Colorado and partners with other agencies to ensure access to public safety and health services that meet the needs of the community.

- Signature Centennial - Through intentional planning and community investment, Centennial is a desirable, inclusive community with a lasting built environment, memorable places, and experiences that bring people together.
- Transportation and Mobility - Centennial's transportation network provides alternatives for the safe, efficient, and reliable movement of people, goods, and services.

The City annually prepares an operating budget under the City Charter, City policies, the Colorado Constitution, and Colorado State Budget Law(s). The budget serves as the foundation for the City's financial planning and control. The City Manager is required by the Home Rule Charter to present the budget before September 20th of each year. The City Council must hold public hearings and adopted the budget no later than December 15th. Control of budgeted expenditures is exercised at the Fund level. Department directors are responsible for all expenditures made against appropriated funds within their respective departments. The Finance Department may allocate resources within a fund for the purposes of monitoring and control, with the City Manager's written consent and quarterly notification to Council for intra-fund or project transfers and transfers from Personnel Services line items.

Local Economy

Located along the I-25 corridor in South Metro Denver, Centennial is a leader in Information, Aerospace, Finance, and Professional Services. The City has twice the concentration of jobs in the information sector as Metro Denver, and three of the City's top 25 employers are in the aerospace industry; with United Launch Alliance at the top. These industries are served by a highly skilled labor force. More than 50 percent of Centennial residents over the age of 25 possess a bachelor's or Graduate Degree and earn a median household income of almost \$100,000.

Centennial businesses have access to the region through I-25 and light rail, and access to the world through Denver International Airport and Centennial Airport, the second most active general aviation airport in the U.S.

The following economic information was prepared by Development Research Partners, Inc. for the City's annual economic report:

Employment increased throughout the region from 2020 to 2021 as businesses recovered from the closures and stay-at-home orders in 2020 that affected payrolls across most industries. The unemployment rate in Centennial peaked at 10 percent in May 2020 before steadily decreasing and settling back to an annual average rate of 5.8 percent in 2020 and 4.2 percent in 2021.

Consumer confidence increased between 2020 and 2021 but remained below pre-pandemic averages as concerns about coronavirus variants and inflation dampened optimism in the second half of 2021.

Amid strong builder confidence and a robust housing market, existing home sales from 2020 to 2021 increased 12.2 percent in Centennial and increased 13.8 percent in Arapahoe County. Demand for housing outpaced supply in 2021, leading to a sharp increase in home prices in the market areas. The apartment market in Centennial reported low vacancy rates and record high rental rates during

the period. Commercial building activity fell significantly in 2021, while vacancy rates rose across all commercial property types during the period.

Metro Denver will continue adding jobs throughout 2022 and is expected to return to pre-pandemic employment levels in most supersectors within the first half of the year. Employment in leisure and hospitality will take longer to recover as businesses continue to struggle to fill vacant positions, especially those in lower-wage occupations. The mining and logging sector will continue to lag 2019 employment level as well. With the number of workers in the labor force reaching record levels in 2021, labor market conditions will continue to improve and the unemployment rate will retreat further, falling below 4 percent in 2022.

Significant risks to the economic outlook include the ongoing pandemic, the war in Ukraine, mounting inflationary pressure, and tightening monetary policy. Consumer activity is expected to slow as consumers adjust to waning federal stimulus, higher interest rates, rising prices, and continued supply chain disruptions. Home sales will continue at a brisk pace due to the concentration of the millennial population in the typical first-time home buyer ages in Metro Denver, although activity is likely to be hampered by rising mortgage rates and continued supply shortages. Conditions in the commercial real estate markets will be mixed, with industrial construction and leasing continuing solid performance, while the office and retail markets will remain somewhat challenged.

Long Term Financial Planning and Major Initiatives

Despite the economic uncertainty in 2021, the City recovery from the COVID-19 pandemic has continued to be better than projected. Centennial avoided major reductions in revenues during 2021 and the subsequent need to re-evaluate project budgets and timelines were largely avoided or mitigated through intentional action by Council and Staff. This has provided a level of confidence moving into 2022.

The City now faces the challenge of managing continued workloads with previously deferred projects in addition to providing continued levels of exceptional services to residents, businesses, and visitors.

In 2021, the City received the first (\$4.2 million) of two anticipated payments (total of \$8.4 million) under the Coronavirus State and Local Recovery Funds through ARPA. The City has utilized the federal funding to replace lost revenues in accordance with federal guidelines.

The City's fund balances are healthy and remain a particular strength of the City. It is the policy of Council to maintain a fund balance within the General Fund of 25% of expenditures. The fund balance as of December 31, 2021, has exceeded this requirement. Additionally, Council provided policy direction to make clear the City's purpose and rationale for its fund balances above the minimum required by policy. In each major fund commitments are made intentionally for known and anticipated projects or expenditures that the City will consider in the future.

The City contracted with consultants to assist in the creation of a long-term financial model as well as completing the Transportation Master Plan. Both will be important moving forward to help guide the City in strategic growth and sustainability.

There are several major initiatives that will have an impact on the City of Centennial. The District-Centennial is a major planned development that is in initial stages of development. The District is a 43.87-acre area west of I-25 between IKEA and the RTD Dry Creek light rail station. The area is zoned Urban Center (UC) and envisioned to be a dynamic, mixed-use area, similar to Centennial's The Streets at SouthGlenn. The District-Centennial will feature a network of walkable blocks, active streets, and public gathering spaces as required by the Jones District Regulating Plan. The first building within the District-Centennial is The Glenn, a 306-unit luxury apartment building built in 2018. As of February 2021, the Jones Metropolitan District is constructing the street network and installing wet and dry utilities that will serve future building sites.

Another significant new program that will positively impact the City's retail centers is the creation of the Retail Sustainability Program. This program will create a funding stream for City support of reinvestment and improvement in important local retail centers which are an important source of retail sales tax as well as the City's quality of life. The program is anticipated to be a total of \$5 million over the next several years.

Transportation and Mobility continue to be important to the City with committed funds be dedicated for future projects. A major construction is underway with the Arapahoe Road bridge over Big Dry Creek. A large portion of the City's fund balance has been committed funds for the implementation of the Transportation Master Plan. The strategic and visionary plan will impact the future of Transportation and Mobility in the City for years to come.

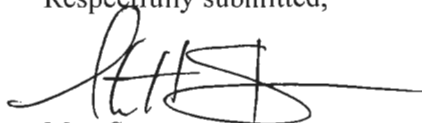
Awards and Acknowledgements

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, 2020. This is the twelfth year the City has been awarded the Certificate of Achievement. The Certificate of Achievement is valid for only one year. Our Annual Report will meet the GFOA's Certificate of Achievement requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



Jeff Cadiz
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

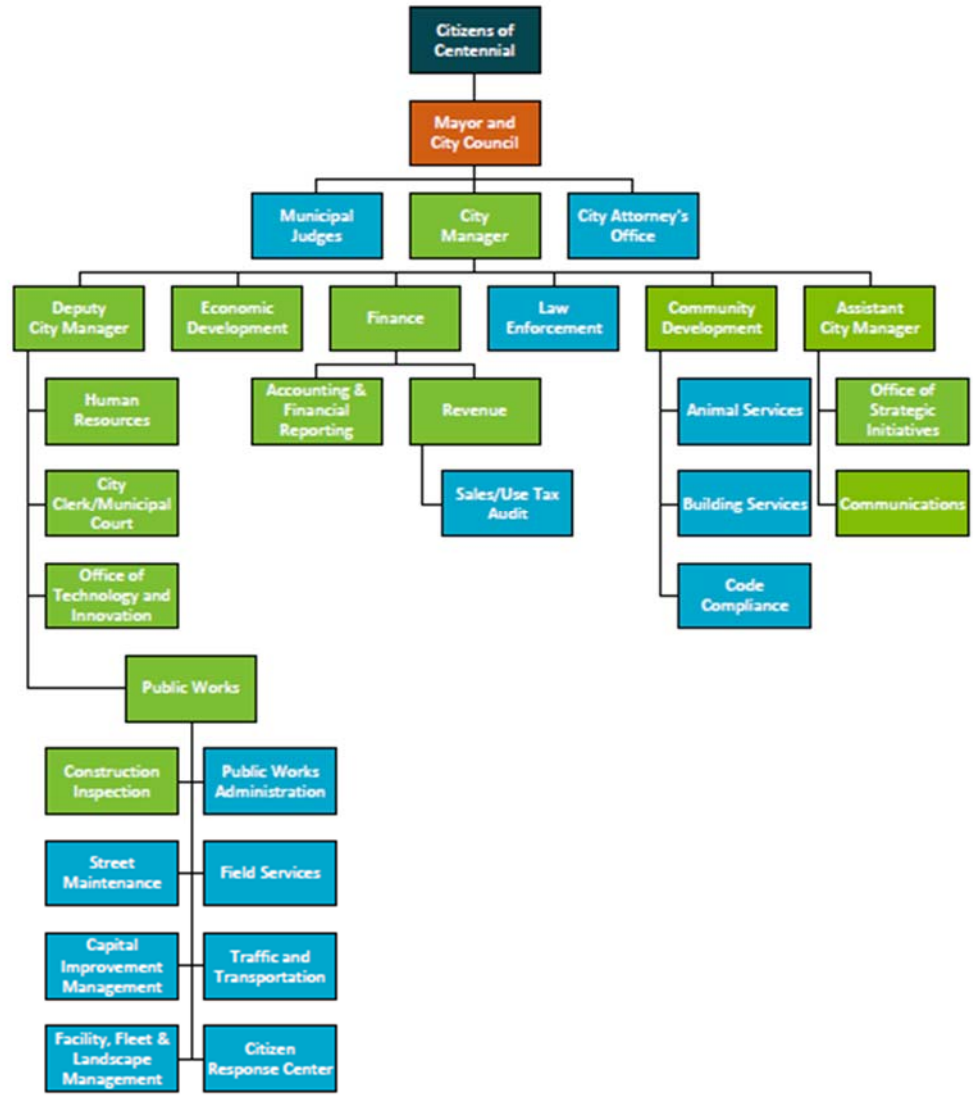
**City of Centennial
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



Citizens
 Elected Officials
 City Staff
 Contracted Services

MAYOR



STEPHANIE PIKO

COUNCIL DISTRICT ONE



CANDACE MOON



KATHY TURLEY

COUNCIL DISTRICT TWO



TAMMY MAURER



CHRISTINE SWEETLAND

COUNCIL DISTRICT THREE



MIKE SUTHERLAND



RICHARD HOLT

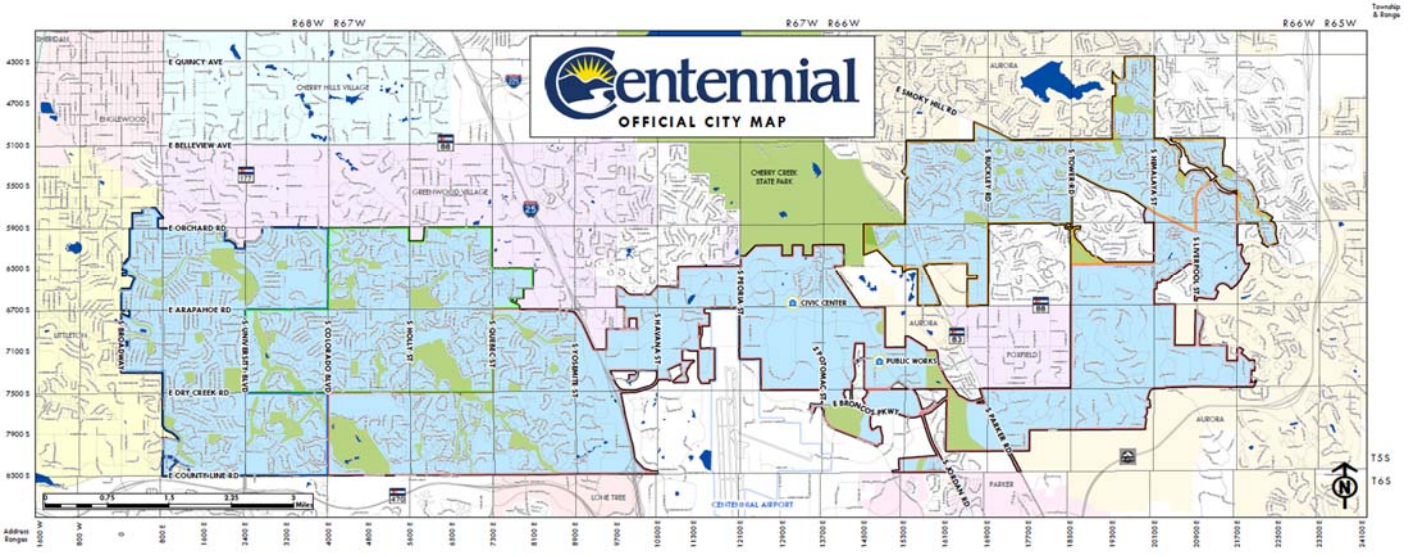
COUNCIL DISTRICT FOUR



MARLO ALSTON



DON SHEEHAN





Financial Section





1900 16th Street
Suite 300
Denver, CO 80202

T: 303.698.1883
E: info@rubinbrown.com
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

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

Report On The Audit Of The Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, 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.

Basis For Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 combining and individual fund financial statements and schedules; the Local Highway Finance Report; and 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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; the Local Highway Finance Report and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information, otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2022 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 solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

RubinBrown LLP

September 27, 2022

This section of the City of Centennial's Annual Comprehensive Financial Report ("Annual Report") offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2021. 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.

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 \$302.3 million. Unrestricted net position represents \$106.5 million, or 35.2%, of total net position which is available to meet ongoing and future obligations of the City.

- Total net position of the City increased by \$20.0 million, or 7.1%, compared to 2020. This net increase is the result of net revenues above expenses for 2021. Comparatively, the 2021 increase in net position was \$15.9 million more than 2020's increase of \$4.1 million in net position due to higher overall revenues and less overall expenditures.
- Compared to 2020, total revenues excluding transfers, increased \$3.7 million, or 3.7%, to \$104.3 million. Governmental activities revenue increased \$3.3 million, or 3.4%, to \$100.1 million. The change in these revenues is attributable to an increase in Sales and Use tax revenues (\$9.8 million), increased property tax revenues (\$0.2 million), increased capital grants and contributions (\$1.6 million), but offset by decreased investment income (\$2.4 million) due to lower market interest rates and decreased operating grants and contributions (\$5.8 million).
- The total cost of all City programs decreased by \$12.1 million, or 13.1%, to \$84.3 million compared to 2020. The cost of governmental activities program expenses decreased by \$12.1 million, or 13.1%, to \$80.8 million compared to 2020. The cost of business-type activities remained relatively unchanged, at \$3.6 million compared to 2020.
- General Fund revenues increased \$1.2 million, or 1.7% in 2021 compared to 2020.
- As of the close of the current fiscal year, the City's governmental funds reported a \$16.0 million increase in the combined ending fund balances. The combined ending governmental fund balance is \$130.6 million, of which \$26.2 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 30.6% 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. The General Fund ending balance of \$27.8 million is 51.8% of annual expenditures.

Overview of the Financial Statements

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

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

Fiduciary Funds

Fiduciary funds represent the results of inflows and outflows of funds where the City maintains control of the underlying asset, however it is intended for the benefit of others. As such, these assets are not included in governmental financial statements as the resources are not available to pay governmental expenditures. The City maintains a Custodial Fund within the fiduciary fund structure.

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.

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, 2021, the City had total assets of \$340.3 million and the City's assets exceeded its liabilities by \$302.3 million.

The following reflects the City's Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$ 158,332,250	\$ 142,133,370	\$ 1,228,763	\$ 1,130,705	\$ 159,561,013	\$ 143,264,075
Capital Assets	175,756,325	171,175,320	4,933,541	5,115,818	180,689,866	176,291,138
Total Assets	334,088,575	313,308,690	6,162,304	6,246,523	340,250,879	319,555,213
Deferred Outflows of	27,420	29,379	-	-	27,420	29,379
Liabilities						
Long-term Liabilities	8,994,234	9,325,631	-	-	8,994,234	9,325,631
Other Liabilities	8,805,861	8,269,113	781,342	598,603	9,587,203	8,867,716
Total Liabilities	17,800,095	17,594,744	781,342	598,603	18,581,437	18,193,347
Deferred Inflows of	19,377,954	19,034,277	-	-	19,377,954	19,034,277
Net Position						
Net Investment in						
Capital Assets	171,135,457	170,658,621	4,933,541	5,115,818	176,068,998	175,774,439
Restricted	19,780,971	21,879,572	-	-	19,780,971	21,879,572
Unrestricted	106,021,518	84,170,856	447,421	532,102	106,468,939	84,702,958
Total Net Position	\$ 296,937,946	\$ 276,709,049	\$ 5,380,962	\$ 5,647,920	\$ 302,318,908	\$ 282,356,969

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 \$180.7 million, or 53.1%, of total assets.

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.

Deferred Outflows of Resources

The deferred outflow of resources is the result of the Antelope General Improvement District General Obligation Refunding Bonds Series 2016. The loss on refunding is amortized at a rate of \$1,959 annually through the life of the bonds which will be repaid 2035.

Long-term Debt

The long-term debt of the City, as detailed in the Notes to the Financial Statements, decreased by \$226,516 overall. As part of this total, the City's obligation for Compensated Absences increased during 2021 by \$33,146 to \$425,470. During 2021, 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 2021, the District made a principal payment of \$100,000 in addition to all scheduled interest payments.

In September 2020, the Foxridge General Improvement District issued General Obligation Bonds Series 2020 in the principal amount of \$1,955,000. The 2020 Bonds were issued for the design and construction of perimeter fencing for the District. In 2021, the District made a principal payment of \$85,000 in addition to all scheduled interest payments.

In September 2020, the Willow Creek GID 1 & 2 General Obligation Bonds Series 2020 were issued in the principal amount of \$4,340,000. The 2020 Bonds were issued for the purposes of (i) financing or reimbursing all or any part of the costs of acquiring, construction, and installation of perimeter fencing for the District; (ii) providing capitalized interest to pay a portion of debt service on the bonds; and (iii) pay the costs of issuance of the bonds. The District has begun construction and this project. In 2021, the District made a principal payment of \$40,000 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.

Deferred Inflow of Resources

The deferred inflow of resources is recognized by the City as a result of property taxes levied in 2021 to finance the subsequent year's budget.

**Management's Discussion and Analysis
for the Year Ended December 31, 2021**



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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues -						
Charges for Services	\$ 1,410,696	\$ 1,143,957	\$ 4,213,263	\$ 3,806,968	\$ 5,623,959	\$ 4,950,925
Operating Grants and Contributions	10,371,865	16,129,070	-	-	10,371,865	16,129,070
Capital Grants and Contributions	6,344,845	4,735,239	-	-	6,344,845	4,735,239
General Revenue -						
Sales and Use Taxes	56,681,506	46,902,621	-	-	56,681,506	46,902,621
Property Taxes	18,226,802	18,017,770	-	-	18,226,802	18,017,770
Other Taxes	928,455	923,249	-	-	928,455	923,249
Unrestricted Franchise Fees	5,396,494	5,035,121	-	-	5,396,494	5,035,121
Investment Income	(182,583)	2,209,710	-	-	(182,583)	2,209,710
Loss on Disposition of Intergovernmental not restricted to specific programs	-	-	-	-	-	-
	-	409,986	-	-	-	409,986
Miscellaneous	910,183	1,252,135	-	-	910,183	1,252,135
Total Revenues	100,088,263	96,758,858	4,213,263	3,806,968	104,301,526	100,565,826
Expenses						
General Government	12,151,531	24,093,629	-	-	12,151,531	24,093,629
Community Services	2,406,990	5,939,793	-	-	2,406,990	5,939,793
Public Safety	28,388,040	29,453,500	-	-	28,388,040	29,453,500
City Infrastructure	30,053,397	26,527,600	-	-	30,053,397	26,527,600
Culture and Recreation	1,789,509	1,304,302	-	-	1,789,509	1,304,302
Urban Redevelopment	5,607,848	5,482,950	-	-	5,607,848	5,482,950
Interest on Long-term Debt	390,853	128,472	-	-	390,853	128,472
Land Use Service Fees	-	-	3,551,419	3,562,365	3,551,419	3,562,365
Total Expenses	80,788,168	92,930,246	3,551,419	3,562,365	84,339,587	96,492,611
Increase (Decrease) Before Transfers						
	19,300,095	3,828,612	661,844	244,603	19,961,939	4,073,215
Transfers	928,802	171,141	(928,802)	(171,141)	-	-
Increase (Decrease) in Net Position	20,228,897	3,999,753	(266,958)	73,462	19,961,939	4,073,215
Net Position, Beginning of Year						
	276,709,049	272,709,296	5,647,920	5,574,458	282,356,969	278,283,754
Net Position, End of Year	\$ 296,937,946	\$ 276,709,049	\$ 5,380,962	\$ 5,647,920	\$ 302,318,908	\$ 282,356,969

Governmental activities increased the City's net position by \$20.2 million, or 7.3%. Key elements of this net increase were as follows:

- Charges for Services increased by \$0.3 million, or 23.3%, compared to 2020. This was mainly due to increased court fines and fees from prior year.
- Sales and Use taxes increased by \$9.8 million, or 20.8%. The increase was due to business recovery and resulting sales taxes after the pandemic.
- Property tax revenue increased by \$0.2 million 1.2%. This increase was primarily attributable to higher assessed property valuations from new construction.
- Operating grants and contributions decreased \$5.8 million or 35.7%. The decrease was attributable to the CARES Grant receipts of \$10.4 million that were received in 2020. The City received \$4.2 million in ARPA receipts in 2021.
- Capital grants and contributions increased by \$1.6 million or 34.0%. The majority of the increase was the result of contributions for culture and recreation.
- Investment income decreased \$2.4 million or 108.3%. This decrease was attributable to the Federal Reserve lowering interest rates and market lose.
- General government expenses decreased by approximately \$12 million, due principally to the distribution of grant funds in relation to the CARES Act that occurred in 2020.
- Community services expenses decreased by approximately \$3.5 million, due principally to the reclassification of assets in 2020 and associated depreciation from City infrastructure.
- Public Safety expenses decreased by approximately \$1.1 million related to the public safety contract with Arapahoe County Sheriff office.

Business type activities' Net Position decreased by about \$267,000, or 4.7%, in 2021 due to land use fee receipts slightly higher than the cost of services offset but transfers out of the fund.

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 \$1.2 million, or 1.7%, in 2021 compared to 2020.

- Property Tax revenue received during 2021 is \$0.1 million, or 0.9%, more than collections in 2020. The increase of property tax was due to a slight increase of assessed valuation of property and all personal property being reassessed in 2021. The Arapahoe County Assessor is responsible for valuing all property within the City and re-assesses all personal property every odd year for even year collection, so property taxes were not re-assessed for collections in 2021.
- Sales Tax revenue received during 2021 was \$8.4 million, or 23.5% more than collections in 2020. The increase was attributable recovery from the pandemic and business closures that occurred in 2020. In addition, City Council adopted a marketplace facilitator and economic nexus definitions which allowed additional collections from on-line retailers.
- Building Materials Use Tax revenue for 2021 was \$0.3 million, or 10.2%, more compared to 2020. The increase was attributable to a couple large construction projects including a multi-family project.
- Court fines revenue for 2021 is \$0.1 million, or 12.3%, more than collections during 2020. Arapahoe County Sheriff's Office is responsible for public safety in the City and traffic citations decreased in 2020 due to the pandemic and fewer cars on the road.
- Investment income for 2021 was \$2.3 million less than investment income in 2020. This decrease was attributable to lower interest rates and market adjustments.

Centennial Urban Redevelopment Authority (CURA) Fund

Centennial Urban Redevelopment Authority Fund revenues decreased by \$.3 million, or 4.9%, in 2021 compared to 2020 due to lower property tax receipts resulting from property assessments within CURA.

Street Fund

This fund accounts for revenues restricted for transportation system purposes: a portion of sales taxes, motor vehicle use tax, Highway Users Tax Fund, Road and Bridge shareback funds, grants, and pavement degradation fees. In 2021, \$16.3 million was received in this fund, which was \$1.9 million, or 13.3%, more compared to 2020. Most of the increase was from motor vehicle use taxes and grants.

Open Space Fund

The Open Space Fund revenues increased by \$0.8 million, or 23.7%, in 2021 compared to 2020 due to increased dedicated sales taxes collected by Arapahoe County and intergovernmental revenues received from the County for work on the Lone Tree Creek Trail.

Expenditures

General Fund

General Fund expenditures decreased by \$11.6 million, or 17.7%, in 2021 compared to 2020. This decrease in expenditures were due to the following expenditure category changes:

- General Government expenditures decreased by \$11.8 million, or 66.8%, compared to 2020. This decrease in expenditures is primarily due to \$10.4 million increased program costs associated with CARES funding that occurred in 2020. Without those expenditures in 2020, there would be an overall decrease of \$1.2 million.
- Finance and Administrative expenditures decreased \$0.1 million, or 2.7%, compared to 2020. The primary decrease was from salary savings from vacant positions.
- Community Services expenditures increased by \$55 thousand, or 3.0%, in 2021 compared to 2020.
- City Infrastructure decreased by \$0.2 million, or 1.9%, due to various decreased expenditures for Public Works, including professional services.
- Planning and Development expenditures increased by \$21 thousand, or 4.2%, mainly due to incremental personnel costs.
- Public Safety expenditures increased by \$0.6 million, or 2.0%, due to the incremental personnel costs increases along with various equipment replacement.
- Net Transfers from the General Fund to the Capital Improvement Fund, Street Fund, and the Land Use Fund increased by \$25.2 million compared to 2020. This increase was primarily due to the pandemic and capital project being deferred in 2020, but transferred for future years. These capital projects are mainly funded by the General Fund.

Centennial Urban Redevelopment Authority Fund

Centennial Urban Redevelopment Authority Fund expenditures for 2021 were higher by \$.1 million, or 2.3%, compared to 2020 due expenditures related to professional services.

Street Fund

Street Fund expenditures for 2021 were \$0.1 million, or 0.7%, more than expenditures in 2020. There were higher street related expenditures for the Street Rehabilitation Program compared to 2020, however, that increase was offset by a decrease in expenditures for sidewalks

Capital Improvement Fund

Capital Improvement Fund expenditures for 2021 were \$1.4 million, or over 100%, more than expenditures in 2020. The increase was from expenditures related to the ITS Master Plan.

Open Space Fund

The Open Space Fund expenditures increased by \$0.6 million, or 31.2%, due various costs related to parks and trails projects, including the Lone Tree Creek Trail.

Fund Balance

The net change in the General Fund ending fund balance was a decrease of \$11.0 million, resulting in decreasing the fund balance to \$27,840,771. As of December 31, 2021, the General Fund ending fund balance as a percentage of 2021 expenditures is 51.8%, which was in compliance with the City's minimum fund balance policy of 25% of expenditures.

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 ending fund balance each year, except for 2006, 2015, 2017 and 2021, where a significant amount was transferred to the Capital Improvement Fund or Street Fund for capital projects. In the near term, transfers will be necessary to fund capital projects related to the Street and Capital Improvement Funds.

The Street Fund recognized a net fund balance increase in 2021 of \$30.7 million. The majority of the fund balance was due to interfund transfers from the General Fund and Capital Improvement Fund and also reflects \$10.4 million of fund balance committed for future capital projects.

The Capital Improvement Fund recognized a net fund balance decrease of \$3.4 million due to the transfer to the Street Fund, resulting in an ending fund balance of \$20.8 million with \$2.0 million committed for future capital projects. The Capital Improvement fund does not have a designated revenue source and will rely on transfers from the General Fund in the future.

The Open Space Fund recognized a net fund balance increase of \$1.6 million for projects anticipated to be completed in upcoming years, resulting in an ending fund balance of \$16.6 with \$8.3 million committed for future capital projects.

General Fund Budgetary Highlights

In total, the City's General Fund revenues for 2021 are \$14.4 million, or 24.6%, favorable to the amended budget, while total General Fund expenditures are \$4.3 million, or 7.3%, favorable to the amended budget. Several factors contributed to the favorable variance to the amended budget; the primary reasons are described below:

- Sales Tax revenue for 2021 was \$10.4 million, or 30.8% favorable compared to budget. The City businesses recovered faster than expected coming out of the pandemic. In addition, changes to collection from remote sellers contributed to the increase compared to budget.
- Construction use tax revenue for 2021 was unfavorable by \$.5 million or 19.3% due to a couple large construction projects in the City along with a slight increase in residential permits activity in the City, as compared to budget.
- Franchise fees realized a \$.5 million or 11.1% favorable variance. This revenue was conservatively budgeted due to the pandemic's business closures resulting in lower overall franchise fees from electric utility revenues, however, employees returned sooner than expected into the office.
- Intergovernmental revenues for 2021 were favorable by \$4.6 million. This favorable variance is a result of the ARPA funding received by the City that was not budgeted.
- Investment Income for 2021 was \$1.4 million unfavorable compared to budget. This unfavorable variance is attributable to the market adjustments in the portfolio.
- General Fund expenditures were \$4.3 million, or 7.3%, favorable compared to budget and include the following:
 - General government expenditures were \$1.8 million, or 23.3%, favorable compared to budget. This was a result of lower operating costs. There were cost savings due to vacancy savings for unfilled positions and professional development. The Office of Strategic Initiative expenditures were \$0.3 million favorable compared to budget with reduced costs for project specific items. The Communications department also comprised a significant favorable variance to the budget.
 - Finance and Administration were \$0.6 million or 9.5% favorable to budget. The Office of Technology and Innovation expenditures were \$0.4 million favorable compared to budget. This variance is primarily due to reduced information technology and licensing costs, as a result of the city-wide operational cost reductions.

- City Infrastructure expenditures are \$.4 million, or 3.5% favorable to budget. The favorable variance was from reduced contract costs and maintenance costs.
- Public Safety was \$1.5 million, or 4.6% favorable to budget. The favorable variance was from reduced contract costs of the Arapahoe County Sherriff's Office compared to when the budget was established. Due to timing of the County budget and the City budget, these variances are expected to occur in the future.

Economic Factors and Next Year's Budget

As the recovery from the COVID-19 pandemic continues, Centennial avoided reductions in revenues during 2021 and the subsequent need to re-evaluate project budgets and timelines were largely avoided or mitigated through intentional action by Council and Staff. This provides a level of confidence moving into 2022 that was not present a year ago.

The City now faces the challenge of managing continued workloads with previously deferred projects. Staff is leaning into these challenges and utilizing our core values – collaboration, intentionality, service oriented, and innovation. The City has examined how it does business and implemented new ways to serve the community.

The 2022 Budget contains expenditures for all funds of \$123.9 million, an increase of 18.5% over the 2021 Adopted Budget. The year-to-year budget increase is largely due to lower-than-budgeted expenditures in 2021 and the need to carry forward unspent funds for ongoing, one-time capital projects in the Street and Open Space Funds. The City previously reserved funding to complete these and other projects identified in the budget rather than incurring debt. This strategy is also reflected in the significant commitments made by the City for future projects and needs in the use of Committed Fund Balance throughout the 2022 Budget. Specific projects and programs are identified within each major fund and have funding available for use by a future Council.

The Adopted General Fund expenditures for 2022 are budgeted at \$63.3 million, an increase of approximately \$5.3 million (9.2%) from the 2021 Adopted Budget (\$58.0 million). As discussed previously, this increase reflects the strength of the fiscal picture for the City and the continuation of significant projects and programs. Primary drivers of General Fund expenditures remain the provision of Law Enforcement and Public Works services.

The Budget contains significant funding in Economic Development and our neighborhood retail environment to further Economic Vitality. Intentional investment through Signature Centennial will advance the City's vision for quality of life in capital projects and operational improvements. The focus on Transportation and Mobility remains strong with investment in our Traffic Management Center, capital project Construction Management, and design for significant future projects. The City continues to look toward being a Future Ready City Government in exploring how it can utilize aerial imagery and 3D modeling to analyze potential developments.

The Budget and Key Performance Areas comprises many diverse components that work together to deliver on the vision of Centennial as a:

- Connected community;
- Where neighborhoods matter;
- Education is embraced;
- Businesses are valued; and
- Innovation absolute.

Within the components of the City's vision, there are several important projects or programs to highlight that illustrate the commitment this budget makes to our community. These include Economic Vitality, Transportation and Mobility, Fiscal Sustainability, and Signature Centennial.

Economic Vitality

One of the most significant areas of investment in the 2022 Budget is Economic Vitality. The City has reorganized the Economic Development department to intentionally focus on our retail centers while still meeting the needs of the City's overall economic development strategy. This includes using existing positions as well as adding two new full-time equivalent (FTE) positions – a Redevelopment Specialist and an Economic Development Specialist. This intentional investment in Economic Vitality will help support the City's initiatives and ensure a resilient community.

It has been reported by the retail industry that the pandemic accelerated the transition to on-line purchasing by as much as a decade. The City has known there would be an evolution in how people purchased goods and services, but it was not anticipated to occur at this speed. This has significant implications for the built environment in particular, and proactively seeking to reposition Centennial retail centers is critical because of their high visibility as well as the role they play in revenue generation for the City.

A significant new program that will positively impact retail centers is also included with the creation of the Retail Sustainability Program. This program will create a funding stream for City support of reinvestment and improvement in important local retail centers which are an important source of retail sales tax as well as the City's quality of life. The program is anticipated to be a total of \$5 million over two years, with \$2.5 million being dedicated in 2022.

Transportation and Mobility

Substantial funding continues to be dedicated to the construction, operations, and maintenance of the City's largest single public asset. The ability for people and goods to move safely and efficiently through the community is supported with enhanced construction management services and operational support for the Traffic Management Center. These ongoing funds continues to deliver on the current state of our transportation system – but there are significant funds dedicated to the future as well.

The foundation for the next phase of the City's Intelligent Transportation System is proposed with the Regional Transportation Operations & Technology funding – a significant regional partnership enabled by funding from the Denver Regional Council of Governments.

The City has intentionally committed funds for the implementation of the Transportation Master Plan, a strategic and visionary document that will impact the future of Transportation and Mobility in the City for years to come.

Fiscal Sustainability

The impacts of COVID-19 continue to inject uncertainty into the City's revenue picture. While revenues have remained better than initially predicted, Staff will remain vigilant and develop recommendations for adjustment as may become necessary.

The City's Fund Balances are healthy and remain a particular strength of the City. Council provided policy direction to make clear the City's purpose and rationale for its fund balances. In each major fund in the 2022 Proposed Budget, recommended Committed Fund Balances were included. These commitments are made intentionally for known and anticipated projects or expenditures that the City will consider in the future.

After making strategic decisions in 2021 to retain significant fund balance in the Capital and General Funds, the City is preparing for the implementation of the Transportation Master Plan and other major capital projects by clearly identifying funding that can be called upon for future use. In some cases, such as the Easter Avenue and Havana Street intersection, the identified fund balance complements design funding appropriated in 2022. In others, like the General Fund commitment for the Sheriff's Office Equipment Replacement, Staff identified future contractual requirements and requested City Council set aside the funding to be called upon in subsequent years.

In 2021, the City received the first (\$4.2 million) of two anticipated payments (total of \$8.5 million) under the Coronavirus State and Local Recovery Funds through the American Rescue Plan Act

Signature Centennial

Signature Centennial captures a multitude of City projects, programs, and partnerships. This strategic planning area focuses our efforts around intentional planning and community investment to further the goals of being a desirable, inclusive community with a lasting built environment, memorable places, and experiences that bring people together. In 2022, the City will aim to move forward by investing in community activities after a successful 2021 season. The City has established funding to expand the neighborhood grant program and implement a neighborhood services trailer to support community events. Together with community partners, the City is investing significant funds to design, construct, and expand trail systems throughout the City. The City is also investing in neighborhood parks and trail amenities to ensure Centennial remains a desirable community. Funds are included for construction projects like the Lone Tree Creek Trail and the Centennial Link Trail, which will connect the trail systems within the community and further the goals of the Trails and Recreation Plan.

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 Statements



CITY OF CENTENNIAL, COLORADO

STATEMENT OF NET POSITION

December 31, 2021

	Primary Government		
	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 130,329,730	\$ 853,240	\$ 131,182,970
Taxes receivable	25,679,438	—	25,679,438
Other receivables	973,999	374,388	1,348,387
Intergovernmental receivables	1,071,552	—	1,071,552
Deposits	8,000	—	8,000
Prepaid expenses	269,531	1,135	270,666
Capital assets, not being depreciated	108,385,701	13,515	108,399,216
Capital assets, net of accumulated depreciation	67,370,624	4,920,026	72,290,650
Total assets	<u>334,088,575</u>	<u>6,162,304</u>	<u>340,250,879</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	27,420	—	27,420
LIABILITIES			
Accounts payable	6,014,598	454,550	6,469,148
Retainage payable	394,571	—	394,571
Accrued liabilities	295,190	—	295,190
Other liabilities	242,426	—	242,426
Accrued interest payable	130,451	—	130,451
Developer contributions and deposits	1,324,851	—	1,324,851
Unearned revenue	—	326,792	326,792
Non-current liabilities			
Due within one year	403,774	—	403,774
Due in more than one year	8,994,234	—	8,994,234
Total liabilities	<u>17,800,095</u>	<u>781,342</u>	<u>18,581,437</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	19,377,954	—	19,377,954
NET POSITION			
Net investment in capital assets	171,135,457	4,933,541	176,068,998
Restricted for:			
Emergency reserves	1,608,663	—	1,608,663
Parks and open space	12,003,052	—	12,003,052
District infrastructure	6,052,944	—	6,052,944
Urban redevelopment	116,312	—	116,312
Unrestricted	106,021,518	447,421	106,468,939
Total net position	<u>\$ 296,937,946</u>	<u>\$ 5,380,962</u>	<u>\$ 302,318,908</u>

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities:				
General government	\$ 12,151,531	\$ 1,361,226	\$ 4,244,773	\$ —
Community services	2,406,990	49,470	—	—
City infrastructure	28,388,041	—	6,127,092	1,532,369
Public safety	30,053,397	—	—	—
Culture and recreation	1,789,509	—	—	4,812,476
Urban redevelopment	5,607,848	—	—	—
Interest on long-term debt	390,853	—	—	—
Total governmental activities	80,788,168	1,410,696	10,371,865	6,344,845
Business-type activities:				
Land use	3,302,857	4,154,848	—	—
Fiber	248,562	58,415	—	—
Total business-type activities	3,551,419	4,213,263	—	—
Total primary government	84,339,587	5,623,959	10,371,865	6,344,845

General revenues:
 Sales tax
 Use tax
 Property tax
 Motor vehicle use tax
 Other taxes
 Unrestricted franchise fees
 Investment income (loss)
 Miscellaneous
 Transfers
 Total general revenues and transfers
 Change in net position
 Net Position - Beginning
 Net Position - Ending

CITY OF CENTENNIAL, COLORADO

Net (Expense) Revenue and Change in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (6,545,532)	\$ —	\$ (6,545,532)
(2,357,520)	—	(2,357,520)
(20,728,580)	—	(20,728,580)
(30,053,397)	—	(30,053,397)
3,022,967	—	3,022,967
(5,607,848)	—	(5,607,848)
(390,853)	—	(390,853)
(62,660,762)	—	(62,660,762)
—	851,991	851,991
—	(190,147)	(190,147)
—	661,844	661,844
(62,660,762)	661,844	(61,998,918)
47,184,113	—	47,184,113
3,144,057	—	3,144,057
18,226,802	—	18,226,802
6,353,336	—	6,353,336
928,455	—	928,455
5,396,494	—	5,396,494
(182,583)	—	(182,583)
910,183	—	910,183
928,802	(928,802)	—
82,889,659	(928,802)	81,960,857
20,228,897	(266,958)	19,961,939
276,709,049	5,647,920	282,356,969
\$ 296,937,946	\$ 5,380,962	\$ 302,318,908

CITY OF CENTENNIAL, COLORADO

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021**

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
ASSETS			
Cash and investments	\$ 25,249,608	\$ 139,519	\$ 21,157,325
Taxes receivable	19,016,559	5,315,804	—
Other receivables	973,999	—	—
Intergovernmental receivables	79,541	633,262	—
Deposits	8,000	—	—
Prepaid items	247,854	—	20,205
Total assets	<u>\$ 45,575,561</u>	<u>\$ 6,088,585</u>	<u>\$ 21,177,530</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 3,029,039	\$ 632,853	\$ 351,760
Retainage payable	—	—	74,583
Accrued liabilities	252,190	—	—
Other liabilities	242,426	—	—
Developer contributions and deposits	874,776	—	—
Total liabilities	<u>4,398,431</u>	<u>632,853</u>	<u>426,343</u>
 DEFERRED INFLOWS OF RESOURCES			
Property taxes	13,234,729	5,315,804	—
Grants and contributions	101,630	23,616	—
Total deferred inflows of resources	<u>13,336,359</u>	<u>5,339,420</u>	<u>—</u>
 FUND BALANCE			
Nonspendable:			
Prepaid items	247,854	—	20,205
Deposits	8,000	—	—
Restricted for:			
Emergency reserves	1,434,500	—	—
Parks and Open Space	—	—	—
District Infrastructure	—	—	—
Urban Redevelopment	—	116,312	—
Committed for:			
Committed for future capital projects	—	—	2,000,000
Assigned to:			
City infrastructure	—	—	18,730,982
Unassigned	26,150,417	—	—
Total fund balance	<u>27,840,771</u>	<u>116,312</u>	<u>20,751,187</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 45,575,561</u>	<u>\$ 6,088,585</u>	<u>\$ 21,177,530</u>

CITY OF CENTENNIAL, COLORADO

Street Fund	Open Space Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 56,214,621	\$ 17,484,895	\$ 10,083,762	\$ 130,329,730
519,654	—	827,421	25,679,438
—	—	—	973,999
358,749	—	—	1,071,552
—	—	—	8,000
1,472	—	—	269,531
<u>\$ 57,094,496</u>	<u>\$ 17,484,895</u>	<u>\$ 10,911,183</u>	<u>\$ 158,332,250</u>
\$ 1,094,140	\$ 847,586	\$ 59,220	\$ 6,014,598
209,096	26,995	83,897	394,571
—	—	43,000	295,190
—	—	—	242,426
450,075	—	—	1,324,851
<u>1,753,311</u>	<u>874,581</u>	<u>186,117</u>	<u>8,271,636</u>
—	—	827,421	19,377,954
—	—	—	125,246
—	—	827,421	19,503,200
1,472	—	—	269,531
—	—	—	8,000
—	79,051	95,112	1,608,663
—	8,253,463	3,749,589	12,003,052
—	—	6,052,944	6,052,944
—	—	—	116,312
10,400,000	8,277,800	—	20,677,800
44,939,713	—	—	63,670,695
—	—	—	26,150,417
<u>55,341,185</u>	<u>16,610,314</u>	<u>9,897,645</u>	<u>130,557,414</u>
<u>\$ 57,094,496</u>	<u>\$ 17,484,895</u>	<u>\$ 10,911,183</u>	<u>\$ 158,332,250</u>

CITY OF CENTENNIAL, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2021**

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

Total fund balance - governmental funds \$ 130,557,414

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	\$ 274,823,479	
Less accumulated depreciation	<u>(99,067,154)</u>	175,756,325

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 125,246

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	\$ (8,070,000)	
Deferred amount on refunding	27,420	
Bond premiums payable	(902,538)	
Accrued interest payable	(130,451)	
Accrued compensated absences	<u>(425,470)</u>	(9,501,039)

Total net position of governmental activities \$ 296,937,946

CITY OF CENTENNIAL, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2021

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
REVENUES			
Taxes	\$ 60,547,034	\$ 5,254,649	\$ -
Intergovernmental	5,293,495	-	-
Charges for services	1,361,226	-	-
Franchise fees	5,396,494	-	-
Investment income (loss)	(343,185)	-	-
Miscellaneous	884,753	17,946	-
Total revenues	73,139,817	5,272,595	-
EXPENDITURES			
Current			
General government	11,217,450	-	-
Community services	2,393,921	-	-
City infrastructure	10,085,398	-	390,566
Public safety	30,053,397	-	-
Culture and recreation	-	-	-
Urban redevelopment	-	5,607,848	-
Capital outlay	35,869	-	2,314,484
Debt service	-	-	-
Principal	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total expenditures	53,786,035	5,607,848	2,705,050
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	19,353,782	(335,253)	(2,705,050)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,737,462	-	1,280,000
Transfers out	(32,088,660)	-	(2,000,000)
Total other financing sources (uses)	(30,351,198)	-	(720,000)
NET CHANGE IN FUND BALANCE	(10,997,416)	(335,253)	(3,425,050)
FUND BALANCE - BEGINNING OF YEAR	38,838,187	451,565	24,176,237
FUND BALANCE - END OF YEAR	\$ 27,840,771	\$ 116,312	\$ 20,751,187

CITY OF CENTENNIAL, COLORADO

Street Fund	Open Space Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 9,153,336	\$ -	\$ 881,744	\$ 75,836,763
7,096,592	4,097,538	714,938	17,202,563
49,470	-	-	1,410,696
-	-	-	5,396,494
-	111,568	49,034	(182,583)
6,304	-	1,180	910,183
<u>16,305,702</u>	<u>4,209,106</u>	<u>1,646,896</u>	<u>100,574,116</u>
-	-	-	11,217,450
-	-	-	2,393,921
14,369,474	-	163,570	25,009,008
-	-	-	30,053,397
-	815,515	457,110	1,272,625
-	-	-	5,607,848
3,255,332	1,819,526	1,942,813	9,368,024
-	-	225,000	225,000
-	-	357,906	357,906
22,500	-	400	22,900
<u>17,647,306</u>	<u>2,635,041</u>	<u>3,146,799</u>	<u>85,528,079</u>
<u>(1,341,604)</u>	<u>1,574,065</u>	<u>(1,499,903)</u>	<u>15,046,037</u>
32,000,000	-	-	35,017,462
-	-	-	(34,088,660)
<u>32,000,000</u>	<u>-</u>	<u>-</u>	<u>928,802</u>
30,658,396	1,574,065	(1,499,903)	15,974,839
<u>24,682,789</u>	<u>15,036,249</u>	<u>11,397,548</u>	<u>114,582,575</u>
<u>\$ 55,341,185</u>	<u>\$ 16,610,314</u>	<u>\$ 9,897,645</u>	<u>\$ 130,557,414</u>

CITY OF CENTENNIAL, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2021**

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

Net change in fund balance - total governmental funds	\$	15,974,839
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	\$	9,368,024
Less current year depreciation	<u>(4,787,020)</u>	4,581,004
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.		
		225,000
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.		
		(485,853)
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	34,662	
Amortization of deferred amount on refunding	<u>(1,959)</u>	32,703
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	\$	(33,146)
Change in accrued interest payable	<u>(65,650)</u>	(98,796)
Change in net position of governmental activities	<u>\$</u>	<u>20,228,897</u>

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021**

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Land Use</u>	<u>Fiber</u>	<u>Enterprise</u>
			<u>Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ —	\$ 853,240	\$ 853,240
Accounts receivable	374,388	—	374,388
Prepaid expenses	1,135	—	1,135
Total current assets	<u>375,523</u>	<u>853,240</u>	<u>1,228,763</u>
Noncurrent assets:			
Capital assets, not being depreciated	—	13,515	13,515
Capital assets, net of accumulated depreciation	—	4,920,026	4,920,026
Total noncurrent assets	<u>—</u>	<u>4,933,541</u>	<u>4,933,541</u>
Total assets	<u>375,523</u>	<u>5,786,781</u>	<u>6,162,304</u>
LIABILITIES			
Current liabilities:			
Accounts payable	452,334	2,216	454,550
Unearned revenue	—	326,792	326,792
Total liabilities	<u>452,334</u>	<u>329,008</u>	<u>781,342</u>
NET POSTION			
Net investment in capital assets	—	4,933,541	4,933,541
Unrestricted	(76,811)	524,232	447,421
Total net position	<u>\$ (76,811)</u>	<u>\$ 5,457,773</u>	<u>\$ 5,380,962</u>

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

For The Year Ended December 31, 2021

	<u>Enterprise Funds</u>		<u>Total Enterprise Funds</u>
	<u>Land Use</u>	<u>Fiber</u>	
OPERATING REVENUE			
Building permits, licenses and fees	\$ 2,423,007	\$ —	\$ 2,423,007
Contractor's licenses and bus shelter fees	237,964	—	237,964
Land use permits and other income	1,493,877	—	1,493,877
Leased property revenue	—	43,393	43,393
Miscellaneous	—	15,022	15,022
Total operating revenue	<u>4,154,848</u>	<u>58,415</u>	<u>4,213,263</u>
OPERATING EXPENSES			
Personnel services	658,123	—	658,123
Contracted services	2,434,555	20,471	2,455,026
Professional services	—	3,379	3,379
Services and supplies	210,179	28,920	239,099
Depreciation expense	—	195,792	195,792
Total operating expenses	<u>3,302,857</u>	<u>248,562</u>	<u>3,551,419</u>
OPERATING INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	851,991	(190,147)	661,844
OTHER FINANCING SOURCES (USES)			
Transfers in	808,660	—	808,660
Transfers out	(1,737,462)	—	(1,737,462)
Total other financing sources (uses)	<u>(928,802)</u>	<u>—</u>	<u>(928,802)</u>
CHANGE IN NET POSITION	(76,811)	(190,147)	(266,958)
NET POSITION - BEGINNING OF YEAR	<u>—</u>	<u>5,647,920</u>	<u>5,647,920</u>
NET POSITION - END OF YEAR	<u>\$ (76,811)</u>	<u>\$ 5,457,773</u>	<u>\$ 5,380,962</u>

CITY OF CENTENNIAL, COLORADO

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For The Year Ended December 31, 2021

	Enterprise Funds		Total Enterprise Funds
	Land Use	Fiber	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,780,460	\$ 96,476	\$ 3,876,936
Cash paid to employees	(660,091)	—	(660,091)
Cash paid to vendors	(2,429,731)	(64,519)	(2,494,250)
Net cash provided by operating activities	690,638	31,957	722,595
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	808,660	—	808,660
Transfers out	(1,737,462)	—	(1,737,462)
Net cash used in non-capital financing activities	(928,802)	—	(928,802)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	—	(13,515)	(13,515)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(238,164)	18,442	(219,722)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	238,164	834,798	1,072,962
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ —	\$ 853,240	\$ 853,240
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES			
Operating income (loss)	\$ 851,991	\$ (190,147)	\$ 661,844
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	—	195,792	195,792
Change in assets and liabilities:			
Accounts receivable	(374,388)	57,743	(316,645)
Prepaid expenses	(1,135)	—	(1,135)
Accounts payable	216,138	(11,749)	204,389
Accrued liabilities	(1,968)	—	(1,968)
Unearned revenue	—	(19,682)	(19,682)
Net adjustments	(161,353)	222,104	60,751
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 690,638	\$ 31,957	\$ 722,595

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUND
December 31, 2021**

	Custodial Fund
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 2,837,840
	<u> </u>
LIABILITIES	
Accounts payable and other liabilities	1,898,338
Due to local governments	939,502
Total liabilities	<u>2,837,840</u>
NET POSITION	<u>\$ —</u>

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION -
FIDUCIARY FUND
December 31, 2021**

	<u>Custodial Fund</u>
ADDITIONS	
Sales tax collections for other governments	\$ 426,780
SIA escrow	412,825
Total additions	<u>839,605</u>
DEDUCTIONS	
Payment of sales tax to other governments	410,208
Payment of SIA Escrow	412,825
Administrative expense	16,572
Total deductions	<u>839,605</u>
NET CHANGE IN FIDUCIARY NET POSITION	—
NET POSITION - BEGINNING OF YEAR	<u>—</u>
NET POSITION - END OF YEAR	<u><u>\$ —</u></u>



Centennial

Notes to the Financial Statements



CITY OF CENTENNIAL, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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. During 2020, Willow Creek General Improvement district was created for the purpose of management of the Willow Creek area in a manner similar to the other GIDs. 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 Basic Financial Statements (*Continued*)

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 state and local 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 Basic Financial Statements (*Continued*)

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. The total fund balances for all governmental funds is reconciled to the total net position for governmental activities as shown on the Statement of Net Position. The net change in fund balance is reconciled to the total change in net position as shown on the Statement of Activities in the government-wide financial statements.

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 funds. 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 Basic Financial Statements (*Continued*)

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 **Street Fund** accounts for resources used for the used for the acquisition, construction, maintenance and improvements of infrastructure related to streets. Revenues from this fund are primarily derived from the Auto Use Tax, intergovernmental revenue, sales tax, and the City's General Fund.

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. This fund has been classified as a City nonmajor fund in the past yet due to the assets within this fund, it now qualifies as a major fund.

The City reports the following nonmajor fund:

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 Basic Financial Statements (*Continued*)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following nonmajor proprietary funds:

The ***Land Use Fund***, an enterprise 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 elected to show the Land Use Fund as major for comparability purposes.

The ***Fiber Fund***, an enterprise fund accounts for the City operations and maintenance costs associated with the City’s fiber backbone network. The City operates a 432-fiber strand backbone that connects key City sites, passes community anchor institutions and enables both existing and new broadband providers to tie into the infrastructure. The Fiber Fund accounts for the leased property revenue and other revenues collected for services associated with fiber strand rental.

The City Reports the following fiduciary fund:

The ***Custodial Fund*** accounts for custodial assets held on behalf of other governments and individuals. The Custodial Fund accounts for the fiduciary activities that are not held in trust or an equivalent arrangement that meets specific criteria and are resources held for the benefit of outside parties of the government. As such, Fiduciary funds are not reflected in the government-wide statements as the resources contained are not available to support the City of Centennial’s own programs.

The City accounts for five ***General Improvement Districts (GID’s): Antelope, Foxridge, Cherry Park, Walnut Hills, and Willow Creek***. 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, Cash Equivalents, 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.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 for which they are levied for and attach and enforceable lien on the property. Amounts deferred are subsequently recorded as revenue in the year they are available or collected.

Prepaid Expenses/Items

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

Capital Assets

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

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

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (continued)

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/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its re-acquisition price.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows include property taxes accrued, 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 6.154 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.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences (continued)

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

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental funds recognize bond premiums and bond discounts in the year of issue. The face amount of the debt issued is reported as other financing sources.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. 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, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable.

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 prepaid items.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance (continued)

- 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.

- 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 related to capital projects 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, 2021, 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. The City of Centennial has established a formal policy for its use of restricted and unrestricted (committed, assigned, and unassigned) fund balance. 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. Additionally, the City of Centennial also established a formal policy to maintain a reserve within the Street Fund equal to twenty-five (25%) of the Street Fund operating expenditures and maintains compliance with the minimum fund balance policy.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2021 follows:

Petty Cash	\$	650
Cash Deposits		6,277,593
Investments		<u>127,742,567</u>
Total Cash, Cash Equivalents, and Investments		<u>\$ 134,020,810</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 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, 2021, the City had bank deposits of \$3,713,943 insured and collateralized with securities held by the financial institutions' agents, but not in the City's name.

The City's Cash and Investments includes \$2,837,840 of fiduciary funds not available to meet general government obligations.

Cash, Cash Equivalents, and Investments	\$	134,020,810
Less: Custodial Fund		<u>(2,837,840)</u>
Net Cash, Cash Equivalents, and Investments for general government use		<u>\$ 131,182,970</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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. Custodial risk is not addressed by State statutes or by City policy. Following is a presentation of how the City may invest:

- 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-brokered 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.

At December 31, 2021, 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+	14.71%	\$ 18,795,978	\$ 3,784,335	\$ 1,508,910	\$ 1,970,150	\$ 11,532,583
US Treasury Notes	AA+	8.00%	10,217,900	—	2,998,288	3,009,865	4,209,748
Corporate Notes	AAA	1.57%	2,004,425	2,004,425	—	—	—
Corporate Notes	AA+	1.64%	2,101,321	1,750,365	350,956	—	—
Corporate Notes	AA	0.54%	693,070	—	—	693,070	—
Corporate Notes	AA-	0.79%	1,011,100	1,011,100	—	—	—
Corporate Notes	AA2	0.98%	1,252,213	1,252,213	—	—	—
Municipal Bonds	AA2/AAA	5.11%	6,533,280	533,143	3,169,383	2,092,987	737,768
Brokered CD's	NA	6.70%	8,564,586	2,466,297	1,243,428	1,238,289	3,616,572
Wells Fargo MMA	NA	0.23%	287,562	287,562	—	—	—
UMB MMA	NA	3.36%	4,288,942	4,288,942	—	—	—
Non-Brokered CD's	NA	7.74%	9,892,576	—	—	5,788,818	4,103,759
Local Government Investment Pools	AAAm	48.61%	62,099,615	62,099,615	—	—	—
Total		100%	\$ 127,742,567	\$ 79,477,996	\$ 9,270,964	\$ 14,793,179	\$ 24,200,428

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.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

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

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 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, 2021, the City’s investments balances at fair value hierarchy are as follows:

Investment Type	Level 1	Level 2	Level 3	Total
US Agency Securities	\$ -	\$ 18,795,978	\$ -	\$ 18,795,978
US Treasury Securities	-	10,217,900	-	10,217,900
Corporate Bonds	-	7,062,128	-	7,062,128
Municipal Bonds	-	6,533,280	-	6,533,280
Brokered CD's	-	8,564,586	-	8,564,586
Money Market Funds	4,576,504	-	-	4,576,504
Total Investments by Fair Value Level	<u>\$ 4,576,504</u>	<u>\$ 51,173,872</u>	<u>\$ -</u>	<u>\$ 55,750,376</u>
Non-Brokered CD's				9,892,576
Local Government Investment Pools				62,099,615
Total Investments				<u>\$ 127,742,567</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

Local Government Investment Pools

As of December 31, 2021, the City of Centennial has invested \$31,512,275 in Colorado Local Government Liquid Asset Trust + (ColoTrust) and \$29,269,391 in the Colorado Surplus Asset Trust (CSAFE CORE). ColoTrust and CSAFE CORE are valued using a NAV per share (or its equivalent) of the investments and do not have unfunded commitments. ColoTrust does not have redemption restrictions or redemption notice periods. CSAFE CORE has a required 24-hour redemption notice and a limit of 3 monthly withdrawals. The investments conform to its permitted investment and will meet Standard & Poor's investment guidance to achieve a rating of AAAM, the highest attainable rating for a Local Government Pool. Information related to ColoTrust can be found on their website, www.colotruster.com Information related to CSAFE CORE can be found on their website, www.csafe.org.

Additionally, the City has invested \$1,317,949 in Colorado Statewide Investment Program (CSIP). CSIP is valued at amortized cost. The investments are a short-term portfolio rated AAAM by standard and Poor's.

NOTE 4 – INTERFUND TRANSFERS

The following schedule summarizes the City's interfund transfer activity for the year ended December 31, 2021:

	Transfers In				Total
	General Fund	Capital Improvement Fund	Street Fund	Land Use Fund	
General Fund	\$ —	\$ 1,280,000	\$ 30,000,000	\$ 808,660	\$ 32,088,660
Capital Improvement Fund	—	—	2,000,000	—	2,000,000
Land Use Fund	1,737,462	—	—	—	1,737,462
Total	\$ 1,737,462	\$ 1,280,000	\$ 32,000,000	\$ 808,660	\$ 35,826,122

The transfer of \$30,000,000 from the General Fund to the Street Fund was made to provide necessary funding for 2020 street maintenance items previously budgeted in the General Fund. The transfer of \$808,660 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 \$1,737,462 from the Land Use Fund to the General Fund was to reimburse the General Fund for unallocated costs. The transfer of \$2,000,000 from the Capital Improvement Fund to the Street Fund was to fund infrastructure items previously budgeted in the Capital Improvement Fund that have now moved to the Street Fund.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 5 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 is as follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land, Easements and ROW	\$ 24,102,125	\$ 28,000	\$ -	\$ 24,130,125
Streets - Subsurface	69,607,410	-	-	69,607,410
Construction in progress	5,612,811	9,333,832	298,477	14,648,166
Total capital assets, not being depreciated	<u>99,322,346</u>	<u>9,361,832</u>	<u>298,477</u>	<u>108,385,701</u>
Capital assets, being depreciated:				
Streets/Sidewalks/Trails	97,154,496	209,699	-	97,364,195
Drainage	21,130,856	-	-	21,130,856
Traffic signals	10,775,819	67,644	-	10,843,463
Traffic signs	1,977,951	-	-	1,977,951
Major bridges	16,530,480	-	-	16,530,480
Buildings	14,603,126	-	-	14,603,126
Comprehensive plan	503,872	-	-	503,872
Equipment	2,612,912	27,327	284,220	2,356,019
Fiber	1,127,816	-	-	1,127,816
Total capital assets being depreciated	<u>166,417,328</u>	<u>304,670</u>	<u>284,220</u>	<u>166,437,778</u>
Less accumulated depreciation for:				
Streets/Sidewalks/Trails	60,986,049	2,840,604	-	63,826,653
Drainage	10,848,298	311,615	-	11,159,913
Traffic signals	8,458,815	480,445	-	8,939,260
Traffic signs	1,913,198	23,135	-	1,936,333
Major bridges	8,046,225	382,959	-	8,429,184
Buildings	3,027,290	459,284	-	3,486,574
Comprehensive plan	40,872	19,438	-	60,310
Equipment	1,091,705	217,011	284,220	1,024,496
Fiber	151,902	52,529	-	204,431
Total accumulated depreciation	<u>94,564,354</u>	<u>4,787,020</u>	<u>284,220</u>	<u>99,067,154</u>
Total capital assets being depreciated, net	<u>71,852,974</u>	<u>(4,482,350)</u>	<u>-</u>	<u>67,370,624</u>
Governmental activities capital assets, net	<u>\$ 171,175,320</u>	<u>\$ 4,879,482</u>	<u>\$ 298,477</u>	<u>\$ 175,756,325</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Business type Activities:				
Capital assets, being depreciated:				
Building	\$ 49,559	\$ -	\$ -	\$ 49,559
Equipment	199,088	-	-	199,088
Fiber Infrastructure	5,351,713	13,515	-	5,365,228
Total capital assets being depreciated	<u>5,600,360</u>	<u>13,515</u>	<u>-</u>	<u>5,613,875</u>
Less accumulated depreciation for:				
Building	2,050	1,025	-	3,075
Equipment	177,526	12,407	-	189,933
Fiber Infrastructure	304,966	182,360	-	487,326
Total accumulated depreciation	<u>484,542</u>	<u>195,792</u>	<u>-</u>	<u>680,334</u>
Total capital assets being depreciated, net	<u>5,115,818</u>	<u>(182,277)</u>	<u>-</u>	<u>4,933,541</u>
Business type activities capital assets, net	<u>\$ 5,115,818</u>	<u>\$ (182,277)</u>	<u>\$ -</u>	<u>\$ 4,933,541</u>

Depreciation expense of the governmental activities was charged to the general government, city infrastructure, culture and recreation program, and community services in the amounts of \$878,035, \$3,379,033, \$516,884, and \$13,069, respectively. Depreciation expense of business type activities was charged to the Fiber Fund in the amounts of \$195,792. No depreciation was charged to the Land Use Fund.

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term obligation transactions as of December 31, 2021 are summarized below.

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Antelope GID Bonds (Refunded)	\$ 2,000,000	\$ —	\$ 100,000	\$ 1,900,000	\$ 105,000
Willow Creek GID Bonds Series 2020	4,340,000	—	40,000	4,300,000	70,000
Direct Placement Debt:					
Foxridge GID Bonds Series 2020	1,955,000	—	85,000	1,870,000	90,000
Total Bonds Payable	<u>\$ 8,295,000</u>	<u>\$ —</u>	<u>\$ 225,000</u>	<u>\$ 8,070,000</u>	<u>\$ 265,000</u>
Bond premiums	937,200	—	34,662	902,538	34,661
Compensated absences	392,324	381,826	348,680	425,470	104,113
Total long-term obligations	<u>\$ 9,624,524</u>	<u>\$ 381,826</u>	<u>\$ 608,342</u>	<u>\$ 9,398,008</u>	<u>\$ 403,774</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

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

Bonds outstanding and related interest requirements as of December 31, 2021, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 105,000	\$ 76,375	\$ 181,375
2023	105,000	74,275	179,275
2024	110,000	71,125	181,125
2025	110,000	66,725	176,725
2026	120,000	62,325	182,325
2027 - 2031	685,000	222,125	907,125
2032 - 2035	665,000	59,325	724,325
	<u>\$ 1,900,000</u>	<u>\$ 632,275</u>	<u>\$ 2,532,275</u>

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

General Obligation Bonds Foxridge

In September 2020, the Foxridge General Improvement District General Obligation Bond Series 2020 were issued via direct placement, in the principal amount of \$1,955,000. The 2020 Bonds were issued for the purposes of: (i) financing or reimbursing all or any part of the costs of acquiring, construction, and installation of perimeter fencing for the District; (ii) providing capitalized interest to pay a portion of debt service on the bonds; and (iii) pay the costs of issuance of the bonds. The District has outstanding notes related to construction of this fencing project; the District assesses a mill levy under general obligation debt annually, sufficient to service the debt requirements of each year.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds – Foxridge (continued)

Debt service requirements on long-term debt as of December 31, 2021, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 90,000	\$ 43,158	\$ 133,158
2023	90,000	41,187	131,187
2024	90,000	39,216	129,216
2025	95,000	37,245	132,245
2026	95,000	35,165	130,165
2027 - 2031	510,000	143,411	653,411
2032 - 2036	555,000	85,157	640,157
2037 - 2039	345,000	18,760	363,760
	<u>\$ 1,870,000</u>	<u>\$ 443,299</u>	<u>\$ 2,313,299</u>

The Foxridge General Obligation Bonds, Series 2020 are due on December 1 of each year to 2039 with interest varying from 2.19% to 2.68%, payable semi-annually on June 1st and December 31st of year.

General Obligation Bonds – Willow Creek

In September 2020, the Willow Creek GID 1 & 2 General Obligation Bonds Series 2020 were issued, in the principal amount of \$4,340,000. The 2020 Bonds were issued for the purposes of (i) financing or reimbursing all or any part of the costs of acquiring, construction, and installation of perimeter fencing for the District; (ii) providing capitalized interest to pay a portion of debt service on the bonds; and (iii) pay the costs of issuance of the bonds. The District has begun construction on this project and anticipates its completion by the end of 2022.

Bonds outstanding and related interest requirements as of December 31, 2021, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 70,000	\$ 193,550	\$ 263,550
2023	75,000	190,050	265,050
2024	80,000	186,300	266,300
2025	80,000	182,300	262,300
2026	85,000	178,300	263,300
2027 - 2031	500,000	822,750	1,322,750
2032 - 2036	635,000	685,000	1,320,000
2037 - 2041	810,000	509,750	1,319,750
2042 - 2046	1,005,000	315,600	1,320,600
2047 - 2050	960,000	98,000	1,058,000
	<u>\$ 4,300,000</u>	<u>\$ 3,361,600</u>	<u>\$ 7,661,600</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds – Willow Creek (continued)

The Willow Creek General Obligation Bonds, Series 2020 are due on December 1 of each year to 2050 with interest varying from 4.0% to 5.0%, payable semi-annually on June 1st and December 31st of year.

NOTE 7 – OPERATING LEASES

The City leases certain office equipment and storage facilities. Leases related to property not having elements of ownership are classified as operating leases. Lease payments are recorded as expenses or expenditures when due. Total expenditures on such leases for the year ended December 31, 2021 were \$13,461.

The City has leases for certain office equipment through July 2022. Monthly rent is comprised of a base amount and an amount based upon usage. These leases generally do not have purchase options; however the City may renew the terms of each agreement upon expiration.

As of December 31, 2021, the City had future minimum lease payments due through 2022 in the amount of \$6,731.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

The City entered into construction contracts for various capital projects which are not complete as of December 31, 2021. The total unexpended commitments at December 31, 2021 are \$17,046,427 as detailed below:

<u>Project</u>	<u>Total Contract Amount</u>	<u>Remaining Contract Amount</u>
Center Park Expansion	\$ 3,909,588	\$ 3,835,650
Lone Tree Creek Trail	2,990,060	1,883,045
East-West Trail Design	575,000	79,889
Centennial Center Park	815,316	684,212
Arapahoe Bridge over BDC	11,118,254	10,440,673
The District Improvements	27,890	20,275
Arapahoe & Clarkson Traffic Signal	122,465	102,683
<u>Totals</u>	<u>\$ 19,558,573</u>	<u>\$ 17,046,427</u>

Commitments – Economic Development

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments – Economic Development (continued)

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 enhance its economic base or improve overall economic vitality in areas surrounding the specific projects.

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

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.

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.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments – Economic Development (continued)

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, 2021 is:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Major Retail Development Projects	
Sales/Use Tax	\$ 382,591
Redevelopment/Revitalization Projects	
Sales/Use Tax	377,656
Total	\$ 760,247

American Rescue Plan Act of 2021 (ARPA)

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy, including the businesses located within the City and City services.

In March 2021, as these crises continued, the American Rescue Plan Act established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide state, local, and tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. Recipients may use these funds to:

- Support public health expenditures, by, for example, funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector
- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

American Rescue Plan Act of 2021 (ARPA) (continued)

- Provide premium pay for essential workers, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet

The City of Centennial has been allocated \$8,489,546 of funding from the State and Local Fiscal Recovery Funds. The first tranche of funds was received in 2021 and the second tranche amount is expected to be received in 2022. Based upon the Department of Treasury final ruling, the City is permitted to use SLFRF funds for government services in an amount equal to revenue lost due to the pandemic. The City is claiming the standard allowance (up to \$10 million) in revenue loss rather than calculating based on the formula provided by the Department of Treasury. The City spent 100% of the first tranche of funds on government services during 2021.

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 established a defined contribution money purchase pension plan (City of Centennial Money Purchase Plan) authorized by City Council and administered by One America (American United Life Insurance Company). This plan is referenced further as 401(a) and the plan serves as a substitute for contributions to social security under FICA. 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 2021 were 8% of pre-tax earnings. The City's contributions to the Plan were \$610,107 for the year ending December 31, 2021.

The City has also established a 457 plan for deferred compensation. 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 2020, City matching contributions to the 401 plan based on employee contributions to the 457 plan were \$166,941. 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.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

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 275 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.

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.

NOTE 11 – SUBSEQUENT EVENTS

As discussed in Note 8, the City has been allocated a total \$8,489,546 of funding from the CSLFRF and received fifty percent of its allocation during 2021. On August 2, 2022, the City received the remaining fifty percent (\$4,244,773) of its CSLRF allocation



Required Supplementary Information



CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Year Ended December 31, 2021

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Sales tax	\$ 33,655,000	\$ 33,655,000	\$ 44,010,308	\$ 10,355,308
Use tax	2,635,000	2,635,000	3,144,057	509,057
Property tax	12,700,000	12,700,000	12,515,081	(184,919)
Other taxes	762,000	762,000	877,588	115,588
Franchise fees	4,855,400	4,855,400	5,396,494	541,094
Court fines	618,000	618,000	658,657	40,657
Charges for services	658,700	658,700	702,569	43,869
Investment income (loss)	1,100,000	1,100,000	(343,185)	(1,443,185)
Intergovernmental	639,500	639,500	5,293,495	4,653,995
Miscellaneous	1,079,200	1,079,200	884,753	(194,447)
Total revenues	58,702,800	58,702,800	73,139,817	14,437,017
EXPENDITURES				
Current				
General government	7,773,300	7,644,220	5,864,806	1,779,414
Finance & administration	5,788,700	5,917,610	5,352,644	564,966
Community services	1,983,750	1,992,190	1,877,191	114,999
City infrastructure	10,424,460	10,450,910	10,085,398	365,512
Planning & development	503,110	539,730	516,730	23,000
Public safety	31,503,940	31,503,940	30,053,397	1,450,543
Capital outlay	—	—	35,869	(35,869)
Total expenditures	57,977,260	58,048,600	53,786,035	4,262,565
EXCESS OF REVENUES OVER EXPENDITURES	725,540	654,200	19,353,782	18,699,582
OTHER FINANCING SOURCES (USES)				
Transfers in	281,440	281,440	1,737,462	1,456,022
Transfers out	(3,000,000)	(32,088,660)	(32,088,660)	—
Total other financing sources (uses)	(2,718,560)	(31,807,220)	(30,351,198)	1,456,022
NET CHANGE IN FUND BALANCE	\$ (1,993,020)	\$ (31,153,020)	(10,997,416)	\$ 20,155,604
FUND BALANCE - BEGINNING OF YEAR			38,838,187	
FUND BALANCE - END OF YEAR			\$ 27,840,771	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUE				
Sales tax	\$ 290,000	\$ 290,000	\$ 373,805	\$ 83,805
Property tax	5,600,000	5,600,000	4,880,844	(719,156)
Miscellaneous	100,000	100,000	17,946	(82,054)
Investment income (loss)	2,500	2,500	—	(2,500)
Total revenue	<u>5,992,500</u>	<u>5,992,500</u>	<u>5,272,595</u>	<u>(719,905)</u>
EXPENDITURES				
Sales tax sharing pass-thru	290,000	290,000	373,805	(83,805)
Property tax sharing pass-thru	5,516,000	5,516,000	4,880,436	635,564
Professional services	544,700	544,700	353,607	191,093
Total expenditures	<u>6,350,700</u>	<u>6,350,700</u>	<u>5,607,848</u>	<u>742,852</u>
NET CHANGE IN FUND BALANCE	<u>\$ (358,200)</u>	<u>\$ (358,200)</u>	<u>(335,253)</u>	<u>\$ (1,462,757)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>451,565</u>	
FUND BALANCE - END OF YEAR			<u>\$ 116,312</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
STREET FUND**

For The Year Ended December 31, 2021

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUE				
Sales tax	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ —
Motor Vehicle Use Tax	4,695,000	4,695,000	6,353,336	1,658,336
Highway Users Tax Fund (HUTF)	5,030,000	5,030,000	5,119,491	89,491
Intergovernmental:				
Road and Bridge Shareback	605,000	605,000	597,256	(7,744)
Other	950,000	950,000	1,379,845	429,845
Pavement degradation fees	35,000	35,000	49,470	14,470
Miscellaneous	—	—	6,304	6,304
Total revenue	<u>14,115,000</u>	<u>14,115,000</u>	<u>16,305,702</u>	<u>2,190,702</u>
EXPENDITURES				
Rehabilitation				
Concrete replacement program	80,000	80,000	73,718	6,282
Materials - snow removal and fuel	760,000	860,000	777,828	82,172
Street rehabilitation program	7,860,000	7,860,000	7,350,626	509,374
Major/minor structures	225,000	225,000	36,818	188,182
Traffic signals	1,255,000	1,379,600	1,167,932	211,668
Professional services	6,793,080	6,831,480	4,962,552	1,868,928
Capital outlay				
Capital projects	6,400,000	6,744,000	635,736	6,108,264
Streets	1,586,400	1,586,400	1,419,849	166,551
Sidewalks	2,121,760	2,335,760	458,049	1,877,711
Land acquisition	700,000	700,000	50,320	649,680
Traffic control	700,000	1,257,000	691,378	565,622
Contingency	867,090	867,090	—	867,090
Miscellaneous	—	—	22,500	(22,500)
Total expenditures	<u>29,348,330</u>	<u>30,726,330</u>	<u>17,647,306</u>	<u>13,079,024</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,233,330)	(16,611,330)	(1,341,604)	15,269,726
OTHER FINANCING SOURCES				
Transfers in	<u>5,000,000</u>	<u>32,000,000</u>	<u>32,000,000</u>	<u>—</u>
NET CHANGE IN FUND BALANCE	\$ (10,233,330)	\$ 15,388,670	30,658,396	\$ 15,269,726
FUND BALANCE - BEGINNING OF YEAR			<u>24,682,789</u>	
FUND BALANCE - END OF YEAR			<u>\$ 55,341,185</u>	

CITY OF CENTENNIAL, COLORADO**BUDGETARY COMPARISON SCHEDULE****OPEN SPACE FUND****For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUE				
Intergovernmental	\$ 5,500,000	\$ 5,500,000	\$ 4,097,538	\$ (1,402,462)
Investment income	150,000	150,000	111,568	(38,432)
Total revenue	<u>5,650,000</u>	<u>5,650,000</u>	<u>4,209,106</u>	<u>(1,440,894)</u>
EXPENDITURES				
Culture and recreation	876,500	876,500	815,515	60,985
Capital outlay	8,450,000	10,450,000	1,819,526	8,630,474
Total expenditures	<u>9,326,500</u>	<u>11,326,500</u>	<u>2,635,041</u>	<u>8,691,459</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,676,500)</u>	<u>\$ (5,676,500)</u>	1,574,065	<u>\$ 7,250,565</u>
FUND BALANCE - BEGINNING OF YEAR			<u>15,036,249</u>	
FUND BALANCE - END OF YEAR			<u>\$ 16,610,314</u>	

CITY OF CENTENNIAL, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

Expenditures In Excess Of Appropriations

Colorado's budget law requires that expenditures and transfers for a department or fund cannot exceed appropriations for that department or fund. The City appropriates expenditures by fund. For the year ended December 31, 2021, expenditures exceeded budgeted appropriations in the Antelope General Improvement District by \$8,798 due to increased professional services expenditures.

Negative Net Position

For the year ended December 31, 2021, net position for the Land Use Fund was negative. The 2022 approved budget includes transfers to the Land Use Fund from the General Fund in an amount greater than the deficit in net position as well as re-structuring of positions between departments.



Combining & Individual Financial Statements & Schedules



CITY OF CENTENNIAL, COLORADO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021**

	Conservation Trust Fund	Cherry Park General Improvement District	Walnut Hills General Improvement District
ASSETS			
Cash, cash equivalents, and investments	\$ 3,785,886	\$ 191,749	\$ 761,585
Taxes receivable	—	60,666	92,114
Total assets	<u>3,785,886</u>	<u>252,415</u>	<u>853,699</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	21,876	339	1,208
Retainage payable	—	—	—
Accrued liabilities	—	7,500	—
Total liabilities	<u>21,876</u>	<u>7,839</u>	<u>1,208</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	—	60,666	92,114
FUND BALANCE			
Restricted for:			
Emergency reserves	14,421	901	1,825
Parks and Open Space	3,749,589	—	—
District Infrastructure	—	183,009	758,552
Total fund balance	<u>3,764,010</u>	<u>183,910</u>	<u>760,377</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 3,785,886</u>	<u>\$ 252,415</u>	<u>\$ 853,699</u>

CITY OF CENTENNIAL, COLORADO

Foxridge General Improvement District	Willow Creek General Improvement District	Antelope General Improvement District	Total Nonmajor Governmental Funds
\$ 590,414	\$ 4,681,799	\$ 72,329	\$ 10,083,762
203,403	296,234	175,004	827,421
<u>793,817</u>	<u>4,978,033</u>	<u>247,333</u>	<u>10,911,183</u>
6,048	29,749	—	59,220
83,897	—	—	83,897
7,500	10,000	18,000	43,000
<u>97,445</u>	<u>39,749</u>	<u>18,000</u>	<u>186,117</u>
203,403	296,234	175,004	827,421
52,305	19,719	5,941	95,112
—	—	—	3,749,589
440,664	4,622,331	48,388	6,052,944
<u>492,969</u>	<u>4,642,050</u>	<u>54,329</u>	<u>9,897,645</u>
<u>\$ 793,817</u>	<u>\$ 4,978,033</u>	<u>\$ 247,333</u>	<u>\$ 10,911,183</u>

CITY OF CENTENNIAL, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2021**

	Conservation Trust Fund	Cherry Park General Improvement District	Walnut Hills General Improvement District
REVENUES			
Taxes	\$ —	\$ 63,328	\$ 96,174
Intergovernmental	714,938	—	—
Investment income	1,441	3,987	432
Miscellaneous income	185	—	775
Total revenues	<u>716,564</u>	<u>67,315</u>	<u>97,381</u>
EXPENDITURES			
Current			
City infrastructure	—	30,026	60,819
Culture and recreation	457,110	—	—
Capital outlay	—	—	—
Debt service			
Principal	—	—	—
Interest	—	—	—
Miscellaneous	—	—	—
Total expenditures	<u>457,110</u>	<u>30,026</u>	<u>60,819</u>
NET CHANGE IN FUND BALANCE	<u>259,454</u>	<u>37,289</u>	<u>36,562</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,504,556</u>	<u>146,621</u>	<u>723,815</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,764,010</u>	<u>\$ 183,910</u>	<u>\$ 760,377</u>

CITY OF CENTENNIAL, COLORADO

Foxridge General Improvement District	Willow Creek General Improvement District	Antelope General Improvement District	Total Nonmajor Governmental Funds
\$ 219,204	\$ 316,959	\$ 186,079	\$ 881,744
—	—	—	714,938
2,725	40,110	339	49,034
220	—	—	1,180
<u>222,149</u>	<u>357,069</u>	<u>186,418</u>	<u>1,646,896</u>
41,437	12,615	18,673	163,570
—	—	—	457,110
1,563,421	379,392	—	1,942,813
85,000	40,000	100,000	225,000
53,648	224,883	79,375	357,906
—	400	—	400
<u>1,743,506</u>	<u>657,290</u>	<u>198,048</u>	<u>3,146,799</u>
<u>(1,521,357)</u>	<u>(300,221)</u>	<u>(11,630)</u>	<u>(1,499,903)</u>
<u>2,014,326</u>	<u>4,942,271</u>	<u>65,959</u>	<u>11,397,548</u>
<u>\$ 492,969</u>	<u>\$ 4,642,050</u>	<u>\$ 54,329</u>	<u>\$ 9,897,645</u>

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 714,938	\$ 114,938
Investment income	40,000	40,000	1,441	(38,559)
Miscellaneous	—	—	185	185
Total revenue	<u>640,000</u>	<u>640,000</u>	<u>716,564</u>	<u>76,564</u>
EXPENDITURES				
Culture and recreation	<u>455,000</u>	<u>545,000</u>	<u>457,110</u>	<u>87,890</u>
NET CHANGE IN FUND BALANCE	<u>\$ 185,000</u>	<u>\$ 95,000</u>	<u>259,454</u>	<u>\$ 164,454</u>
FUND BALANCE - BEGINNING OF YEAR			<u>3,504,556</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,764,010</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
CHERRY PARK GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 59,300	\$ 59,300	\$ 59,558	\$ 258
Specific ownership tax	3,000	3,000	3,770	770
Investment income	1,500	1,500	3,987	2,487
Total revenue	<u>63,800</u>	<u>63,800</u>	<u>67,315</u>	<u>3,515</u>
EXPENDITURES				
City infrastructure	<u>53,250</u>	<u>53,250</u>	<u>30,026</u>	<u>23,224</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10,550</u>	<u>\$ 10,550</u>	<u>37,289</u>	<u>\$ 26,739</u>
FUND BALANCE - BEGINNING OF YEAR			<u>146,621</u>	
FUND BALANCE - END OF YEAR			<u>\$ 183,910</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
WALNUT HILLS GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUE				
Property tax	\$ 90,000	\$ 90,000	\$ 90,449	\$ 449
Specific ownership tax	5,000	5,000	5,725	725
Investment income	8,000	8,000	432	(7,568)
Miscellaneous income	—	—	775	775
Total revenue	<u>103,000</u>	<u>103,000</u>	<u>97,381</u>	<u>(5,619)</u>
EXPENDITURES				
City infrastructure	<u>120,250</u>	<u>120,250</u>	<u>60,819</u>	<u>59,431</u>
NET CHANGE IN FUND BALANCE	<u>\$ (17,250)</u>	<u>\$ (17,250)</u>	<u>36,562</u>	<u>\$ 53,812</u>
FUND BALANCE - BEGINNING OF YEAR			<u>723,815</u>	
FUND BALANCE - END OF YEAR			<u>\$ 760,377</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
FOXTRIDGE GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 206,150	\$ 206,150	\$ 207,116	\$ 966
Specific ownership tax	4,000	4,000	12,088	8,088
Investment income	3,500	3,500	2,725	(775)
Miscellaneous revenue	—	—	220	220
Total revenue	<u>213,650</u>	<u>213,650</u>	<u>222,149</u>	<u>8,499</u>
EXPENDITURES				
Current				
City infrastructure	922,560	1,722,560	41,437	1,681,123
Capital Outlay	—	—	1,563,421	(1,563,421)
Debt service:				
Principal	85,000	85,000	85,000	—
Interest	53,650	53,650	53,648	2
Total expenditures	<u>1,061,210</u>	<u>1,861,210</u>	<u>1,743,506</u>	<u>117,704</u>
NET CHANGE IN FUND BALANCE	<u>\$ (847,560)</u>	<u>\$ (1,647,560)</u>	<u>(1,521,357)</u>	<u>\$ 126,203</u>
FUND BALANCE - BEGINNING OF YEAR			<u>2,014,326</u>	
FUND BALANCE - END OF YEAR			<u>\$ 492,969</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
WILLOW CREEK GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 294,890	\$ 294,890	\$ 298,752	\$ 3,862
Specific ownership tax	5,000	5,000	18,207	13,207
Investment income	—	—	40,110	40,110
Total revenue	<u>299,890</u>	<u>299,890</u>	<u>357,069</u>	<u>57,179</u>
EXPENDITURES				
Current				
City infrastructure	4,691,400	4,691,400	12,615	4,678,785
Capital Outlay	—	—	379,392	(379,392)
Debt service:				
Principal	40,000	40,000	40,000	—
Interest	224,890	224,890	224,883	7
Miscellaneous			400	(400)
Total expenditures	<u>4,956,290</u>	<u>4,956,290</u>	<u>657,290</u>	<u>4,299,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,656,400)</u>	<u>\$ (4,656,400)</u>	<u>(300,221)</u>	<u>\$ 4,356,179</u>
FUND BALANCE - BEGINNING OF YEAR			<u>4,942,271</u>	
FUND BALANCE - END OF YEAR			<u>\$ 4,642,050</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
ANTELOPE GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Property tax	\$ 175,000	\$ 175,000	\$ 175,002	\$ 2
Specific ownership tax	8,000	8,000	11,077	3,077
Investment income	500	500	339	(161)
Total revenue	<u>183,500</u>	<u>183,500</u>	<u>186,418</u>	<u>2,918</u>
EXPENDITURES				
Current				
City infrastructure	9,875	9,875	18,673	(8,798)
Debt service				
Principal	100,000	100,000	100,000	—
Interest	79,375	79,375	79,375	—
Total expenditures	<u>189,250</u>	<u>189,250</u>	<u>198,048</u>	<u>(8,798)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,750)</u>	<u>\$ (5,750)</u>	<u>(11,630)</u>	<u>\$ 11,716</u>
FUND BALANCE - BEGINNING OF YEAR			<u>65,959</u>	
FUND BALANCE - END OF YEAR			<u>\$ 54,329</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES				
Rehabilitation				
Professional services	\$ —	\$ —	\$ 390,566	\$ (390,566)
Capital outlay				
ITS Master Plan	1,740,000	2,750,000	2,145,457	604,543
ITS systems	1,499,120	1,499,120	88,370	1,410,750
Equipment	—	200,000	72,731	127,269
Building Improvements	390,000	1,235,000	7,926	1,227,074
Total expenditures	<u>3,629,120</u>	<u>5,684,120</u>	<u>2,705,050</u>	<u>2,979,070</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,629,120)	(5,684,120)	(2,705,050)	2,979,070
OTHER FINANCING SOURCES (USES)				
Transfers in	—	1,280,000	1,280,000	—
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	—
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(720,000)</u>	<u>(720,000)</u>	<u>—</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,629,120)</u>	<u>\$ (6,404,120)</u>	<u>(3,425,050)</u>	<u>\$ 2,979,070</u>
FUND BALANCE - BEGINNING OF YEAR			<u>24,176,237</u>	
FUND BALANCE - END OF YEAR			<u>\$ 20,751,187</u>	

CITY OF CENTENNIAL, COLORADO

BUDGETARY COMPARISON SCHEDULE

LAND USE FUND

For The Year Ended December 31, 2021

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Building permits, licenses, and fees	\$ 2,435,000	\$ 2,435,000	\$ 2,423,007	\$ (11,993)
Contractor's licenses and bus shelter fees	235,000	235,000	237,964	2,964
Land use permits and other income	1,106,000	1,106,000	1,493,877	387,877
Total revenue	<u>3,776,000</u>	<u>3,776,000</u>	<u>4,154,848</u>	<u>378,848</u>
EXPENDITURES				
Personnel services	630,520	899,680	658,123	241,557
Contracted services	2,632,700	2,632,700	2,434,555	198,145
Services & supplies	231,340	770,840	210,179	560,661
Total expenditures	<u>3,494,560</u>	<u>4,303,220</u>	<u>3,302,857</u>	<u>1,000,363</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	281,440	(527,220)	851,991	1,379,211
OTHER FINANCING SOURCES (USES)				
Transfers in	—	808,660	808,660	—
Transfers out	(281,440)	(281,440)	(1,737,462)	(1,456,022)
Total other financing sources (uses)	<u>(281,440)</u>	<u>527,220</u>	<u>(928,802)</u>	<u>(1,456,022)</u>
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ —</u>	<u>\$ —</u>	<u>(76,811)</u>	<u>\$ (76,811)</u>
ADJUSTMENT TO GAAP BASIS				
Capital Outlay			—	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ (76,811)</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
FIBER WORKS FUND
For The Year Ended December 31, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Leased property revenue	\$ 35,130	\$ 35,130	\$ 43,393	\$ 8,263
Miscellaneous	—	—	15,022	15,022
Total revenue	<u>35,130</u>	<u>35,130</u>	<u>58,415</u>	<u>23,285</u>
EXPENDITURES				
Contracted Services	125,000	125,000	20,471	104,529
Professional Services	50,000	50,000	3,379	46,621
Services & Supplies	30,000	30,000	28,920	1,080
Contingency	100,000	100,000	—	100,000
Total expenditures	<u>305,000</u>	<u>305,000</u>	<u>52,770</u>	<u>252,230</u>
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ (269,870)</u>	<u>\$ (269,870)</u>	5,645	<u>\$ 275,515</u>
ADJUSTMENT TO GAAP BASIS				
Depreciation			<u>(195,792)</u>	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ (190,147)</u>	



Statistical Section



CITY OF CENTENNIAL, COLORADO

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 the 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)

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 150,533,967	\$ 153,105,667	\$ 152,496,183	\$ 157,122,370
Restricted	9,180,350	9,515,406	9,620,070	11,690,081
Unrestricted	33,582,988	41,519,235	51,615,854	63,493,761
Total governmental activities net	<u>193,297,305</u>	<u>204,140,308</u>	<u>213,732,107</u>	<u>232,306,212</u>
Business-type activities				
Net investment in capital assets	31,891	10,592	24,314	15,015
Restricted	94,106	92,070	91,577	119,355
Unrestricted	(125,997)	(102,662)	(115,891)	(134,370)
Total business-type activities net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Primary government				
Net investment in capital assets	150,565,858	153,116,259	152,520,497	157,137,385
Restricted	9,274,456	9,607,476	9,711,647	11,809,436
Unrestricted	33,456,991	41,416,573	51,499,963	63,359,391
Total primary government net position	<u>\$ 193,297,305</u>	<u>\$ 204,140,308</u>	<u>\$ 213,732,107</u>	<u>\$ 232,306,212</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.

	2016	2017	2018	2019	2020	2021
\$	171,757,225	\$ 173,788,950	\$ 178,442,156	\$ 170,849,082	\$ 170,658,621	\$ 171,135,457
	13,582,948	14,246,010	18,018,713	20,808,152	28,695,468	19,780,971
	61,624,556	62,665,756	71,260,772	81,052,062	77,354,960	106,021,518
	246,964,729	250,700,716	267,721,641	272,709,296	276,709,049	296,937,946
	11,011	7,007	3,003	5,293,911	5,115,818	4,933,541
	96,665	—	—	—	—	—
	(107,676)	(7,007)	(3,003)	280,547	532,102	447,421
	—	—	—	5,574,458	5,647,920	5,380,962
	171,768,236	173,795,957	178,445,159	176,142,993	175,774,439	176,068,998
	13,679,613	14,246,010	18,018,713	20,808,152	28,695,468	19,780,971
	61,516,880	62,658,749	71,257,769	81,332,609	77,887,062	106,468,939
\$	246,964,729	\$ 250,700,716	\$ 267,721,641	\$ 278,283,754	\$ 282,356,969	\$ 302,318,908

TABLE 2
CITY OF CENTENNIAL, COLORADO

CHANGE IN NET POSITION

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

	2012	2013	2014
Expenses			
Governmental activities			
General government	\$ 10,953,334	\$ 12,845,868	\$ 11,763,347
Community services	21,736,983	21,819,639	22,174,239
Public safety	—	—	—
City infrastructure	22,482,836	22,215,397	24,731,604
Culture and recreation	736,800	2,258,120	2,546,267
Urban redevelopment	5,843,043	5,159,616	5,548,953
Interest on long-term debt	137,299	134,611	131,665
Total governmental activities expenses	<u>61,890,295</u>	<u>64,433,251</u>	<u>66,896,075</u>
Business-type activities			
Land use fund and fiber fund	3,136,858	3,068,995	3,052,575
Total business-type activities expenses	<u>3,136,858</u>	<u>3,068,995</u>	<u>3,052,575</u>
Total primary government expenses	<u>\$ 65,027,153</u>	<u>\$ 67,502,246</u>	<u>\$ 69,948,650</u>
Program Revenues			
Governmental activities			
Charges for services			
General government	\$ 245,346	\$ 251,061	\$ 277,175
Community services	2,095,843	2,201,469	2,158,468
City infrastructure	387,630	280,918	816,615
Operating grants and contributions	5,354,851	5,959,577	6,209,974
Capital grants and contributions	7,872,115	4,849,633	3,480,178
Total governmental activities program revenues	<u>15,955,785</u>	<u>13,542,658</u>	<u>12,942,410</u>
Business-type activities			
Charges for services			
Land use fund and fiber fund	3,209,520	3,720,910	3,596,103
Total business-type activities revenues	<u>3,209,520</u>	<u>3,720,910</u>	<u>3,596,103</u>
Total primary government revenues	<u>\$ 19,165,305</u>	<u>\$ 17,263,568</u>	<u>\$ 16,538,513</u>
Net program revenues (expenses)			
Governmental activities	\$ 45,934,510	\$ 50,890,593	\$ 53,953,665
Business-type activities	(72,662)	(651,915)	(543,528)
Total primary government net expenses	<u>\$ 45,861,848</u>	<u>\$ 50,238,678</u>	<u>\$ 53,410,137</u>
General revenues and other changes in net position			
Governmental activities			
Taxes			
Sales tax	32,782,443	34,569,315	35,673,588
Use tax	2,003,344	2,987,611	2,279,161
Property tax	13,301,715	13,391,623	13,976,189
Motor vehicle use tax	3,458,033	3,747,097	4,123,965
Other taxes	539,677	586,360	628,585
Unrestricted franchise fees	4,646,174	5,011,913	5,128,961
Investment income	146,534	69,801	177,993
Gain (loss) on disposition of capital asset	—	—	—
Intergovernmental revenues not restricted to specific programs	267,307	363,051	568,105
Miscellaneous	453,685	354,910	445,389
Transfers	72,662	651,915	543,528
Total governmental activities	<u>57,671,574</u>	<u>61,733,596</u>	<u>63,545,464</u>
Business-type activities			
Transfers	(72,662)	(651,915)	(543,528)
Total business-type activities	<u>(72,662)</u>	<u>(651,915)</u>	<u>(543,528)</u>
Total primary government general revenues and changes in net position	<u>\$ 57,598,912</u>	<u>\$ 61,081,681</u>	<u>\$ 63,001,936</u>
Change In Net Position			
Governmental activities	\$ 11,737,064	\$ 10,843,003	\$ 9,591,799
Business-type activities	—	—	—
Total primary government change in net position	<u>\$ 11,737,064</u>	<u>\$ 10,843,003</u>	<u>\$ 9,591,799</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.

	2015	2016	2017	2018	2019	2020	2021
\$	13,170,287	\$ 14,114,326	\$ 14,808,323	\$ 15,174,146	\$ 16,147,507	\$ 24,093,629	\$ 12,151,531
	23,768,969	24,916,037	24,816,782	26,336,562	2,209,198	5,939,793	2,406,990
	—	—	—	—	28,082,194	29,453,500	30,053,397
	24,689,639	26,167,030	34,723,870	28,189,556	27,268,914	26,527,600	28,388,041
	1,044,536	961,942	1,288,741	743,593	1,008,401	1,304,302	1,789,509
	4,633,280	5,088,383	4,496,833	5,884,743	5,937,804	5,482,950	5,607,848
	128,631	57,175	84,840	82,950	80,102	128,472	390,853
	67,435,342	71,304,893	80,219,389	76,411,550	80,734,120	92,930,246	80,788,168
	3,978,514	3,222,152	2,845,123	3,958,426	3,631,391	3,562,365	3,551,419
	3,978,514	3,222,152	2,845,123	3,958,426	3,631,391	3,562,365	3,551,419
\$	71,413,856	\$ 74,527,045	\$ 83,064,512	\$ 80,369,976	\$ 84,365,511	\$ 96,492,611	\$ 84,339,587
\$	235,142	\$ 278,988	\$ 286,647	\$ 362,178	\$ 604,145	\$ 514,720	\$ 1,361,226
	1,849,415	1,688,580	1,349,682	1,060,950	817,519	629,237	49,470
	806,834	1,051,392	814,035	860,869	—	—	—
	6,488,723	6,583,898	6,734,040	7,990,505	7,803,754	16,129,070	10,371,865
	9,147,000	4,660,672	4,162,707	5,205,695	4,322,270	4,735,239	6,344,845
	18,527,114	14,263,530	13,347,111	15,480,197	13,547,688	22,008,266	18,127,406
	4,901,939	4,144,783	3,489,655	4,850,544	4,088,465	3,806,968	4,213,263
	4,901,939	4,144,783	3,489,655	4,850,544	4,088,465	3,806,968	4,213,263
\$	23,429,053	\$ 18,408,313	\$ 16,836,766	\$ 20,330,741	\$ 17,636,153	\$ 25,815,234	\$ 22,340,669
\$	48,908,228	\$ 57,041,363	\$ 66,872,278	\$ 60,931,353	\$ 67,186,432	\$ 70,921,980	\$ 62,660,762
	(923,425)	(922,631)	(644,532)	(892,118)	(457,074)	(244,603)	(661,844)
\$	47,984,803	\$ 56,118,732	\$ 66,227,746	\$ 60,039,235	\$ 66,729,358	\$ 70,677,377	\$ 61,998,918
	38,315,195	38,770,237	39,447,977	42,143,309	41,940,230	38,740,407	47,184,113
	3,542,288	3,923,583	2,156,392	3,338,082	2,876,529	2,852,813	3,144,057
	12,903,382	14,711,539	14,511,077	16,071,067	16,365,571	18,017,770	18,226,802
	4,594,045	5,185,531	5,375,813	5,365,455	5,438,892	5,309,401	6,353,336
	639,194	759,369	872,264	824,236	904,827	923,249	928,455
	5,059,425	5,027,299	5,201,692	5,216,214	5,140,138	5,035,121	5,396,494
	186,853	484,303	759,217	1,843,798	3,124,879	2,209,710	(182,583)
	—	—	(61,367)	—	—	—	—
	451,599	321,733	762,127	346,565	349,364	409,986	—
	866,927	1,593,655	938,541	1,911,434	1,151,041	1,252,135	910,183
	923,425	922,631	644,532	892,118	(5,117,384)	171,141	928,802
	67,482,333	71,699,880	70,608,265	77,952,278	72,174,087	74,921,733	82,889,659
	(923,425)	(922,631)	(644,532)	(892,118)	5,117,384	(171,141)	(928,802)
	(923,425)	(922,631)	(644,532)	(892,118)	5,117,384	(171,141)	(928,802)
\$	66,558,908	\$ 70,777,249	\$ 69,963,733	\$ 77,060,160	\$ 77,291,471	\$ 74,750,592	\$ 81,960,857
\$	18,574,105	\$ 14,658,517	\$ 3,735,987	\$ 17,020,925	\$ 4,987,655	\$ 3,999,753	\$ 20,228,897
	—	—	—	—	5,574,458	73,462	(266,958)
\$	18,574,105	\$ 14,658,517	\$ 3,735,987	\$ 17,020,925	\$ 10,562,113	\$ 4,073,215	\$ 19,961,939

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

	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 4,009	\$ 1,493	\$ 12,427	\$ 15,196
Restricted	1,371,302	1,651,357	1,531,979	1,359,857
Assigned	—	—	—	—
Unassigned	28,276,576	36,514,096	40,925,461	35,171,177
Total general fund	29,651,887	38,166,946	42,469,867	36,546,230
All other governmental funds				
Nonspendable	—	70,018	70,018	—
Restricted	7,809,048	7,864,049	7,996,514	10,330,224
Committed	—	—	—	—
Assigned	7,127,165	7,458,280	13,329,831	30,987,832
Total all other governmental funds	14,936,213	15,392,347	21,396,363	41,318,056
Total all governmental funds	\$ 44,588,100	\$ 53,559,293	\$ 63,866,230	\$ 77,864,286

The information for this table was obtained from the Balance Sheet

	2016	2017	2018	2019	2020	2021
\$	20,568	\$ 36,742	\$ —	\$ —	\$ 259,350	\$ 255,854
	1,938,105	1,650,809	2,388,553	2,251,247	1,810,106	1,434,500
	—	—	—	—	—	—
	34,695,067	30,280,241	30,544,350	34,885,069	36,768,731	26,150,417
	36,653,740	31,967,792	32,932,903	37,136,316	38,838,187	27,840,771
	—	—	—	185	—	21,677
	11,644,843	12,595,201	15,630,160	18,556,905	20,069,466	18,346,471
	—	—	—	—	28,291,825	20,677,800
	29,232,796	34,173,741	42,886,009	47,956,237	27,383,097	63,670,695
	40,877,639	46,768,942	58,516,169	66,513,327	75,744,388	102,716,643
\$	77,531,379	\$ 78,736,734	\$ 91,449,072	\$ 103,649,643	\$ 114,582,575	\$ 130,557,414

TABLE 4
CITY OF CENTENNIAL, COLORADO

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

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

	2012	2013	2014	2015
Revenues				
Taxes	\$ 52,085,212	\$ 55,282,006	\$ 56,681,488	\$ 59,994,104
Intergovernmental	11,030,082	11,625,012	11,306,613	17,190,904
Charges for services	2,728,819	2,733,448	2,760,913	2,891,391
Franchise fees	4,646,174	5,011,913	5,128,961	5,059,425
Investment income	146,534	69,801	177,993	186,853
Miscellaneous	453,685	354,910	936,734	866,927
Total revenues	<u>71,090,506</u>	<u>75,077,090</u>	<u>76,992,702</u>	<u>86,189,604</u>
Expenditures				
Current				
General government	10,929,433	11,434,747	11,640,388	13,003,591
Community services	21,736,983	21,819,639	22,174,239	23,768,969
City infrastructure	18,465,990	19,492,958	20,516,748	21,059,173
Public Safety	—	—	—	—
Culture & recreation	736,800	2,258,120	1,414,462	1,044,536
Urban redevelopment	5,843,043	6,010,887	6,463,195	5,622,583
Capital Outlay				
General government	6,884,042	1,737,119	1,893,131	962,046
Capital improvement	242,000	3,799,486	2,925,214	7,450,169
Debt Service				
Principal	65,000	70,000	70,000	75,000
Interest and fiscal charges	137,521	134,856	131,916	128,906
Bond issuance costs	—	—	—	—
Miscellaneous	—	—	—	—
Total expenditures	<u>65,040,812</u>	<u>66,757,812</u>	<u>67,229,293</u>	<u>73,114,973</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,049,694</u>	<u>8,319,278</u>	<u>9,763,409</u>	<u>13,074,631</u>
Other Financing Sources (Uses)				
Transfers in	15,004,327	10,433,915	16,505,911	27,250,711
Transfers out	(14,931,665)	(9,782,000)	(15,962,383)	(26,327,286)
Bond Proceeds	—	—	—	—
Total other financing sources (uses)	<u>72,662</u>	<u>651,915</u>	<u>543,528</u>	<u>923,425</u>
Net change in fund balances	<u>\$ 6,122,356</u>	<u>\$ 8,971,193</u>	<u>\$ 10,306,937</u>	<u>\$ 13,998,056</u>

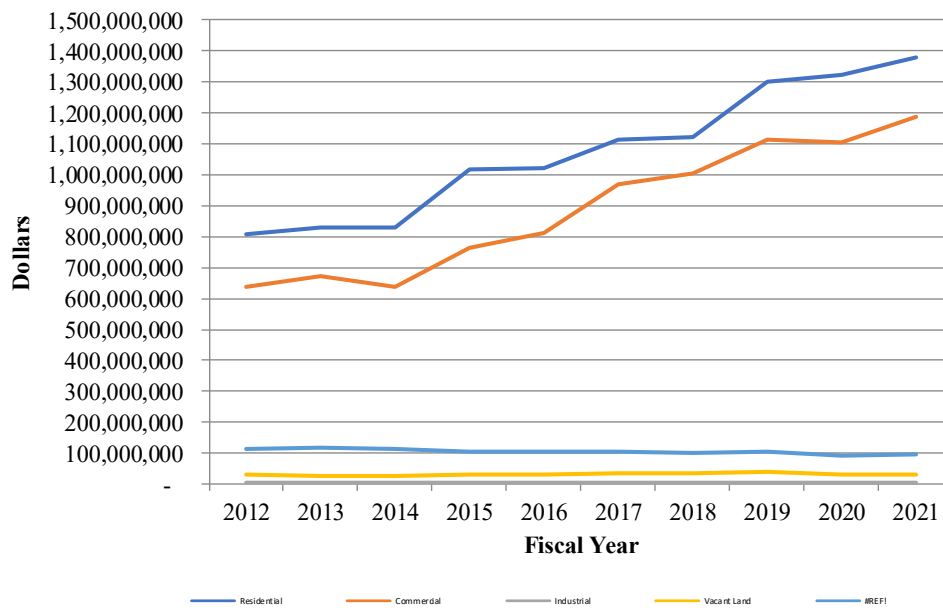
The information for this table was obtained from the Statement of Revenue, Expenditures, and Changes in Fund Balances. Statistical information is presented from 2012 through the current year to correspond with the implementation of GASB Statement No. 34.

	2016	2017	2018	2019	2020	2021
\$	63,350,259	\$ 62,363,523	\$ 66,853,891	\$ 66,731,854	\$ 65,843,640	\$ 75,836,763
	12,207,519	12,093,284	14,797,573	12,884,167	20,894,649	17,202,563
	3,018,960	2,450,364	2,283,997		1,143,957	1,410,696
	5,027,299	5,201,692	5,216,214	5,140,138	5,035,121	5,396,494
	484,303	759,217	1,843,798	3,124,879	2,209,710	(182,583)
	1,593,655	938,541	247,327	1,236,873	1,216,797	910,183
	85,681,995	83,806,621	91,242,800	89,117,911	96,343,874	100,574,116
	14,040,336	14,606,351	14,474,292	15,275,805	23,168,414	11,217,450
	24,916,037	24,816,782	26,336,562	2,197,430	2,317,972	2,393,921
	22,784,539	30,894,582	24,079,363	23,386,889	25,783,225	25,009,008
	—	—	—	28,082,194	29,453,500	30,053,397
	961,941	1,288,740	625,313	890,125	1,186,026	1,272,625
	5,996,585	5,441,620	5,884,743	5,937,804	5,482,950	5,607,848
	1,180,550	678,348	856,735	523,581	5,288,942	9,368,024
	16,886,431	5,339,500	6,808,288	2,063,344	—	—
	115,000	90,000	95,000	95,000	100,000	225,000
	63,804	89,875	88,075	85,225	82,375	357,906
	68,801	—	—	—	142,630	—
	—	—	—	—	—	22,900
	87,014,024	83,245,798	79,248,371	78,537,397	93,006,034	85,528,079
	(1,332,029)	560,823	11,994,429	10,580,514	3,337,840	15,046,037
	21,773,915	24,494,532	(835,133)	14,453,666	28,968,804	35,017,462
	(20,851,284)	(23,850,000)	(22,835,133)	(14,142,021)	(28,797,663)	(34,088,660)
	—	—	—	—	7,136,490	—
	999,122	644,532	(23,670,266)	311,645	7,307,631	928,802
\$	(332,907)	\$ 1,205,355	\$ (11,675,837)	\$ 10,892,159	\$ 10,645,471	\$ 15,974,839

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

Taxable Real and Personal Property				
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant Land
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
2019	1,302,471,291	1,112,726,035	3,489,330	39,601,772
2020	1,322,505,381	1,104,151,307	4,047,890	32,817,618
2021	1,380,491,416	1,188,366,472	3,514,064	32,497,970

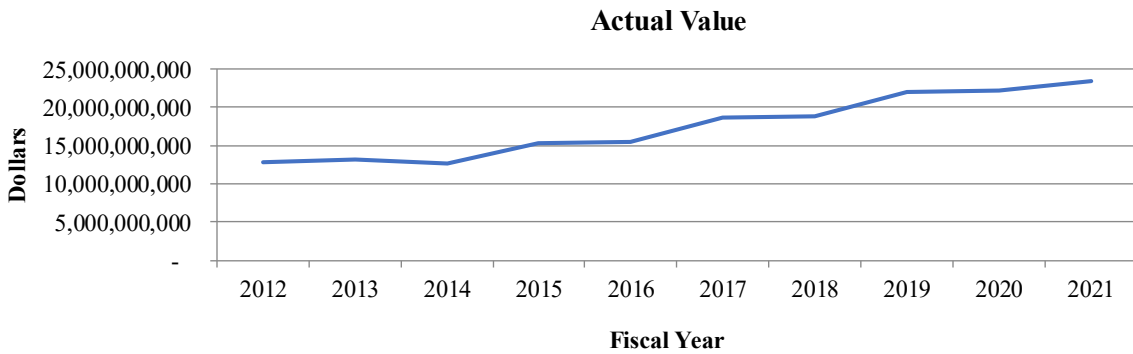
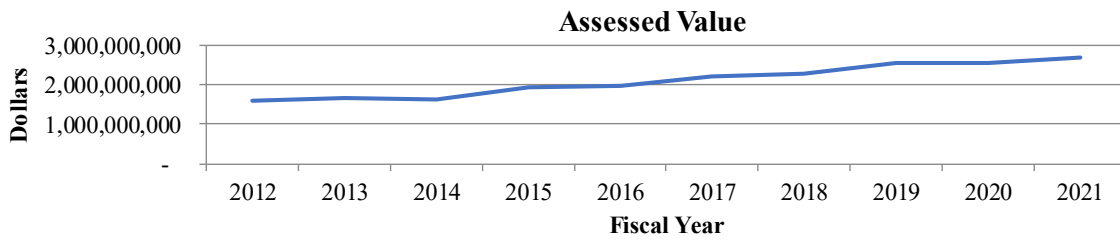
Assessed Value by Property Type



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

Taxable Real and Personal Property

Other Property¹	Total Taxable Assessed Value²	Mill Levy	Actual Value	Assessed Value as a Percentage of Actual Value
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%
105,987,930	2,564,276,358	5.002	21,936,670,880	11.69%
91,991,016	2,555,513,212	5.033	22,220,868,997	11.50%
94,579,776	2,699,449,698	5.013	23,359,631,190	11.56%



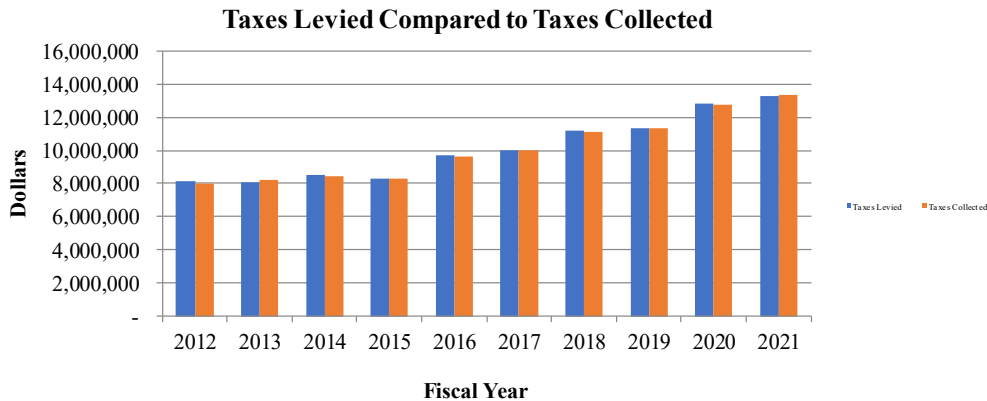
(1) Includes State assessed.

(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 for Collection in the Fiscal Year ¹	Collected within the Fiscal Year of the Levy	
		Amount ²	Percentage of Levy
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%
2019	11,367,786	11,315,197	99.537%
2020	12,837,052	12,773,659	99.506%
2021	13,262,206	13,346,487	100.635%



(1) Data obtained from Certification of Tax Levies for the General Fund and each General Improvement District;

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

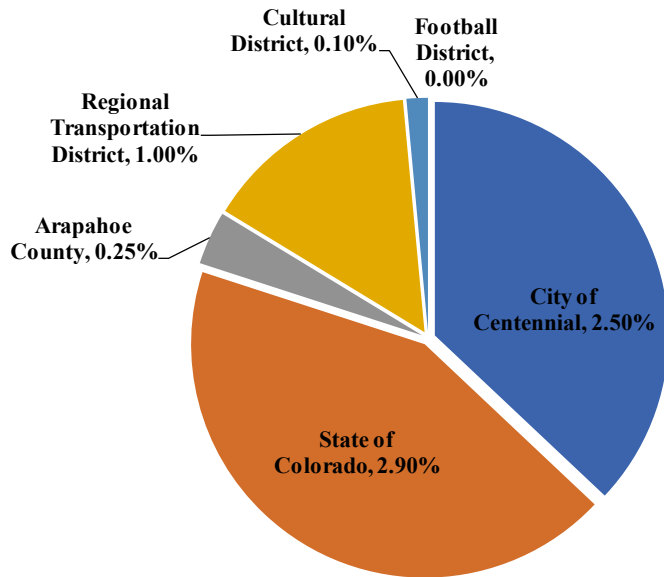
Arapahoe County is the collection agent for the City and does not provide data indicating to which levy year delinquent tax collections relate, and therefore the collection of delinquent taxes are not reported on this table. Typically less than 2% of the total taxes levied each year are delinquent. For Fiscal Year 2021, the City collected delinquent taxes at least equal to 0.635%; the exact amount of delinquent taxes collected is unknown, as this separate information is not provided by Arapahoe County.

Statistical information is presented from 2012 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)

Fiscal Year	City of Centennial	State of Colorado	Arapahoe County	Regional Transportation District	Cultural District	Football District	Total
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%
2019	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%
2020	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%
2021	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%

Direct and Overlapping Sales Tax Rates



**TABLE 8
CITY OF CENTENNIAL, COLORADO**

GENERAL SALES TAX REVENUE, REMITTERS BY TYPE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Accommodation and Food Service	Administrative Support, Waste Management and Remediation Services	Arts, Entertainment and Recreation	Construction	Educational Services
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
2019	6,470,742	229,838	734,506	362,760	37,216
2020	4,691,246	238,745	370,996	405,667	26,392
2021	5,754,802	307,271	596,524	485,676	40,277

(continued)

Finance and Insurance	Healthcare and Social Assistance	Information	Mining	Professional, Scientific and Technical Services
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
410,959	110,862	2,686,330	74,484	1,027,099
385,556	88,482	2,403,571	57,560	988,391
395,886	94,804	2,824,469	88,127	768,099

(continued)

Public Administration	Real Estate, Rental and Leasing	Utilities	Wholesale Trade	Other Remitters	Total
45,575	1,197,449	1,172,699	827,769	20,968,166	32,782,443
46,894	626,742	1,294,802	1,084,729	22,581,629	34,569,315
53,619	1,323,164	1,375,769	1,792,930	21,624,367	35,673,588
55,505	1,657,637	1,331,587	1,592,739	22,197,404	38,315,195
54,299	1,460,806	1,295,873	1,397,895	23,338,139	38,768,221
49,410	1,607,614	1,371,880	1,601,462	23,459,274	39,447,977
40,889	1,569,077	1,396,634	1,879,993	23,872,288	41,255,053
40,320	1,652,007	1,398,689	2,402,276	23,507,947	41,146,035
44,323	1,717,831	1,320,522	2,615,026	23,087,058	38,441,366
60,990	1,745,439	1,452,899	3,082,286	29,112,758	46,810,307

TABLE 9
CITY OF CENTENNIAL, COLORADO
PRINCIPAL PROPERTY TAXPAYERS

2012 and 2021

(Unaudited)

<u>Taxpayer</u>	2012		
	<u>Taxable Assessed Value</u>	<u>Ranking</u>	<u>Percentage of Total City Assessed Value</u>
Ikea Property Inc	\$ 12,180,000	1	0.764%
Legacy III Centennial LLC	10,150,000	2	0.637%
GS Centennial LLC	8,555,010	3	0.537%
Oppenheimer Funds LLC	7,540,000	4	0.473%
Cole of Centennial LLC	7,250,010	5	0.455%
Southglenn Property	6,786,000	6	0.426%
GK Peakview Tower LLC	6,670,000	7	0.419%
Southglenn Property Holdings	6,003,000	8	0.377%
LTF Real Estate Company Inc	5,540,980	9	0.348%
National Digital Television	5,510,000	10	0.346%
Total	<u>\$ 76,185,000</u>		<u>4.781%</u>
<u>Taxpayer</u>	2021		
	<u>Taxable Assessed Value</u>	<u>Ranking</u>	<u>Percentage of Total City Assessed Value</u>
DCS Owner LLC	\$ 22,416,710	1	0.830%
CEGM Centennial LLC	19,115,930	2	0.708%
Cascades Owner LLC	17,347,800	3	0.643%
LPC Geddes LLC	16,547,980	4	0.613%
Peak Tower Owner LLC	15,471,210	5	0.573%
Ikea Property Inc	14,935,000	6	0.553%
GS Centennial LLC	13,711,200	7	0.508%
HCA Health One LLC	11,405,042	8	0.422%
KCP NNN II Fee Owner LLC	9,937,430	9	0.368%
OFI Global Asset Management	9,642,790	10	0.357%
Total	<u>\$ 150,531,092</u>		<u>5.576%</u>

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

**TABLE 10
CITY OF CENTENNIAL, COLORADO**

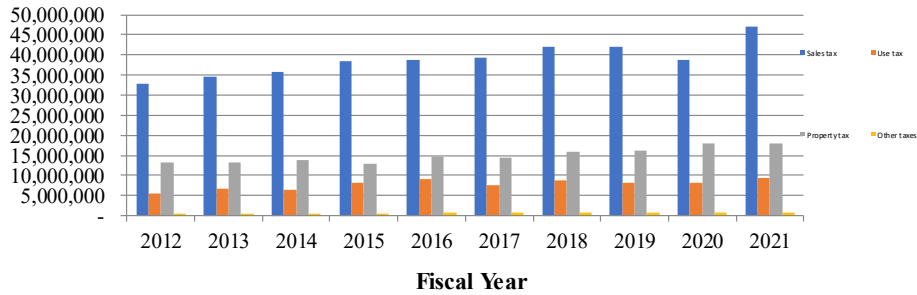
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal year	Sales tax	Use tax	Property tax	Other taxes	Total
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
2019	41,940,230	8,315,421	16,365,571	904,827	67,526,049
2020	38,740,407	8,162,214	18,017,770	923,249	65,843,640
2021	47,184,112	9,497,394	18,120,333	928,454	75,730,293

Tax Revenues By Source



2021 Tax Revenues by Source

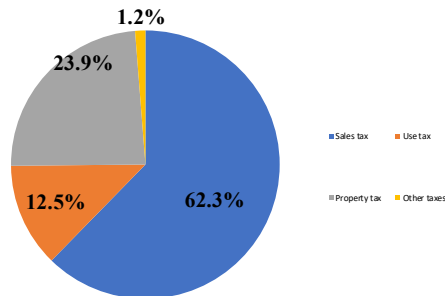


TABLE 11
CITY OF CENTENNIAL, COLORADO

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

LAST TEN FISCAL YEARS

(Unaudited)

Outstanding debt by type	2012	2013	2014
Governmental activities			
General obligation bonds	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000
Notes from direct borrowings and direct placement			
Bond premiums			
Total Primary Government outstanding debt	<u>\$ 2,730,000</u>	<u>\$ 2,660,000</u>	<u>\$ 2,590,000</u>
Percentage of personal income ¹	0.1%	0.1%	0.0%
Per capita ¹	\$ 27	\$ 26	\$ 24
Outstanding general bonded debt			
General obligation bonds	<u>\$ 2,730,000</u>	<u>\$ 2,660,000</u>	<u>\$ 2,590,000</u>
Percentage of personal income ¹	0.1%	0.1%	0.1%
Per capita ¹	\$ 27	\$ 26	\$ 24
Legal debt margin			
Debt limit	\$ -	\$ -	\$ -
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Legal debt margin as a percentage of the debt limit	0.0%	0.0%	0.0%

(continued)

¹ 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

General obligation bond debt reported on this Table represents the debt of Antelope General Improvement District and Willow Creek General Improvement District. Notes from direct borrowing and direct placement represents bond debt of Foxridge General Improvement District.

2015	2016	2017	2018	2019	2020	2021
\$ 2,515,000	\$ 2,380,000	\$ 2,290,000	\$ 2,195,000	\$ 2,100,000	\$ 6,340,000	\$ 6,200,000
		123,196	116,352	109,507	1,955,000	1,870,000
					937,200	902,539
<u>\$ 2,515,000</u>	<u>\$ 2,380,000</u>	<u>\$ 2,413,196</u>	<u>\$ 2,311,352</u>	<u>\$ 2,209,507</u>	<u>\$ 9,232,200</u>	<u>\$ 8,972,539</u>
0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%
\$ 23	\$ 22	\$ 22	\$ 21	\$ 20	\$ 83	\$ 83
<u>\$ 2,515,000</u>	<u>\$ 2,380,000</u>	<u>\$ 2,413,196</u>	<u>\$ 2,311,352</u>	<u>\$ 2,209,507</u>	<u>\$ 9,232,200</u>	<u>\$ 8,972,539</u>
0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%
\$ 23	\$ 22	\$ 22	\$ 21	\$ 20	\$ 83	\$ 83
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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, 2021

(Unaudited)

Governmental Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Arapahoe Park & Recreation District	\$ 1,377,000	35.86%	493,792
Arapahoe Water and Wastewater Authority	97,655,000	46.56%	45,468,168
Cherry Creek School District No. 5	636,455,000	17.82%	113,416,281
Dove Valley Metropolitan District	37,880,000	48.28%	18,288,464
East Smoky Hill Metropolitan District 1	2,820,000	26.69%	752,658
East Smoky Hill Metropolitan District 2	3,870,000	0.06%	2,322
Estancia Metropolitan District	4,110,000	100.00%	4,110,000
Heritage Greens Metropolitan District	2,170,000	100.00%	2,170,000
Littleton Public Schools	397,556,195	36.24%	144,074,365
Liverpool Metropolitan District	1,750,000	61.93%	1,083,775
Panorama Metropolitan District	1,600,000	100.00%	1,600,000
Parker Jordan Metropolitan District	3,730,000	52.05%	1,941,465
Piney Creek Village Metropolitan District	4,755,000	0.10%	4,755
Saddle Rock Metropolitan District	5,725,000	0.21%	12,023
Saddle Rock South Metropolitan District #4	11,445,000	0.15%	17,168
South Suburban Park and Recreation District	37,880,000	46.42%	17,583,896
Southglenn Metropolitan District	63,360,000	100.00%	13,346,487
Valley Club Pointe Metropolitan District	2,073,500	100.00%	2,073,500
Subtotal Overlapping Debt	<u>\$ 1,316,211,695</u>		<u>\$ 366,439,118</u>
Foxridge General Improvement District	1,870,000	100.00%	1,870,000
Willow Creek General Improvement District	4,300,000	100.00%	4,300,000
Antelope Water System Improvement District	1,900,000	100.00%	1,900,000
Subtotal Direct Debt	<u>\$ 8,070,000</u>		<u>\$ 8,070,000</u>
Total Direct and Overlapping Debt	<u>\$ 1,324,281,695</u>		<u>\$ 374,509,118</u>

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

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

**TABLE 13
CITY OF CENTENNIAL, COLORADO**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Population¹	Personal Income	Per Capita Personal Income²	Median Age³	High School Graduation Rates⁴	Unemployment Rate⁵
2012	102,603	4,881,645,534	47,578	40.5	96.80%	7.80%
2013	103,743	5,061,620,970	48,790	40.5	96.60%	6.50%
2014	106,114	5,490,656,702	51,743	41.1	88.60%	4.80%
2015	107,201	5,632,876,545	52,545	40.9	92.80%	3.60%
2016	109,726	5,974,800,152	54,452	42.4	92.80%	3.00%
2017	109,932	4,066,681,149	56,642	42.4	92.80%	2.50%
2018	110,227	6,750,632,161	61,243	41.0	93.00%	2.90%
2019	110,882	7,067,729,562	63,741	41.2	97.50%	2.50%
2020	110,937	7,398,499,467	66,691	36.9	97.40%	7.10%
2021	108,152	7,464,218,432	69,016	36.8	97.30%	5.50%

** 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) 2012-2021 data was obtained from the US Census Bureau.

(2) Data based upon county-wide (Arapahoe County).

2012-2020 was obtained from Colorado Dept of Labor and Employment and Bureau of Economic Analysis.

2021 was obtained from FRED...fred.stlouisfed.org

(3) Data is based upon county-wide (Arapahoe County). Data was obtained from the U.S. Census Bureau. 2012-2021

(4) Data is based upon county-wide (Arapahoe County).

2012 and 2021 data was obtained from the Bureau of Labor Statistics and Colorado Department of Education.

(5) Data is based upon annual rate for regional area Denver-Aurora-Lakewood, CO.

2012 and 2021 data was obtained from the Bureau of Labor Statistics.

**TABLE 14
CITY OF CENTENNIAL, COLORADO**

PRINCIPAL EMPLOYERS

2021 and 2012

(Unaudited)

<u>Top Ten Employers</u>	<u>2021 Rank</u>	<u>Top Ten Employers</u>	<u>2012 Rank</u>
Comcast	1	Comcast	1
United Healthcare	2	Oppenheimer Management Corporation	2
Arrow Electronics	3	United Launch Alliance	3
Centura Health	4	Pearson eCollage	4
United Launch Alliance (ULA)	5	Dillon Companies Inc	5
The Travelers Indemnity Company	6	US Foodservice Inc	6
Sierra Nevada Corp.	7	Walmart	7
Ring Central	8	AlloSource	8
MasTec Advanced Technologies	9	SEAKR Engineering	9
Nordstrom	10	Jones Knowledge Inc	10
<u>Employees by NAICS Industries</u>	<u>Total Employees 2021</u>	<u>Employees by NAICS Industries</u>	<u>Total Employees 2012</u>
Finance and Insurance, and Real Estate, and Rental and Leasing	7,075	Finance and Insurance, and Real Estate, and Rental and Leasing	6,596
Professional, Scientific, and Management, and Administrative, and Waste Management Services	15,733	Professional, Scientific, and Management, and Administrative, and Waste Management Services	10,915
Construction	6,596	Construction	3,378
Retail Trade	5,597	Retail Trade	4,450
Educational Services, and Health Care, and Social Assistance	7,078	Educational Services, and Health Care, and Social Assistance	5,516
Arts, Entertainment, and Recreation, and Accommodation, and Food Services	5,005	Arts, Entertainment, and Recreation, and Accommodation, and Food Services	3,816
Wholesale Trade	5,317	Wholesale Trade	3,389
Information	3,458	Information	2,924
Other Services (except Public Administration)	1,532	Other Services (except Public Administration)	1,231
Public Administration	2,137	Public Administration	950
Manufacturing	1,586	Manufacturing	1,320
Transportation and Warehousing, and Utilities	1,296	Transportation and Warehousing, and Utilities	579
Agriculture, Forestry, Fishing and Hunting, Mining	131	Agriculture, Forestry, Fishing and Hunting, Mining	179
Total	62,541	Total	45,243

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

TABLE 15
CITY OF CENTENNIAL, COLORADO

FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31, 2021

LAST TEN FISCAL YEARS

(Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	13.5	17.3	25.3	24.50	24.50	28.50	34.00	34.00	26.50	24.00
Community services	5.5	4.5	3.0	9.75	9.75	9.75	4.00	4.00	4.00	3.00
Finance & administration	13.5	15.0	17.5	19.50	19.50	18.50	17.00	17.00	31.00	32.50
Planning & development	9.0	8.5	5.0	3.50	3.50	3.50	9.00	9.00	7.00	23.00
City infrastructure	5.0	3.0	3.5	6.00	6.00	6.00	5.00	5.00	6.50	6.50
Total	<u>46.5</u>	<u>48.3</u>	<u>54.3</u>	<u>63.25</u>	<u>63.25</u>	<u>66.25</u>	<u>69.00</u>	<u>69.00</u>	<u>75.00</u>	<u>89.00</u>

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

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Recreation ⁽¹⁾										
Acres of developed park	17.12	17.12	17.12	17.12	17.12	11.00	11.00	11.00	11.00	11.00
Acres of open space parks	54.62	54.62	54.62	54.62	54.62	107.00	214.00	214.00	214.00	214.00
Public Works ⁽²⁾										
Maintenance facility	-	1	1	1	1	1	1	1	1	1
Miles of streets	418	417	428	428	431	431	433	433	433	436
Number of street lights	4,042	4,043	4,222	4,222	4,222	4,222	4,222	4,222	4,222	4,222
Number of fleet vehicles	6	6	6	6	6	7	7	7	8	10
Number of equipment pieces in the fleet ⁽³⁾	NA	NA	NA	NA	NA	NA	2	2	2	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 Jacobs (formerly 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.

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

	2012	2013	2014	2015
General Government				
Administrative Services				
Citations processed	18,645	18,794	17,559	16,146
Employment applications processed	950	907	1,185	1,282
New hires processed	12.0	13.0	17.0	20.0
Computer service requests	1,175	1,467	2,146	2,261
Finance				
Accounts payable checks issued ⁽¹⁾	2,545	2,928	3,052	3,169
Purchasing card transactions	1,148	1,105	1,309	1,410
Sales/use tax accounts ⁽²⁾	3,855	4,033	4,254	4,460
Tax audits conducted and completed	113	70	64	96
City Management				
Ordinances and resolutions approved by City Council	108	133	121	117
Citizen surveys received	1	-	-	3
Community Development				
Building permits issued	7,256	5,582	8,649	10,787
Building inspections performed	15,454	15,859	26,894	30,476
Code enforcement cases ⁽³⁾	1,539	1,011	922	884
Public Safety				
Calls for service	46,086	45,541	48,740	49,410
Average response time to Priority 1 calls ⁽⁴⁾	6.3	4.9	4.4	4.4
Hours spent on proactive patrol ⁽⁵⁾	1.5	1.3	4.6	4.4
Total arrests	2,572	2,300	2,364	2,377
Public Works				
Vehicles in fleet	6	6	6	6
Lane miles receiving snow & ice control ⁽⁶⁾	34,584	56,658	55,610	57,310
Lane miles swept	7,579	8,929	11,122	8,645

(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.

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.

(continued)

2016	2017	2018	2019	2020	2021
13,767	11,535	9,041	6,261	5,890	5,052
549	239	492	361	455	365
14.0	7.0	18.0	14.0	14.0	26.0
2,385	1,259	1,724	1,620	1,960	2,350
2,985	3,067	2,783	2,269	2,028	1,915
2,480	2,724	2,760	2,807	1,423	1,572
4,585	4,889	5,090	5,854	6,331	6,740
96	79	72	88	83	44
121	90	110	103	72	100
3	3	6	7	7	6
5,813	5,510	10,395	7,287	6,498	6,519
19,687	23,300	29,390	23,099	21,059	21,372
958	1,100	1,129	1,300	1,103	1,150
55,502	53,227	39,759	41,811	43,165	46,768
3.5	4.0	4.2	4.0	4.0	4.0
4.4	4.4	N/A	N/A	N/A	N/A
2,506	2,170	1,835	1,183	973	923
6	8	9	9	9	12
56,430	37,866	45,984	84,543	79,553	47,956
8,710	10,502	10,000	10,900	10,900	10,900



Centennial

Compliance Section



CITY OF CENTENNIAL, COLORADO

COMPLIANCE SECTION OVERVIEW

SINGLE AUDIT

A compliance audit in accordance with Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 City of Centennial, Colorado (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 27, 2022.

Report On 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) as a basis for designing 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 and therefore, material weaknesses, or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Report On 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 financial statements. 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*.

City's Response To Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

September 27, 2022

**Independent Auditors' Report On Compliance
For Each Major Federal Program, Report
On Internal Control Over Compliance**

Honorable Mayor and Members
of the City Council
Centennial, Colorado

Report On Compliance For Each Major Federal Program

Opinion On 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 *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2021.

Basis For Opinion On Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibility under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities For The Audit Of Compliance section of our report.

We are required to be independent of the City and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities Of Management For Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities For The Audit Of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities For The Audit Of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

September 27, 2022

CITY OF CENTENNIAL, COLORADO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2021**

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Grantor's Identification Number	Federal Assistance Listing	Federal Expenditures	Expenditures To Subrecipients
U.S. Department Of Housing And Urban Development				
Passed Through Arapahoe County:				
Community Development Block Grant	*	14.218	\$ 129,315	—
Total U.S. Department Of Housing And Urban Development			<u>129,315</u>	<u>—</u>
U.S. Department Of Transportation				
Passed Through State Department of Transportation:				
Highway Planning and Construction	18-HA1-XC-00044	20.205		
Subtotal Highway Planning and Construction Cluster			422,264	—
Total U.S. Department Of Housing And Urban Development			<u>422,264</u>	<u>—</u>
U.S. Department Of Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	*	21.027	4,244,773	—
Total U.S. Department Of Treasury			<u>4,244,773</u>	<u>—</u>
Total Expenditures Of Federal Awards			<u>\$ 4,796,352</u>	<u>—</u>

*Unavailable

CITY OF CENTENNIAL, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2021

1. Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of City of Centennial, Colorado (the City), for the year ended December 31, 2021. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2. Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in the accompanying schedule is presented in accordance with the 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). Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

3. Indirect Costs

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

CITY OF CENTENNIAL, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2021**

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> 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 no

Identification of major federal programs:

<u>AL No.</u>	<u>Name Of Federal Program Or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

CITY OF CENTENNIAL, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For The Year Ended December 31, 2021**

Section II - Financial Statement Findings

Finding 2021-001

Material Weakness, Internal Control Over Financial Reporting

Criteria Or Specific Requirement: 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.

Condition: The City experienced significant turnover in several key finance/accounting department roles in addition to some extended absences due to personal matters of a key roles. This created challenges, delays and inconsistency for the City in completing several accounting functions, including account reconciliations, capital asset recordkeeping and accruals.

Cause: The City did not have sufficient and consistent finance/accounting department staffing in place throughout the year.

Effect: The City audit process was delayed and information provided by the City for capital assets, cash/investments and accruals required revision or correction upon auditing for the information.

Identification As A Repeat Finding: N/A

Recommendation: The City should evaluate the sufficiency of finance/accounting department staffing and assign duties including preparation and review of the related information.

Views Of Responsible Officials And Planned Corrective Action: The City agrees with the finding and has put together a correction action plan for the finding. See corrective action plan included in this report.

CITY OF CENTENNIAL, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For The Year Ended December 31, 2021**

Section III - Federal Award Findings And Questioned Costs

Finding 2021-002

Period Of Performance

Material Weakness, Internal Control Over Compliance

ALN 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Criteria Or Specific Requirement: The Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) provide direct payments to states, U.S. territories, tribal governments, metropolitan cities, counties, and nonentitlement units of local government may be utilized to provide government services, to the extent COVID-19 caused a reduction in revenues collected in the most recent full fiscal year, incurred between March 3, 2021 and December 31, 2024.

Condition: In our audit, we noted the City did not correctly utilize CSLFRF for expenditures. Specifically, the City utilized funding for expenditures incurred from the period of January 1, 2021 through February 28, 2021 resulting in an overstatement of federal expenditures of \$4,244,773. After being notified of the error, the City corrected its financial records to utilize \$4,244,773 of eligible expenditures as alternate expenditures.

Cause: The City did not have sufficient internal controls in place to ensure that accounting staff were appropriately trained on federal grant requirements related to the recording of CSLFRF expenditures.

Effect: Without adequate controls over recognizing federal expenditures in compliance with requirements, the City may not detect an error in period of performance determinations.

Identification As A Repeat Finding: N/A

Recommendation: We recommend that the City establish and follow a documented internal control process of the grant programs. The City should improve its internal controls by ensuring the personnel responsible are appropriately trained on federal grant requirements.

Views Of Responsible Officials And Planned Corrective Action: The City agrees with the finding and has put together a correction action plan for the finding. See corrective action plan included in this report.



CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2021

Finding 2021-001

Material Weakness, Internal Control Over Financial Reporting

Personnel Responsible for Corrective Action: Jeff Cadiz, Finance Director

Anticipated Completion Date: October 31, 2022

Corrective Action Plan:

The City agrees with the auditor's recommendation to evaluate the sufficiency of finance/accounting department staffing. Management understands the importance of having sufficient and consistent finance and accounting staff throughout the year. The City is diligently recruiting and hiring qualified staff, ensuring staff are properly trained, and assigning duties including preparation and review of related accounting information. Additionally, the City will prepare a schedule ensuring all accounting functions (including account reconciliations, capital asset record keeping, general journal entries and preparation of financial statements) are performed monthly. The monthly close process and deadlines will be reviewed with the responsible staff members for each task.

Finding 2021-002

Period of Performance

Material Weakness, Internal Control Over Compliance

Personnel Responsible for Corrective Action: Jeff Cadiz, Finance Director

Anticipated Completion Date: October 31, 2022

Corrective Action Plan:

The City agrees with the auditor's recommendation to strengthen its internal controls by implementing additional training and oversight of personnel. Management understands and is committed to complying with period of availability requirements surrounding Federal funds. To ensure expenditures charged to the grant are within the grant period, all reports and disbursements will be reviewed by a manager knowledgeable of period of availability of funds.

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

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/21

This Information From The Records Of: City of Centennial	Prepared By: Jeff Cadiz Phone: 303-754-3440
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,892,780
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	8,174,527
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,046,406
2. General fund appropriations	(7,423,217)	b. Snow and ice removal	795,475
3. Other local imposts (from page 2)	11,114,027	c. Other	953,903
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	2,795,784
5. Transfers from toll facilities		4. General administration & miscellaneous:	3,156,060
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,671,245
a. Bonds - Original Issues		6. Total (1 through 5)	24,690,395
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	3,690,810	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	5,529,836	2. Notes:	
D. Receipts from Federal Government (from page 2)	623,315	a. Interest	
E. Total receipts (A.7 + B + C + D)	9,843,962	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	24,690,395

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		9,843,962	24,690,395		(14,846,434)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
12/21

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,800,000	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	485,847	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses			
5. Specific Ownership &/or Other			
6. Total (1. through 5.)			
c. Total (a. + b.)			

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes		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	410,345	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	623,315
f. Total (a. through e.)	410,345	g. Total (a. through f.)	623,315
4. Total (1. + 2. + 3.f)		3. Total (1. + 2.g)	

(Carry forward to page 1)

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	0	1,639,143	1,639,143
			0
	0	6,501,388	6,501,388
(3). System Preservation	0	696,714	696,714
(4). System Enhancement & Operator	0	55,534	55,534
(5). Total Construction (1) + (2) + (3) + (4)	0	7,253,636	7,253,636
+ 1.c.5)	0	8,892,780	8,892,780

(Carry forward to page 1)

Notes and Comments:

Centennial

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City of Centennial
13133 E. Arapahoe Road
Centennial, Colorado 80112