

# 2013

Comprehensive Annual Financial Report  
For Year Ended December 31, 2013  
Centennial, Colorado

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



For The Year Ended  
December 31, 2013

Prepared by:  
Finance Department



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**CITY OF CENTENNIAL, COLORADO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Year Ended December 31, 2013**

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# INTRODUCTORY SECTION

INTRODUCTORY  
SECTION





June 9, 2014

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

## TRANSMITTAL LETTER

### Formal Transmittal

The Comprehensive Annual Financial Report (“CAFR”) of the City of Centennial, Colorado for the fiscal year ended December 31, 2013 is hereby formally transmitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, resides with the City. We believe that the data, as presented, is accurate in all material respects, that it is reported in a manner designed to present fairly the financial position and the results of operations of the City, and that all disclosures necessary to enable the reader to gain an understanding of the City’s financial position have been included.

### City Profile

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

### The City’s Financial Condition

The CAFR includes all financial activities for which the City Council is accountable to the citizens of the City, either by Charter or statute. All applicable funds, departments and offices are included in these financial statements as part of the Primary Government of the City. In addition, the general improvement districts, while legally separate entities, have significant financial and operational relationships with the City and are thus included in the CAFR. The City receives some of its funding from the federal government and hereby provides a schedule of financial assistance and other reports in the Single Audit Section of the CAFR, as required by the United States Office of Management and Budget Circular A-133. Colorado statutes and City Charter require an annual financial statement audit of the City’s accounts and financial records by an independent certified public accountant (“CPA”) as selected by the City Council. The CPA firm of Swanhorst & Company LLC conducted the audit of the City’s financial statements for

the year ended December 31, 2013; the resulting Independent Auditors' Report is presented in the front of the Financial Section of this report.

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

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

The national economy continues to show signs of positive growth and inflation has remained relatively stagnant. Despite a partial government shutdown during 2013, several sectors made significant improvements. During 2013, household wealth grew due to increased housing prices and gains in the stock market. Consumer spending also improved during the year, especially on larger items such as furniture and vehicles. On the corporate side, profits again became a reality. Moving in to 2014 and 2015 the economy is projected to continue to grow, however the growth will largely depend on the Federal Reserve and its monetary expansion policies.

Colorado's economy continued to improve during 2013 and growth is expected to continue in 2014 and 2015. These improving conditions are supported by employment growth, which in turn is helping to lower the state's unemployment rate, increase wages and salaries, and support growth in retail sales. The Colorado housing market has also continued to improve with both price increases and construction activity. Consistent with 2012, homeowners are continuing to build equity in their homes. While the Colorado economy is expected to continue to see growth in 2014, this growth will largely depend on activity at the federal level.

The local economy continued to experience growth during 2013, and is expected to continue positive growth during 2014. The residential housing market continues to be stable with modest growth due to interest rates remaining relatively low and home values on the rise. The commercial real estate market also experienced some positive growth during the year with an increase in building permits for commercial activity. Local retail sales continue to show signs of increased consumer confidence, despite uncertainty over the "fiscal cliff" at the end of 2012.

The City annually prepares an operating budget for each year in accordance with the City Charter, City policies, the Colorado Constitution, and Colorado State Budget Law(s). The City's budget process addresses the guidelines of the Government Finance Officers Association, while also incorporating City Council's goals, ordinances, and resolutions, which provide policy direction that responds to the needs

and desires of the community. The City also prepares a Five Year Strategic Plan. The Plan is a projection of future expectations, and encompasses both operating and capital spending as well as revenues. The Five Year Strategic Plan is used for current and future service and infrastructure decision making.

Awards and Acknowledgements

The report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada ("GFOA"). The GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. This is the sixth year the City has been awarded the Certificate of Achievement. The Certificate of Achievement is valid for only one year. We believe that our current CAFR will meet the GFOA's Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility.

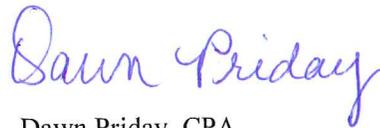
We sincerely appreciate the assistance of all City departments for their efforts throughout the year, and for their help in preparing this report. Additionally, we thank Swanhorst & Company for their assistance and for the professional manner in which they conducted the audit. We also acknowledge the cooperation and assistance of the Finance Department for their efforts throughout the year as we work together to conduct and report on the City's financial operations.

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

Respectfully submitted,



John H. Danielson  
City Manager



Dawn Priday, CPA  
Finance Director/CFO



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Government Finance Officers Association

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

Presented to

**City of Centennial  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

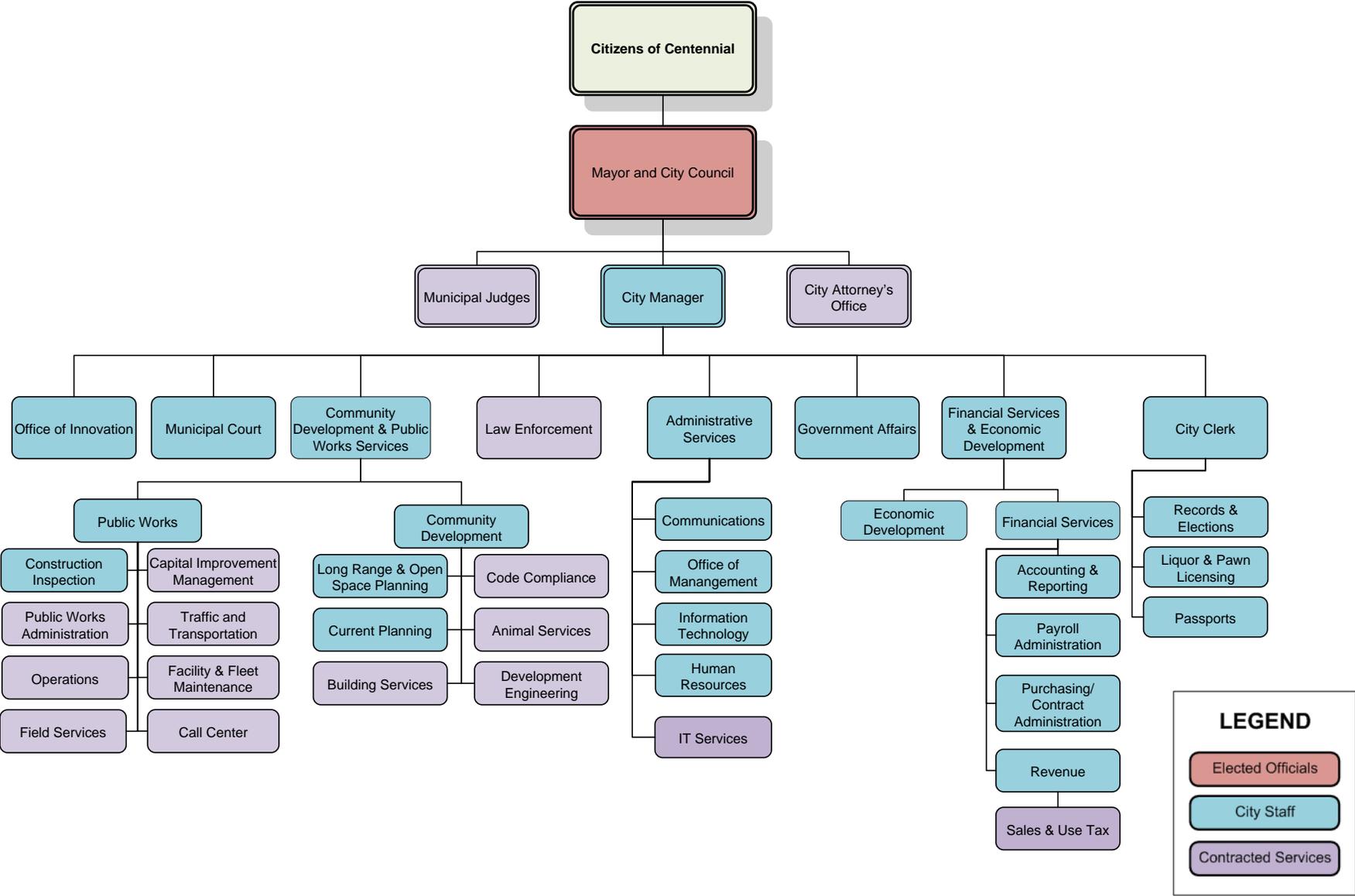
Executive Director/CEO



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# City of Centennial

## 2013 Organizational Chart





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## 2013 Elected Officials

### Mayor



**Cathy Noon**  
January 2014

### Council District 1



**Rick Dindinger**  
January 2014



**Vorry Moon**  
January 2016

### Council District 2



**Sue Bosier**  
January 2014



**Keith Gardner**  
January 2016

## 2013 Elected Officials

### Council District 3



**Rebecca McClellan**  
January 2014



**Ken Lucas**  
January 2016

### Council District 4



**Ron Weidmann**  
January 2014



**Stephanie Piko, Mayor Pro Tem**  
January 2016

# FINANCIAL SECTION

FINANCIAL SECTION





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

## INDEPENDENT AUDITORS' REPORT

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centennial as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Centennial, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centennial as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters (Required Supplementary Information)***

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

***Other Matters (Other Information)***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2014, on our consideration of the City of Centennial's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Centennial's internal control over financial reporting and compliance.



May 19, 2014

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This section of the City of Centennial's Comprehensive Annual Financial Report ("CAFR") offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2013. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, the basic financial statements, and the notes to the financial statements, contained in this report.

## **I. Financial Highlights**

Taken as a whole, the City's increase in net position demonstrates the continued positive overall financial health of the City. One factor contributing to the City's overall financial health is voter approval for temporarily waiving the revenue limits of Article X, Section 20 of the Colorado Constitution from January, 2005 through December, 2013. The use of these revenues is restricted to costs for road and street repair/maintenance, public safety, and open space acquisition/maintenance.

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

At the close of the year, total assets of the City exceeded its liabilities (net position) by \$204.1 million. Unrestricted net position represents \$41.4 million, or 20.3%, of total net position which is available to meet ongoing and future obligations of the City.

- Total net position of the City increased by \$10.8 million, or 5.6%, compared to 2012. This net increase is the result of additions to cash, investments and capital assets offset by additions in accounts payable, accrued liabilities, developer contributions and escrow deposits.
- The total cost of all City programs increased \$2.5 million, or 3.8%, to \$67.5 million compared to 2012. The cost of governmental activities program expenses increased \$2.5 million, or 4.1%, to \$64.4 million from 2012. The cost of business-type activities decreased by less than \$0.1 million, or 2.2%, to \$3.1 million in 2013.
- Compared to 2012, total revenues excluding transfers, increased \$1.6 million, or 2.1%, to \$78.3 million. Governmental activities revenue increased \$1.1 million, or 1.5%, to \$74.6 million. The change in these revenues is attributable to an increase in Sales Tax revenues (\$1.8 million), Use Tax revenues (\$1.0 million), Auto Use Tax revenues (\$0.3 million) Unrestricted Franchise Fees (\$0.4 million), and Operating Grants and Contributions (\$0.6 million); these increases are offset by a decrease in Capital Grants and Contributions (\$3.0 million).

Business-type activities revenue increased \$0.5 million, or 15.9%, to \$3.7 million. The increase in these revenues is due to an increase in building permit fees and building plan review fees compared to the prior year.

- General Fund revenues increased by \$4.0 million, or 6.7%, as compared to the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported an increase in the combined ending fund balances. The combined ending governmental fund balance is \$53.6 million, of which \$36.5 million represents unassigned fund balance. This unassigned fund balance is available for spending at the City's discretion within the purposes specified for the City's funds. It is important to note that the unassigned fund balance represents 54.7% of total governmental expenditures. It is the stated policy of the City to make every effort, even in difficult economic times, to maintain its fund balance for the General Fund at a level equal to no less than 25.0% of annual expenditures plus transfers. The General Fund fund balance of \$38.2 million is 68.6% of annual expenditures plus transfers.

## II. Overview of the Financial Statements

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

### 1. Government-wide Financial Statements

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

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

## 2. Fund Financial Statements

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

### Governmental Funds

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

### Proprietary Funds

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

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

## 3. Notes to the Financial Statements

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

## III. Government-wide Financial Statement Analysis

### Assets

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the City. As of December 31, 2013, the City had total assets of \$232.5 million and the City's assets exceeded its liabilities by \$204.1 million.

The following reflects the City's Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and Other Assets	\$ 79,296,495	\$ 66,847,633	\$ 123,889	\$ 170,573	\$ 79,420,384	\$67,018,206
Capital Assets	153,105,667	150,533,967	10,592	31,891	153,116,259	150,565,858
Total Assets	232,402,162	217,381,600	134,481	202,464	232,536,643	217,584,064
<b>Liabilities</b>						
Long-term Liabilities	2,857,018	2,829,881	-	-	2,857,018	2,829,881
Other Liabilities	11,327,787	7,506,780	134,481	202,464	11,462,268	7,709,244
Total Liabilities	14,184,805	10,336,661	134,481	202,464	14,319,286	10,539,125
Deferred Inflows of Resources	14,077,049	13,747,634	-	-	14,077,049	13,747,634
<b>Net Position</b>						
Net Investment in						
Capital Assets	153,105,667	150,533,967	10,592	31,891	153,116,259	150,565,858
Restricted	9,515,406	9,180,350	92,070	94,106	9,607,476	9,274,456
Unrestricted	41,519,235	33,582,988	(102,662)	(125,997)	41,416,573	33,456,991
Total Net Position	\$ 204,140,308	\$ 193,297,305	\$ -	\$ -	\$ 204,140,308	\$ 193,297,305

### 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 \$153.1 or 65.8%, of total assets. Capital assets being depreciated increased during 2013 by \$3.8 million, or 6.7%, as a result of the completion of capital projects related to streets, traffic signals, park construction, buildings, and the addition of machinery and equipment. Capital assets not being depreciated decreased during 2013 by \$1.3 million, or 1.4%, due to the transfer of construction in progress to infrastructure. Overall, total capital assets increased \$2.6 million, or 1.7%, in 2013 over 2012 figures.

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

### Long-term Debt

The long-term debt of the City, as detailed in the Notes to the Financial Statements, has increased slightly overall. The City's obligation for Compensated Absences increased during 2013 from \$99,881 to \$197,018. This increase is solely due to the change to a paid time off bank from

**Management's Discussion and Analysis  
for the Year Ended December 31, 2013**



separate vacation and sick banks. During 2013, 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, for which the District has made a principal payment during 2013 of \$70,000 in addition to all scheduled interest payments.

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

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Revenues</b>						
Program Revenues -						
Charges for Services	\$ 2,733,448	\$ 2,728,819	\$ 3,720,910	\$ 3,209,520	\$ 6,454,358	\$ 5,938,339
Operating Grants and Contributions	5,959,577	5,354,851	-	-	5,959,577	5,354,851
Capital Grants and Contributions	4,849,633	7,872,115	-	-	4,849,633	7,872,115
General Revenue -						
Sales and Use Taxes	41,304,023	38,243,820	-	-	41,304,023	38,243,820
Property Taxes	13,391,623	13,301,715	-	-	13,391,623	13,301,715
Other Taxes	586,360	539,677	-	-	586,360	539,677
Unrestricted Franchise Fees	5,011,913	4,646,174	-	-	5,011,913	4,646,174
Investment Income	69,801	146,534	-	-	69,801	146,534
Intergovernmental revenues not restricted to specific programs	363,051	267,307	-	-	363,051	267,307
Miscellaneous	354,910	453,685	-	-	354,910	453,685
<b>Total Revenues</b>	<b>74,624,339</b>	<b>73,554,697</b>	<b>3,720,910</b>	<b>3,209,520</b>	<b>78,345,249</b>	<b>76,764,217</b>
<b>Expenses</b>						
General Government	12,845,868	10,953,334	-	-	12,845,868	10,953,334
Community Services	21,819,639	21,736,983	-	-	21,819,639	21,736,983
City Infrastructure	22,215,397	22,482,836	-	-	22,215,397	22,482,836
Culture and Recreation	2,258,120	736,800	-	-	2,258,120	736,800
Urban Redevelopment	5,159,616	5,843,043	-	-	5,159,616	5,843,043
Interest on Long-term Debt	134,611	137,299	-	-	134,611	137,299
Land Use Service Fees	-	-	3,068,995	3,136,858	3,068,995	3,136,858
<b>Total Expenses</b>	<b>64,433,251</b>	<b>61,890,295</b>	<b>3,068,995</b>	<b>3,136,858</b>	<b>67,502,246</b>	<b>65,027,153</b>
Increase (Decrease) Before Transfers	10,191,088	11,664,402	651,915	72,662	10,843,003	11,737,064
Transfers	651,915	72,662	(651,915)	(72,662)	-	-
<b>Increase (Decrease) in Net Position</b>	<b>10,843,003</b>	<b>11,737,064</b>	<b>-</b>	<b>-</b>	<b>10,843,003</b>	<b>11,737,064</b>
Net Position, Beginning of Year	193,297,305	181,560,241	-	-	193,297,305	181,560,241
<b>Net Position, End of Year</b>	<b>\$204,140,308</b>	<b>\$ 193,297,305</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 204,140,308</b>	<b>\$ 193,297,305</b>

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Governmental activities increased the City's net position by \$10.8 million, or 5.6%. Key elements of this net increase are as follows:

- Charges for Services increased by \$0.5 million, or 8.7%. During 2013, the City experienced growth in Building Permit Fees, Building Plan Review Fees and Permit/Plan Review Fees. The primary reason for this increase was new commercial construction and the associated valuation on the construction projects.
- Operating Grants and Contributions increased by \$0.6 million, or 11.3% compared to 2012. Although the amounts reported in this category are consistent with 2012, Road and Bridge Shareback funds were reported as Capital Grants and Contributions for 2012.
- Unrestricted Franchise Fees increased by \$0.4 million, or 7.9%. This change is primarily due to a slight increase in gas and electric rates combined with increased gas and electric usage.
- General Government expenses increased \$1.9 million, or 17.3%, during the year. This increase is attributable to expenditures related to incentive payments made for agreements associated with Centennial Promenade, The Streets at SouthGlenn, and IKEA, as well as several projects including landscaping on Civic Center grounds.
- Culture and Recreation expenses increased \$1.5 million, or more than 100%, during the year. During 2012, Open Space funds were primarily for park maintenance and enhancements and construction of Centennial Link Trail. In 2013, Open Space funds were utilized for the Parker Jordan Open Space and Cherry Creek Regional Trails, Centennial Center Park overflow parking lot construction, and enhancements to community parks such as Indian Ridge, Toll Gate, Fox Hill, and Smoky Hill parks.

Revenue attributable to Business-type activities increased \$0.5 million, or 15.9%, compared to the prior year as a result of an increase in Building Permit Fees, Building Plan Review Fees and Permit/Plan Review Fees. In 2013, the total valuation of building permits issued increased 66.3% despite a reduction in the total number of permits issued (-21.9%). Since building permit and plan review fees are assessed based upon the valuation of projects, the result is an increase in building services fee collections as compared to 2012.

#### IV. Fund Financial Statement Analysis

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

##### Revenues

###### General Fund

- Overall, General Fund revenues increased \$4.0 million, or 6.7%, in 2013 compared to 2012.
  - Sales Tax revenue increased by \$2.3 million, or 7.1%. Overall, the City's sales tax base collections (excluding collections attributable to new development and compliance audits) have exceeded 2012 collections by \$1.5 million. The remaining \$0.8 million in growth is attributable to an increase in sales tax collections from new development, offset by a decrease in collections from sales tax compliance audits.
  - Building Materials Use Tax revenue for 2013 is \$1.0 million, or 49.1% more as compared to 2012. New commercial construction has been the major driver for the overall growth of Building Materials Use Tax collections in 2013. Conversely, there has been a decrease in new residential projects within the City in 2013 as compared to 2012.
  - Property Tax revenue for 2013 is \$0.2 million, or 2.1% more than collections during 2012. The increase in property tax collections is due to a slight increase in assessed valuations (1.0%) as compared to the prior year.
  - Automobile Use Tax revenue for 2013 is \$0.3 million, or 8.4% more than amounts collected during 2012. This is the direct result of an increase in the total motor vehicle registrations in 2013 (3.5%) as well as a trend identified by the Colorado Automobile Dealers Association indicating that consumers purchased more expensive vehicles such as light trucks in 2013 as compared to 2012.
- Unrestricted Franchise Fee revenue for 2013 is \$0.4 million, or 7.9% more than collections during 2012. A slight increase in average gas and electric rates during 2013 over those charged in 2012, as well as changes in temperature, contributed to the increase in franchise fee collections.

###### Centennial Urban Redevelopment Authority (CURA) Fund

Centennial Urban Redevelopment Authority Fund revenues decreased by \$0.1 million, or 1.6% as compared to 2012. Sales Tax collections in 2013 increased by \$0.3 million when compared to 2012. The increase in Sales Tax collections is attributable to several new retail outlets opening in

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2013 at The Streets at SouthGlenn. CURA receives 76% of sales tax collections once total collections exceed approximately \$1.9 million in a one year time span.

The increase in the sales tax increment is offset by a decrease in property tax collections of \$0.2 million. The decrease in property tax collections is the direct result of a reduction in the assessed valuation of properties within the redevelopment area, as provided by the Arapahoe County Assessor's Office.

In addition to a reduction in property tax collections, the Authority experienced a reduction in construction funds of \$0.2 million for 2013 as compared to 2012. The reduction of construction funds is due to the installation of a new traffic signal at the intersection of Arapahoe Road and Vine Street in 2012.

#### Capital Improvement Fund

Capital Improvement Fund revenues decreased by \$0.8 million, or 51.3% compared to 2012. This decrease is attributable to lower grant receipts. During 2012, grant funds and other contributions of \$1.7 million were received for the Arapahoe Road Reconstruction project, upgrades to the City's signal master system, and enhancements to weather station equipment. In 2013, the City received grant funds and other contributions of \$0.9 million for Vista Verde Neighborhood Improvements, the Arapahoe Road and Waco to Himalaya project design fees and Potomac and Briarwood Traffic Signal.

#### Expenditures

##### General Fund

- General Fund expenditures and transfers decreased \$4.4 million, or 7.8%, in 2013 compared to 2012.
  - General Government expenditures increased \$0.8 million, or 11.5%, compared to 2012. This increase is attributable to Nondepartmental expenditures related to incentive payments made for agreements associated with Centennial Promenade, The Streets at SouthGlenn and IKEA. Additionally, the City Manager's Office realized vacancy savings during 2012 that were not realized during 2013, coupled an increase in personnel costs as a result of the creation of the Office of Innovation.
  - Transfers from the General Fund to the Capital Improvement Fund decreased \$5.1 million, or 34.5% compared to 2012. This decrease is due to a lower transfer to the Capital Improvement Fund for projects associated with new street construction, traffic signals, and building maintenance and improvements. During 2012, funds were utilized for the Arapahoe Road Reconstruction project, enhancements to weather station equipment, the transportation master plan, upgrades to the City's signal master system, and the purchase of a new public works facility. However in 2013, the timing of expenditures has differed compared to the prior year and funds have primarily been

utilized for Vista Verde Neighborhood Improvements, the City's Street Rehabilitation program, and building improvements to the new public works facility.

#### Centennial Urban Redevelopment Authority Fund

Centennial Urban Redevelopment Authority Fund expenditures for 2013 decreased by \$0.1 million, or 1.2% compared to 2012. This decrease is the result of lower property tax pass-thru payments from the Authority to the Southglenn Metropolitan District. Additionally, during 2012 the Authority paid for the construction costs for a traffic signal at Arapahoe/Vine; the Authority did not incur any similar costs during 2013. These decreased expenditures are partially offset by an increase in Sales Tax pass-thru payments.

#### Capital Improvement Fund

Capital Improvement Fund expenditures for 2013 were \$1.9 million, or 15.5% less than expenditures in 2012. During 2012, expenditures were made for the Arapahoe Road Reconstruction project, enhancements to the weather station equipment, the transportation master plan, upgrades to the City's signal master system, and the purchase of a new public works facility. During 2013, the City's expenditures have been for the Vista Verde Neighborhood Improvements, the City's Street Rehabilitation program, and building improvements to the new public works facility.

#### Fund Balance

The net change in the General Fund fund balance was an increase of \$8.5 million, increasing the fund balance to \$38,166,946. As of December 31, 2013, the General Fund fund balance as a percentage of 2013 expenditures and transfers out was 68.6%, which was in compliance with the City's minimum fund balance policy of 25% of expenditures and transfers out.

Economic peaks and planned savings allow the City the opportunity to increase fund balance; strong financial planning in turn, provides financial flexibility during economic downturns. Since incorporation, the City has increased the General Fund fund balance each year, with the exception of 2006 where a significant amount was transferred to the Capital Improvement Fund for capital projects.

The net change in the Capital Improvement Fund fund balance was an increase of \$0.4 million, or 3.9% of 2013 expenditures. The increase in fund balance is primarily due to projects in progress at the end of the year for which funding was provided from the General Fund during 2013; these projects are expected to be completed during 2014.

#### General Fund Budgetary Highlights

In total, the City's General Fund revenues for 2013 were \$3.2 million, or 5.3%, favorable to the amended budget, while total General Fund expenditures and transfers were \$2.8 million, or 4.7%

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favorable to the amended budget. During 2013, City Council revised the City's budget for various reasons; the primary reasons are described below.

- Budgeted Sales Tax revenue for 2013 is \$2.2 million, or 6.6% favorable compared to budget. This favorable variance is primarily due to collections from sales tax compliance audits of \$1.8 million, which was not projected in the 2013 Revised Budget.
- Budgeted Building Materials Use Tax revenue for 2013 is \$0.9 million, or 46.2% favorable compared to budget. This favorable variance is the result of the issuance of several commercial building permits that were not anticipated in the 2013 Revised Budget.
- Budgeted Highway Users Tax Fund revenue for 2013 is \$0.1 million, or 2.8% favorable to budget. While the City's distribution ratio decreased by 1.5%, the total HUTF amount available for distribution to all municipalities increased 1.0% as compared to 2012. The increase in the total funds available for distribution was not anticipated in the 2013 Revised Budget.
- The General Fund expenditure budget, including transfers, increased by \$1.6 million, or 2.7%. The primary change to the original budget was for amendments to the Capital Improvement Fund, which accounted for an addition to the budget of \$1.8 million for improvements made at the City's new public works facility.
- During 2013 certain amounts were budgeted for various projects that were not completed during the year. As a result, budgets were reappropriated, or carried over, to 2014 in order to complete these projects.

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

The 2014 Budget was developed to provide desired City services at the maximum level possible while maintaining financially responsible practices. While the City has been fortunate to be somewhat resilient to the impact of the downturn in the overall market in prior years, the City remains cautious about the local economy over the next several years. The 2014 and future budgets will respond to the challenge of balancing the on-going maintenance of infrastructure with the community's standards of excellence in public works, public safety, quality of life, and the increasing demands for services and facilities.

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

The total budget for 2014 is \$71,853,218. The total City budget is comprised of the funds listed below. Department directors prepared their 2014 budgets with a zero percent (0%) increase in expenditures over the adopted 2013 budget, excluding increases for salaries, health care costs, and other types of expenditures beyond the control of the City (e.g. gas, asphalt, concrete, and other materials). Increases were also permitted for certain contractual obligations of the City, such as increases required by service providers. The zero percent (0%) increase over the 2013 Adopted Budget has made it more challenging for department directors to absorb cost increases while providing the same high level of service.

#### General Fund

The General Fund budget for 2014 is \$49,268,683, excluding fund transfers. The 2014 General Fund budget represents an increase of 0.7% from the 2013 Adopted Budget. This increase is primarily due to compensation changes for contracted services pursuant to contractual obligations. Without the increases in contractual obligations, the 2014 Adopted General Fund Budget would have remained relatively (less than 1% change) consistent with the 2013 Adopted Budget.

#### Land Use Fund

The Land Use Fund budget for 2014 is \$2,913,331, an increase of 15.2% compared to the 2013 Adopted Budget. The increase is due to an increase in building service fees, which are directly tied to an increase in building service revenues.

#### Capital Improvement Fund

The Capital Improvement Fund budget for 2014 is \$9,995,500 an increase of 19.4% from the 2013 Adopted Budget. This increase is due to several new projects, including projects that will be partially funding through grants.

#### Open Space Fund

The Open Space Fund budget for 2014 is \$1,890,000, a decrease of 13.5% compared to the 2013 Adopted Budget. This decrease is primarily due to the reduction of funding for one-time projects, such as the Lone Tree Creek and Centennial Link Trails. This decrease is partially offset by additional funding for several one-time projects, including the Centennial Center Park and Regional Park Contributions.

#### Conservation Trust Fund

The Conservation Trust Fund budget for 2014 is \$552,500, a decrease of 60.1% from the 2013 Adopted Budget. This decrease is the result of a reduction in funding for one-time projects, including Potomac Site Improvements and City-wide Regional Park & Open Space Reserves. The decrease is partially offset with additional funding included for park maintenance and multi-use trails.

#### Centennial Urban Redevelopment Authority Fund

The Centennial Urban Redevelopment Authority Fund budget for 2014 is \$6,679,997, an increase

of 5.1% from the 2013 Adopted Budget. The 2014 budget includes an increase in funding from the 2013 Adopted Budget primarily as a result of contractual obligations of the Authority to collect and distribute sales and property taxes above the base amount specified in the Amended and Restated Public Finance Agreement (PFA). Revenue amounts above the base, as specified in the PFA, are to be passed through to the Southglenn Metropolitan District.

General Improvement District Fund

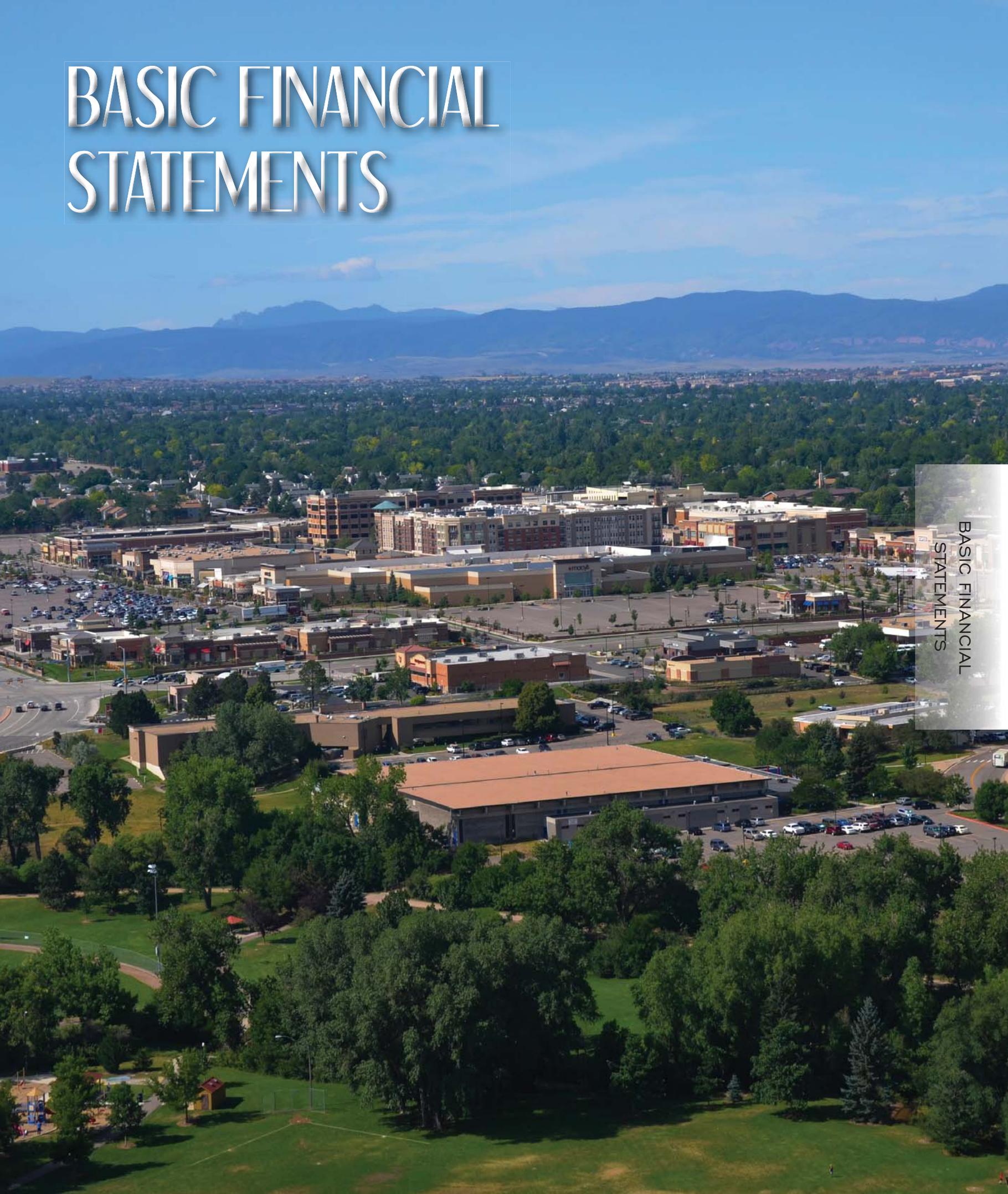
The General Improvement District Fund budgets for 2014 are collectively \$520,830, an increase of 3.4% from the 2013 Adopted Budget. The City has four General Improvement Districts, or GIDs, including Walnut Hills, Foxridge, Cherry Park, and Antelope, each with a corresponding budgetary fund and dedicated revenue stream.

**V. Requests for Information**

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

# BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS



**CITY OF CENTENNIAL, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2013**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business -Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 58,662,159	\$ 122,535	\$ 58,784,694
Taxes receivable	18,898,143	-	18,898,143
Other receivables	778,883	-	778,883
Intergovernmental receivables	885,799	-	885,799
Prepaid expenses	1,493	1,354	2,847
Deposits	70,018	-	70,018
Capital assets, not being depreciated	91,714,621	-	91,714,621
Capital assets, net of accumulated depreciation	61,391,046	10,592	61,401,638
Total assets	<u>232,402,162</u>	<u>134,481</u>	<u>232,536,643</u>
<b>LIABILITIES</b>			
Accounts payable	7,067,331	113,425	7,180,756
Retainage payable	202,159	-	202,159
Accrued liabilities	515,142	9,056	524,198
Other liabilities	380,101	-	380,101
Accrued interest payable	10,981	-	10,981
Developer contributions and escrow deposits	3,152,073	-	3,152,073
Unearned revenue	-	12,000	12,000
Non-current liabilities			
Due within one year	79,892	-	79,892
Due in more than one year	2,777,126	-	2,777,126
Total liabilities	<u>14,184,805</u>	<u>134,481</u>	<u>14,319,286</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	14,077,049	-	14,077,049
<b>NET POSITION</b>			
Net investment in capital assets	153,105,667	10,592	153,116,259
Restricted for:			
Emergency reserves	2,080,762	92,070	2,172,832
Parks and open space	6,196,922	-	6,196,922
District infrastructure	802,975	-	802,975
Urban redevelopment	434,747	-	434,747
Unrestricted	41,519,235	(102,662)	41,416,573
Total net position	<u>\$ 204,140,308</u>	<u>\$ -</u>	<u>\$ 204,140,308</u>

**CITY OF CENTENNIAL, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2013**

<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	\$ 12,845,868	\$ 251,061	\$ -	\$ -
Community services	21,819,639	2,201,469	-	-
City infrastructure	22,215,397	280,918	5,959,577	2,165,022
Culture and recreation	2,258,120	-	-	2,684,611
Urban redevelopment	5,159,616	-	-	-
Interest on long-term debt	134,611	-	-	-
Total governmental activities	<u>64,433,251</u>	<u>2,733,448</u>	<u>5,959,577</u>	<u>4,849,633</u>
Business-type activities:				
Land use	3,068,995	3,720,910	-	-
Total primary government	<u>\$ 67,502,246</u>	<u>\$ 6,454,358</u>	<u>\$ 5,959,577</u>	<u>\$ 4,849,633</u>

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

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

<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (12,594,807)	\$ -	\$ (12,594,807)
(19,618,170)	-	(19,618,170)
(13,809,880)	-	(13,809,880)
426,491	-	426,491
(5,159,616)	-	(5,159,616)
(134,611)	-	(134,611)
(50,890,593)	-	(50,890,593)
-	651,915	651,915
(50,890,593)	651,915	(50,238,678)
34,569,315	-	34,569,315
2,987,611	-	2,987,611
13,391,623	-	13,391,623
3,747,097	-	3,747,097
586,360	-	586,360
5,011,913	-	5,011,913
69,801	-	69,801
363,051	-	363,051
354,910	-	354,910
651,915	(651,915)	-
61,733,596	(651,915)	61,081,681
10,843,003	-	10,843,003
193,297,305	-	193,297,305
\$ 204,140,308	\$ -	\$ 204,140,308

**CITY OF CENTENNIAL, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013**

	<b>General Fund</b>	<b>Centennial Urban Redevelopment Authority Fund</b>	<b>Capital Improvement Fund</b>
<b>ASSETS</b>			
Cash and investments	\$ 40,610,970	\$ 434,593	\$ 9,617,202
Taxes receivable	13,007,906	5,538,973	-
Other receivables	765,373	11,110	-
Intergovernmental receivables	445,659	-	421,311
Prepaid items	1,493	-	-
Deposits	-	-	70,018
Total assets	<u>54,831,401</u>	<u>5,984,676</u>	<u>10,108,531</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	4,428,141	11,213	1,740,904
Retainage payable	-	-	189,418
Accrued liabilities	515,142	-	-
Other liabilities	380,101	-	-
Developer contributions and deposits	3,152,073	-	-
Total liabilities	<u>8,475,457</u>	<u>11,213</u>	<u>1,930,322</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	8,188,998	5,538,716	-
Grants	-	-	343,347
Total deferred inflows of resources	<u>8,188,998</u>	<u>5,538,716</u>	<u>343,347</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	1,493	-	-
Deposits	-	-	70,018
Restricted for:			
Emergency reserves	1,651,357	-	306,564
Parks and Open Space	-	-	-
District Infrastructure	-	-	-
Urban Redevelopment	-	434,747	-
Assigned to:			
City infrastructure	-	-	7,458,280
Unassigned	36,514,096	-	-
Total fund balances	<u>38,166,946</u>	<u>434,747</u>	<u>7,834,862</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 54,831,401</u>	<u>\$ 5,984,676</u>	<u>\$ 10,108,531</u>

<b>Total Non-major Funds</b>	<b>Total Governmental Funds</b>
\$ 7,999,394	\$ 58,662,159
351,264	18,898,143
2,400	778,883
18,829	885,799
-	1,493
-	70,018
8,371,887	79,296,495
8,371,887	79,296,495
887,073	7,067,331
12,741	202,159
-	515,142
-	380,101
-	3,152,073
899,814	11,316,806
349,335	14,077,049
-	343,347
349,335	14,420,396
-	1,493
-	70,018
122,841	2,080,762
6,196,922	6,196,922
802,975	802,975
-	434,747
-	7,458,280
-	36,514,096
7,122,738	53,559,293
\$ 8,371,887	\$ 79,296,495



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**CITY OF CENTENNIAL, COLORADO**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2013**

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

Total fund balances - governmental funds	\$	53,559,293
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$	217,927,515
Less accumulated depreciation	<u>(64,821,848)</u>	153,105,667
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.		
	<u>\$</u>	<u>343,347</u> 343,347
Long-term liabilities, including bonds payable, accrued interest payable, and accrued compensated absences are not due and payable in the current year and, therefore, are not reported in governmental funds.		
Bonds payable	\$	(2,660,000)
Accrued interest payable		(10,981)
Accrued compensated absences	<u>(197,018)</u>	(2,867,999)
Total net position of governmental activities	<u>\$</u>	<u><u>204,140,308</u></u>

**CITY OF CENTENNIAL, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2013**

	<b>General Fund</b>	<b>Centennial Urban Redevelopment Authority Fund</b>	<b>Capital Improvement Fund</b>
<b>REVENUES</b>			
Taxes	\$ 49,750,452	\$ 5,148,506	\$ -
Intergovernmental	6,322,628	851,271	762,600
Charges for services	2,699,850	-	33,598
Franchise fees	5,011,913	-	-
Investment income	58,689	-	-
Miscellaneous	331,779	11,110	-
Total revenues	<u>64,175,311</u>	<u>6,010,887</u>	<u>796,198</u>
<b>EXPENDITURES</b>			
Current			
General government	11,434,747	-	-
Community services	21,819,639	-	-
City infrastructure	12,973,744	-	6,385,761
Culture and recreation	-	-	-
Urban redevelopment	-	6,010,887	-
Capital outlay	302,037	-	3,799,486
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>46,530,167</u>	<u>6,010,887</u>	<u>10,185,247</u>
<b>REVENUE OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>17,645,144</u>	<u>-</u>	<u>(9,389,049)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	651,915	-	9,782,000
Transfers out	(9,782,000)	-	-
Total other financing sources (uses)	<u>(9,130,085)</u>	<u>-</u>	<u>9,782,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	8,515,059	-	392,951
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>29,651,887</u>	<u>434,747</u>	<u>7,441,911</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 38,166,946</u>	<u>\$ 434,747</u>	<u>\$ 7,834,862</u>

<b>Total Non-major Funds</b>	<b>Total Governmental Funds</b>
\$ 383,048	\$ 55,282,006
3,688,513	11,625,012
-	2,733,448
-	5,011,913
11,112	69,801
12,021	354,910
<u>4,094,694</u>	<u>75,077,090</u>
-	11,434,747
-	21,819,639
133,453	19,492,958
2,258,120	2,258,120
-	6,010,887
1,435,082	5,536,605
70,000	70,000
134,856	134,856
<u>4,031,511</u>	<u>66,757,812</u>
<u>63,183</u>	<u>8,319,278</u>
-	10,433,915
-	(9,782,000)
-	651,915
63,183	8,971,193
<u>7,059,555</u>	<u>44,588,100</u>
<u>\$ 7,122,738</u>	<u>\$ 53,559,293</u>



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**CITY OF CENTENNIAL, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2013**

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

Net change in fund balance - total governmental funds	\$	8,971,193
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlay	\$	5,904,166	
Capital contributions		1,003,513	
Less current year depreciation		<u>(4,335,979)</u>	2,571,700

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the Statement of Activities. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Principal payments on bonds payable	\$	70,000	
Expense bond issuance costs		<u>(68,005)</u>	1,995

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.

	\$	<u>(604,993)</u>	(604,993)
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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	\$	(97,137)	
Change in accrued interest payable		<u>245</u>	(96,892)

Change in net position of governmental activities	\$	<u><u>10,843,003</u></u>
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**CITY OF CENTENNIAL, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**December 31, 2013**

	<b>Business-Type Activities</b>
	<b>Land Use</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 122,535
Prepaid expenses	1,354
Total current assets	123,889
Noncurrent assets:	
Equipment, net of accumulated depreciation	10,592
Total noncurrent assets	10,592
Total assets	134,481
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	113,425
Accrued liabilities	9,056
Unearned revenue	12,000
Total liabilities	134,481
<b>NET POSTION</b>	
Net investment in capital assets	10,592
Restricted for:	
Emergency reserves	92,070
Unrestricted	(102,662)
Total net position	\$ -

**CITY OF CENTENNIAL, COLORADO**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2013**

	<b>Business-Type Activities</b>
	<b>Land Use</b>
<b>OPERATING REVENUE</b>	
Building permits, licenses and fees	\$ 2,805,868
Contractor's licenses and bus shelter fees	314,520
Land use permits and other income	600,522
Total operating revenue	3,720,910
<b>OPERATING EXPENSES</b>	
Personnel services	415,069
Contracted services	2,329,815
Services & supplies	302,812
Depreciation expense	21,299
Total operating expenses	3,068,995
<b>OPERATING INCOME BEFORE TRANSFERS</b>	651,915
Transfers Out	(651,915)
<b>CHANGE IN NET POSITION</b>	-
<b>NET POSITION - BEGINNING OF YEAR</b>	-
<b>NET POSITION - END OF YEAR</b>	\$ -

**CITY OF CENTENNIAL, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the Year Ended December 31, 2013**

	<b>Business-Type Activities</b>
	<b>Land Use</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 3,698,016
Cash paid to employees	(413,196)
Cash paid to vendors	(2,671,578)
Net cash provided by operating activities	613,242
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer out	(651,915)
Net cash used by non-capital financing activities	(651,915)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(38,673)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	161,208
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 122,535
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 651,915
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	21,299
Decrease in prepaid expenses	8,011
Decrease in accounts payable	(46,962)
Decrease in unearned revenue	(22,894)
Increase in accrued liabilities	1,873
Net adjustments	(38,673)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 613,242

# NOTES TO THE FINANCIAL STATEMENTS



NOTES TO THE  
FINANCIAL STATEMENTS

**CITY OF CENTENNIAL, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**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 the organization provides benefits to, or imposes financial burdens on, the City.

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

*General Improvement Districts*

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

*Centennial Urban Redevelopment Authority*

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

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**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-Parker Fire District (merged during 2008), and Cunningham Fire Protection District.

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

*Library* services are provided by the Arapahoe Library District.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Government-wide and Fund Financial Statements**

Government-wide Financial Statements

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

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**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 governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated in one column as Non-major Funds.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Government-wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**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 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 required to be 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.

The City reports the following proprietary fund:

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

**Assets, Liabilities, and Net Position/Fund Balance**

Cash and investments

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

Investments are reported at fair value.

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Receivables

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

Property taxes receivable

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

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

Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods 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 all infrastructure assets owned by the City (e.g. roads, bridges, sidewalks, and similar items), 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 assets with an initial, individual cost of \$5,000 or more and a useful life of more than 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 estimated fair value at the date of donation. Contributed infrastructure by developers or other governmental entities is recorded as capital contributions and additions to the systems at fair value.

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

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Buildings	50 Years
Machinery and equipment	3 - 5 Years
Infrastructure:	
Bridges	50 Years
Storm drainage system	75 Years
Streets and sidewalks	20 Years
Signals	10 Years
Signs	20 Years

Unearned revenue

Unearned revenue includes grants and contributions that have been collected, but corresponding expenditures have not been incurred. Unearned revenue also includes fees or deposits collected but not earned.

Deferred outflows/inflows of resources

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

Compensated absences

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

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

Long-term obligations

In the government-wide 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 fund types recognize bond premiums and bond discounts in the year of issue. The face amount of the debt issued is reported as other financing sources.

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Long-term obligations (continued)

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

Net Position

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

Fund balance

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

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

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

Revenue limits under TABOR are determined based on prior year revenues (as defined under TABOR) adjusted for inflation and annual local growth. Revenues collected in excess of these limits must be refunded in the next fiscal year unless voters approve retention of such revenue.

**CITY OF CENTENNIAL, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

As of December 31, 2013, the City had in place a minimum fund balance policy which states that the overall fund balance of the General Fund shall equal no less than twenty-five percent (25%) of annual expenditures, including transfers. Additionally, the City had in place a ten percent (10%) operating reserve in the General Fund totaling \$5,566,025 which is to be used for emergency purposes as designated by City Council. The City of Centennial has not established a formal policy for its use of restricted and unrestricted (committed, assigned, and unassigned) fund balance. However, if expenditures are incurred, the City uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed amounts, assigned amounts, and finally, by unassigned amounts.

Estimates

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

**NOTE 3 - CASH AND INVESTMENTS**

A summary of cash and investments at December 31, 2013, follows:

Petty Cash	\$ 650
Cash Deposits	15,772,123
Investments	<u>43,011,921</u>
Total	<u><u>\$ 58,784,694</u></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.

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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

**Cash Deposits (continued)**

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, 2013, the City had bank deposits of \$15,486,868 collateralized with securities held by the financial institutions' agents, but not in the City's name.

**Investments**

The City is required to comply with State statutes and the City's Investment Policy which specify instruments meeting defined rating, maturity, concentration and custodial risk criteria in which local governments may invest, which include the following.

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

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

At December 31, 2013, the City's investment balances were as follows:

<b>Investment</b>	<b>S&amp;P Ratin</b>	<b>% of Total</b>	<b>Fair Value</b>	<b>Maturities</b>		
				<b>Less than 1 year</b>	<b>1-2 years</b>	<b>3-5 years</b>
U.S. Agency	AA+	23.08%	\$ 9,927,648	\$ -	\$ 500,180	\$ 9,427,468
U.S. Treasury Notes	N/A	2.28%	978,980	-	-	978,980
Corporate Notes	AA+	2.40%	1,031,655	515,670	515,985	-
Corporate Notes	AA	2.33%	1,002,370	-	-	1,002,370
Commercial Paper	A-1	7.55%	3,248,108	3,248,108	-	-
Wells Fargo Treasury Plus Money Mkt	AAAm	0.04%	15,749	15,749	-	-
Local Government Investment Pool	AAAm	62.32%	26,807,411	26,807,411	-	-
		<b>100.00%</b>	<b>\$ 43,011,921</b>	<b>\$ 30,586,938</b>	<b>\$ 1,016,165</b>	<b>\$ 11,408,818</b>

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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

**Investments (continued)**

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

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

*Concentration of Credit Risk* – The City’s investment policy requires that at no time shall the aggregate investment in corporate notes, commercial paper, and banker’s acceptances exceed 50% of the City’s total investment portfolio. Furthermore, investments in corporate notes and commercial paper shall not individually exceed 25% of the City’s investment portfolio, and no more than 5% of the City’s investment portfolio may be invested in the obligations of any one issuer of corporate debt or commercial paper. Investments in U.S. agency securities shall not exceed 90% of the City’s total portfolio and no more than 30% of the portfolio can be invested in any one issuer of agency securities. As of December 31, 2013 the City held investments in the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, totaling 12% and 8%, of the total portfolio, respectively.

Local Government Investment Pools

As of December 31, 2013, the City had \$26,807,411 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE). The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission’s Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

**CITY OF CENTENNIAL, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE 4 – INTERFUND TRANSFERS**

The following schedule summarizes the City’s interfund transfer activity for the year ended December 31, 2013.

<u>Transfers Out</u>	<b>Transfers In</b>		
	<u>Capital Improvement Fund</u>	<u>General Fund</u>	<u>Total</u>
General Fund	\$ 9,782,000	\$ -	\$ 9,782,000
Land Use Fund	-	651,915	651,915
	\$ 9,782,000	\$ 651,915	\$ 10,433,915

The transfer of \$9,782,000 from the General Fund to the Capital Improvement Fund was made to provide necessary funding for 2013 budgeted capital projects. The transfer from the Land Use Fund to the General Fund for \$651,915 was to reimburse the General Fund for past contributions.

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 5 – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2013 is as follows:

	<b>Balance at December 31, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at December 31, 2013</b>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land, easements, and rights of way	\$ 20,127,969	\$ -	\$ -	\$ 20,127,969
Streets - subsurface	69,357,410	-	-	69,357,410
Construction in progress	3,518,147	945,282	2,234,187	2,229,242
Total capital assets, not being depreciated	<u>93,003,526</u>	<u>945,282</u>	<u>2,234,187</u>	<u>91,714,621</u>
Capital assets, being depreciated:				
Streets and sidewalks	64,347,011	4,187,095	-	68,534,106
Drainage	21,094,588	-	-	21,094,588
Traffic signals	7,025,294	817,128	-	7,842,422
Traffic signs	1,872,290	-	-	1,872,290
Bridges	16,492,985	37,495	-	16,530,480
Buildings	6,714,298	2,845,794	-	9,560,092
Comprehensive plan	89,234	-	-	89,234
Equipment	380,610	309,072	-	689,682
Total capital assets being depreciated	<u>118,016,310</u>	<u>8,196,584</u>	<u>-</u>	<u>126,212,894</u>
Less accumulated depreciation for:				
Streets and sidewalks	40,279,738	2,767,747	-	43,047,485
Drainage	8,390,979	281,262	-	8,672,241
Traffic signals	4,816,403	496,796	-	5,313,199
Traffic signs	1,401,519	108,768	-	1,510,287
Bridges	4,857,225	405,088	-	5,262,313
Buildings	459,928	204,752	-	664,680
Comprehensive plan	18,942	2,231	-	21,173
Equipment	261,135	69,335	-	330,470
Total accumulated depreciation	<u>60,485,869</u>	<u>4,335,979</u>	<u>-</u>	<u>64,821,848</u>
Total capital assets being depreciated, net	<u>57,530,441</u>	<u>3,860,605</u>	<u>-</u>	<u>61,391,046</u>
Governmental activities capital assets, net	<u>\$ 150,533,967</u>	<u>\$ 4,805,887</u>	<u>\$ 2,234,187</u>	<u>\$ 153,105,667</u>

**CITY OF CENTENNIAL, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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

	<b>Balance at December 31, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at December 31, 2013</b>
<b><u>Business-type Activities:</u></b>				
Capital assets, being depreciated:				
Equipment	\$ 134,156	\$ -	\$ -	\$ 134,156
Total capital assets being depreciated	<u>134,156</u>	<u>-</u>	<u>-</u>	<u>134,156</u>
Less accumulated depreciation for:				
Equipment	102,265	21,299	-	123,564
Total accumulated depreciation	<u>102,265</u>	<u>21,299</u>	<u>-</u>	<u>123,564</u>
Total capital assets being depreciated, net	<u>31,891</u>	<u>(21,299)</u>	<u>-</u>	<u>10,592</u>
Business-type activities capital assets, net	<u>\$ 31,891</u>	<u>\$ (21,299)</u>	<u>\$ -</u>	<u>\$ 10,592</u>

Depreciation expense of the governmental activities was charged to the city infrastructure and general government programs in the amounts of \$4,266,644 and \$69,335, respectively.

**NOTE 6 – LONG-TERM OBLIGATIONS**

Long-term obligation transactions as of December 31, 2013 are summarized below.

	<b>Balance at December 31, 2012</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at December 31, 2013</b>	<b>Due Within One Year</b>
<b><u>Governmental Activities:</u></b>					
Bonds payable					
Antelope GID Bonds	\$ 2,730,000	\$ -	\$ 70,000	\$ 2,660,000	\$ 70,000
Total Bonds Payable	<u>2,730,000</u>	<u>-</u>	<u>70,000</u>	<u>2,660,000</u>	<u>70,000</u>
Compensated absences	99,881	292,709	195,572	197,018	9,892
Total long-term obligations	<u>\$ 2,829,881</u>	<u>\$ 292,709</u>	<u>\$ 265,572</u>	<u>\$ 2,857,018</u>	<u>79,892</u>

**General Obligation Bonds**

During September, 2005 Antelope General Improvement District issued \$3,050,000 of general obligation bonds with interest rates varying from 3.25% to 5.125% payable semi-annually on June 1 and December 1 commencing on June 1, 2006 through December, 2035. The bonds maturing on and before December 1, 2016 are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the District may determine and by lot within a maturity, on December 1, 2015 and on any date thereafter, at a redemption price equal to the principal amount redeemed plus accrued interest to the redemption date.

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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

The 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.

Bonds outstanding and related interest requirements as of December 31, 2013, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 70,000	\$ 131,766	\$ 201,766
2015	75,000	128,756	203,756
2016	75,000	125,456	200,456
2017	80,000	121,987	201,987
2018	85,000	118,287	203,287
2019-2023	485,000	527,813	1,012,813
2024-2028	615,000	398,132	1,013,132
2029-2033	795,000	223,450	1,018,450
2034-2035	380,000	29,469	409,469
Totals	<u>\$ 2,660,000</u>	<u>\$ 1,805,116</u>	<u>\$ 4,465,116</u>

**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, 2013 were approximately \$33,440.

The City had leases for certain office equipment through November, 2013. 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. During 2013, these leases were not renewed.

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The City entered into construction contracts for various capital projects which are not complete as of December 31, 2013. The total unexpended commitments at December 31, 2013 are \$3,493,516 as detailed below.

<u>Project</u>	<u>Total Contract Amount</u>	<u>Remaining Contract Amount</u>
Amphitheatre Stage Cover	\$ 792,000	\$ 747,767
APRD Park & Trail Improvements	725,000	99,776
Arapahoe Road ITS Improvements	293,834	209,004
Arapahoe Road - Waco/Himalaya	1,189,849	973,653
Centennial Link Trail	160,000	4,166
Eagle Street Building Improvements	2,234,711	45,713
Installation of Conduit & Fiber - Dry Creek to Smoky Hill	450,841	320,921
Installation of Conduit & Fiber - Easter Ave/Broncos Pkwy	182,901	82,214
Little Dry Creek Trail Improvements	32,450	32,450
Littleton Public Schools Neighborhood Park Improvements	325,000	131,166
Piney Creek Trail Signage	123,021	8,527
Smoky Hill Neighborhood Park Improvements	150,000	3,000
SSPRD Park & Trail Improvements	3,647,349	835,159
Total	<u>\$ 10,306,956</u>	<u>\$ 3,493,516</u>

**Commitments – Economic Development**

The City has entered into certain agreements in an effort to promote economic development and re-development within the City. While the parties to the agreements and the various components therein are different, there are certain fundamentals that are consistent within each of the agreements, as described below.

1. 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.

**CITY OF CENTENNIAL, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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

**Commitments – Economic Development (continued)**

2. In an effort to promote immediate economic development, the property owners have paid for and installed the improvements in advance.
3. Within each project agreement, the City has only committed to foregoing or reimbursing sales and use taxes generated within the given project area. The City has not committed to foregoing or reimbursing property developers from revenues not directly generated within the given project area.
4. In each project area, the revenues to the City were either zero or declining. As such, the City was in a position to both enhance its economic base on improve overall economic vitality in areas surrounding the specific projects.
5. Each financial agreement is set to terminate at either a date certain, or when a given amount of funds have been paid to reimburse the project developers, whichever occurs first.
6. In no instance has the City incurred or credit enhanced any debts or entered in to any lease/purchase arrangements related to these agreements and project areas.
7. Since the 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.

The following table presents a summary of the funding obligations related to economic development commitments of the City.

<b>Project Name</b>	<b>Maximum Amount Committed<sup>(1)</sup></b>	<b>Termination of Agreement<sup>(2)</sup></b>	<b>Description of Sharing Agreement</b>	<b>Amount of Tax Shared with Developer<sup>(3)</sup></b>
The Streets at Southglenn	Up To \$85,000,000	11/21/2030	76% of 2.5% Sales Tax Exceeding \$1,937,569 Million Base	\$1,668,851
			All Property Tax Increment in Excess of Base	\$11,922,470



**CITY OF CENTENNIAL, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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

**Commitments – Economic Development (continued)**

	<b>Maximum Amount Committed<sup>(1)</sup></b>	<b>Termination of Agreement<sup>(2)</sup></b>	<b>Description of Sharing Agreement</b>	<b>Amount of Tax Shared with Developer<sup>(3)</sup></b>
Centennial East Corporate Center (12 Agreements)	N/A (4)	12/31/2019	100% of Business personal Property Taxes Levied	\$0
			100% Property Tax	\$0
			100% of Construction Use Tax Levied	\$0
			100% of Automobile Use Tax Levied	\$0
			100% of Any Business Licensing Fees	\$0
			100% of Any Business Licensing Fees	\$0

- (1) Maximum amount committed includes amounts to be reimbursed or waived, but does not include interest or other costs.
- (2) The amount required to be reimbursed will terminate on the termination date, or when the reimbursement obligation has been satisfied, whichever occurs first.
- (3) The amount stated represents the total amount shared with the developer over the life of the agreement. Amount of tax shared with developer is net of associated collection fees.
- (4) There is no maximum amount committed, however there is a termination date of the agreement.

**Litigation**

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

**Grants**

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

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 9 – EMPLOYEE RETIREMENT PLAN**

The City has a defined contribution money purchase pension plan (City of Centennial Money Purchase Plan) authorized by City Council and administered by ICMA Retirement Corporation. The City Council is authorized to amend the Plan provisions, and determines the contributions made by the City. The Plan covers all employees of the City who have met certain eligibility requirements. 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 in the Plan. Participant contributions during 2013 were 8% of pre-tax earnings. The City's contribution to the plan was \$362,605 for the year ending December 31, 2013. There is no liability on the part of the City beyond its annual contribution.

**NOTE 10 – RISK MANAGEMENT**

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

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

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



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# REQUIRED SUPPLEMENTARY INFORMATION



REQUIRED  
SUPPLEMENTARY  
INFORMATION

**CITY OF CENTENNIAL, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended December 31, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales tax	\$ 30,949,609	\$ 32,413,844	\$ 34,569,315	\$ 2,155,471
Use tax	1,300,000	2,043,365	2,987,611	944,246
Property tax	7,993,474	7,983,752	7,884,684	(99,068)
Auto use tax	3,387,936	3,791,197	3,747,097	(44,100)
Other taxes	500,303	551,621	561,745	10,124
Franchise fees	4,728,296	4,863,961	5,011,913	147,952
Court fines	2,004,210	1,949,209	2,109,484	160,275
Charges for services	595,163	612,514	590,366	(22,148)
Investment income	161,500	165,000	58,689	(106,311)
Intergovernmental	6,238,326	6,157,740	6,322,628	164,888
Miscellaneous	140,470	394,964	331,779	(63,185)
Total revenues	<u>57,999,287</u>	<u>60,927,167</u>	<u>64,175,311</u>	<u>3,248,144</u>
<b>EXPENDITURES</b>				
Current				
General government	8,729,999	9,435,633	8,132,267	1,303,366
Finance & administration	3,926,536	4,150,866	3,302,480	848,386
Community services	22,185,104	21,881,808	21,819,639	62,169
City infrastructure	13,591,400	13,101,045	12,613,140	487,905
Planning & development	475,830	417,907	360,604	57,303
Capital outlay	-	-	302,037	(302,037)
Total expenditures	<u>48,908,869</u>	<u>48,987,259</u>	<u>46,530,167</u>	<u>2,457,092</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>9,090,418</u>	<u>11,939,908</u>	<u>17,645,144</u>	<u>5,705,236</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	651,915	651,915
Transfers out	(7,946,238)	(9,427,785)	(9,782,000)	(354,215)
Total other financing sources (uses)	<u>(7,946,238)</u>	<u>(9,427,785)</u>	<u>(9,130,085)</u>	<u>297,700</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,144,180	2,512,123	8,515,059	6,002,936
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>24,860,943</u>	<u>29,651,887</u>	<u>29,651,887</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 26,005,123</u>	<u>\$ 32,164,010</u>	<u>\$ 38,166,946</u>	<u>\$ 6,002,936</u>

**CITY OF CENTENNIAL, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND**  
**For the Year Ended December 31, 2013**

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<b>REVENUE</b>				
Property tax	\$ 5,477,687	\$ 5,405,788	\$ 5,148,506	\$ (257,282)
Intergovernmental	726,311	755,286	851,271	95,985
Miscellaneous	150,000	150,000	11,110	(138,890)
Total revenue	6,353,998	6,311,074	6,010,887	(300,187)
<b>EXPENDITURES</b>				
Sales tax sharing pass-thru	726,311	755,286	851,271	(95,985)
Property tax sharing pass-thru	5,477,687	5,405,788	5,148,506	257,282
Professional services	150,000	150,000	11,110	138,890
Contingencies	-	434,747	-	434,747
Total expenditures	6,353,998	6,745,821	6,010,887	734,934
<b>NET CHANGE IN FUND BALANCE</b>	-	(434,747)	-	434,747
<b>FUND BALANCE - BEGINNING OF YEAR</b>	-	434,747	434,747	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ 434,747	\$ 434,747

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2013**

**NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary information**

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

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

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



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# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS & SCHEDULES

COMBINING AND  
INDIVIDUAL FUND  
FINANCIAL STATEMENTS  
& SCHEDULES



**CITY OF CENTENNIAL, COLORADO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2013**

	<b>Open Space Fund</b>	<b>Conservation Trust Fund</b>	<b>General Improvement District Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 5,020,011	\$ 2,139,555	\$ 839,828	\$ 7,999,394
Taxes receivable	-	-	351,264	351,264
Other receivables	-	-	2,400	2,400
Intergovernmental receivables	18,829	-	-	18,829
Total assets	<u>5,038,840</u>	<u>2,139,555</u>	<u>1,193,492</u>	<u>8,371,887</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	844,371	15,365	27,337	887,073
Retainage payable	10,419	-	2,322	12,741
Total liabilities	<u>854,790</u>	<u>15,365</u>	<u>29,659</u>	<u>899,814</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	349,335	349,335
<b>FUND BALANCES</b>				
Restricted for:				
Emergency reserves	93,462	17,856	11,523	122,841
Parks and Open Space	4,090,588	2,106,334	-	6,196,922
District Infrastructure	-	-	802,975	802,975
Total fund balances	<u>4,184,050</u>	<u>2,124,190</u>	<u>814,498</u>	<u>7,122,738</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 5,038,840</u>	<u>\$ 2,139,555</u>	<u>\$ 1,193,492</u>	<u>\$ 8,371,887</u>

**CITY OF CENTENNIAL, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2013**

	<b>Open Space Fund</b>	<b>Conservation Trust Fund</b>	<b>General Improvement District Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 383,048	\$ 383,048
Intergovernmental	3,096,063	592,450		3,688,513
Investment income	7,303	2,736	1,073	11,112
Miscellaneous	12,021	-	-	12,021
Total revenues	<u>3,115,387</u>	<u>595,186</u>	<u>384,121</u>	<u>4,094,694</u>
<b>EXPENDITURES</b>				
Current				
City infrastructure	-	-	133,453	133,453
Culture and recreation	2,164,656	93,464	-	2,258,120
Capital Outlay	1,426,903	8,179	-	1,435,082
Debt service				
Principal	-	-	70,000	70,000
Interest	-	-	134,856	134,856
Total expenditures	<u>3,591,559</u>	<u>101,643</u>	<u>338,309</u>	<u>4,031,511</u>
<b>NET CHANGE IN FUND BALANCE</b>	(476,172)	493,543	45,812	63,183
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>4,660,222</u>	<u>1,630,647</u>	<u>768,686</u>	<u>7,059,555</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,184,050</u>	<u>\$ 2,124,190</u>	<u>\$ 814,498</u>	<u>\$ 7,122,738</u>

**CITY OF CENTENNIAL, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL IMPROVEMENT FUND**  
**For the Year Ended December 31, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Intergovernmental	\$ 75,300	\$ 1,604,032	\$ 762,600	\$ (841,432)
Developer Contributions	227,700	403,218	-	(403,218)
Charges for services	90,000	31,817	33,598	1,781
Total revenue	<u>393,000</u>	<u>2,039,067</u>	<u>796,198</u>	<u>(1,242,869)</u>
<b>EXPENDITURES</b>				
Rehabilitation				
Street rehabilitation program	6,600,000	6,600,000	6,165,706	434,294
Major/minor structures	50,000	50,000	37,495	12,505
Professional services	375,000	384,689	182,560	202,129
Capital outlay				
Land Improvements	-	12,603	-	12,603
Streets	375,000	5,227,286	357,987	4,869,299
Sidewalks	75,000	180,544	-	180,544
Traffic control & signals	493,000	1,950,455	595,749	1,354,706
Major Capital Project Reserve	300,000	639,440	-	639,440
Buildings	100,000	3,164,845	2,671,393	493,452
Vista Verde Neighborhood Improvements	-	223,214	174,357	48,857
Total expenditures	<u>8,368,000</u>	<u>18,433,076</u>	<u>10,185,247</u>	<u>8,247,829</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(7,975,000)	(16,394,009)	(9,389,049)	7,004,960
<b>OTHER FINANCING SOURCES</b>				
Transfers in	7,975,000	9,782,000	9,782,000	-
<b>NET CHANGE IN FUND BALANCE</b>	-	(6,612,009)	392,951	7,004,960
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>242,636</u>	<u>7,441,911</u>	<u>7,441,911</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 242,636</u>	<u>\$ 829,902</u>	<u>\$ 7,834,862</u>	<u>\$ 7,004,960</u>

**CITY OF CENTENNIAL, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**OPEN SPACE FUND**  
**For the Year Ended December 31, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Intergovernmental	\$ 1,842,000	\$ 3,106,563	\$ 3,096,063	\$ (10,500)
Investment income	6,000	7,000	7,303	303
Miscellaneous	-	-	12,021	12,021
Total revenue	1,848,000	3,113,563	3,115,387	1,824
<b>EXPENDITURES</b>				
Culture and recreation	130,000	638,517	2,164,656	(1,526,139)
Capital outlay	2,055,000	6,921,283	1,426,903	5,494,380
Contingencies	-	213,985	-	213,985
Total expenditures	2,185,000	7,773,785	3,591,559	4,182,226
<b>NET CHANGE IN FUND BALANCE</b>	(337,000)	(4,660,222)	(476,172)	4,184,050
<b>FUND BALANCE - BEGINNING OF YEAR</b>	337,000	4,660,222	4,660,222	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ 4,184,050	\$ 4,184,050

**CITY OF CENTENNIAL, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**CONSERVATION TRUST FUND**  
**For the Year Ended December 31, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Intergovernmental	\$ 487,181	\$ 567,362	\$ 592,450	\$ 25,088
Investment income	2,900	2,900	2,736	(164)
Total revenue	490,081	570,262	595,186	24,924
<b>EXPENDITURES</b>				
Culture and recreation	135,500	135,500	93,464	42,036
Capital outlay	1,250,000	1,901,993	8,179	1,893,814
Contingencies	-	163,416	-	163,416
Total expenditures	1,385,500	2,200,909	101,643	2,099,266
<b>NET CHANGE IN FUND BALANCE</b>	(895,419)	(1,630,647)	493,543	2,124,190
<b>FUND BALANCE - BEGINNING OF YEAR</b>	895,419	1,630,647	1,630,647	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ 2,124,190	\$ 2,124,190

**CITY OF CENTENNIAL, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL IMPROVEMENT DISTRICT FUND  
For the Year Ended December 31, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Property tax	\$ 359,095	\$ 358,094	\$ 358,433	\$ 339
Specific ownership tax	16,022	16,022	24,615	8,593
Investment income	1,670	1,200	1,073	(127)
Total revenue	376,787	375,316	384,121	8,805
<b>EXPENDITURES</b>				
Current				
City infrastructure	299,104	299,090	133,453	165,637
Debt service				
Principal	70,000	70,000	70,000	-
Interest	134,707	134,707	134,856	(149)
Contingencies	1,075	492,887	-	492,887
Total expenditures	504,886	996,684	338,309	658,375
<b>NET CHANGE IN FUND BALANCE</b>	(128,099)	(621,368)	45,812	667,180
<b>FUND BALANCE - BEGINNING OF YEAR</b>	128,099	768,686	768,686	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 147,318	\$ 814,498	\$ 667,180

**CITY OF CENTENNIAL, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**LAND USE FUND**  
**For the Year Ended December 31, 2013**

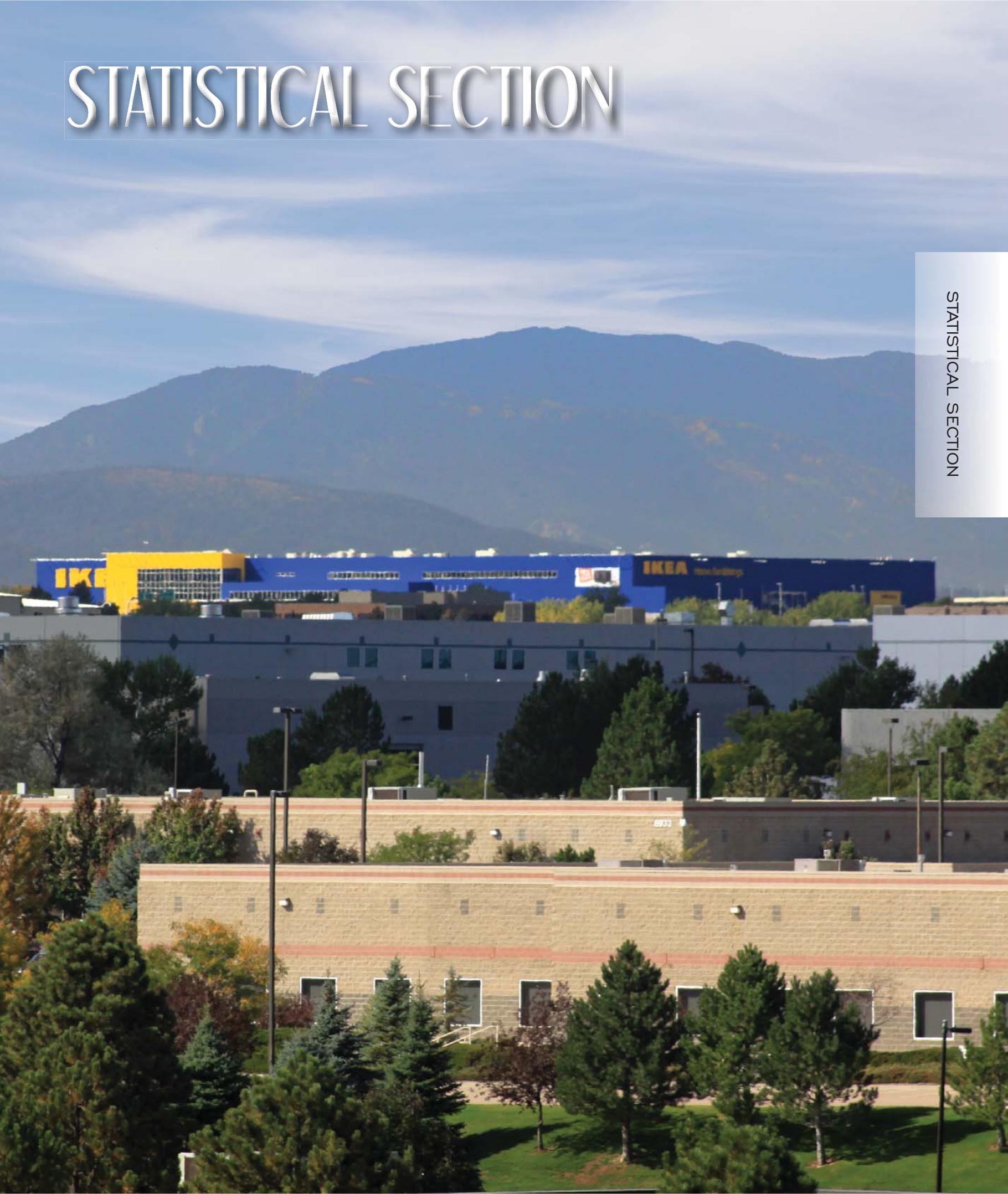
	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Building permits, licenses, and fees	\$ 1,800,000	\$ 2,900,000	\$ 2,805,868	\$ (94,132)
Contractor's licenses and bus shelter fees	318,000	350,000	314,520	(35,480)
Land use permits and other income	439,000	504,000	600,522	96,522
Transfers in	325,000	510,841	-	(510,841)
Total revenue	2,882,000	4,264,841	3,720,910	(543,931)
<b>EXPENDITURES</b>				
Personnel services	476,121	416,460	415,069	1,391
Contracted services	1,650,600	2,600,600	2,329,815	270,785
Services & supplies	401,517	382,725	302,812	79,913
Transfers out	353,762	865,056	651,915	213,141
Total expenditures	2,882,000	4,264,841	3,699,611	565,230
<b>CHANGE IN NET POSITION - BUDGETARY BASIS</b>	\$ -	\$ -	21,299	\$ 21,299
<b>ADJUSTMENT TO GAAP BASIS</b>				
Depreciation			(21,299)	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			\$ -	



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# STATISTICAL SECTION

STATISTICAL SECTION



## **STATISTICAL SECTION OVERVIEW**

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

### **FINANCIAL TRENDS**

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

### **REVENUE CAPACITY**

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

### **DEBT CAPACITY**

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

### **DEMOGRAPHIC AND ECONOMIC INFORMATION**

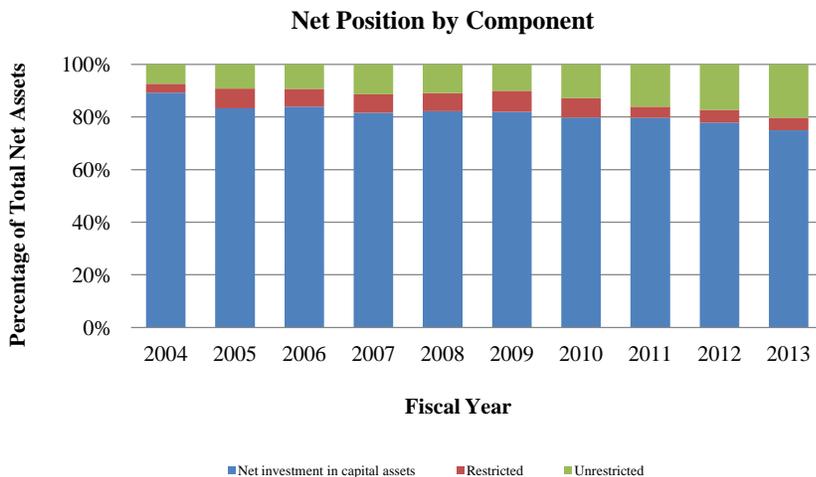
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **OPERATING INFORMATION**

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

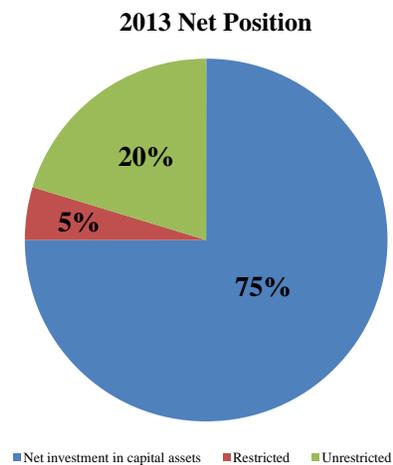
**TABLE 1**  
**CITY OF CENTENNIAL, COLORADO**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 113,805,659	\$ 108,778,435	\$ 130,732,395	\$ 127,795,949
Restricted	4,468,387	9,733,262	10,433,346	11,038,753
Unrestricted	9,318,118	12,042,726	14,505,095	17,798,842
Total governmental activities net position	<u>127,592,164</u>	<u>130,554,423</u>	<u>155,670,836</u>	<u>156,633,544</u>
Business-type activities				
Net investment in capital assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary government				
Net investment in capital assets	113,805,659	108,778,435	130,732,395	127,795,949
Restricted	4,468,387	9,733,262	10,433,346	11,038,753
Unrestricted	9,318,118	12,042,726	14,505,095	17,798,842
Total primary government net position	<u>\$ 127,592,164</u>	<u>\$ 130,554,423</u>	<u>\$ 155,670,836</u>	<u>\$ 156,633,544</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 No. 63 in 2012. 2011 net position has been restated.

<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 134,743,623	\$ 137,465,454	\$ 137,094,255	\$ 144,592,118	\$ 150,533,967	\$ 153,105,667
11,127,772	13,226,398	12,652,880	7,656,451	9,180,350	9,515,406
17,882,572	17,002,149	22,116,122	29,311,672	33,582,988	41,519,235
163,753,967	167,694,001	171,863,257	181,560,241	193,297,305	204,140,308
-	96,713	65,256	39,654	31,891	10,592
-	94,714	89,755	88,726	94,106	92,070
-	(191,427)	(155,011)	(128,380)	(125,997)	(102,662)
-	-	-	-	-	-
134,743,623	137,562,167	137,159,511	144,631,772	150,565,858	153,116,259
11,127,772	13,321,112	12,742,635	7,745,176	9,274,456	9,607,476
17,882,572	16,810,722	21,961,111	29,183,292	33,456,991	41,416,573
\$ 163,753,967	\$ 167,694,001	\$ 171,863,257	\$ 181,560,241	\$ 193,297,305	\$ 204,140,308



**TABLE 2  
CITY OF CENTENNIAL, COLORADO**

**CHANGE IN NET POSITION**

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

	Fiscal Year			
	2004	2005	2006	2007
<b><u>Governmental activities</u></b>				
Expenses				
General government	\$ 2,679,505	\$ 3,861,990	\$ 4,726,923	\$ 5,533,732
Community services	17,570,884	18,254,999	19,258,142	20,838,991
City infrastructure	14,997,851	17,672,259	20,548,344	20,656,685
Culture and recreation	8,510	838	154	91,185
Urban redevelopment	-	-	-	607,222
Interest on long-term debt	54,850	69,443	155,962	165,240
Total governmental activities expenses	<u>35,311,600</u>	<u>39,859,529</u>	<u>44,689,525</u>	<u>47,893,055</u>
Program Revenues				
Charges for services				
General government	44,162	45,165	47,089	47,070
Community services	1,692,980	1,896,948	1,611,702	2,059,722
City infrastructure	123,420	149,891	177,056	202,963
Urban redevelopment	-	-	-	683,752
Operating grants and contributions	4,107,516	3,953,546	4,388,857	4,319,189
Capital grants and contributions	2,497,721	1,901,246	3,285,607	4,038,680
Total governmental activities program revenues	<u>8,465,799</u>	<u>7,946,796</u>	<u>9,510,311</u>	<u>11,351,376</u>
Total governmental activities net program expense	<u>26,845,801</u>	<u>31,912,733</u>	<u>35,179,214</u>	<u>36,541,679</u>
General revenues and other changes in net position				
Taxes				
Sales tax	16,465,668	17,617,030	17,570,207	18,736,167
Use tax	1,100,610	1,151,536	1,126,889	1,237,313
Property tax	7,172,283	7,190,345	7,440,169	7,525,978
Auto use tax	3,647,367	4,376,188	3,515,870	3,994,315
Other taxes	1,035,487	960,794	957,501	964,459
Unrestricted franchise fees	3,557,619	4,043,502	4,208,875	4,253,003
Investment income	151,448	665,845	1,264,658	1,657,727
Intergovernmental revenues not restricted to specific programs	-	-	-	-
Miscellaneous	20,338	19,069	66,093	264,919
Contributions	3,523,662	-	150,421	-
Insurance proceeds	-	-	44,783	-
Transfers	(599,461)	(1,149,317)	(961,648)	(1,129,494)
Total general revenues and other changes in net position	<u>36,075,021</u>	<u>34,874,992</u>	<u>35,383,818</u>	<u>37,504,387</u>
Total governmental activities change in net position	<u>\$ 9,229,220</u>	<u>\$ 2,962,259</u>	<u>\$ 204,604</u>	<u>\$ 962,708</u>

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

<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 6,747,868	\$ 5,854,992	\$ 5,927,832	\$ 8,491,057	\$ 10,953,334	\$ 12,845,868
21,354,389	21,549,041	21,408,592	21,577,444	21,736,983	21,819,639
17,720,544	17,487,628	20,013,733	20,568,461	22,482,836	22,215,397
84,784	581,646	367,583	496,048	736,800	2,258,120
952,348	519,967	1,231,387	5,000,756	5,843,043	5,159,616
146,415	144,466	142,238	139,905	137,299	134,611
<u>47,006,348</u>	<u>46,137,740</u>	<u>49,091,365</u>	<u>56,273,671</u>	<u>61,890,295</u>	<u>64,433,251</u>
74,780	148,014	208,659	160,262	245,346	251,061
2,300,601	2,293,552	2,368,455	2,236,483	2,095,843	2,201,469
354,223	486,346	321,054	375,545	387,630	280,918
1,979,802	1,293,553	-	-	-	-
4,070,855	4,308,859	4,847,044	5,111,685	5,354,851	5,959,577
5,257,705	4,741,687	3,947,075	6,654,649	7,872,115	4,849,633
<u>14,037,966</u>	<u>13,272,011</u>	<u>11,692,287</u>	<u>14,538,624</u>	<u>15,955,785</u>	<u>13,542,658</u>
32,968,382	32,865,729	37,399,078	41,735,047	45,934,510	50,890,593
18,620,968	17,992,951	20,624,581	27,917,744	32,782,443	34,569,315
3,265,367	2,001,964	2,060,641	1,677,317	2,003,344	2,987,611
7,989,318	8,132,734	9,506,280	12,930,171	13,301,715	13,391,623
3,522,055	3,084,446	3,064,792	3,178,645	3,458,033	3,747,097
890,664	819,445	797,403	519,284	539,677	586,360
4,827,977	4,235,611	4,653,673	4,749,865	4,646,174	5,011,913
832,298	131,382	84,158	40,173	146,534	69,801
-	255,033	252,382	253,944	267,307	363,051
534,366	582,696	367,958	277,132	453,685	354,910
-	-	-	-	-	-
-	-	-	-	-	-
(394,208)	(175,466)	408,848	(112,244)	72,662	651,915
<u>40,088,805</u>	<u>37,060,796</u>	<u>41,820,716</u>	<u>51,432,031</u>	<u>57,671,574</u>	<u>61,733,596</u>
<u>\$ 7,120,423</u>	<u>\$ 4,195,067</u>	<u>\$ 4,421,638</u>	<u>\$ 9,696,984</u>	<u>\$ 11,737,064</u>	<u>\$ 10,843,003</u>

**TABLE 2  
CITY OF CENTENNIAL, COLORADO**

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

(Accrual basis of accounting)  
(Unaudited)

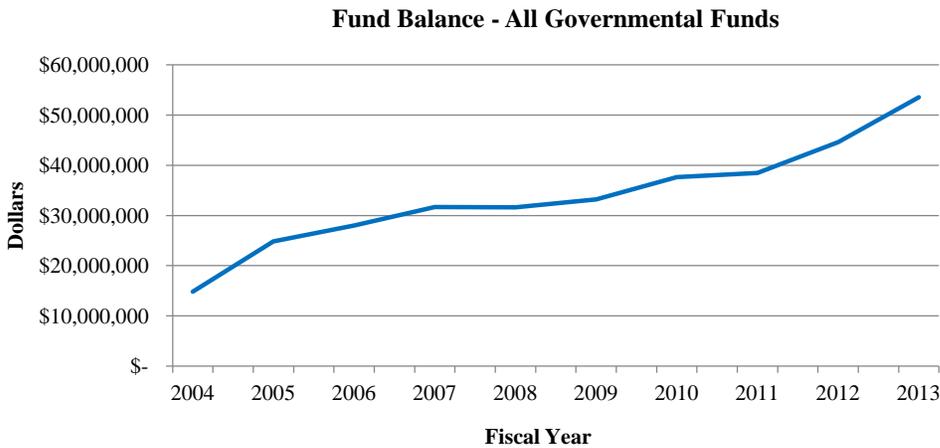
	Fiscal Year			
	2004	2005	2006	2007
<b><u>Business-type activities</u></b>				
Expenses				
Land use fund	\$ 2,673,733	\$ 3,418,462	\$ 3,274,235	\$ 4,029,924
Total expenses	<u>2,673,733</u>	<u>3,418,462</u>	<u>3,274,235</u>	<u>4,029,924</u>
Revenues				
Land use service fees	2,074,272	2,269,145	2,312,587	2,900,430
Total revenues	<u>2,074,272</u>	<u>2,269,145</u>	<u>2,312,587</u>	<u>2,900,430</u>
Operating income (loss) before transfers	<u>(599,461)</u>	<u>(1,149,317)</u>	<u>(961,648)</u>	<u>(1,129,494)</u>
Transfers	599,461	1,149,317	961,648	1,129,494
Total business-type activities change in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government change in net position	<u>\$ 9,229,220</u>	<u>\$ 2,962,259</u>	<u>\$ 204,604</u>	<u>\$ 962,708</u>

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

<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 3,548,937	\$ 3,157,146	\$ 2,991,828	\$ 2,957,524	\$ 3,136,858	\$ 3,068,995
<u>3,548,937</u>	<u>3,157,146</u>	<u>2,991,828</u>	<u>2,957,524</u>	<u>3,136,858</u>	<u>3,068,995</u>
3,154,729	2,901,680	3,400,676	2,845,280	3,209,520	3,720,910
<u>3,154,729</u>	<u>2,901,680</u>	<u>3,400,676</u>	<u>2,845,280</u>	<u>3,209,520</u>	<u>3,720,910</u>
(394,208)	(255,466)	408,848	(112,244)	72,662	651,915
394,208	175,466	(408,848)	112,244	(72,662)	(651,915)
<u>-</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,120,423</u>	<u>\$ 4,115,067</u>	<u>\$ 4,421,638</u>	<u>\$ 9,696,984</u>	<u>\$ 11,737,064</u>	<u>\$ 10,843,003</u>

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

	Fiscal Year			
	2004	2005	2006	2007
General fund				
Restricted	\$ 1,350,000	\$ 2,206,000	\$ 1,350,000	\$ 1,490,558
Unrestricted	8,758,227	13,051,979	13,016,866	13,199,627
Total general fund	<u>10,108,227</u>	<u>15,257,979</u>	<u>14,366,866</u>	<u>14,690,185</u>
All other governmental funds				
Restricted	4,728,278	5,787,262	7,184,418	9,683,858
Unrestricted, reported in Capital improvement fund reserve	-	3,810,951	6,452,295	7,294,171
Total all other governmental funds	<u>4,728,278</u>	<u>9,598,213</u>	<u>13,636,713</u>	<u>16,978,029</u>
Total all governmental funds	<u>\$ 14,836,505</u>	<u>\$ 24,856,192</u>	<u>\$ 28,003,579</u>	<u>\$ 31,668,214</u>



The information for this table was obtained from the Balance Sheet. The City of Centennial incorporated during 2001. Statistical information is presented from 2004 through the current year to correspond with the implementation of GASB Statement No. 34. 2011 fund balance has been restated.

<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 1,298,064	\$ 1,261,298	\$ 1,288,696	\$ 1,486,008	\$ 1,375,311	\$ 1,652,850
13,507,740	16,806,731	20,701,513	28,028,751	28,276,576	36,514,096
<u>14,805,804</u>	<u>18,068,029</u>	<u>21,990,209</u>	<u>29,514,759</u>	<u>29,651,887</u>	<u>38,166,946</u>
9,916,754	11,981,515	11,379,095	6,184,205	7,809,048	7,934,067
6,875,088	3,143,991	4,294,525	2,766,780	7,127,165	7,458,280
<u>16,791,842</u>	<u>15,125,506</u>	<u>15,673,620</u>	<u>8,950,985</u>	<u>14,936,213</u>	<u>15,392,347</u>
<u>\$ 31,597,646</u>	<u>\$ 33,193,535</u>	<u>\$ 37,663,829</u>	<u>\$ 38,465,744</u>	<u>\$ 44,588,100</u>	<u>\$ 53,559,293</u>

**TABLE 4**  
**CITY OF CENTENNIAL, COLORADO**  
**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year			
	2004	2005	2006	2007
<b>Revenues</b>				
Taxes	\$ 29,421,415	\$ 31,295,893	\$ 30,610,636	\$ 32,458,232
Intergovernmental	6,605,237	5,854,792	7,674,464	8,153,516
Charges for services	1,860,562	2,092,004	1,835,847	2,993,507
Franchise fees	3,557,619	4,043,502	4,208,875	4,253,003
Investment income	151,448	665,845	1,264,658	1,657,727
Miscellaneous	20,338	19,069	66,093	264,919
Total revenues	41,616,619	43,971,105	45,660,573	49,780,904
<b>Expenditures</b>				
Current				
General government	2,769,544	3,790,743	4,414,270	5,535,338
Community services	17,600,603	18,275,441	19,456,398	20,877,510
City infrastructure	9,801,216	11,331,710	15,251,848	13,729,987
Culture & recreation	8,510	135,308	154	91,185
Urban redevelopment	-	-	-	607,222
Capital Outlay				
General government	75,081	15,000	-	20,615
Capital improvement	1,330,240	2,173,292	1,115,982	3,948,517
Debt Service				
Principal	-	-	1,305,966	15,000
Interest and fiscal charges	61,502	41,903	202,124	161,401
Debt issuance costs	-	42,954	-	-
Total expenditures	31,646,696	35,806,351	41,746,742	44,986,775
Revenue over expenditures	9,969,923	8,164,754	3,913,831	4,794,129
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,219,700	2,807,000	5,058,700	3,880,306
Transfers out	(2,819,161)	(3,956,317)	(6,020,348)	(5,009,800)
Debt proceeds	-	3,004,250	-	-
Contributions	-	-	150,421	-
Insurance proceeds	-	-	44,783	-
Total other financing sources (uses)	(599,461)	1,854,933	(766,444)	(1,129,494)
Net change in fund balances	\$ 9,370,462	\$ 10,019,687	\$ 3,147,387	\$ 3,664,635
Debt service as a percentage of noncapital expenditures	0.20%	0.25%	3.85%	0.43%

The information for this table was obtained from the Statement of Revenue, Expenditures, and Changes in Fund Balances. The City of Centennial incorporated during 2001. Statistical information is presented from 2004 through the current year to correspond with the implementation of GASB Statement No. 34. 2011 fund balance has been restated.

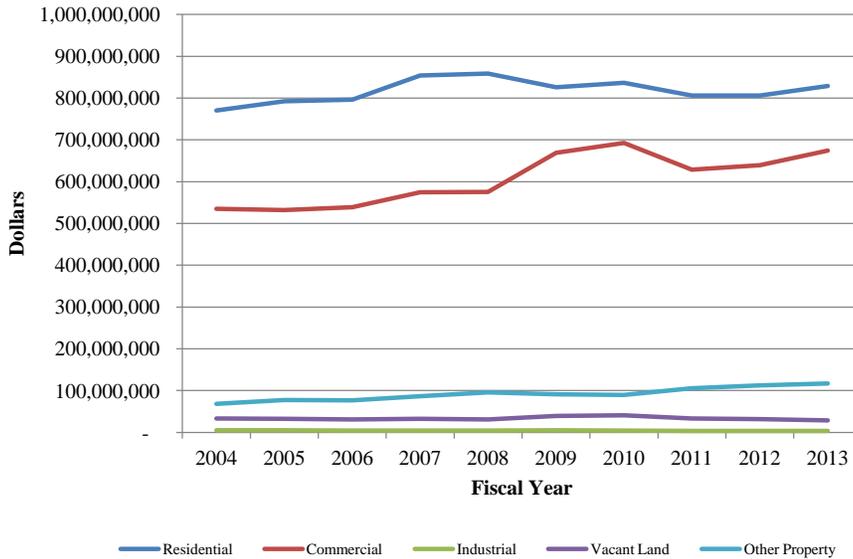
<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 34,288,372	\$ 32,031,540	\$ 36,053,697	\$ 46,223,161	\$ 52,085,212	\$ 55,282,006
9,120,836	9,462,623	8,005,719	10,602,518	11,030,082	11,625,012
4,709,406	4,221,465	2,898,168	2,772,290	2,728,819	2,733,448
4,827,977	4,235,611	4,653,673	4,749,865	4,646,174	5,011,913
832,298	131,382	84,158	40,173	146,534	69,801
534,366	582,696	367,958	277,132	453,685	354,910
54,313,255	50,665,317	52,063,373	64,665,139	71,090,506	75,077,090
6,707,616	5,837,442	6,053,572	8,433,765	10,929,433	11,434,747
21,354,389	21,549,041	21,408,592	21,577,444	21,736,983	21,819,639
13,843,150	11,620,237	16,015,936	16,708,347	18,465,990	19,492,958
84,784	581,646	367,583	496,048	736,800	2,258,120
952,348	421,892	1,231,387	5,000,756	5,843,043	6,010,887
7,839,369	1,138,228	2,428,907	11,329,499	6,884,042	1,737,119
3,006,383	7,540,825	293,519	-	242,000	3,799,486
55,000	60,000	60,000	65,000	65,000	70,000
146,576	144,651	142,431	140,121	137,521	134,856
-	-	-	-	-	-
53,989,615	48,893,962	48,001,927	63,750,980	65,040,812	66,757,812
323,640	1,771,355	4,061,446	914,159	6,049,694	8,319,278
900,000	2,483,847	5,882,430	4,686,487	15,004,327	10,433,915
(1,294,208)	(2,659,313)	(5,473,582)	(4,798,731)	(14,931,665)	(9,782,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(394,208)	(175,466)	408,848	(112,244)	72,662	651,915
\$ (70,568)	\$ 1,595,889	\$ 4,470,294	\$ 801,915	\$ 6,122,356	\$ 8,971,193
0.47%	0.51%	0.45%	0.39%	0.35%	0.34%

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

(Unaudited)

<b>Taxable Real and Personal Property</b>				
<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Vacant Land</b>
2004	770,384,790	535,337,130	4,945,820	33,564,130
2005	792,602,600	532,113,790	4,864,190	32,511,050
2006	796,434,140	539,134,290	4,762,920	30,744,550
2007	853,954,730	574,216,450	4,300,230	32,639,130
2008	858,294,520	575,249,170	4,073,630	30,689,950
2009	825,768,350	669,231,830	5,188,900	39,676,100
2010	836,719,860	692,470,620	4,342,740	41,195,980
2011	805,653,220	628,640,180	3,950,100	33,667,080
2012	806,330,190	639,120,040	3,749,580	31,861,900
2013	828,687,270	674,005,480	3,853,830	28,528,060

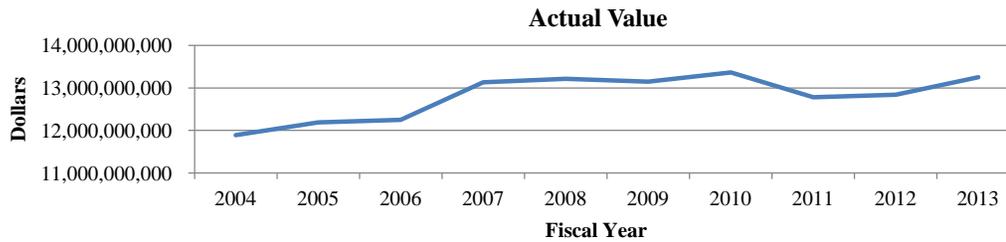
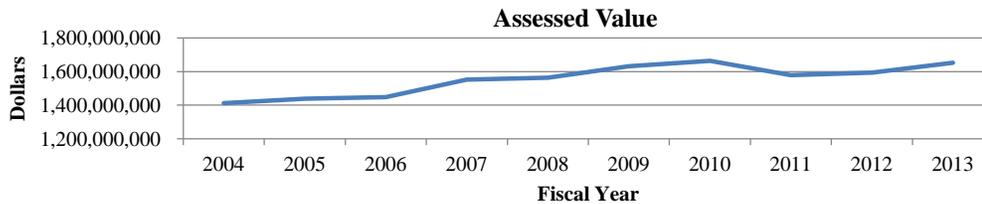
**Assessed Value by Property Type**



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

**Taxable Real and Personal Property**

<b>Other Property<sup>1</sup></b>	<b>Total Taxable Assessed Value<sup>3</sup></b>	<b>Mill Levy<sup>2</sup></b>	<b>Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
68,285,440	1,412,517,310	5.031	11,891,705,582	11.88%
77,203,820	1,439,295,450	5.031	12,186,690,250	11.81%
76,888,530	1,447,964,430	5.031	12,251,481,778	11.82%
86,587,340	1,551,697,880	4.958	13,133,258,542	11.82%
95,876,250	1,564,183,520	5.054	13,215,858,210	11.84%
91,294,120	1,631,159,300	5.047	13,150,665,012	12.40%
89,317,930	1,664,047,130	5.077	13,363,879,048	12.45%
105,985,000	1,577,895,580	5.077	12,783,754,657	12.34%
112,373,110	1,593,434,820	5.129	12,843,506,833	12.41%
117,278,110	1,652,352,750	5.073	13,250,414,532	12.47%



(1) Includes State assessed, Agriculture and Other assessed values.

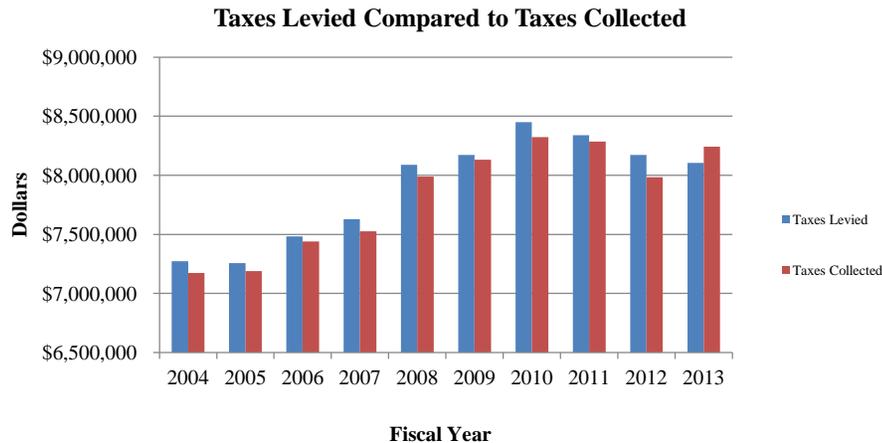
(2) The reduction in the 2007 mill levy is a temporary reduction and is the mill levy applicable to only the City of Centennial, not the General Improvement Districts.

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

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

(Unaudited)

Fiscal Year	Taxes Levied for Collection in the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy	
		Amount <sup>2</sup>	Percentage of Levy
2004	\$ 7,272,920	\$ 7,172,283	98.616%
2005	7,255,601	7,190,345	99.101%
2006	7,483,962	7,440,169	99.415%
2007	7,628,936	7,525,978	98.650%
2008	8,088,081	7,989,318	98.779%
2009	8,172,853	8,132,734	99.509%
2010	8,450,787	8,322,818	98.486%
2011	8,339,583	8,286,203	99.360%
2012	8,172,727	7,984,301	97.694%
2013	8,104,801	8,243,117	101.707%



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

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

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

The City of Centennial incorporated during 2001. Statistical information is presented from 2004 through the current year to correspond with the implementation of GASB Statement No. 34.

**TABLE 7  
CITY OF CENTENNIAL, COLORADO**

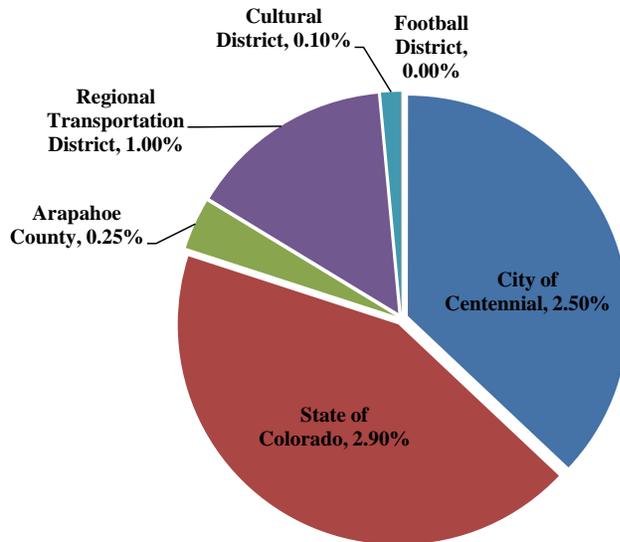
**DIRECT AND OVERLAPPING SALES TAX RATES**

**LAST NINE FISCAL YEARS**

**(Unaudited)**

<b>Fiscal Year</b>	<b>City of Centennial</b>	<b>State of Colorado</b>	<b>Arapahoe County</b>	<b>Regional Transportation District</b>	<b>Cultural District</b>	<b>Football District</b>	<b>Total</b>
2005	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2006	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2007	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2008	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2009	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2010	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2011	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2012	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2013	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%

**Direct and Overlapping Sales Tax Rates**



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

**TABLE 8  
CITY OF CENTENNIAL, COLORADO**

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

**LAST NINE FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Accommodation and Food Service</b>	<b>Administrative Support, Waste Management and Remediation</b>	<b>Arts, Entertainment and Recreation</b>	<b>Construction</b>	<b>Educational Services</b>
2005	\$ 2,666,571	\$ 148,641	\$ 6,253	\$ 94,371	\$ 37,382
2006	2,784,120	208,292	5,430	125,629	48,998
2007	2,907,889	221,959	6,277	167,805	33,423
2008	2,916,546	201,703	11,142	108,623	12,884
2009	2,710,339	128,220	13,916	185,144	29,399
2010	3,154,244	187,868	6,685	242,605	50,597
2011	3,478,385	204,754	50,884	245,183	74,579
2012	3,907,917	235,344	88,912	390,521	76,669
2013	4,393,073	243,380	98,107	303,080	35,123

(continued)

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

The City of Centennial incorporated during 2001. Statistical information is presented from 2005 through the current year to correspond with the first year information is available.

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	<b>Finance and Insurance</b>	<b>Healthcare and Social Assistance</b>	<b>Information</b>	<b>Mining</b>	<b>Professional, Scientific and Technical Services</b>
\$	187,863	\$ 75,589	\$ 1,998,341	\$ 34,362	\$ 492,929
	145,008	70,079	2,308,814	44,370	366,530
	134,518	75,176	2,430,547	44,339	400,002
	144,254	79,692	2,488,893	48,218	443,339
	129,778	66,424	1,859,609	24,562	244,087
	110,647	83,936	2,344,054	28,308	620,785
	121,119	96,535	2,498,242	30,980	639,787
	147,666	103,892	2,460,400	40,721	1,118,743
	205,453	105,989	2,623,327	43,466	883,521

(continued)

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

<b>Fiscal Year</b>	<b>Public Administration</b>	<b>Real Estate, Rental and Leasing</b>	<b>Utilities</b>	<b>Wholesale Trade</b>	<b>Other Remitters</b>	<b>Total</b>
2005	\$ 23,082	\$ 594,342	\$ 918,030	\$ 527,308	\$ 9,811,966	\$ 17,617,030
2006	23,789	571,768	935,920	512,835	9,418,625	17,570,207
2007	18,038	579,290	946,226	641,626	10,129,052	18,736,167
2008	17,989	581,958	1,106,171	694,251	9,765,305	18,620,968
2009	28,195	498,303	978,302	328,524	10,768,149	17,992,951
2010	39,197	772,453	1,147,683	699,110	11,136,408	20,624,581
2011	46,140	899,378	1,193,441	809,886	17,528,451	27,917,744
2012	45,575	1,197,449	1,172,699	827,769	20,968,166	32,782,443
2013	46,894	626,742	1,294,802	1,084,729	22,581,629	34,569,315

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

The City of Centennial incorporated during 2001. Statistical information is presented from 2005 through the current year to correspond with the first year information is available.



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

**2004 and 2013**

**(Unaudited)**

<u><b>Taxpayer</b></u>	<b>2004</b>		
	<u><b>Taxable Assessed Value</b></u>	<u><b>Ranking</b></u>	<u><b>Percentage of Total City Assessed Value</b></u>
Cacade Investments LLC	\$ 7,830,000	1	0.554%
Oppenheimer Funds LLC	7,395,010	2	0.524%
California State Teachers	7,279,000	3	0.515%
Peakview Place LP	7,250,000	4	0.513%
National Digital Television	6,815,000	5	0.482%
California State Teachers	6,554,000	6	0.464%
RREEF America REIT II Corporation	5,655,000	7	0.400%
Walton Southglenn	5,192,450	8	0.368%
Bedford Property Investors	5,075,000	9	0.359%
Alliant Food Service Incorporated	5,075,000	10	0.359%
<b>Total</b>	<u>\$ 64,120,460</u>		<u>4.539%</u>
<u><b>Taxpayer</b></u>	<b>2013</b>		
	<u><b>Taxable Assessed Value</b></u>	<u><b>Ranking</b></u>	<u><b>Percentage of Total City Assessed Value</b></u>
GK Peakview Tower, LLC	\$ 14,210,000	1	0.860%
IKEA Property, Inc	11,901,310	2	0.720%
Legacy III Centennial, LLC	11,890,000	3	0.720%
GS Centennial, LLC	10,355,320	4	0.627%
Cole of Centennial CO, LLC	8,120,000	5	0.491%
OFI Global Asset Management	7,830,000	6	0.474%
Southglenn Property Holdings, LLC	7,401,380	7	0.448%
Southglenn Property Holdings, LLC	6,786,000	8	0.411%
National Digital Television	5,800,000	9	0.351%
California State Teacher's Retirement	5,365,001	10	0.325%
<b>Total</b>	<u>\$ 89,659,011</u>		<u>5.426%</u>

Information on this table was obtained from the Arapahoe County Assessor's Office.

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

Information is presented for the first year information is available

**TABLE 10  
CITY OF CENTENNIAL, COLORADO**

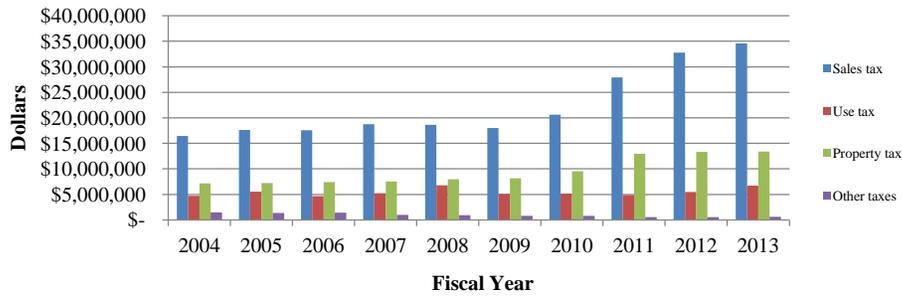
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

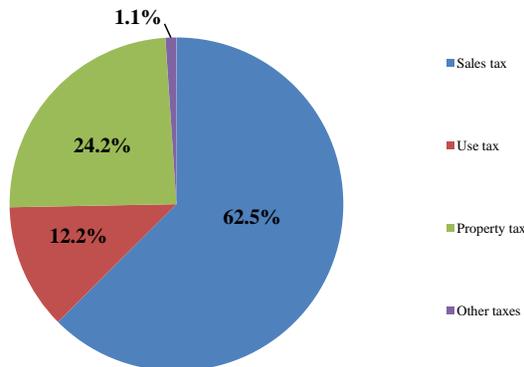
**(Unaudited)**

<b>Fiscal year</b>	<b>Sales tax</b>	<b>Use tax</b>	<b>Property tax</b>	<b>Other taxes</b>	<b>Total</b>
2004	\$ 16,465,668	\$ 4,747,349	\$ 7,172,283	\$ 1,456,991	\$ 29,842,291
2005	17,617,030	5,527,724	7,190,345	1,381,243	31,716,342
2006	17,570,207	4,642,760	7,418,809	1,409,224	31,041,000
2007	18,736,167	5,231,628	7,525,978	964,459	32,458,232
2008	18,620,968	6,787,422	7,989,318	890,664	34,288,372
2009	17,992,951	5,086,410	8,132,734	819,445	32,031,540
2010	20,624,581	5,125,433	9,506,280	797,403	36,053,697
2011	27,917,744	4,855,962	12,930,171	519,284	46,223,161
2012	32,782,443	5,461,377	13,301,715	539,677	52,085,212
2013	34,569,315	6,734,708	13,391,623	586,360	55,282,006

**Tax Revenues By Source**



**2013 Tax Revenues by Source**



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

The City of Centennial incorporated during 2001. Statistical information is presented from 2004 through the current year correspond with the implementation of GASB Statement No. 34.

**TABLE 11  
CITY OF CENTENNIAL, COLORADO**

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

**LAST TEN FISCAL YEARS**

**(Unaudited)**

	Fiscal Year			
	2004	2005	2006	2007
<b>Outstanding debt by type</b>				
Governmental activities				
General obligation bonds	\$ -	\$ -	\$ 3,050,000	\$ 3,035,000
Total Primary Government outstanding debt	\$ -	\$ -	\$ 3,050,000	\$ 3,035,000
Percentage of personal income <sup>1</sup>	0.0%	0.0%	0.1%	0.1%
Per capita <sup>1</sup>	\$ -	\$ -	\$ 30	\$ 31
<b>Outstanding general bonded debt</b>				
General obligation bonds	\$ -	\$ -	\$ 3,050,000	\$ 3,035,000
Percentage of personal income <sup>1</sup>	0.0%	0.0%	0.1%	0.1%
Per capita <sup>1</sup>	\$ -	\$ -	\$ 30	\$ 31
<b>Legal debt margin</b>				
Debt limit <sup>2</sup>	\$ 356,751,167	\$ 365,600,708	\$ 367,544,453	\$ 393,997,756
Total net debt applicable to limit	-	-	3,050,000	3,035,000
Legal debt margin	\$ 356,751,167	\$ 365,600,708	\$ 364,494,453	\$ 390,962,756
Legal debt margin as a percentage of the debt limit	100.0%	100.0%	99.2%	99.2%

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

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

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

The City of Centennial incorporated during 2001. Statistical information is presented from 2004 through the current year to correspond with the implementation of GASB Statement No. 34.

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.

<b>Fiscal Year</b>						
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	
\$ 2,980,000	\$ 2,920,000	\$ 2,860,000	\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	
\$ 2,980,000	\$ 2,920,000	\$ 2,860,000	\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	
NA	NA	0.1%	NA	0.1%	0.1%	
NA	NA	\$ 28	NA	\$ 27	\$ 26	
\$ 2,980,000	\$ 2,920,000	\$ 2,860,000	\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	
NA	NA	0.1%	NA	0.1%	0.1%	
NA	NA	\$ 28	NA	\$ 27	\$ 26	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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, 2013**

**(Unaudited)**

<b>Governmental Unit</b>	<b>General Obligation Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Arapahoe Estates Water District	\$ 480,017	100.00%	\$ 480,017
Arapahoe Park and Recreation District	10,630,000	35.86%	3,811,918
Arapahoe Water and Wastewater Authority	132,385,000	40.91%	54,158,704
Aurora Fire Protection District	6,630,000	0.00%	-
Centennial 25 Metropolitan District	915,000	100.00%	915,000
Cherry Creek School District No. 5	531,365,000	16.77%	89,109,911
Cherry Creek Vista Park & Recreation District	3,995,000	0.00%	-
Columbia Metropolitan District	635,000	37.80%	240,030
Dove Valley Metropolitan District	50,805,000	42.14%	21,409,227
East Smoky Hill Metropolitan District 1	3,845,000	26.70%	1,026,615
East Smoky Hill Metropolitan District 2	7,370,000	0.06%	4,422
East Valley Metropolitan District	433,231	100.00%	433,231
Estancia Metropolitan District	4,110,000	100.00%	4,110,000
Goodman Metropolitan District	3,540,000	0.47%	16,638
Havana Water and Sanitation District	3,860,000	8.51%	328,486
Heritage Greens Metropolitan District	3,415,000	100.00%	3,415,000
Inverness Metropolitan District	5,185,000	0.03%	1,555
Inverness Water & Sanitation District	18,405,000	0.07%	12,884
Littleton Public Schools	119,755,000	36.24%	43,399,212
Liverpool Metropolitan District	3,215,000	61.93%	1,991,050
Panorama Metropolitan District	6,220,000	64.67%	4,022,474
Parker Jordan Metropolitan District	14,440,000	51.38%	7,419,272
Piney Creek Metropolitan District	940,000	96.63%	908,322
Piney Creek Village Metropolitan District	6,185,000	100.00%	6,185,000
Pioneer Hills Metropolitan District	3,225,000	0.00%	-
South Suburban Recreation Park District	18,465,000	37.92%	7,001,928
Southeast Public Improvement Metropolitan District	3,515,000	39.63%	1,392,995
Southglenn Metropolitan District	79,005,000	100.00%	79,005,000
Valley Club Pointe Metropolitan District	6,221,834	100.00%	6,221,834
Subtotal Overlapping Debt	<u>\$ 1,049,190,082</u>		<u>\$ 337,020,723</u>
Antelope Water System Improvement District	2,660,000	100.00%	2,660,000
Subtotal Direct Debt	<u>\$ 2,660,000</u>		<u>\$ 2,660,000</u>
Total Direct and Overlapping Debt	<u><u>\$ 1,051,850,082</u></u>		<u><u>\$ 339,680,723</u></u>

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

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

**TABLE 13  
CITY OF CENTENNIAL, COLORADO**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Median Age<sup>3</sup></b>	<b>High School Graduation Rates<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
2004	101,049	4,588,635,090	45,410	35.4	88.52%	5.60%
2005	100,463	4,723,067,019	47,013	35.6	85.49%	5.20%
2006	100,309	4,961,082,522	49,458	35.9	78.18%	4.30%
2007	98,826	4,887,736,308	49,458	36.2	78.13%	3.80%
2008	** NA	NA	NA	NA	NA	NA
2009	** NA	NA	NA	NA	NA	NA
2010	100,377	3,878,968,788	38,644	40.5	95.60%	4.80%
2011	** NA	NA	NA	NA	NA	NA
2012	102,603	4,171,222,362	40,654	40.5	96.80%	7.00%
2013	103,743	4,227,734,736	40,752	40.5	96.60%	6.50%

(1) 2003-2005 data was obtained from Colorado Municipal League (CML) reports; 2006-2007 data was obtained from the Denver Regional Council of Governments (DRCOG). 2010-2012 data was obtained from the U.S. Census Bureau.

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

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

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

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

\*\* 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.

**TABLE 14  
CITY OF CENTENNIAL, COLORADO**

**PRINCIPAL EMPLOYERS**

**2013 and 2005**

**(Unaudited)**

<b><u>Top Ten Employers</u></b>	<b>2013</b>	<b><u>Top Ten Employers</u></b>	<b>2005</b>
	<b><u>Rank</u></b>		<b><u>Rank</u></b>
Oppenheimer Management Corporation	1	Oppenheimer Management Corporation	1
Comcast (formerly Mediaone Group, Inc)	2	US Foodservice, Incorporated	2
United Launch Alliance	3	Citicorp Diners Club, Incorporated	3
Pearson eCollege	4	Charles Schwab & Company, Incorporated	4
Connexions, Inc	5	Galileo International, Incorporated	5
US Foodservice, Inc.	6	Mediaone Group, Incorporated	6
Saunders Construction	7	American Family Mutual Insurance Company	7
AlloSource	8	McGraw Hill Incorporated	8
National CineMedia	9	Nationwide Mutual Insurance	9
IKEA Centennial	10	First Tennessee Bank	10
	<b>Total</b>		<b>Total</b>
<b><u>Employees by NAICS Industries</u></b>	<b><u>Employees</u></b>	<b><u>Employees by NAICS Industries</u></b>	<b><u>Employees</u></b>
Finance and Insurance, and Real Estate, and Rental and Leasing	6,292	Finance and Insurance, and Real Estate, and Rental and Leasing	9,517
Professional, Scientific, and Management, and Administrative, and Waste Management Services	8,703	Professional, Scientific, and Management, and Administrative, and Waste Management Services	9,782
Construction	2,548	Construction	4,467
Retail Trade	5,986	Retail Trade	5,821
Educational Services, and Health Care, and Social Assistance	10,979	Educational Services, and Health Care, and Social Assistance	5,814
Arts, Entertainment, and Recreation, and Accommodation, and Food Services	3,880	Arts, Entertainment, and Recreation, and Accommodation, and Food Services	3,962
Wholesale Trade	1,950	Wholesale Trade	3,332
Information	2,385	Information	3,014
Other Services (except Public Administration)	2,576	Other Services (except Public Administration)	1,292
Public Administration	1,612	Public Administration	1,119
Manufacturing	3,372	Manufacturing	1,264
Transportation and Warehousing, and Utilities	2,246	Transportation and Warehousing, and Utilities	504
Agriculture, Forestry, Fishing and Hunting, Mining	612	Agriculture, Forestry, Fishing and Hunting, Mining	166
	Total <u>53,141</u>		Total <u>50,054</u>

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

The information for this table was partially obtained from the U.S. Census Bureau (2013 Employees by NAICS Industries). The total number of employees for each of the employers listed above is not available.

Data is presented for the first and last year information is available. Information for ten years ago is not available.

**TABLE 15  
CITY OF CENTENNIAL, COLORADO**

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

**LAST TEN FISCAL YEARS**

(Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	4.0	5.0	5.0	8.0	12.0	13.5	12.5	10.0	13.5	17.3
Community services	7.0	10.0	11.0	11.0	5.0	5.0	6.0	5.0	5.5	4.5
Finance & administration	4.0	12.0	12.0	13.0	13.0	13.0	16.0	17.0	13.5	15.0
Planning & development	0.0	0.0	1.0	9.0	15.5	14.0	14.0	13.0	9.0	8.5
City infrastructure	0.0	0.0	0.0	0.0	1.0	1.5	1.5	5.0	5.0	3.0
<b>Total</b>	<b>15.0</b>	<b>27.0</b>	<b>29.0</b>	<b>41.0</b>	<b>46.5</b>	<b>47.0</b>	<b>50.0</b>	<b>50.0</b>	<b>46.5</b>	<b>48.3</b>

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

The City of Centennial incorporated during 2001. Statistical information is presented from 2004 through the current year to correspond with the implementation of GASB Statement No. 34.

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

(Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Recreation <sup>(1)</sup>										
Cultural arts facility	-	-	-	-	-	-	-	-	-	-
Acres of developed park	-	-	-	-	-	-	-	-	17.12	17.12
Acres of open space parks	-	-	-	-	-	-	-	-	54.62	54.62
Miles of trails	-	-	-	-	-	-	-	-	-	-
Police <sup>(2)</sup>										
Patrol and investigations vehicles	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Police motorcycles	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Public Works <sup>(3)</sup>										
Maintenance facility	-	-	-	-	-	-	-	-	-	1
Miles of streets	408	408	408	408	408	412	412	412	418	417
Number of street lights	3,620	3,626	3,642	3,711	3,979	3,987	3,992	4,057	4,042	4,043
Number of fleet vehicles	1	2	2	6	6	6	6	6	6	6
Number of equipment pieces in the fleet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

(2) Law Enforcement services, including assets, are provided by the Arapahoe County Sheriffs Office through an Intergovernmental Agreement.

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

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

The City of Centennial incorporated during 2001. Statistical information is presented from 2004 through the current year to correspond with the implementation of GASB Statement No. 34.



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**TABLE 17  
CITY OF CENTENNIAL, COLORADO**

**OPERATING INDICATORS BY FUNCTION / PROGRAM**

**LAST TEN FISCAL YEARS**

**(Unaudited)**

	Fiscal Year			
	2004	2005	2006	2007
<b>General Government</b>				
Administrative Services				
Citations processed	13,402	14,493	14,506	17,837
Employment applications processed	352	637	709	771
New hires processed	7	15	13	23
Computer service requests	NA	NA	185	265
<b>Finance</b>				
Accounts payable checks issued <sup>(1)</sup>	NA	1,270	1,567	1,795
Purchasing card transactions	76	287	296	381
Payroll checks/direct deposits processed <sup>(7)</sup>	NA	NA	NA	NA
Sales/use tax accounts <sup>(2)</sup>	3,199	3,807	4,322	3,597
Tax audits conducted and completed	NA	NA	NA	NA
<b>City Management</b>				
Ordinances and resolutions approved by City Council	97	119	139	160
Citizen surveys received	NA	NA	NA	2
<b>Community Development</b>				
Building permits issued	3,704	4,827	3,866	4,329
Building inspections performed	11,780	13,683	11,639	13,048
Code enforcement cases <sup>(3)</sup>	NA	645	762	1,504
<b>Public Safety</b>				
Calls for service	46,818	49,371	48,931	48,876
Average response time to Priority 1 calls <sup>(4)</sup>	6.5	6.4	6.5	6.6
Hours spent on proactive patrol <sup>(5)</sup>	4.3	4.4	4.4	4.2
Total arrests	4,574	4,620	4,936	4,903
<b>Public Works</b>				
Vehicles in fleet	1	2	2	6
Turf areas repaired with sod or seed	-	-	-	-
Athletic field inspections	-	-	-	-
Lane miles receiving snow & ice control maintenance <sup>(6)</sup>	125,994	130,014	89,163	171,042
Lane miles swept	8,054	7,364	7,287	5,562

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

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

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

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

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

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

(7) The number of payroll checks/direct deposits processed is not applicable as the City utilizes an outside payroll provider. The City generally processes a total of 38 payroll wire transfers per year.

<b>Fiscal Year</b>					
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
20,694	21,405	19,372	19,654	18,645	18,794
764	1,906	2,172	1,040	950	907
22	16.5	9.0	9.0	12.0	13.0
529	1,710	1,856	1,250	1,175	1,467
1,951	2,067	2,131	2,207	2,545	2,928
680	706	812	1,050	1,148	1,105
NA	NA	NA	NA	NA	NA
2,783	2,922	3,245	3,618	3,855	4,033
NA	1	115	91	113	70
146	113	119	131	108	133
-	-	1	1	1	-
4,031	7,592	6,490	5,151	7,256	5,582
13,187	14,646	14,600	14,745	15,454	15,859
2,085	3,581	3,264	2,756	1,539	1,011
46,652	44,770	44,318	45,360	46,086	45,541
10.0	10.0	10.0	8.6	6.3	4.9
3.7	3.6	3.6	3.6	1.5	1.3
3,525	3,490	3,027	3,025	2,572	2,300
6	6	6	6	6	6
-	-	-	-	-	-
-	-	-	-	-	-
41,756	73,009	43,238	66,828	34,584	56,658
8,467	7,216	4,415	5,811	7,579	8,929

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

The City of Centennial incorporated during 2001. Statistical information is presented from 2004 through the current year to correspond with the implementation of GASB Statement No. 34.



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# COMPLIANCE SECTION



COMPLIANCE SECTION

## **COMPLIANCE SECTION OVERVIEW**

### **SINGLE AUDIT**

Schedule of Expenditures of Federal Awards, which is required for all state and local governments with more than \$500,000 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.



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

**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***

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centennial as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Centennial, and have issued our report thereon dated May 19, 2014.

**Internal Control Over Financial Reporting**

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

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of Centennial's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 the City of Centennial's internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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



May 19, 2014



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,  
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133**

**Report on Compliance for Each Major Federal Program**

We have audited the City of Centennial's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Centennial's major federal programs for the year ended December 31, 2013. The City of Centennial's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Centennial's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Centennial's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the City of Centennial 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, 2013.

### **Report on Internal Control Over Compliance**

Management of the City of Centennial is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Centennial's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Centennial's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centennial as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Centennial. We issued our report thereon dated May 19, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Centennial's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Swanlund & Company, LLC*

May 19, 2014

**CITY OF CENTENNIAL, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2013**

**Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ yes      x   no
  
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes      x   no

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? \_\_\_\_\_ yes      x   no
  
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

\_\_\_\_\_ yes      x   no

Identification of major program:

20.205 Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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

**Financial Statement Findings**

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

**Federal Awards Findings and Questioned Costs**

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.

**CITY OF CENTENNIAL, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2013**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation		
Passed through Colorado Department of Transportation		
Highway Planning and Construction	20.205	475,833
Passed through Denver Regional Council of Governments		
Highway Planning and Construction	20.205	24,050
Total U.S. Department of Transportation		<u>499,883</u>
U.S. Department of Housing and Urban Development		
Passed through Arapahoe County, Colorado		
Community Development Block Grant	14.218	<u>174,357</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 674,240</u></u>

**CITY OF CENTENNIAL, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2013**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: City of Centennial
	YEAR ENDING : December 2013
This Information From The Records Of (example - City of _ or County of _ City of Centennial	Prepared By: Amanda Fladland Phone: 303-754-3368

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,011,903
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	12,019,561
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	990,970
2. General fund appropriations	6,110,147	b. Snow and ice removal	505,775
3. Other local imposts (from page 2)	8,010,061	c. Other	958,487
4. Miscellaneous local receipts (from page 2)	403,218	d. Total (a. through c.)	2,455,232
5. Transfers from toll facilities		4. General administration & miscellaneous	2,142,262
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,410,383
a. Bonds - Original Issues		6. Total (1 through 5)	20,039,341
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	14,523,426	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	5,339,276	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	176,639	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	20,039,341	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	20,039,341

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		20,039,341	20,039,341		0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2013

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,800,000	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	280,918	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	4,929,143	g. Other Misc. Receipts	
6. Total (1. through 5.)	8,010,061	h. Other	403,218
c. Total (a. + b.)	8,010,061	i. Total (a. through h.)	403,218
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	4,812,578	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	526,698	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	176,639
f. Total (a. through e.)	526,698	g. Total (a. through f.)	176,639
4. Total (1. + 2. + 3.f)	5,339,276	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		1,149,668	1,149,668
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		216,196	216,196
(3). System Preservation		50,290	50,290
(4). System Enhancement & Operation		595,749	595,749
(5). Total Construction (1) + (2) + (3) + (4)	0	862,235	862,235
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,011,903	2,011,903
			(Carry forward to page 1)

Notes and Comments:



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13133



# City of Centennial

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