



2022 Annual Comprehensive Financial Report

for the year ended December 31, 2022



CITY OF CENTENNIAL, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2022

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Introductory Section





July 27, 2023

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

The Comprehensive Annual Financial Report (“Annual Report”) of the City of Centennial, Colorado for the fiscal year ended December 31, 2022 is formally transmitted in conformity with generally accepted accounting principles in the United States of America (GAAP). The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, resides with the City. We believe that the data, as presented, is accurate in all material respects, that it is reported in a manner designed to present fairly the financial position and the results of operations of the City, and that all disclosures to enable the reader to gain an understanding of the City’s financial position have been included.

The Annual Report includes all financial activities for which the City Council is accountable to the citizens of the City, either by Charter or statute. All funds, departments and offices are included in these financial statements as part of the Primary Government of the City. In addition, the general improvement districts, while legally separate entities, have significant financial and operational relationships with the City and are in the Annual Report. Colorado statutes and City Charter require an annual financial statement audit of the City’s accounts and financial records by an independent certified public accountant (“CPA”) as selected by the City Council. The CPA firm of Rubin Brown, LLC audited the City’s financial statements for the year ended December 31, 2022; the resulting Independent Auditors’ Report is presented on Page 1 of this report.

The City’s management assesses and maintains effective internal controls over the accounting function and financial reporting. The City’s internal controls over financial reporting provide reasonable assurance regarding the reliability of financial reporting and while preparing financial statements for external purposes under generally accepted accounting principles. As with any system of internal controls, the City’s control over the accounting and financial reporting functions is inherently limited as the concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the likely benefits resulting from the control; and (2) the valuation of costs and benefits requires estimates and judgments by management. The City’s internal controls adequately safeguard assets and provide reasonable assurance for the proper recording and reporting of financial transactions materially.

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

GAAP requires that management provide a narrative introduction, general overview, and analysis to accompany the basic financial statements, in Management’s Discussion and Analysis (“MD&A”). This letter of transmittal complements the MD&A and should be read in conjunction with it. The MD&A can be found immediately behind the Independent Auditor’s Report.

Profile of the City

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

The City of Centennial is located in the southern region of the Denver Metropolitan Area. The City shares boundaries with the cities of Littleton, Greenwood Village, Aurora, Lone Tree, Town of Foxfield and Parker, and unincorporated areas of Arapahoe and Douglas counties. The City’s current incorporated area is more than 29 square miles located entirely within Arapahoe County. Centennial is home to approximately 108,000 residents and over 5,400 local businesses.

The City is a thriving community committed to excellence and reinforced by a unifying community vision of a innovative, healthy, and safe Centennial. The City promotes the health and safety of its citizens by providing public works, law enforcement, animal control, engineering, and planning and zoning services. The City also serves the business community by providing business, sales tax and liquor licenses. Citizens receive fire protection, libraries, park and recreation services, schools, water, and utilities through numerous special districts.

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

- Economic Vitality - Centennial’s access to an educated workforce, superior infrastructure, and predictable policies provide an environment where businesses flourish.
- Fiscal Sustainability - Through prudent budgeting and investment practices, Centennial demonstrates fiscal responsibility and is resilient to economic change.
- Future Ready City Government - Our City government is attentive to the community’s current needs while anticipating change. Centennial is innovative and prepared to leverage technology and resources to benefit our community.
- Public Safety and Health - Centennial strives to be the safest City in Colorado and partners with other agencies to ensure access to public safety and health services that meet the needs of the community.
- Signature Centennial - Through intentional planning and community investment, Centennial is a desirable, inclusive community with a lasting built environment, memorable places, and experiences that bring people together.
- Transportation and Mobility - Centennial’s transportation network provides alternatives for the safe, efficient, and reliable movement of people, goods, and services.

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

Local Economy

Located along the I-25 corridor in South Metro Denver, Centennial is a leader in Information, Aerospace, Finance, and Professional Services. The City has twice the concentration of jobs in the information sector as Metro Denver, and three of the City's top 25 employers are in the aerospace industry; with United Launch Alliance at the top. These industries are served by a highly skilled labor force. Roughly 59 percent of Centennial residents over the age of 25 possess a bachelor's or Graduate Degree and the median household income is almost \$110,000.

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

Centennial's local economy has rebounded well from the COVID-19 concerns in 2020 and has seen healthy growth in 2021 and 2022. The City's primary general revenue source, sales and use taxes, were strong in 2022. Sales tax revenue increased approximately 14% compared to the prior year. This increase was driven in large part by online retail. The unemployment rate for the Denver-Aurora-Lakewood Metropolitan area in which Centennial resides was 2.5% in December 2022, down from 4.2% in the prior year (Bureau of Labor Statistics).

Long Term Financial Planning and Major Initiatives

In 2022, the City faced challenges with workloads with previously deferred projects along with rapid inflation, raising interest rates and ongoing supply-chain shortages with Public Works related purchases. However, the City had put itself in a positive position coming out of the pandemic to maintain its service levels and complete these capital projects despite the challenges.

In 2022, the City received the second (\$4.2 million) of two payments (total of \$8.4 million) under the Coronavirus State and Local Recovery Funds through ARPA. The City has utilized the federal funding to replace lost revenues in accordance with federal guidelines.

The City's fund balances are healthy and remain a particular strength of the City. It is the policy of Council to maintain a fund balance within the General Fund of 25% of expenditures. The fund balance as of December 31, 2022, has exceeded this requirement. In each major fund, City Council has made an intentional decision to commitment funds for known and anticipated projects or expenditures that the City will consider in the future. As a result, total budgeted expenditures may exceed total budgeted revenues in future years. The use of fund balance to balance the budget is a result of the City's practice to save for capital projects instead of incurring debt which results in expenditures exceeding revenues in certain years.

There are several major initiatives that will have an impact on the City of Centennial in the future. The District-Centennial is a major planned development that is in the initial stages of development. The District

is a 43.87-acre area west of I-25 between IKEA and the RTD Dry Creek light rail station. The area is zoned Urban Center (UC) and envisioned to be a dynamic, mixed-use area, similar to Centennial's The Streets at SouthGlenn. The District-Centennial will feature a network of walkable blocks, active streets, and public gathering spaces as required by the Jones District Regulating Plan. The proposed build-out for the development of all buildings within the District-Centennial is expected to take 10-20 years. The planned development is expected to have four million square feet of building floor area which may include for sale and for rent townhomes and apartments, office, hotels, retail, restaurants, public art, outdoor public plazas, and outdoor public and private spaces.

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

The City of Centennial has launched a Housing Study to explore housing costs and availability in Centennial. The purpose of the study is to understand the entire spectrum of housing issues, define various needs for housing and identify priorities to provide a strategy to guide future policy decisions.

Transportation and Mobility continues to be important to the City with committed funds be dedicated for future projects. A major construction with the Arapahoe Road bridge over Big Dry Creek occurred throughout 2022. Future projects include Arapahoe Road Improvements, Orchard Road Widening and Alton Way Sidewalks and Street Lighting. A large portion of the City's fund balance has been committed funds for the implementation of the Transportation Master Plan. The strategic and visionary plan will impact the future of Transportation and Mobility in the City for years to come.

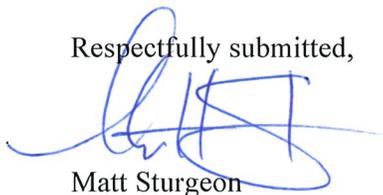
Awards and Acknowledgements

The report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada ("GFOA"). The GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2022. This is the thirteenth year the City has been awarded the Certificate of Achievement. The Certificate of Achievement is valid for only one year. Our Annual Report will meet the GFOA's Certificate of Achievement requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



Matt Sturgeon
City Manager



Jeff Cadiz
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Centennial
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

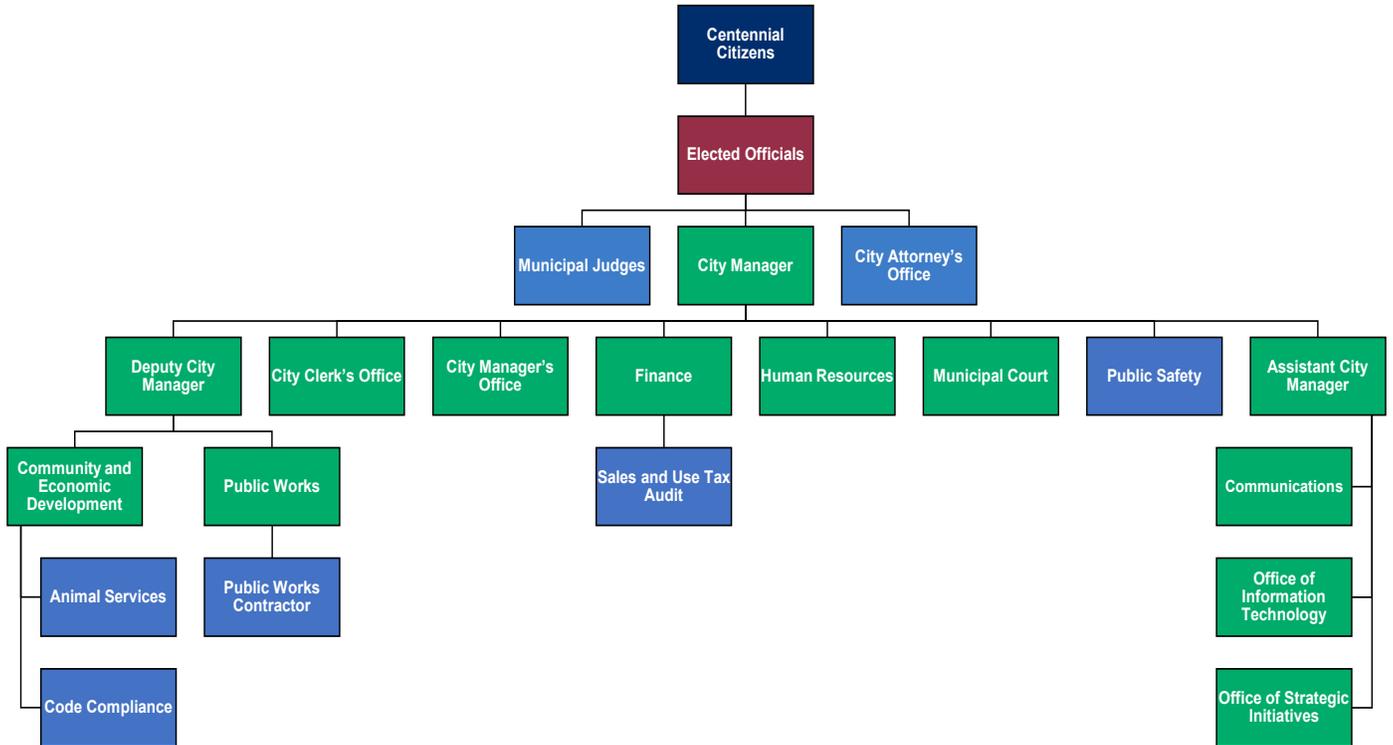
December 31, 2021

Christopher P. Morill

Executive Director/CEO

Organizational Chart

A depiction of the City's departments and hierarchy



CITY OF CENTENNIAL 91.0 FTE

● Citizens ● Elected Officials ● City Staff ● Contracted Services

Centennial City Council

CITY OF CENTENNIAL MAYOR



STEPHANIE PIKO



ROBYN CARNES



CANDACE MOON



TAMMY MAURER



CHRISTINE SWEETLAND



RICHARD HOLT



MIKE SUTHERLAND



MARLO ALSTON

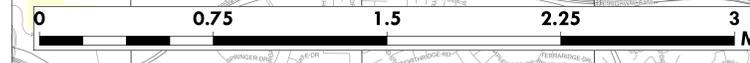
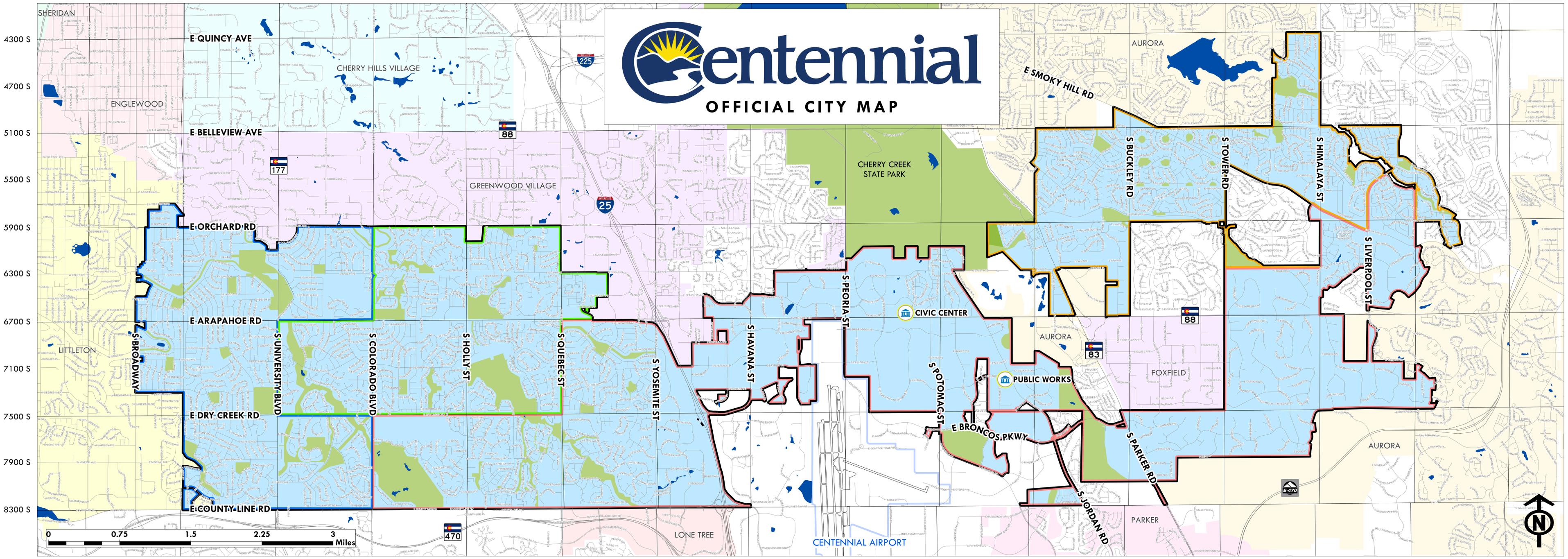


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R66W R65W



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T5S
T6S



Financial Section



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

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

Report On The Audit Of The Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Centennial, Colorado (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matter

As described in Note 2 to the financial statements, effective January 1, 2022, the City changed its method of accounting for leases by adopting Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Basis For Opinions

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

Responsibilities Of Management For The Financial Statements

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

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

Auditors' Responsibilities For The Audit Of The Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 20 and budgetary comparison on pages 58 to 62 information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules; the Local Highway Finance Report; and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules; the Local Highway Finance Report and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Information

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

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

RubinBrown LLP

July 27, 2023

This section of the City of Centennial's Comprehensive Annual Financial Report ("Annual Report") offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2022. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, the basic financial statements, and the notes to the financial statements, contained in this report.

Financial Highlights

Taken as a whole, the City's increase in net position demonstrates the continued positive overall financial health of the City. One factor contributing to the City's overall financial health is voter approval in November, 2012 to permanently extend the waiver of the revenue limits of Article X, Section 20 of the Colorado Constitution. As a result of this permanent waiver, the City may collect, retain, and spend revenues over the Taxpayer Bill of Rights (TABOR) revenue limitations from any and all sources. This will ensure the City's continued ability to fund City services and infrastructure projects.

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources, at December 31, 2022, by \$326.8 million (net position). Of this amount, \$125.0 million, or 38.2%, was unrestricted which is available to meet ongoing and future obligations of the City.
- Total net position of the City increased by \$24.5 million, or 8.1%, compared to 2021.
- Compared to 2021, total revenues excluding transfers, increased \$11.2 million, or 10.8%, to \$115.5 million. Governmental activities revenue increased \$10.5 million, or 10.5%, to \$110.6 million. The change in these revenues is attributable to an increase in Sales and Use tax revenues (\$8.1 million), increased property tax revenues (\$1.1 million), increased franchise fees (\$0.7 million), increased capital grants and contributions (\$0.6 million), increased miscellaneous revenues (\$1.3 million) but offset by decreased investment income (\$0.7 million) due to market adjustments rates and decreased operating grants and contributions (\$0.5 million).
- The total cost of all City programs increased by \$6.7 million, or 8.0%, to \$91.1 million compared to 2021. The cost of governmental activities program expenses increased by \$7.3 million, or 9.0%, to \$88.1 million compared to 2021. The cost of business-type activities decreased by \$0.5 million compared to 2021 due to a change in building services.
- General Fund revenues increased \$9.3 million, or 12.8% in 2022 compared to 2021. General Fund revenues were over budget \$11.3 million and total expenditures were under budget by \$3.8 million during 2021.

-
- As of December 31, 2022, the City's total governmental funds reported a \$14.3 million increase in the combined ending fund balances. The combined ending governmental fund balance is \$144.9 million, of which \$39.3 million represents unassigned fund balance. The unassigned fund balance is available for spending at the City's discretion within the purposes specified for the City's funds.
 - City Council policy to maintain its fund balance for the General Fund at no less than 25.0% of annual expenditures. The General Fund ending balance of \$43.1 million is 75.7% of 2022 General Fund expenditures.

Overview of the Financial Statements

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

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

Fiduciary Funds

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

3. Notes to the Financial Statements

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

Government-wide Financial Statement Analysis

Assets

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the City. As of December 31, 2022, the City had total assets of \$368.2 million and the City's assets exceeded its liabilities by \$349.5 million.

The following reflects the City's Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 176,384,509	\$ 158,332,250	\$ 1,082,750	\$ 1,228,763	\$ 177,467,259	\$ 159,561,013
Capital Assets	185,644,225	175,756,325	5,053,863	4,933,541	190,698,088	180,689,866
Total Assets	362,028,734	334,088,575	6,136,613	6,162,304	368,165,347	340,250,879
Deferred Outflows of Resources	25,461	27,420	-	-	25,461	27,420
Liabilities						
Long-term Liabilities	8,713,992	8,994,234	-	-	8,713,992	8,994,234
Other Liabilities	9,540,458	8,805,861	432,839	781,342	9,973,297	9,587,203
Total Liabilities	18,254,450	17,800,095	432,839	781,342	18,687,289	18,581,437
Deferred Inflows of Resources	22,507,730	19,377,954	222,301	-	22,730,031	19,377,954
Net Position						
Net Investment in						
Capital Assets	179,193,403	171,135,457	5,053,863	4,933,541	184,247,266	176,068,998
Restricted	20,528,141	19,780,971	-	-	20,528,141	19,780,971
Unrestricted	121,570,471	106,021,518	427,610	447,421	121,998,081	106,468,939
Total Net Position	\$ 321,292,015	\$ 296,937,946	\$ 5,481,473	\$ 5,380,962	\$ 326,773,488	\$ 302,318,908

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 \$190.7 million, or 51.8% of total assets.

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

Deferred Outflows of Resources

The deferred outflow of resources in the amount of \$25,461 is the result of the Antelope General Improvement District General Obligation Refunding Bonds Series 2016. The loss on refunding is amortized at a rate of \$1,959 annually through the life of the bonds which will be repaid 2035.

Long-term Debt

The long-term debt of the City, as detailed in the Note 8 to the Financial Statements, decreased by \$272,613 overall; however, the City's obligation for Compensated Absences increased during 2022 by \$37,038 to \$462,508. During 2022, the City did not enter into any additional long-term debt agreements.

In 2005, the Antelope General Improvement District issued \$3.05 million of general obligation bonds. During 2016, the District issued Antelope General Improvement District Refunding Series 2016 refunding the original debt. In 2022, the District made a principal payment of \$105,000 in addition to all scheduled interest payments.

In September 2020, the Foxridge General Improvement District issued General Obligation Bonds Series 2020 in the principal amount of \$1,955,000. The 2020 Bonds were issued for the design and construction of perimeter fencing for the District. In 2022, the District made a principal payment of \$90,000 in addition to all scheduled interest payments.

In September 2020, the Willow Creek GID 1 & 2 General Obligation Bonds Series 2020 were issued in the principal amount of \$4,340,000. The 2020 Bonds were issued for the purposes of (i) financing or reimbursing all or any part of the costs of acquiring, construction, and installation of perimeter fencing for the District; (ii) providing capitalized interest to pay a portion of debt service on the bonds; and (iii) pay the costs of issuance of the bonds. The District has begun construction of this project. In 2022, the District made a principal payment of \$70,000 in addition to all scheduled interest payments.

Additional information regarding the City's long-term debt may be found in Note 8 – Long-term Obligations in the Notes to the Financial Statements section of this report.

Deferred Inflow of Resources

The deferred inflow of resources of \$22,507,730 is recognized by the City as a result of property taxes levied in 2022 to finance the subsequent year's budget and for City lease receivables not available as current financial resources.

**Management's Discussion and Analysis
for the Year Ended December 31, 2022**



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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues -						
Charges for Services	\$ 1,469,509	\$ 1,410,696	\$ 4,793,967	\$ 4,213,263	\$ 6,263,476	\$ 5,623,959
Operating Grants and Contributions	9,866,661	10,371,865	-	-	9,866,661	10,371,865
Capital Grants and Contributions	6,911,261	6,344,845	139,034	-	7,050,295	6,344,845
General Revenue -						
Sales and Use Taxes	64,740,772	56,681,506	-	-	64,740,772	56,681,506
Property Taxes	19,303,243	18,226,802	-	-	19,303,243	18,226,802
Other Taxes	902,772	928,455	-	-	902,772	928,455
Unrestricted Franchise Fees	6,074,415	5,396,494	-	-	6,074,415	5,396,494
Investment Income	(886,388)	(182,583)	-	-	(886,388)	(182,583)
Loss on Disposition of Intergovernmental not restricted to specific programs	-	-	-	-	-	-
Miscellaneous	2,219,441	910,183	-	-	2,219,441	910,183
Total Revenues	110,601,686	100,088,263	4,933,001	4,213,263	115,534,687	104,301,526
Expenses						
General Government	13,314,822	12,151,531	-	-	13,314,822	12,151,531
Community Services	2,360,739	2,406,990	-	-	2,360,739	2,406,990
City Infrastructure	33,149,548	28,388,040	-	-	33,149,548	28,388,040
Public Safety	31,352,394	30,053,397	-	-	31,352,394	30,053,397
Culture and Recreation	1,742,438	1,789,509	-	-	1,742,438	1,789,509
Urban Redevelopment	5,877,405	5,607,848	-	-	5,877,405	5,607,848
Interest on Long-term Debt	277,469	390,853	-	-	277,469	390,853
Land Use Service Fees	-	-	3,005,292	3,551,419	3,005,292	3,551,419
Total Expenses	88,074,815	80,788,168	3,005,292	3,551,419	91,080,107	84,339,587
Increase (Decrease) Before Transfers						
Transfers	22,526,871	19,300,095	1,927,709	661,844	24,454,580	19,961,939
Transfers	1,827,198	928,802	(1,827,198)	(928,802)	-	-
Increase (Decrease) in Net Position	24,354,069	20,228,897	100,511	(266,958)	24,454,580	19,961,939
Net Position, Beginning of Year						
	296,937,946	276,709,049	5,380,962	5,647,920	302,318,908	282,356,969
Net Position, End of Year	\$ 321,292,015	\$ 296,937,946	\$ 5,481,473	\$ 5,380,962	\$ 326,773,488	\$ 302,318,908

Governmental activities increased the City's net position by \$24.4 million, or 8.2%. Key elements of this net increase were as follows:

- Sales and Use taxes increased by \$8.1 million, or 14.2%. The increase was due to business recovery after the pandemic and an increase in sales tax remitted from remote sellers.
- Property tax revenue increased by \$1.1 million, or 5.9%. This increase was primarily attributable to higher assessed property valuations for residential and commercial properties.
- Operating grants and contributions decreased \$0.5 million, or 4.9%. The decrease was primarily attributable to the lower revenues for the Highway User Tax Fund.
- Capital grants and contributions increased by \$0.6 million, or 8.9%. The majority of the increase was the result of contributions for culture and recreation.
- Unrestricted Franchise Fees increased by \$0.7 million, or 12.6%. The majority of the increase was the result of increased franchise fees from gas and electric utility providers due to increased gas and electric prices.
- Investment income decreased \$0.7 million or 385.5%. This decrease was attributable to the lower interest rates and market loss on investments.
- Miscellaneous revenues increased by \$1.3 million or 143.8%. The increase was a result of funds received from the sale of the Denver Broncos football club.
- General government expenses increased by \$1.2 million, or 9.6%. The increase is administration increases with salaries and benefits and specific projects in 2022.
- City Infrastructure increased by approximately \$4.8 million, due work completed in the street rehabilitation program and traffic signals.
- Public Safety expenses increased by approximately \$1.3 million related to the public safety contract with Arapahoe County Sheriff office.
- Business type activities' Net Position increased by about \$100,500 or 1.9% in 2022 due to land use fee receipts slightly higher than the cost of services offset by transfers out of the fund.

Fund Financial Statement Analysis

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

Revenues

General Fund

Overall, General Fund revenues increased \$9.3 million, or 12.8% in 2022 compared to 2021.

- Property Tax revenue received during 2022 is \$0.7 million or 5.3% more than collections in 2021. The increase of property tax was due to a increase of assessed valuation of property and all personal property being reassessed in 2022. The Arapahoe County Assessor is responsible for valuing all property within the City and re-assesses all personal property every odd year for even year collection, so property taxes were re-assessed for taxes collected in 2022.
- Sales Tax revenue received during 2022 was \$6.0 million or 13.7% more than collections in 2021. The increase was attributable to recovery from the pandemic and an increase in sales tax from remote retailers that have been remitting sales tax as marketplace facilitator and economic nexus.
- Building Materials Use Tax revenue for 2022 was \$1.6 or 49.3% more compared to 2021. The increase was attributable to an increase in permits and several large construction projects in the City.
- Franchise Fee revenues for 2022 is \$0.7 million, or 12.6% more than collections during 2021. The increase in Franchise Fee revenues is from the fees received from the gas and electric utility providers. In 2022, prices for natural gas and electricity increased creating higher franchise fees.
- Investment income for 2022 was \$1.0 million less than investment income in 2021. This decrease was attributable market adjustments on the investments.
- Miscellaneous revenues for 2022 was \$1.3 million or 150.9% more than collections in 2021. The increase is from revenues received from the Metropolitan Football Stadium District from the sale of the Denver Broncos.

Centennial Urban Redevelopment Authority (CURA) Fund

Centennial Urban Redevelopment Authority Fund revenues increased by \$0.7 million or 12.9% in 2022 compared to 2021 due to higher sales tax and property tax receipts as a result of higher property assessments within CURA.

Street Fund

This fund accounts for revenues restricted for transportation system purposes: a portion of sales taxes, motor vehicle use tax, Highway Users Tax Fund (HUTF), Road and Bridge shareback funds, grants, and pavement degradation fees. In 2022, \$14.7 million was received in this fund, which was \$1.6 million or 9.9% less compared to 2021. The decrease was from lower HUTF revenues and from lower intergovernmental revenues received from projects.

Open Space Fund

The Open Space Fund revenues increased by \$1.8 million or 42.4% in 2022 compared to 2021 due to increased dedicated sales taxes collected by Arapahoe County and intergovernmental revenues received from the County for work on the Lone Tree Creek Trail.

Expenditures

General Fund

General Fund expenditures increased by \$3.2 million or 6.0% in 2022 compared to 2021. This increase in expenditures were due to the following expenditure category changes:

- General Government expenditures increased by \$0.4 million or 6.9% compared to 2021. This increase in expenditures is primarily due administration costs with salaries and benefits and costs related to specific projects.
- Finance and Administrative expenditures increased \$0.7 million or 12.8% compared to 2021. The primary increase was from salary and benefit increases as vacant positions were filled and from increases in professional services.
- Community Services expenditures increased by \$65 thousand or 3.5% in 2022 compared to 2021.
- City Infrastructure increased by \$0.8 million or 7.6% due to various increased expenditures for Public Works, including professional services.
- Public Safety expenditures increased by \$1.3 million or 4.3% due to increase in personnel costs increases along with an increase in service levels.
- Net Transfers from the General Fund to the Capital Improvement Fund, Street Fund, and the Land Use Fund decreased by \$18.3 million compared to 2021. This decrease was primarily due to an increase in transfers in 2021 to the Street Fund because capital projects were deferred in 2020 because of the pandemic. These capital projects are mainly funded by the General Fund.

Centennial Urban Redevelopment Authority Fund

Centennial Urban Redevelopment Authority Fund expenditures for 2022 were higher by \$0.3 million or 4.8% compared to 2021 due expenditures related to the pass-through of sales and property taxes.

Street Fund

Street Fund expenditures for 2022 were \$6.3 million, or 35.6% more than expenditures in 2021. The increase is due to higher street related expenditures for the Street Rehabilitation Program (\$2.2 million), and higher Professional Services (\$0.9 million) and Capital Projects (\$3.6 million) compared to 2021, however, that increase was offset slightly by a decrease in expenditures for traffic control (\$0.4 million).

Open Space Fund

The Open Space Fund expenditures increased by \$3.8 million or 146.0%, mainly due to capital work on the Lone Tree Creek Trail and various costs related to other parks and trails projects.

Fund Balance

The net change in the General Fund ending fund balance was an increase of \$15.3 million, resulting in the fund balance of \$43,142,966. As of December 31, 2021, the General Fund ending fund balance as a percentage of 2022 expenditures is 75.7%, which is in compliance with the City's minimum fund balance policy of 25% of expenditures.

Economic peaks and planned savings allow the City the opportunity to increase fund balance; strong financial planning in turn provides financial flexibility during economic downturns. Since incorporation, the City has increased the General Fund ending fund balance each year, except for 2006, 2015, 2017 and 2021, where a significant amount was transferred to the Capital Improvement Fund or Street Fund for capital projects. In the near term, transfers will be necessary to fund capital projects related to the Street and Capital Improvement Funds.

The Street Fund recognized a net fund balance increase in 2022 of \$9.3 million. The majority of the fund balance was due to interfund transfers from the General Fund and Capital Improvement Fund. The total fund balance is \$64,617,581 of which \$40.1 million of fund balance committed for future capital projects.

The Open Space Fund recognized a net fund balance decrease of \$0.5 million due to work completed on capital projects, specifically the Lone Tree Creek Trail. The decrease resulted in an ending fund balance of \$16.1 with \$7.3 million committed for future capital projects.

General Fund Budgetary Highlights

In total, the City's General Fund revenues for 2022 are \$11.3 million, or 15.9% favorable to the budget, while total General Fund expenditures are \$6.4 million, or 10.1% favorable to the amended budget. Several factors contributed to the favorable variance to the amended budget; the primary reasons are described below:

- Sales Tax revenue for 2022 was \$8.8 million, or 21.4% favorable compared to budget. The City conservatively budgeted sales tax revenues as businesses recovery from the pandemic was unknown. In addition, changes to collection from remote sellers contributed to the increase compared to budget.
- Construction use tax revenue for 2022 was unfavorable by \$1.9 million or 68.0%. The construction use tax revenue is dependent on the number of construction projects in the City. There were a few large construction projects in the City along with a slight increase in residential permits activity in the City, as compared to budget.
- Franchise fees realized a \$1.0 million or 19.3% favorable variance compared to budget. This revenue was conservatively budgeted as disruptions to business closures and remote work were unknown. In 2022, price increases in natural gas and electricity were not anticipated which increased franchise fee revenues.
- Investment income for 2022 was \$2.8 million unfavorable compared to budget. This unfavorable variance is attributable to the market adjustments in the portfolio.
- Intergovernmental revenues for 2022 were favorable by \$0.7 million or 15.8%. This favorable variance is a result of the ARPA funding being slightly higher than budgeted and an increase in motor vehicle registrations.
- Miscellaneous revenues for 2022 were favorable by \$1.5 million or 207.9%. This favorable variance was a result of the City receiving funds from the Metropolitan Football Stadium District for the sale of the Denver Broncos. This one-time funding was not anticipated in the budget process.

-
- General Fund expenditures were \$6.4 million or 10.1% favorable compared to budget and include the following:
 - General government expenditures were \$4.3 million or 40.9% favorable compared to budget. This was a result of lower operating costs. There were cost savings due to vacancy savings for unfilled positions and professional development. In addition, the law enforcement contract was less than anticipated and \$2.5 million budgeted for retail center revitalization was upsent.
 - Finance and Administration were \$0.8 million or 11.4% favorable to budget. The Office of Technology and Innovation expenditures were \$0.4 million favorable compared to budget. This variance is primarily due to reduced information technology and licensing costs within enterprise services. The Finance expenditures were \$0.2 million favorable to budget from vacancy savings, decreased costs related to sales tax audit and risk management.
 - Public Safety was \$1.0 million, or 3.0% favorable to budget. The favorable variance was from reduced contract costs of the Arapahoe County Sherriff's Office compared to costs at the time the budget was established. Due to timing of the County budget and the City budget, these variances are expected to occur in the future.

Economic Factors and Next Year's Budget

Centennial's local economy has rebounded well from the COVID-19 concerns in 2020 and has seen healthy growth in 2021 and 2022. The City received funds in 2021 and 2022 through the American Rescue Plan Act which it utilized as revenue replacement. The City's primary general revenue source, sales and use taxes, were strong in 2022. Sales tax revenue increased approximately 14% compared to the prior year. This increase was driven in large part by online retail. Although the City has recovered from the pandemic over the last couple of years, there are new economic concerns with inflation and a potential recession. The City has sufficient fund balances reserved for future downturns in the economy.

The City now faces the challenges of cost increases, specifically for capital projects and public works expenditures. Staff is leaning into these challenges and utilizing our core values – collaboration, intentionality, service oriented, and innovation to develop longer term strategies. As part of this, Staff developed budget requests for 2023 and 2024 so that Council could consider the overall Proposed Budget for the 2023/24 biennium – a longer time frame than previously undertaken.

The 2023 Budget contains expenditures for all funds of \$152.8 million, an increase of 7% over the 2022 Adopted Budget. The year-to-year budget increase is due to significant planned capital projects in the Street Fund as well as lower-than-budgeted expenditures in 2022. This includes one-time projects such as the replacement of the Arapahoe Road Bridge over Big Dry Creek. These projects, together with the new projects identified in the budget, were previously saved for by the City rather than incurring debt. This strategy also is reflected in the significant commitments made by the City to future projects and needs in the use of Committed Fund Balance throughout the 2023 Budget. Specific projects and programs are identified within each major fund and establish committed funding available for use by a future Council.

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

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

Within the components of the City's vision, there are several important projects or programs to highlight that illustrate the commitment this Budget makes to our community:

Transportation and Mobility

Substantial funding continues to be dedicated to the construction, operations and maintenance of the City's largest single public asset. The ability for people and goods to move safely and efficiently through the community remains a key priority for the City. Council was asked to consider the impacts of significant grant funding from the Denver Regional Council of Governments; the strategy for managing traffic signals throughout the City with the pending completion of our initial Intelligent Transportation System network; and service-level adjustments for the Public Works services contract. There also is significant investment to implement the planned projects within the Transportation Master Plan, including sidewalks, pedestrian crossing improvements and future funding for efforts along the Smoky Hill Corridor.

Public Safety and Health

The City continues to enjoy a strong partnership with the Arapahoe County Sheriff's Office. The 2023 Budget includes increased investment in this partnership to ensure Centennial remains among the safest cities in Colorado. Additional funding for the Behavioral Health Response Program staffing is included, which expands the program to ensure coverage is available as needed. A pilot program in partnership with Arapahoe County to provide a coordinator for homeless services also is included, subject to the conditions of an intergovernmental agreement and development of an annual work plan.

Future-Ready City Government

We continue to move forward with planning for future City operations and delivering services efficiently and effectively to the community. We are proposing to formalize virtual options for City services, including municipal court and certain building inspections. Investment in these areas will increase service levels and provide flexibility for residents and contractors to ensure we are meeting expectations.

Signature Centennial

Council previously provided direction for Staff to research potential older adult and youth services in the community. As a result, an opportunity for partnership with a local nonprofit agency, including startup funding for 2023, is included in the budget. This will provide activities, programs and special events for older adults and youth in Centennial. Additionally, funding for a neighborhood mediation services pilot is proposed in the budget. Finally, funding for continued support for the management of the short-term rental program is included following the initial success of the license program previously established by Council.

Fiscal Sustainability

The impacts of COVID-19 continue to inject uncertainty into the City's revenue picture. While revenues have remained better than initially predicted, Staff will remain vigilant and develop recommendations for adjustment if necessary. The City's Fund Balances are healthy and remain a particular strength of the City. Council provided policy direction, after consultation with the Centennial Budget Committee, to reorganize several funds and descriptions in the budget. This includes clarifying the purpose of the Street and Capital Funds, consolidation of the Land Use Fund into a General Fund department and updating the Open Space Fund descriptions to capture the intent of the voters with the reauthorization of the County-wide tax. Continuing improvements from prior years, recommended Committed Fund Balances were included in each major fund. These commitments are made intentionally for known and anticipated projects or expenditures that the City will consider in the future.

Requests for Information

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



Basic Financial Statements

CITY OF CENTENNIAL, COLORADO

STATEMENT OF NET POSITION

December 31, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash, cash equivalents, and investments	\$ 143,695,591	\$ 762,534	\$ 144,458,125
Taxes receivable	25,532,232	—	25,532,232
Other receivables	945,766	96,733	1,042,499
Intergovernmental receivables	2,334,461	—	2,334,461
Lease receivables	3,392,761	216,667	3,609,428
Deposits	8,000	—	8,000
Prepaid expenses	475,698	6,816	482,514
Capital assets, not being depreciated	115,954,668	182,302	116,136,970
Capital assets, net of accumulated depreciation	69,676,057	4,871,561	74,547,618
Lease RTU assets, net of accumulated amortization	13,500	—	13,500
Total assets	362,028,734	6,136,613	368,165,347
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	25,461	—	25,461
LIABILITIES			
Accounts payable	6,498,730	125,731	6,624,461
Retainage payable	838,227	—	838,227
Accrued liabilities	444,696	—	444,696
Accrued interest payable	127,299	—	127,299
Developer contributions and deposits	1,198,076	—	1,198,076
Unearned revenue	—	307,108	307,108
Non-current liabilities			
Due within one year	433,430	—	433,430
Due in more than one year	8,713,992	—	8,713,992
Total liabilities	18,254,450	432,839	18,687,289
DEFERRED INFLOWS OF RESOURCES			
Property taxes	19,077,789	—	19,077,789
Leases	3,429,941	222,301	3,652,242
	22,507,730	222,301	22,730,031
NET POSITION			
Net investment in capital assets	179,190,480	5,053,863	184,244,343
Restricted for:			
Emergency reserves	3,158,336	—	3,158,336
Parks and open space	12,603,473	—	12,603,473
District infrastructure	1,532,637	—	1,532,637
Urban redevelopment	189,761	—	189,761
Unrestricted	124,617,328	427,610	125,044,938
Total net position	\$ 321,292,015	\$ 5,481,473	\$ 326,773,488

CITY OF CENTENNIAL, COLORADO

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2022
Page 1 of 2

<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	\$ 13,314,822	\$ 1,425,678	\$ 4,808,071	\$ —
Community services	2,360,739	43,831	—	—
City infrastructure	33,149,548	—	5,058,590	473,661
Public safety	31,352,394	—	—	6,437,600
Culture and recreation	1,742,438	—	—	—
Urban redevelopment	5,877,405	—	—	—
Interest on long-term debt	277,469	—	—	—
Total governmental activities	<u>88,074,815</u>	<u>1,469,509</u>	<u>9,866,661</u>	<u>6,911,261</u>
Business-type activities:				
Land use	2,677,779	4,660,212	—	—
Fiber	327,513	133,755	—	139,034
Total business-type activities	<u>3,005,292</u>	<u>4,793,967</u>	<u>—</u>	<u>139,034</u>
Total primary government	<u>\$ 91,080,107</u>	<u>\$ 6,263,476</u>	<u>\$ 9,866,661</u>	<u>\$ 7,050,295</u>

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2022
Page 2 of 2**

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (7,081,073)	\$ —	\$ (7,081,073)
	(2,316,908)	—	(2,316,908)
	(27,617,297)	—	(27,617,297)
	(24,914,794)	—	(24,914,794)
	(1,742,438)	—	(1,742,438)
	(5,877,405)	—	(5,877,405)
	(277,469)	—	(277,469)
	<u>(69,827,384)</u>	<u>—</u>	<u>(69,827,384)</u>
	—	1,982,433	1,982,433
	—	(54,724)	(54,724)
	—	1,927,709	1,927,709
	<u>(69,827,384)</u>	<u>1,927,709</u>	<u>(67,899,675)</u>
General revenues:			
Sales tax	53,430,052	—	53,430,052
Use tax	4,694,325	—	4,694,325
Property tax	19,303,243	—	19,303,243
Motor vehicle use tax	6,616,395	—	6,616,395
Other taxes	902,772	—	902,772
Unrestricted franchise fees	6,074,415	—	6,074,415
Investment loss	(886,388)	—	(886,388)
Miscellaneous	2,219,441	—	2,219,441
Transfers	1,827,198	(1,827,198)	—
Total general revenues and transfers	<u>94,181,453</u>	<u>(1,827,198)</u>	<u>92,354,255</u>
Change in net position	24,354,069	100,511	24,454,580
Net Position - Beginning	296,937,946	5,380,962	302,318,908
Net Position - Ending	<u>\$ 321,292,015</u>	<u>\$ 5,481,473</u>	<u>\$ 326,773,488</u>

CITY OF CENTENNIAL, COLORADO

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2022

Page 1 of 2

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
ASSETS			
Cash, cash equivalents, and investments	\$ 40,724,370	\$ 163,128	\$ 12,377,025
Taxes receivable	19,004,447	5,212,076	—
Other receivables	910,196	—	—
Intergovernmental receivables	—	26,633	—
Lease receivables	3,392,761	—	—
Deposits	8,000	—	—
Prepays	—	—	475,698
Total assets	<u>\$ 64,039,774</u>	<u>\$ 5,401,837</u>	<u>\$ 12,852,723</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 3,282,038	\$ —	\$ 637,014
Retainage payable	—	—	40,446
Accrued liabilities	430,967	—	—
Developer contributions and deposits	748,001	—	—
Total liabilities	<u>4,461,006</u>	<u>—</u>	<u>677,460</u>
 DEFERRED INFLOWS OF RESOURCES			
Property taxes	13,005,861	5,212,076	—
Leases	3,429,941	—	—
Total deferred inflows of resources	<u>16,435,802</u>	<u>5,212,076</u>	<u>—</u>
 FUND BALANCE			
Nonspendable:			
Deposits	8,000	—	—
Prepays	—	—	475,698
Restricted for:			
Emergency reserves	1,880,945	—	272,433
Parks and Open Space	—	—	—
District Infrastructure	—	—	—
Urban Redevelopment	—	189,761	—
Committed for:			
Committed for future capital projects	1,928,000	—	3,000,000
Assigned to:			
City infrastructure	—	—	8,427,132
Unassigned	39,326,021	—	—
Total fund balance	<u>43,142,966</u>	<u>189,761</u>	<u>12,175,263</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 64,039,774</u>	<u>\$ 5,401,837</u>	<u>\$ 12,852,723</u>

CITY OF CENTENNIAL, COLORADO

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022
Page 2 of 2**

Street Fund	Open Space Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 65,701,573	\$ 14,753,868	\$ 9,975,627	\$ 143,695,591
455,857	—	859,852	25,532,232
31,615	—	3,955	945,766
315,603	1,992,225	—	2,334,461
—	—	—	3,392,761
—	—	—	8,000
—	—	—	475,698
\$ 66,504,648	\$ 16,746,093	\$ 10,839,434	\$ 176,384,509
\$ 975,743	\$ 435,305	\$ 1,168,630	\$ 6,498,730
461,249	177,422	159,110	838,227
—	13,729	—	444,696
450,075	—	—	1,198,076
1,887,067	626,456	1,327,740	8,979,729
—	—	859,852	19,077,789
—	—	—	3,429,941
—	—	859,852	22,507,730
—	—	—	8,000
—	—	—	475,698
717,673	194,489	92,796	3,158,336
—	8,620,998	3,982,475	12,603,473
—	—	4,576,571	4,576,571
—	—	—	189,761
40,050,000	7,304,150	—	52,282,150
23,849,908	—	—	32,277,040
—	—	—	39,326,021
64,617,581	16,119,637	8,651,842	144,897,050
\$ 66,504,648	\$ 16,746,093	\$ 10,839,434	\$ 176,384,509

CITY OF CENTENNIAL, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2022**

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

Total fund balance - governmental funds \$ 144,897,050

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

Capital and leased RTU assets	\$ 289,953,657	
Less accumulated depreciation and amortization	<u>(104,309,432)</u>	185,644,225

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	\$ (7,805,000)	
Deferred amount on refunding	25,461	
Bond premiums payable	(867,876)	
Lease liability	(12,038)	
Accrued interest payable	(127,299)	
Accrued compensated absences	<u>(462,508)</u>	(9,249,260)

Total net position of governmental activities		<u>\$ 321,292,015</u>
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CITY OF CENTENNIAL, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For The Year Ended December 31, 2022

Page 1 of 2

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
REVENUES			
Taxes	\$ 68,769,766	\$ 5,876,989	\$ —
Intergovernmental	5,276,256	—	—
Charges for services	1,425,678	—	—
Franchise fees	6,074,415	—	—
Investment income (loss)	(1,297,418)	—	—
Miscellaneous	2,219,866	73,865	—
Total revenues	82,468,563	5,950,854	—
EXPENDITURES			
Current:			
General government	12,307,138	—	—
Community services	2,355,441	—	—
City infrastructure	10,847,617	—	966,466
Public safety	31,352,394	—	—
Culture and recreation	—	—	—
Urban redevelopment	—	5,877,405	—
Capital outlay	120,744	—	1,109,458
Debt service:			
Principal	9,989	—	—
Interest	243	—	—
Total expenditures	56,993,566	5,877,405	2,075,924
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	25,474,997	73,449	(2,075,924)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,048,198	—	—
Transfers out	(12,221,000)	—	(6,500,000)
Total other financing sources (uses)	(10,172,802)	—	(6,500,000)
NET CHANGE IN FUND BALANCE	15,302,195	73,449	(8,575,924)
FUND BALANCE - BEGINNING OF YEAR	27,840,771	116,312	20,751,187
FUND BALANCE - END OF YEAR	\$ 43,142,966	\$ 189,761	\$ 12,175,263

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2022

Page 2 of 2

Street Fund	Open Space Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 9,416,395	\$ —	\$ 883,637	\$ 84,946,787
5,183,312	5,702,729	740,871	16,903,168
43,831	—	—	1,469,509
—	—	—	6,074,415
—	289,545	121,485	(886,388)
55,294	—	—	2,349,025
<u>14,698,832</u>	<u>5,992,274</u>	<u>1,745,993</u>	<u>110,856,516</u>
—	—	—	12,307,138
—	—	—	2,355,441
17,502,659	—	157,525	29,474,267
—	—	—	31,352,394
—	571,731	579,654	1,151,385
—	—	—	5,877,405
6,419,777	5,911,220	1,676,534	15,237,733
—	—	265,000	274,989
—	—	313,083	313,326
<u>23,922,436</u>	<u>6,482,951</u>	<u>2,991,796</u>	<u>98,344,078</u>
<u>(9,223,604)</u>	<u>(490,677)</u>	<u>(1,245,803)</u>	<u>12,512,438</u>
18,500,000	—	—	20,548,198
—	—	—	(18,721,000)
<u>18,500,000</u>	<u>—</u>	<u>—</u>	<u>1,827,198</u>
9,276,396	(490,677)	(1,245,803)	14,339,636
<u>55,341,185</u>	<u>16,610,314</u>	<u>9,897,645</u>	<u>130,557,414</u>
<u>\$ 64,617,581</u>	<u>\$ 16,119,637</u>	<u>\$ 8,651,842</u>	<u>\$ 144,897,050</u>

CITY OF CENTENNIAL, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2022**

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

Net change in fund balance - total governmental funds	\$	14,339,636
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	\$	15,237,733
Less current year depreciation and amortization	<u>(5,242,278)</u>	9,995,455
The net effect of various miscellaneous transactions involving capital assets (i.e., dispositions, adjustments) is to decrease net position.		(129,584)
Repayments of long-term obligations are reported as expenditures in governmental funds, however they reduce long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities.		274,989
Certain revenues were recognized in prior yea at the government wide, these revenues were considered available resources and recognized in the governmental funds in the current year.		(125,246)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Amortization of bond premiums	34,662	
Amortization of deferred amount on refunding	<u>(1,959)</u>	32,703
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued compensated absences	(37,038)	
Change in accrued interest payable	<u>3,154</u>	(33,884)
Change in net position of governmental activities	<u>\$</u>	<u>24,354,069</u>

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022**

	Enterprise Funds		Total Enterprise Funds
	Land Use	Fiber	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 174,157	\$ 588,377	\$ 762,534
Accounts receivable	—	96,733	96,733
Leases receivable	—	216,667	216,667
Prepaid expenses	6,816	—	6,816
Total current assets	180,973	901,777	1,082,750
Noncurrent assets:			
Capital assets, not being depreciated	—	182,302	182,302
Capital assets, net of accumulated depreciation	—	4,871,561	4,871,561
Total noncurrent assets	—	5,053,863	5,053,863
Total assets	180,973	5,955,640	6,136,613
LIABILITIES			
Current liabilities:			
Accounts payable	102,549	23,182	125,731
Unearned revenue	—	307,108	307,108
Total liabilities	102,549	330,290	432,839
DEFERRED INFLOWS OF RESOURCES			
Leases	—	222,301	222,301
NET POSTION			
Net investment in capital assets	—	5,053,863	5,053,863
Unrestricted	78,424	349,186	427,610
Total net position	\$ 78,424	\$ 5,403,049	\$ 5,481,473

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2022**

	Enterprise Funds		Total Enterprise Funds
	Land Use	Fiber	
OPERATING REVENUE			
Building permits, licenses and fees	\$ 3,073,567	\$ —	\$ 3,073,567
Contractor's licenses and bus shelter fees	253,180	—	253,180
Land use permits and other income	1,333,465	96,733	1,430,198
Leased property revenue	—	37,022	37,022
Total operating revenue	4,660,212	133,755	4,793,967
OPERATING EXPENSES			
Personnel services	1,708,648	—	1,708,648
Contracted services	147,571	17,523	165,094
Professional services	—	5,893	5,893
Services and supplies	821,560	41,642	863,202
Contingency	—	70,937	70,937
Depreciation expense	—	191,518	191,518
Total operating expenses	2,677,779	327,513	3,005,292
OPERATING INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	1,982,433	(193,758)	1,788,675
OTHER FINANCING SOURCES (USES)			
Capital contributions	—	139,034	139,034
Transfers in	221,000	—	221,000
Transfers out	(2,048,198)	—	(2,048,198)
Total other financing sources (uses)	(1,827,198)	139,034	(1,688,164)
CHANGE IN NET POSITION	155,235	(54,724)	100,511
NET POSITION - BEGINNING OF YEAR	(76,811)	5,457,773	5,380,962
NET POSITION - END OF YEAR	\$ 78,424	\$ 5,403,049	\$ 5,481,473

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2022**

	Enterprise Funds		Total Enterprise Funds
	Land Use	Fiber	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 5,034,600	\$ 22,972	\$ 5,057,572
Cash paid to employees	(1,708,648)	—	(1,708,648)
Cash paid to vendors	(1,324,597)	(115,029)	(1,439,626)
Net cash provided by (used in) operating activities	2,001,355	(92,057)	1,909,298
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	221,000	—	221,000
Transfers out	(2,048,198)	—	(2,048,198)
Net cash used in non-capital financing activities	(1,827,198)	—	(1,827,198)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	—	(172,806)	(172,806)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	174,157	(264,863)	(90,706)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	853,240	853,240
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 174,157	\$ 588,377	\$ 762,534
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,982,433	\$ (193,758)	\$ 1,788,675
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	—	191,518	191,518
Change in assets and liabilities:			
Receivables	374,388	(91,099)	283,289
Prepaid expenses	(5,681)	—	(5,681)
Accounts payable	(349,785)	20,966	(328,819)
Unearned revenue	—	(19,684)	(19,684)
Net adjustments	18,922	101,701	120,623
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 2,001,355	\$ (92,057)	\$ 1,909,298

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUND
December 31, 2022**

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 3,594,086</u>
LIABILITIES	
Accounts payable and other liabilities	1,778,170
Due to local governments	<u>1,768,080</u>
Total liabilities	<u>3,546,250</u>
NET POSITION, Restricted For Other Entities	<u><u>\$ 47,836</u></u>

CITY OF CENTENNIAL, COLORADO

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION -
FIDUCIARY FUND
For The Year Ended December 31, 2022**

	Custodial Fund
ADDITIONS	
Sales tax collections for other governments	\$ 461,624
Fee collections for other governments	259,451
Total additions	<u>721,075</u>
DEDUCTIONS	
Payment of sales tax to other governments	444,193
Payment of SIA Escrow	229,046
Total deductions	<u>673,239</u>
NET CHANGE IN FIDUCIARY NET POSITION	47,836
NET POSITION - BEGINNING OF YEAR	<u>—</u>
NET POSITION - END OF YEAR	<u>\$ 47,836</u>



Notes to the Financial Statements



CITY OF CENTENNIAL, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - DEFINITION OF REPORTING ENTITY

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

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

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

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

General Improvement Districts

During 2002, Arapahoe County transferred governing responsibility and accountability of three General Improvement Districts (GIDs) to the City. The transferred GIDs include Foxridge General Improvement District, Cherry Park General Improvement District, and Walnut Hills General Improvement District. During 2004, Antelope General Improvement District was created for the purpose of acquiring, contracting, installing and providing a water system of underground water pipelines to furnish water service within the district. During 2020, Willow Creek General Improvement district was created for the purpose of management of the Willow Creek area in a manner similar to the other GIDs. The GIDs are legally separate from the City; members of the City Council, including the Mayor, are the board members of the Districts, with each member serving terms commensurate with their term as Mayor or member of City Council, and management of the City has operational responsibility for the GIDs. For financial reporting purposes, the GIDs are reported in the City’s financial statements as blended component units. Separate financial statements for the GIDs are not prepared.

Centennial Urban Redevelopment Authority

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)

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

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

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

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

Library services are provided by the Arapahoe Library District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (continued)

Government-wide Financial Statements (continued)

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

Fund Financial Statements

All financial transactions of the City are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated in one column as Nonmajor Funds. The total fund balances for all governmental funds is reconciled to the total net position for governmental activities as shown on the Statement of Net Position. The net change in fund balance is reconciled to the total change in net position as shown on the Statement of Activities in the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Fund Financial Statements

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

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

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

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

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

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

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

The **Open Space Fund** accounts for a county-wide ¼ cent sales tax to pay for the preservation of open space in Arapahoe County. Funds may be used to acquire, maintain or improve open space, parks or trails. This fund has been classified as a City nonmajor fund in the past yet due to the assets within this fund, it now qualifies as a major fund.

The City reports the following nonmajor fund:

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

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

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

The City Reports the following fiduciary fund:

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

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

Assets, Liabilities, and Net Position/Fund Balance

Cash, Cash Equivalents, and Investments

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

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

Receivables

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Taxes Receivable

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

Property taxes levied in the previous year, but collected in the subsequent year, are recorded as taxes receivable and deferred inflows of resources for which they are levied for and attach and enforceable lien on the property. Amounts deferred are subsequently recorded as revenue in the year they are available or collected.

Deferred Inflows/Outflows of Resources

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

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

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

Capital Assets

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

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

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Capital assets are depreciated using the straight-line method of depreciation over the estimated economic useful lives as follows:

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

Leases

As of January 1, 2022, the beginning of the period of adoption, the City has implemented the provisions of GASB 87, *Leases*. For arrangements where the City is a lessee, a lease liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the City's right to use an underlying asset for the lease term and lease liabilities represent the City's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The RTU asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, and is amortized on a straight-line basis over its useful life. RTU assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

For arrangements in which the City is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term, on both the fund which is expected to receive the lease payments, and on the government-wide statement. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods and are also recognized on a straight-line basis over the lease term.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses an estimated incremental borrowing rate, that represents the rate at which it could borrow funds for a term equivalent to the lease agreements, as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Leases (continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Compensated Absences

The City's compensated absences policy allows employees to accumulate earned but unused paid time off (PTO) benefits of at least 6.154 hours per pay period depending on length of service and employment status (an increase in PTO hours occurs when an employee reaches 4 years of service and again at 7 years of service; part-time employees earn PTO at a different rate than full-time employees). Employees may carry over PTO hours equivalent to the annual accrual for the employee during the immediately preceding year. Such carry-over leave must be used within the year into which it is carried over. PTO hours accrued above the carry-over amount during the preceding calendar year, and not used by December 31, will be forfeited, and will not be paid by the City. In the event of separation from the City, an employee is paid 100% of accumulated PTO benefits.

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

Long-Term Obligations

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

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

Net Position

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance

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

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

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

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance (continued)

As of December 31, 2022, the City had in place a minimum fund balance policy which states that the overall fund balance of the General Fund shall equal no less than twenty-five percent (25%) of annual expenditures. The City of Centennial has established a formal policy for its use of restricted and unrestricted (committed, assigned, and unassigned) fund balance. If expenditures are incurred for a specific purpose, the City uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed amounts, assigned amounts, and finally, by unassigned amounts. Additionally, the City of Centennial also established a formal policy to maintain a reserve within the Street Fund equal to twenty-five (25%) of the Street Fund operating expenditures and maintains compliance with the minimum fund balance policy.

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, 2022 follows:

Petty Cash	\$	404
Cash Deposits		2,484,276
Investments		145,567,531
Total Cash, Cash Equivalents, and Investments	\$	<u>148,052,211</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government to deposit cash in eligible, as determined by state regulators, public depositories. Eligible public depositories must pledge eligible collateral, as determined by the PDPA, for any amounts in excess of the required FDIC insurance having a market value in excess of 102% of the aggregate uninsured public deposits. The PDPA allows the institution to create a single collateral pool for all public funds, however eligible collateral must be held in the custody of any Federal Reserve Bank or any branch thereof, or of any depository trust company which is a member of the Federal Reserve System and supervised by the State Banking Board.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2022, the City had bank deposits of \$2,531,293 insured and collateralized with securities held by the financial institutions' agents, but not in the City's name.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements *(Continued)*

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The City's Cash and Investments includes \$3,594,086 of fiduciary funds not available to meet general government obligations.

Cash, Cash Equivalents, and Investments	\$ 148,052,211
Less: Custodial Fund	<u>(3,594,086)</u>
Net Cash, Cash Equivalents, and Investments for general government use	<u>\$ 144,458,125</u>

Investments

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

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

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

At December 31, 2022, the City's investment balances were as follows:

Investment	S&P Rating	% of Total	Value	Maturities			
				Less than 1 Year	1-2 Years	2-3 Years	3-5 Years
US Agency	AA+	14.15%	\$ 20,601,552	\$ 2,936,316	\$ 7,053,339	\$ 7,031,405	\$ 3,580,493
US Treasury Notes	AA+	9.27%	13,491,047	3,699,399	5,136,485	2,866,636	1,788,526
Non-US Government Securities	AAA	0.51%	740,096	740,096	—	—	—
Corporate Notes	AAA	1.00%	1,458,427	—	—	1,458,427	—
Corporate Notes	AA+	0.24%	345,319	345,319	—	—	—
Corporate Notes	AA	0.45%	660,002	—	—	660,002	—
Municipal Bonds	AA2/AAA	3.97%	5,784,561	3,122,957	1,992,150	669,453	—
Brokered CD's	NA	3.90%	5,678,813	1,210,766	1,169,772	1,996,921	1,301,354
Wells Fargo MMA	NA	0.18%	263,816	263,816	—	—	—
UMB MMA	NA	2.45%	3,562,133	3,562,133	—	—	—
Non-Brokered CD's	NA	6.91%	10,058,061	—	5,796,861	4,261,200	—
Local Government Investment Pools	AAAm	56.97%	82,923,704	82,923,704	—	—	—
Total		100%	\$ 145,567,531	\$ 98,804,506	\$ 21,148,607	\$ 18,944,044	\$ 6,670,373

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

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

Concentration of Credit Risk - The City's investment policy requires that at no time shall the aggregate investment in corporate notes, corporate debt, commercial paper, and banker's acceptances exceed 50% of the City's total investment portfolio. Furthermore, investments in corporate notes and commercial paper shall not individually exceed 25% of the City's investment portfolio, and no more than 5% of the City's investment portfolio may be invested in the obligations of any one issuer of corporate debt or commercial paper. Investments in U.S. agency securities shall not exceed 90% of the City's total portfolio and no more than 30% of the portfolio can be invested in any one issuer of agency securities.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quotes prices in active markets for similar investments, or other observable input (negotiable certificates of deposits are valued on matrix pricing based on securities' relationship to benchmark quoted prices); and Level 3 inputs are unobservable inputs.

At December 31, 2022, the City's investments balances at fair value hierarchy are as follows:

Investment Type	Level 1	Level 2	Level 3	Total
US Agency Securities	\$ —	\$ 20,601,552	\$ —	\$ 20,601,552
US Treasury Securities	—	13,491,047	—	13,491,047
Non-US Government Securities	—	740,096	—	740,096
Corporate Bonds	—	2,463,748	—	2,463,748
Municipal Bonds	—	5,784,561	—	5,784,561
Brokered CD's	—	5,678,813	—	5,678,813
Investment Not Measured at Fair Value:				
Non-Brokered CD's				10,058,061
Local Government Investment Pools				82,923,704
Total Investments				<u>\$ 145,567,531</u>

Local Government Investment Pools

As of December 31, 2022, the City of Centennial has invested \$47,507,616 in Colorado Local Government Liquid Asset Trust + (ColoTrust) and \$34,075,143 in the Colorado Surplus Asset Trust (CSAFE CORE). ColoTrust and CSAFE CORE are valued using a NAV per share (or its equivalent) of the investments and do not have unfunded commitments. ColoTrust does not have redemption restrictions or redemption notice periods. CSAFE CORE has a required 24-hour redemption notice and a limit of 3 monthly withdrawals. The investments conform to its permitted investment and will meet Standard & Poor's investment guidance to achieve a rating of AAAM, the highest attainable rating for a Local Government Pool. Information related to ColoTrust can be found on their website, www.colotruster.com. Information related to CSAFE CORE can be found on their website, www.csafe.org.

Additionally, the City has invested \$1,340,945 in Colorado Statewide Investment Program (CSIP). CSIP is valued at amortized cost. The investments are a short-term portfolio rated AAAM by standard and Poor's. Certificates of deposit are valued at amortized cost.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 4 - INTERFUND TRANSFERS

The following schedule summarizes the City's interfund transfer activity for the year ended December 31, 2022:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Street Fund</u>	<u>Land Use Fund</u>	
General Fund	\$ —	\$ 12,000,000	\$ 221,000	\$ 12,221,000
Capital Improvement Fund	—	6,500,000	—	6,500,000
Land Use Fund	2,048,198	—	—	2,048,198
Total	\$ 2,048,198	\$ 18,500,000	\$ 221,000	\$ 20,769,198

The transfer of \$12,000,000 from the General Fund to the Street Fund was made to provide necessary funding for street maintenance items previously budgeted in the General Fund. The transfer of \$221,000 from the General Fund to the Land Use Fund was for remittance of Use Tax in conjunction with the operations of the Land Use Fund. The transfer \$2,048,198 from the Land Use Fund to the General Fund was to fund general governmental activities in the General Fund. The transfer of \$6,500,000 from the Capital Improvement Fund to the Street Fund was to fund infrastructure items previously budgeted in the Capital Improvement Fund that have now moved to the Street Fund.

NOTE 5 - LEASE RECEIVABLES

Governmental Activities Leases

The City has entered into property leases with two companies. The leases provide use of certain City property to accommodate wireless broadcast communication equipment. These leases at inception have 15-year initial terms, with one five-year additional option period. The leases expire in January 2039 and January 2042, which includes all consecutive renewal periods expected to be exercised by the lessees.

The City has entered into two property leases with one company that provide use of certain City property to accommodate broadcast communication equipment. These leases at inception have 5-year initial terms with four and five optional 5-year renewal periods, expiring in November 2035 and January 2034, respectively, which includes all consecutive renewal periods expected to be exercised by the lessee.

The City has entered into an office space lease with a company for an initial term of one year with four one-year renewal options. The lease was remeasured during 2022 as a result of an amendment for a five-year term with no renewal options. The lease expires in December 2028.

Lease principal and interest received during the year ended December 31, 2022 was \$495,052 and \$36,876, respectively. Principal and interest expected to maturity of these lease receivables are as follows:

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 5 - LEASE RECEIVABLES (CONTINUED)

Governmental Activities Leases (*continued*)

Year Ending December 31,	Principal	Interest	Total
2023	\$ 539,286	\$ 69,192	\$ 608,478
2024	531,561	103,536	635,097
2025	520,296	138,119	658,415
2026	512,027	174,115	686,142
2027	500,520	209,920	710,440
2028 - 2032	699,974	387,693	1,087,667
2033 - 2037	88,479	88,955	177,434
2038 - 2042	619	1,024	1,643
	<u>\$ 3,392,762</u>	<u>\$ 1,172,554</u>	<u>\$ 4,565,316</u>

Business-Type Activities Leases

The City has entered into fiber network leases with a school district and various companies. The leases provide use of certain number of fiber strands within the City's fiber optic network. At inception, the lease terms are as follows:

- Three of the leases have initial 20-year terms with one optional 5-year renewal period with expirations ranging from December 2028 and December 2045, which includes the consecutive renewal period which is expected to be exercised by the lessees.
- Two leases have initial terms of five years with one optional 5-year extension period and expire in December 2028 and December 2029, which includes the consecutive renewal period which is expected to be exercised by the lessees.
- One lease has an initial term of five years with two optional 5-year extension periods and expires in December 2033, which includes all consecutive renewal periods expected to be exercised by the lessee.

Lease principal received during the year ended December 31, 2022 was \$20,894. Principal and interest expected to maturity of these lease receivables are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 26,142	\$ 1,503	\$ 27,645
2024	24,986	2,956	27,942
2025	23,885	4,362	28,247
2026	22,837	5,723	28,560
2027	21,840	7,044	28,884
2028 - 2032	55,054	29,139	84,193
2033 - 2037	22,323	23,415	45,738
2038 - 2042	17,787	30,880	48,667
2043 - 2047	1,812	4,269	6,081
	<u>\$ 216,666</u>	<u>\$ 109,291</u>	<u>\$ 325,957</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 6 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 is as follows:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land, Easements and ROW	\$ 24,130,125	\$ 15,000	\$ —	\$ 24,145,125
Streets - Subsurface	69,607,410	—	—	69,607,410
Construction in progress	14,648,166	12,611,635	5,057,668	22,202,133
Total capital assets, not being depreciated	<u>108,385,701</u>	<u>12,626,635</u>	<u>5,057,668</u>	<u>115,954,668</u>
Capital assets, being depreciated:				
Streets/Sidewalks/Trails	97,364,195	5,203,781	—	102,567,976
Drainage	21,130,856	—	—	21,130,856
Traffic signals	10,843,463	1,659,002	—	12,502,465
Traffic signs	1,977,951	—	—	1,977,951
Street lights	—	75,121	—	75,121
Major bridges	16,530,480	—	—	16,530,480
Buildings	14,603,126	—	—	14,603,126
Comprehensive plan	503,872	—	—	503,872
Equipment	2,356,019	601,280	—	2,957,299
Fiber	1,127,816	—	—	1,127,816
Total capital assets being depreciated	<u>166,437,778</u>	<u>7,539,184</u>	<u>—</u>	<u>173,976,962</u>
Leased RTU assets:				
Equipment	22,027	—	—	22,027
Less accumulated depreciation and amortization:				
Streets/Sidewalks/Trails	63,826,653	3,025,178	—	66,851,831
Drainage	11,159,913	316,479	—	11,476,392
Traffic signals	8,939,260	661,364	—	9,600,624
Traffic signs	1,936,333	24,237	—	1,960,570
Street lights	—	4,118	—	4,118
Major bridges	8,429,184	389,955	—	8,819,139
Buildings	3,486,574	473,612	—	3,960,186
Comprehensive plan	60,310	19,901	—	80,211
Equipment	1,024,496	262,934	—	1,287,430
Fiber	204,431	55,973	—	260,404
Leased RTU assets	—	8,527	—	8,527
Total accumulated depreciation and amortization	<u>99,067,154</u>	<u>5,242,278</u>	<u>—</u>	<u>104,309,432</u>
Total capital assets being depreciated and amortized, net	<u>67,392,651</u>	<u>2,296,906</u>	<u>—</u>	<u>69,689,557</u>
Governmental activities capital assets, net	<u>\$ 175,778,352</u>	<u>\$ 14,923,541</u>	<u>\$ 5,057,668</u>	<u>\$ 185,644,225</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
<u>Business type Activities:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ —	\$ 311,840	\$ —	\$ 311,840
Capital assets, being depreciated:				
Building	49,559	—	—	49,559
Equipment	199,088	—	—	199,088
Fiber Infrastructure	5,365,228	—	—	5,365,228
Total capital assets being depreciated	<u>5,613,875</u>	<u>—</u>	<u>—</u>	<u>5,613,875</u>
Less accumulated depreciation for:				
Building	3,075	1,037	—	4,112
Equipment	189,933	4,323	—	194,256
Fiber Infrastructure	487,326	186,158	—	673,484
Total accumulated depreciation	<u>680,334</u>	<u>191,518</u>	<u>—</u>	<u>871,852</u>
Total capital assets being depreciated, net	<u>4,933,541</u>	<u>(191,518)</u>	<u>—</u>	<u>4,742,023</u>
Business type activities capital assets, net	<u>\$ 4,933,541</u>	<u>\$ 120,322</u>	<u>\$ —</u>	<u>\$ 5,053,863</u>

Depreciation and amortization expense of the governmental activities was charged to the general government, city infrastructure, culture and recreation program, and community services in the amounts of \$970,646, \$3,675,281, \$591,053, and \$5,298, respectively. Depreciation expense of business type activities was charged to the Fiber Fund in the amounts of \$191,518. No depreciation was charged to the Land Use Fund.

NOTE 7 - LEASE LIABILITIES

The City has entered into a 2-year lease agreement for copiers. Lease payments are due monthly at an interest rate of 0.48% until July 2024 with no renewal options. Lease principal and interest of \$9,989 and \$243, respectively, was included in debt service for the General Fund for the year ended December 31, 2022.

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

Year Ending December 31,	Principal	Interest	Amount
2023	\$ 7,730	\$ 673	\$ 8,403
2024	4,308	593	4,901
	<u>\$ 12,038</u>	<u>\$ 1,266</u>	<u>\$ 13,304</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 8 - LONG-TERM OBLIGATIONS

Long-term obligation transactions as of December 31, 2022 are summarized below.

	Balance at December 31, 2021		Additions	Reductions	Balance at December 31, 2022		Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
Antelope GID Bonds (Refunded)	\$	1,900,000	\$ —	\$ 105,000	\$	1,795,000	\$ 105,000
Willow Creek GID Bonds Series 2020		4,300,000		70,000		4,230,000	75,000
Direct Placement Debt:							
Foxridge GID Bonds Series 2020		1,870,000		90,000		1,780,000	90,000
Total Bonds Payable	\$	8,070,000	\$ —	\$ 265,000	\$	7,805,000	\$ 270,000
Lease liabilities		22,027		9,989		12,038	7,730
Bond premiums		902,538		34,662		867,876	34,662
Compensated absences		425,470	437,370	400,332		462,508	121,038
Total long-term obligations	\$	9,420,035	\$ 437,370	\$ 709,983	\$	9,147,422	\$ 433,430

General Obligation Bonds

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

Bonds outstanding and related interest requirements as of December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 105,000	\$ 74,275	\$ 179,275
2024	110,000	71,125	181,125
2025	110,000	66,725	176,725
2026	120,000	62,325	182,325
2027	125,000	57,525	182,525
2028-2032	715,000	187,875	902,875
2033-2035	510,000	36,050	546,050
	<u>\$ 1,795,000</u>	<u>\$ 555,900</u>	<u>\$ 2,350,900</u>

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (continued)

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

General Obligation Bonds Foxridge

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

Debt service requirements on long-term debt as of December 31, 2022, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 90,000	\$ 41,187	\$ 131,187
2024	90,000	39,216	129,216
2025	95,000	37,245	132,245
2026	95,000	35,165	130,165
2027	100,000	33,084	133,084
2028 - 2032	520,000	132,242	652,242
2033 - 2037	555,000	72,488	627,488
2038 - 2039	235,000	9,514	244,514
	<u>\$ 1,780,000</u>	<u>\$ 400,140</u>	<u>\$ 2,180,140</u>

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

General Obligation Bonds – Willow Creek

In September 2020, the Willow Creek GID 1 & 2 General Obligation Bonds Series 2020 were issued, in the principal amount of \$4,340,000. The 2020 Bonds were issued for the purposes of (i) financing or reimbursing all or any part of the costs of acquiring, construction, and installation of perimeter fencing for the District; (ii) providing capitalized interest to pay a portion of debt service on the bonds; and (iii) pay the costs of issuance of the bonds. The District has begun construction on this project and anticipates its completion by the end of 2023.

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (Continued)

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

Bonds outstanding and related interest requirements as of December 31, 2022, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 75,000	\$ 190,050	\$ 265,050
2024	80,000	186,300	266,300
2025	80,000	182,300	262,300
2026	85,000	178,300	263,300
2027	90,000	174,050	264,050
2028 - 2032	525,000	797,750	1,322,750
2033 - 2037	665,000	653,250	1,318,250
2038 - 2042	850,000	471,050	1,321,050
2043 - 2047	1,045,000	275,400	1,320,400
2048 - 2050	735,000	59,600	794,600
	<u>\$ 4,230,000</u>	<u>\$ 3,168,050</u>	<u>\$ 7,398,050</u>

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

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The City entered into construction contracts for various capital projects which are not complete as of December 31, 2022. The total unexpended commitments at December 31, 2022 are \$6,598,206 as detailed below:

<u>Project</u>	<u>Total Contract Amount</u>	<u>Remaining Contract Amount</u>
Center Park Expansion	\$ 4,019,339	\$ 470,889
Lone Tree Creek Trail	1,754,426	563,522
East-West Trail Design	575,000	10,297
Centennial Center Park	684,212	43
Arapahoe Bridge over BDC	11,102,489	5,531,873
Arapahoe & Clarkson Traffic Signal	122,465	6,101
Holly St & Easter Hawk Signal	78,378	15,481
Totals	<u>\$ 18,336,309</u>	<u>\$ 6,598,206</u>

Commitments – Economic Development

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments – Economic Development (continued)

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

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

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

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

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments – Economic Development (continued)

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

As reimbursements are payable solely from the sales/use and property tax revenue increments generated by each project area, long-term debt is not required to be reported on the City's financial statements. Information relevant to the disclosure of these projects for the fiscal year ended December 31, 2022 is:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Major Retail Development Projects	
Sales/Use Tax	\$ 143,230
Redevelopment/Revitalization Projects	
Sales/Use Tax	620,579
<u>Total</u>	<u>\$ 763,808</u>

Grants

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

Tax, Spending and Debt Limitations

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

CITY OF CENTENNIAL, COLORADO

Notes To Basic Financial Statements (*Continued*)

NOTE 10 - EMPLOYEE RETIREMENT PLAN

The City has established a defined contribution money purchase pension plan (City of Centennial Money Purchase Plan) authorized by City Council and administered by One America (American United Life Insurance Company). This plan is referenced further as 401(a) and the plan serves as a substitute for contributions to social security under FICA. City Council is authorized to amend the Plan provisions and determines the contributions made by the City. The Plan covers all employees of the City. The City contributes on behalf of each participant 10% of earnings for the Plan year. Each participant is required to contribute to the Plan as a condition of participation. Employer contributions vest at 62% upon hiring, with vesting at 71% at year one, 80% at year two, 90% at year three, and 100% at year four. Participant contributions during 2021 were 8% of pre-tax earnings. The City's contributions to the Plan were \$690,718 for the year ending December 31, 2022.

The City has also established a 457 plan for deferred compensation. Effective July 1, 2016 the City amended the money purchase plan to allow employer matching contributions of up to 3%, based on employee contributions to the 457 plan. In 2022, City matching contributions to the 457 plan based on employee contributions to the 457 plan were \$191,740. There is no liability on the part of the City beyond its annual contribution and all investments of the employer match plan are held for the exclusive benefit of the employees.

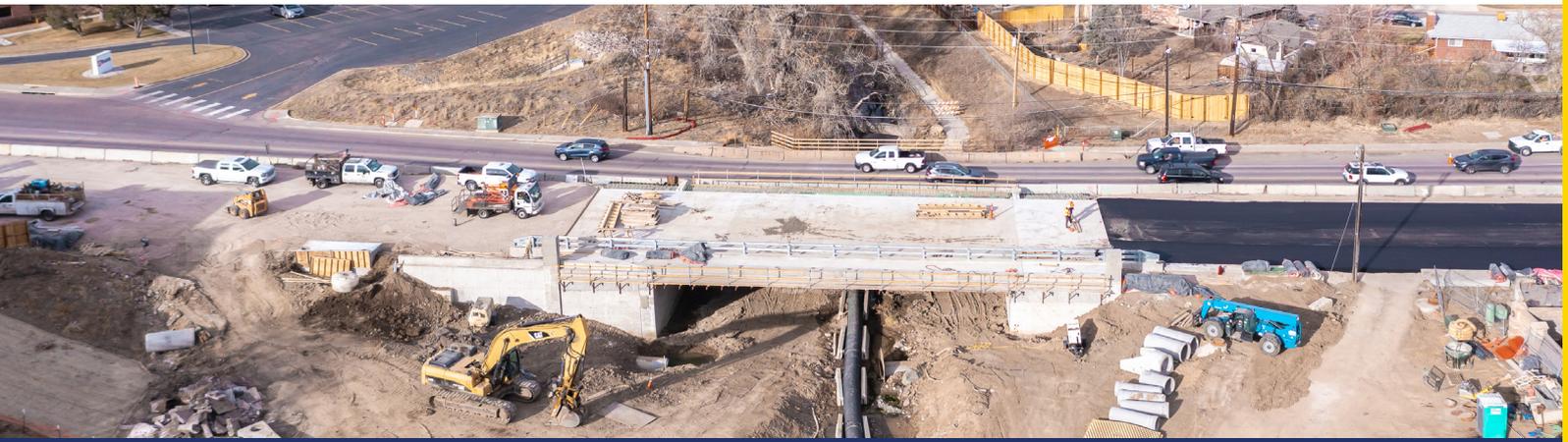
NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts; damage to, or destruction of, assets; errors or omissions; injuries to employees; or acts of God. The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool with 275 current government members that was created by intergovernmental agreement to provide property, worker's compensation, general and automobile liability and public officials' coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

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

Litigation

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



Required Supplementary Information

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Year Ended December 31, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 41,240,000	\$ 41,240,000	\$ 50,046,151	\$ 8,806,151
Use tax	2,795,000	2,795,000	4,694,325	1,899,325
Property tax	12,950,000	12,950,000	13,182,436	232,436
Other taxes	896,500	896,500	846,854	(49,646)
Franchise fees	5,093,000	5,093,000	6,074,415	981,415
Court fines	753,800	753,800	606,443	(147,357)
Charges for services	695,600	695,600	819,235	123,635
Investment income (loss)	1,450,000	1,450,000	(1,297,418)	(2,747,418)
Intergovernmental	4,555,390	4,555,390	5,276,256	720,866
Miscellaneous	721,000	721,000	2,219,866	1,498,866
Total revenues	<u>71,150,290</u>	<u>71,150,290</u>	<u>82,468,563</u>	<u>11,318,273</u>
EXPENDITURES				
Current:				
General government:				
General government	10,852,450	10,614,630	6,269,058	4,345,572
Finance & administration	6,555,980	6,812,560	6,038,080	774,480
Community services:				
Community services	1,975,210	1,991,860	1,942,109	49,751
Planning & development	692,340	715,830	413,332	302,498
City infrastructure	10,909,080	10,950,180	10,847,617	102,563
Public safety	32,325,100	32,325,100	31,352,394	972,706
Capital outlay	—	—	120,744	(120,744)
Debt Service:				
Principal	—	—	9,989	(9,989)
Interest	—	—	243	(243)
Total expenditures	<u>63,310,160</u>	<u>63,410,160</u>	<u>56,993,566</u>	<u>6,416,594</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,840,130</u>	<u>7,740,130</u>	<u>25,474,997</u>	<u>17,734,867</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	160,090	160,090	2,048,198	1,888,108
Transfers out	(12,000,000)	(12,221,000)	(12,221,000)	—
Total other financing sources (uses)	<u>(11,839,910)</u>	<u>(12,060,910)</u>	<u>(10,172,802)</u>	<u>1,888,108</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,999,780)</u>	<u>\$ (4,320,780)</u>	<u>15,302,195</u>	<u>\$ 19,622,975</u>
FUND BALANCE - BEGINNING OF YEAR			<u>27,840,771</u>	
FUND BALANCE - END OF YEAR			<u>\$ 43,142,966</u>	

CITY OF CENTENNIAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND
For The Year Ended December 31, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Sales tax	\$ 510,000	\$ 510,000	\$ 583,901	\$ 73,901
Property tax	5,650,000	5,650,000	5,293,088	(356,912)
Miscellaneous	100,000	100,000	73,865	(26,135)
Investment income	500	500	—	(500)
Total revenue	6,260,500	6,260,500	5,950,854	(309,646)
EXPENDITURES				
Sales tax sharing pass-thru	510,000	510,000	583,901	(73,901)
Property tax sharing pass-thru	5,565,250	5,565,250	5,293,497	271,753
Professional services	185,250	185,250	7	185,243
Total expenditures	6,260,500	6,260,500	5,877,405	383,095
NET CHANGE IN FUND BALANCE	\$ —	\$ —	73,449	\$ 73,449
FUND BALANCE - BEGINNING OF YEAR			116,312	
FUND BALANCE - END OF YEAR			\$ 189,761	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
STREET FUND**

For The Year Ended December 31, 2022

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUE				
Sales tax	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ —
Motor Vehicle Use Tax	5,800,000	5,800,000	6,616,395	816,395
Highway Users Tax Fund (HUTF)	4,650,000	4,650,000	4,077,351	(572,649)
Intergovernmental:				
Road and Bridge Shareback	605,000	605,000	632,300	27,300
Other	2,215,000	2,215,000	473,661	(1,741,339)
Pavement degradation fees	40,000	40,000	43,831	3,831
Miscellaneous	—	—	55,294	55,294
Total revenue	<u>16,110,000</u>	<u>16,110,000</u>	<u>14,698,832</u>	<u>(1,411,168)</u>
EXPENDITURES				
Rehabilitation:				
City Infrastructure	—	—	66,798	(66,798)
Concrete replacement program	130,000	130,000	54,164	75,836
Materials - snow removal and fuel	810,000	810,000	721,940	88,060
Street rehabilitation program	7,760,000	9,110,000	9,539,602	(429,602)
Major/minor structures	420,000	420,000	48,443	371,557
Traffic signals	1,237,500	1,237,500	1,184,529	52,971
Professional services	9,234,650	9,334,650	5,848,462	3,486,188
Capital outlay:				
Capital projects	11,700,000	11,700,000	4,255,852	7,444,148
Streets	2,231,300	2,231,300	1,240,663	990,637
Sidewalks	1,435,000	2,140,000	609,500	1,530,500
Land acquisition	500,000	500,000	15,000	485,000
Traffic control	2,678,000	3,747,000	298,762	3,448,238
Contingency	—	—	38,721	(38,721)
Total expenditures	<u>38,136,450</u>	<u>41,360,450</u>	<u>23,922,436</u>	<u>17,438,014</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,026,450)	(25,250,450)	(9,223,604)	16,026,846
OTHER FINANCING SOURCES				
Transfers in	<u>18,500,000</u>	<u>18,500,000</u>	<u>18,500,000</u>	<u>—</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,526,450)</u>	<u>\$ (6,750,450)</u>	<u>9,276,396</u>	<u>\$ 16,026,846</u>
FUND BALANCE - BEGINNING OF YEAR			<u>55,341,185</u>	
FUND BALANCE - END OF YEAR			<u>\$ 64,617,581</u>	

CITY OF CENTENNIAL, COLORADO**BUDGETARY COMPARISON SCHEDULE****OPEN SPACE FUND****For The Year Ended December 31, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Intergovernmental	\$ 5,650,200	\$ 5,650,200	\$ 5,696,729	\$ 46,529
Investment income	150,000	150,000	289,545	139,545
Miscellaneous	—	—	6,000	6,000
Total revenue	<u>5,800,200</u>	<u>5,800,200</u>	<u>5,992,274</u>	<u>192,074</u>
EXPENDITURES				
Culture and recreation	1,269,410	1,602,685	571,731	1,030,954
Capital outlay	11,135,000	11,635,000	5,911,220	5,723,780
Total expenditures	<u>12,404,410</u>	<u>13,237,685</u>	<u>6,482,951</u>	<u>6,754,734</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,604,210)</u>	<u>\$ (7,437,485)</u>	<u>(490,677)</u>	<u>\$ 6,946,808</u>
FUND BALANCE - BEGINNING OF YEAR			<u>16,610,314</u>	
FUND BALANCE - END OF YEAR			<u>\$ 16,119,637</u>	

CITY OF CENTENNIAL, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

- Prior to September 20th, the City Manager submits to the City Council a proposed operating budget by fund, department and object for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Upon receipt of the proposed budget, City Council publishes a notice indicating that such proposed budget is available for inspection and open for public hearing.
- Prior to December 15th, the budget is legally adopted through City Council resolution. All operating budget appropriations lapse at year-end, although unexpended appropriations may be re-appropriated for the next year.
- The legal level of budgetary control is exercised at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within the same fund, with subsequent notification to City Council. City Council must approve any revisions that alter the total expenditures of any fund.
- Beginning with 2023, the City's budget process is on a biennial basis. At the end of the first year of the biennial budget, City Council will be asked to consider revisions to subsequent year's budget.



Combining and Individual Financial Statements and Schedules

CITY OF CENTENNIAL, COLORADO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2022

Page 1 of 2

	Conservation Trust Fund	Cherry Park General Improvement District	Walnut Hills General Improvement District
ASSETS			
Cash, cash equivalents, and investments	\$ 4,038,704	\$ 225,972	\$ 781,745
Taxes receivable	—	66,048	100,490
Other receivable	—	283	430
Total assets	<u>4,038,704</u>	<u>292,303</u>	<u>882,665</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	38,839	—	39
Retainage payable	—	—	—
Total liabilities	<u>38,839</u>	<u>—</u>	<u>39</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	—	66,048	100,490
FUND BALANCE			
Restricted for:			
Emergency reserves	17,390	799	2,714
Parks and Open Space	3,982,475	—	—
District Infrastructure	—	225,456	779,422
Total fund balance	<u>3,999,865</u>	<u>226,255</u>	<u>782,136</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 4,038,704</u>	<u>\$ 292,303</u>	<u>\$ 882,665</u>

CITY OF CENTENNIAL, COLORADO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2022

Page 2 of 2

	Foxridge General Improvement District	Willow Creek General Improvement District	Antelope General Improvement District	Total Nonmajor Governmental Funds
ASSETS				
Cash, cash equivalents, and investments	\$ 638,742	\$ 4,239,038	\$ 51,426	\$ 9,975,627
Taxes receivable	207,620	297,494	188,200	859,852
Other receivable	948	1,381	913	3,955
Total assets	<u>847,310</u>	<u>4,537,913</u>	<u>240,539</u>	<u>10,839,434</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable	2,817	1,126,838	97	1,168,630
Retainage payable	83,897	75,213	—	159,110
Total liabilities	<u>86,714</u>	<u>1,202,051</u>	<u>97</u>	<u>1,327,740</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	<u>207,620</u>	<u>297,494</u>	<u>188,200</u>	<u>859,852</u>
FUND BALANCE				
Restricted for:				
Emergency reserves	4,908	61,265	5,720	92,796
Parks and Open Space	—	—	—	3,982,475
District Infrastructure	548,068	2,977,103	46,522	4,576,571
Total fund balance	<u>552,976</u>	<u>3,038,368</u>	<u>52,242</u>	<u>8,651,842</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 847,310</u>	<u>\$ 4,537,913</u>	<u>\$ 240,539</u>	<u>\$ 10,839,434</u>

CITY OF CENTENNIAL, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2022
Page 1 of 2**

	Conservation Trust Fund	Cherry Park General Improvement District	Walnut Hills General Improvement District
REVENUES			
Taxes	\$ —	\$ 64,837	\$ 98,464
Intergovernmental	740,871	—	—
Investment income	74,638	4,156	13,759
Total revenues	<u>815,509</u>	<u>68,993</u>	<u>112,223</u>
EXPENDITURES			
Current:			
City infrastructure	—	26,648	90,464
Culture and recreation	579,654	—	—
Capital outlay	—	—	—
Debt service:			
Principal	—	—	—
Interest	—	—	—
Total expenditures	<u>579,654</u>	<u>26,648</u>	<u>90,464</u>
NET CHANGE IN FUND BALANCE	<u>235,855</u>	<u>42,345</u>	<u>21,759</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,764,010</u>	<u>183,910</u>	<u>760,377</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,999,865</u>	<u>\$ 226,255</u>	<u>\$ 782,136</u>

CITY OF CENTENNIAL, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2022
Page 2 of 2**

	Foxridge General Improvement District	Willow Creek General Improvement District	Antelope General Improvement District	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 217,406	\$ 316,873	\$ 186,057	\$ 883,637
Intergovernmental	—	—	—	740,871
Investment income	6,234	20,287	2,411	121,485
Total revenues	<u>223,640</u>	<u>337,160</u>	<u>188,468</u>	<u>1,745,993</u>
EXPENDITURES				
Current:				
City infrastructure	30,475	758	9,180	157,525
Culture and recreation	—	—	—	579,654
Capital outlay	—	1,676,534	—	1,676,534
Debt service:				
Principal	90,000	70,000	105,000	265,000
Interest	43,158	193,550	76,375	313,083
Total expenditures	<u>163,633</u>	<u>1,940,842</u>	<u>190,555</u>	<u>2,991,796</u>
NET CHANGE IN FUND BALANCE	<u>60,007</u>	<u>(1,603,682)</u>	<u>(2,087)</u>	<u>(1,245,803)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>492,969</u>	<u>4,642,050</u>	<u>54,329</u>	<u>9,897,645</u>
FUND BALANCE - END OF YEAR	<u>\$ 552,976</u>	<u>\$ 3,038,368</u>	<u>\$ 52,242</u>	<u>\$ 8,651,842</u>

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
For The Year Ended December 31, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Intergovernmental	\$ 625,000	\$ 625,000	\$ 740,871	\$ 115,871
Investment income	10,000	10,000	74,638	64,638
Total revenue	<u>635,000</u>	<u>635,000</u>	<u>815,509</u>	<u>180,509</u>
EXPENDITURES				
Culture and recreation	<u>600,000</u>	<u>600,000</u>	<u>579,654</u>	<u>20,346</u>
NET CHANGE IN FUND BALANCE	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>235,855</u>	<u>\$ 200,855</u>
FUND BALANCE - BEGINNING OF YEAR			<u>3,764,010</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,999,865</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
CHERRY PARK GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2022**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUE				
Property tax	\$ 61,350	\$ 61,350	\$ 60,672	\$ (678)
Specific ownership tax	3,000	3,000	4,165	1,165
Investment income	2,000	2,000	4,156	2,156
Total revenue	<u>66,350</u>	<u>66,350</u>	<u>68,993</u>	<u>2,643</u>
EXPENDITURES				
City infrastructure	<u>53,330</u>	<u>53,330</u>	<u>26,648</u>	<u>26,682</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,020</u>	<u>\$ 13,020</u>	<u>42,345</u>	<u>\$ 29,325</u>
FUND BALANCE - BEGINNING OF YEAR			<u>183,910</u>	
FUND BALANCE - END OF YEAR			<u>\$ 226,255</u>	

CITY OF CENTENNIAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
WALNUT HILLS GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Property tax	\$ 92,600	\$ 92,600	\$ 92,139	\$ (461)
Specific ownership tax	5,500	5,500	6,325	825
Investment income	5,000	5,000	13,759	8,759
Total revenue	103,100	103,100	112,223	9,123
EXPENDITURES				
City infrastructure	126,000	126,000	90,464	35,536
NET CHANGE IN FUND BALANCE	\$ (22,900)	\$ (22,900)	21,759	\$ 44,659
FUND BALANCE - BEGINNING OF YEAR			760,377	
FUND BALANCE - END OF YEAR			\$ 782,136	

CITY OF CENTENNIAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOX RIDGE GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2022

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
			Amounts	Positive
				(Negative)
REVENUE				
Property tax	\$ 204,600	\$ 204,600	\$ 203,405	\$ (1,195)
Specific ownership tax	5,000	5,000	14,001	9,001
Investment income	1,500	1,500	6,234	4,734
Total revenue	211,100	211,100	223,640	12,540
EXPENDITURES				
Current:				
City infrastructure	53,820	53,820	30,475	23,345
Debt service:				
Principal	90,000	90,000	90,000	—
Interest	43,160	43,160	43,158	2
Total expenditures	186,980	186,980	163,633	23,347
NET CHANGE IN FUND BALANCE	\$ 24,120	\$ 24,120	60,007	\$ 35,887
FUND BALANCE - BEGINNING OF YEAR			492,969	
FUND BALANCE - END OF YEAR			\$ 552,976	

CITY OF CENTENNIAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
WILLOW CREEK GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Property tax	\$ 297,550	\$ 297,550	\$ 296,495	\$ (1,055)
Specific ownership tax	7,000	7,000	20,378	13,378
Investment income	3,000	3,000	20,287	17,287
Total revenue	307,550	307,550	337,160	29,610
EXPENDITURES				
Current:				
City infrastructure	4,622,900	4,622,900	758	4,622,142
Capital Outlay	—	—	1,676,534	(1,676,534)
Debt service:				
Principal	70,000	70,000	70,000	—
Interest	193,550	193,550	193,550	—
Total expenditures	4,886,450	4,886,450	1,940,842	2,945,608
NET CHANGE IN FUND BALANCE	\$ (4,578,900)	\$ (4,578,900)	(1,603,682)	\$ 2,975,218
FUND BALANCE - BEGINNING OF YEAR			4,642,050	
FUND BALANCE - END OF YEAR			\$ 3,038,368	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
ANTELOPE GENERAL IMPROVEMENT DISTRICT
For The Year Ended December 31, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Property tax	\$ 175,000	\$ 175,000	\$ 175,008	\$ 8
Specific ownership tax	8,000	8,000	11,049	3,049
Investment income	400	400	2,411	2,011
Total revenue	<u>183,400</u>	<u>183,400</u>	<u>188,468</u>	<u>5,068</u>
EXPENDITURES				
Current:				
City infrastructure	9,875	9,875	9,180	695
Debt service:				
Principal	105,000	105,000	105,000	—
Interest	76,375	76,375	76,375	—
Total expenditures	<u>191,250</u>	<u>191,250</u>	<u>190,555</u>	<u>695</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,850)</u>	<u>\$ (7,850)</u>	<u>(2,087)</u>	<u>\$ 4,373</u>
FUND BALANCE - BEGINNING OF YEAR			<u>54,329</u>	
FUND BALANCE - END OF YEAR			<u>\$ 52,242</u>	

CITY OF CENTENNIAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
For The Year Ended December 31, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Rehabilitation:				
Professional services	\$ —	\$ —	\$ 966,466	\$ (966,466)
Capital outlay:				
ITS Master Plan	1,005,000	1,469,050	544,365	924,685
ITS systems	1,870,000	2,120,000	326,995	1,793,005
Equipment	200,000	330,000	229,367	100,633
Building Improvements	1,910,340	2,050,340	8,731	2,041,609
Total expenditures	<u>4,985,340</u>	<u>5,969,390</u>	<u>2,075,924</u>	<u>3,893,466</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,985,340)	(5,969,390)	(2,075,924)	3,893,466
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(6,500,000)</u>	<u>(6,500,000)</u>	<u>(6,500,000)</u>	—
Total other financing sources (uses)	<u>(6,500,000)</u>	<u>(6,500,000)</u>	<u>(6,500,000)</u>	—
NET CHANGE IN FUND BALANCE	<u>\$ (11,485,340)</u>	<u>\$ (12,469,390)</u>	<u>(8,575,924)</u>	<u>\$ 3,893,466</u>
FUND BALANCE - BEGINNING OF YEAR			<u>20,751,187</u>	
FUND BALANCE - END OF YEAR			<u>\$ 12,175,263</u>	

CITY OF CENTENNIAL, COLORADO

BUDGETARY COMPARISON SCHEDULE

LAND USE FUND

For The Year Ended December 31, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Building permits, licenses, and fees	\$ 2,573,000	\$ 2,573,000	\$ 3,073,567	\$ 500,567
Contractor's licenses and bus shelter fees	240,000	240,000	253,180	13,180
Land use permits and other income	1,290,000	1,290,000	1,333,465	43,465
Total revenue	<u>4,103,000</u>	<u>4,103,000</u>	<u>4,660,212</u>	<u>557,212</u>
EXPENDITURES				
Personnel services	1,969,460	1,969,460	1,708,648	260,812
Contracted services	915,810	915,810	147,571	768,239
Services & supplies	1,057,640	1,278,640	821,560	457,080
Total expenditures	<u>3,942,910</u>	<u>4,163,910</u>	<u>2,677,779</u>	<u>1,486,131</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	160,090	(60,910)	1,982,433	2,043,343
OTHER FINANCING SOURCES (USES)				
Transfers in	—	221,000	221,000	—
Transfers out	(160,090)	(160,090)	(2,048,198)	(1,888,108)
Total other financing sources (uses)	<u>(160,090)</u>	<u>60,910</u>	<u>(1,827,198)</u>	<u>(1,888,108)</u>
CHANGE IN NET POSITION	<u>\$ —</u>	<u>\$ —</u>	155,235	<u>\$ 155,235</u>

CITY OF CENTENNIAL, COLORADO

BUDGETARY COMPARISON SCHEDULE

FIBER WORKS FUND

For The Year Ended December 31, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Leased property revenue	\$ 38,190	\$ 38,190	\$ 37,022	\$ (1,168)
Other income	—	—	96,733	96,733
Total revenue	<u>38,190</u>	<u>38,190</u>	<u>133,755</u>	<u>95,565</u>
EXPENDITURES				
Contracted Services	275,000	365,000	17,523	347,477
Professional Services	50,000	50,000	5,893	44,107
Services & Supplies	30,000	30,000	41,642	(11,642)
Contingency	100,000	100,000	70,937	29,063
Total expenditures	<u>455,000</u>	<u>545,000</u>	<u>135,995</u>	<u>409,005</u>
OTHER FINANCING SOURCES (USES)				
Capital Contributions	—	—	139,034	139,034
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ (416,810)</u>	<u>\$ (506,810)</u>	136,794	<u>\$ 504,570</u>
ADJUSTMENT TO GAAP BASIS				
Depreciation			<u>(191,518)</u>	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ (54,724)</u>	



Statistical Section



CITY OF CENTENNIAL, COLORADO

STATISTICAL SECTION OVERVIEW

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

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

OPERATING INFORMATION

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

TABLE 1
CITY OF CENTENNIAL, COLORADO

NET POSITION BY COMPONENT

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

	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 153,105,667	\$ 152,496,183	\$ 157,122,370	\$ 171,757,225
Restricted	9,515,406	9,620,070	11,690,081	13,582,948
Unrestricted	41,519,235	51,615,854	63,493,761	61,624,556
Total governmental activities net position	<u>204,140,308</u>	<u>213,732,107</u>	<u>232,306,212</u>	<u>246,964,729</u>
Business-type activities				
Net investment in capital assets	10,592	24,314	15,015	11,011
Restricted	92,070	91,577	119,355	96,665
Unrestricted	(102,662)	(115,891)	(134,370)	(107,676)
Total business-type activities net position	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Primary government				
Net investment in capital assets	153,116,259	152,520,497	157,137,385	171,768,236
Restricted	9,607,476	9,711,647	11,809,436	13,679,613
Unrestricted	41,416,573	51,499,963	63,359,391	61,516,880
Total primary government net position	<u>\$ 204,140,308</u>	<u>\$ 213,732,107</u>	<u>\$ 232,306,212</u>	<u>\$ 246,964,729</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

	2017	2018	2019	2020	2021	2022
\$	173,788,950	\$ 178,442,156	\$ 170,849,082	\$ 170,658,621	\$ 171,135,457	\$ 179,190,480
	14,246,010	18,018,713	20,808,152	28,695,468	19,780,971	17,484,207
	62,665,756	71,260,772	81,052,062	77,354,960	106,021,518	124,617,328
	250,700,716	267,721,641	272,709,296	276,709,049	296,937,946	321,292,015
	7,007	3,003	5,293,911	5,115,818	4,933,541	5,053,863
	—	—	—	—	—	—
	(7,007)	(3,003)	280,547	532,102	447,421	427,610
	—	—	5,574,458	5,647,920	5,380,962	5,481,473
	173,795,957	178,445,159	176,142,993	175,774,439	176,068,998	184,244,343
	14,246,010	18,018,713	20,808,152	28,695,468	19,780,971	17,484,207
	62,658,749	71,257,769	81,332,609	77,887,062	106,468,939	125,044,938
\$	250,700,716	\$ 267,721,641	\$ 278,283,754	\$ 282,356,969	\$ 302,318,908	\$ 326,773,488

**TABLE 2
CITY OF CENTENNIAL, COLORADO**

CHANGE IN NET POSITION

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

	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	\$ 12,845,868	\$ 11,763,347	\$ 13,170,287	\$ 14,114,326
Community services	21,819,639	22,174,239	23,768,969	24,916,037
City infrastructure	22,215,397	24,731,604	24,689,639	26,167,030
Public safety	—	—	—	—
Culture and recreation	2,258,120	2,546,267	1,044,536	961,942
Urban redevelopment	5,159,616	5,548,953	4,633,280	5,088,383
Interest on long-term debt	134,611	131,665	128,631	57,175
Total governmental activities expenses	<u>64,433,251</u>	<u>66,896,075</u>	<u>67,435,342</u>	<u>71,304,893</u>
Business-type activities				
Land use fund and fiber fund	3,068,995	3,052,575	3,978,514	3,222,152
Total business-type activities expenses	<u>3,068,995</u>	<u>3,052,575</u>	<u>3,978,514</u>	<u>3,222,152</u>
Total primary government expenses	<u>\$ 67,502,246</u>	<u>\$ 69,948,650</u>	<u>\$ 71,413,856</u>	<u>\$ 74,527,045</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 251,061	\$ 277,175	\$ 235,142	\$ 278,988
Community services	2,201,469	2,158,468	1,849,415	1,688,580
City infrastructure	280,918	816,615	806,834	1,051,392
Urban redevelopment	—	—	—	—
Operating grants and contributions	5,959,577	6,209,974	6,488,723	6,583,898
Capital grants and contributions	4,849,633	3,480,178	9,147,000	4,660,672
Total governmental activities program revenues	<u>13,542,658</u>	<u>12,942,410</u>	<u>18,527,114</u>	<u>14,263,530</u>
Business-type activities				
Charges for services				
Land use fund and fiber fund	3,720,910	3,596,103	4,901,939	4,144,783
Capital grants and contributions	—	—	—	—
Total business-type activities revenues	<u>3,720,910</u>	<u>3,596,103</u>	<u>4,901,939</u>	<u>4,144,783</u>
Total primary government revenues	<u>\$ 17,263,568</u>	<u>\$ 16,538,513</u>	<u>\$ 23,429,053</u>	<u>\$ 18,408,313</u>
Net program revenues (expenses)				
Governmental activities	\$ 50,890,593	\$ 53,953,665	\$ 48,908,228	\$ 57,041,363
Business-type activities	<u>(651,915)</u>	<u>(543,528)</u>	<u>(923,425)</u>	<u>(922,631)</u>
Total primary government net revenues	<u>\$ 50,238,678</u>	<u>\$ 53,410,137</u>	<u>\$ 47,984,803</u>	<u>\$ 56,118,732</u>
General revenues and other changes in net position				
Governmental activities				
Taxes				
Sales tax	34,569,315	35,673,588	38,315,195	38,770,237
Use tax	2,987,611	2,279,161	3,542,288	3,923,583
Property tax	13,391,623	13,976,189	12,903,382	14,711,539
Motor vehicle use tax	3,747,097	4,123,965	4,594,045	5,185,531
Other taxes	586,360	628,585	639,194	759,369
Unrestricted franchise fees	5,011,913	5,128,961	5,059,425	5,027,299
Investment income	69,801	177,993	186,853	484,303
Gain (loss) on disposition of capital asset	—	—	—	—
Intergovernmental revenues not restricted	363,051	568,105	451,599	321,733
Miscellaneous	354,910	445,389	866,927	1,593,655
Transfers	651,915	543,528	923,425	922,631
Total governmental activities	<u>61,733,596</u>	<u>63,545,464</u>	<u>67,482,333</u>	<u>71,699,880</u>
Business-type activities				
Transfers	<u>(651,915)</u>	<u>(543,528)</u>	<u>(923,425)</u>	<u>(922,631)</u>
Total business-type activities	<u>(651,915)</u>	<u>(543,528)</u>	<u>(923,425)</u>	<u>(922,631)</u>
Total primary government general revenues and changes in net position	<u>\$ 61,081,681</u>	<u>\$ 63,001,936</u>	<u>\$ 66,558,908</u>	<u>\$ 70,777,249</u>
Change In Net Position				
Governmental activities	\$ 10,843,003	\$ 9,591,799	\$ 18,574,105	\$ 14,658,517
Business-type activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total primary government change in net position	<u>\$ 10,843,003</u>	<u>\$ 9,591,799</u>	<u>\$ 18,574,105</u>	<u>\$ 14,658,517</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 and GASB Statement No. 63 in 2012.

	2017	2018	2019	2020	2021	2022
\$	14,808,323	\$ 15,174,146	\$ 16,147,507	\$ 24,093,629	\$ 12,151,531	\$ 13,314,822
	24,816,782	26,336,562	2,209,198	5,939,793	2,406,990	2,360,739
	34,723,870	28,189,556	27,268,914	26,527,600	28,388,041	33,149,548
	—	—	28,082,194	29,453,500	30,053,397	31,352,394
	1,288,741	743,593	1,008,401	1,304,302	1,789,509	1,742,438
	4,496,833	5,884,743	5,937,804	5,482,950	5,607,848	5,877,405
	84,840	82,950	80,102	128,472	390,853	277,469
	80,219,389	76,411,550	80,734,120	92,930,246	80,788,168	88,074,815
	2,845,123	3,958,426	3,631,391	3,562,365	3,551,419	3,005,292
	2,845,123	3,958,426	3,631,391	3,562,365	3,551,419	3,005,292
\$	83,064,512	\$ 80,369,976	\$ 84,365,511	\$ 96,492,611	\$ 84,339,587	\$ 91,080,107
\$	286,647	\$ 362,178	\$ 604,145	\$ 514,720	\$ 1,361,226	\$ 1,425,678
	1,349,682	1,060,950	817,519	629,237	49,470	43,831
	814,035	860,869	—	—	—	—
	—	—	—	—	—	—
	6,734,040	7,990,505	7,803,754	16,129,070	10,371,865	16,777,922
	4,162,707	5,205,695	4,322,270	4,735,239	6,344,845	—
	13,347,111	15,480,197	13,547,688	22,008,266	18,127,406	18,247,431
	3,489,655	4,850,544	4,088,465	3,806,968	4,213,263	4,793,967
	—	—	—	—	—	139,034
	3,489,655	4,850,544	4,088,465	3,806,968	4,213,263	4,933,001
\$	16,836,766	\$ 20,330,741	\$ 17,636,153	\$ 25,815,234	\$ 22,340,669	\$ 23,180,432
\$	66,872,278	\$ 60,931,353	\$ 67,186,432	\$ 70,921,980	\$ 62,660,762	\$ 69,827,384
	(644,532)	(892,118)	(457,074)	(244,603)	(661,844)	(1,927,709)
\$	66,227,746	\$ 60,039,235	\$ 66,729,358	\$ 70,677,377	\$ 61,998,918	\$ 67,899,675
	39,447,977	42,143,309	41,940,230	38,740,407	47,184,113	53,430,052
	2,156,392	3,338,082	2,876,529	2,852,813	3,144,057	4,694,325
	14,511,077	16,071,067	16,365,571	18,017,770	18,226,802	19,303,243
	5,375,813	5,365,455	5,438,892	5,309,401	6,353,336	6,616,395
	872,264	824,236	904,827	923,249	928,455	902,772
	5,201,692	5,216,214	5,140,138	5,035,121	5,396,494	6,074,415
	759,217	1,843,798	3,124,879	2,209,710	(182,583)	(886,388)
	(61,367)	—	—	—	—	—
	762,127	346,565	349,364	409,986	—	—
	938,541	1,911,434	1,151,041	1,252,135	910,183	2,219,441
	644,532	892,118	(5,117,384)	171,141	928,802	1,827,198
	70,608,265	77,952,278	72,174,087	74,921,733	82,889,659	94,181,453
	(644,532)	(892,118)	5,117,384	(171,141)	(928,802)	(1,827,198)
	(644,532)	(892,118)	5,117,384	(171,141)	(928,802)	(1,827,198)
\$	69,963,733	\$ 77,060,160	\$ 77,291,471	\$ 74,750,592	\$ 81,960,857	\$ 92,354,255
\$	3,735,987	\$ 17,020,925	\$ 4,987,655	\$ 3,999,753	\$ 20,228,897	\$ 24,354,069
	—	—	5,574,458	73,462	(266,958)	100,511
\$	3,735,987	\$ 17,020,925	\$ 10,562,113	\$ 4,073,215	\$ 19,961,939	\$ 24,454,580

**TABLE 3
CITY OF CENTENNIAL, COLORADO**

FUND BALANCES, GOVERNMENTAL FUNDS

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

	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 1,493	\$ 12,427	\$ 15,196	\$ 20,568
Restricted	1,651,357	1,531,979	1,359,857	1,938,105
Committed	—	—	—	—
Assigned	—	—	—	—
Unassigned	36,514,096	40,925,461	35,171,177	34,695,067
Total general fund	<u>38,166,946</u>	<u>42,469,867</u>	<u>36,546,230</u>	<u>36,653,740</u>
All other governmental funds				
Nonspendable	70,018	70,018	—	—
Restricted	7,864,049	7,996,514	10,330,224	11,644,843
Committed	—	—	—	—
Assigned	7,458,280	13,329,831	30,987,832	29,232,796
Total all other governmental funds	<u>15,392,347</u>	<u>21,396,363</u>	<u>41,318,056</u>	<u>40,877,639</u>
Total all governmental funds	<u>\$ 53,559,293</u>	<u>\$ 63,866,230</u>	<u>\$ 77,864,286</u>	<u>\$ 77,531,379</u>

The information for this table was obtained from the Balance Sheet

	2017	2018	2019	2020	2021	2022
\$	36,742	\$ —	\$ —	\$ 259,350	\$ 255,854	\$ 8,000
	1,650,809	2,388,553	2,251,247	1,810,106	1,434,500	1,880,945
	—	—	—	—	—	1,928,000
	—	—	—	—	—	—
	30,280,241	30,544,350	34,885,069	36,768,731	26,150,417	39,326,021
	31,967,792	32,932,903	37,136,316	38,838,187	27,840,771	43,142,966
	—	—	185	—	21,677	475,698
	12,595,201	15,630,160	18,556,905	20,069,466	18,346,471	18,647,196
	—	—	—	28,291,825	20,677,800	50,354,150
	34,173,741	42,886,009	47,956,237	27,383,097	63,670,695	32,277,040
	46,768,942	58,516,169	66,513,327	75,744,388	102,716,643	101,754,084
\$	78,736,734	\$ 91,449,072	\$ 103,649,643	\$ 114,582,575	\$ 130,557,414	\$ 144,897,050

TABLE 4
CITY OF CENTENNIAL, COLORADO

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

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

	2013	2014	2015	2016
<u>Revenues</u>				
Taxes	\$ 55,282,006	\$ 56,681,488	\$ 59,994,104	\$ 63,350,259
Intergovernmental	11,625,012	11,306,613	17,190,904	12,207,519
Charges for services	2,733,448	2,760,913	2,891,391	3,018,960
Franchise fees	5,011,913	5,128,961	5,059,425	5,027,299
Investment income	69,801	177,993	186,853	484,303
Miscellaneous	354,910	936,734	866,927	1,593,655
Total revenues	75,077,090	76,992,702	86,189,604	85,681,995
<u>Expenditures</u>				
Current				
General government	11,434,747	11,640,388	13,003,591	14,040,336
Community services	21,819,639	22,174,239	23,768,969	24,916,037
City infrastructure	19,492,958	20,516,748	21,059,173	22,784,539
Public Safety	—	—	—	—
Culture & recreation	2,258,120	1,414,462	1,044,536	961,941
Urban redevelopment	6,010,887	6,463,195	5,622,583	5,996,585
Capital Outlay				
General government	1,737,119	1,893,131	962,046	1,180,550
Capital improvement	3,799,486	2,925,214	7,450,169	16,886,431
Debt Service				
Principal	70,000	70,000	75,000	115,000
Interest and fiscal charges	134,856	131,916	128,906	63,804
Bond issuance costs	—	—	—	68,801
Miscellaneous	—	—	—	—
Total expenditures	66,757,812	67,229,293	73,114,973	87,014,024
Excess (Deficiency) of Revenues				
Over Expenditures	8,319,278	9,763,409	13,074,631	(1,332,029)
<u>Other Financing Sources (Uses)</u>				
Transfers in	10,433,915	16,505,911	27,250,711	21,773,915
Transfers out	(9,782,000)	(15,962,383)	(26,327,286)	(20,851,284)
Bond Proceeds	—	—	—	—
Total other financing sources (uses)	651,915	543,528	923,425	999,122
Net change in fund balances	\$ 8,971,193	\$ 10,306,937	\$ 13,998,056	\$ (332,907)
Debt service as a percentage of				
non capital expenditures (a)	0.33%	0.32%	0.32%	0.36%

(a) This calculation is performed as follows: Total debt service (principal plus interest) divided by total noncapital expenditure

	2017	2018	2019	2020	2021	2022
\$	62,363,523	\$ 66,853,891	\$ 66,731,854	\$ 65,843,640	\$ 75,836,763	\$ 84,946,787
	12,093,284	14,797,573	12,884,167	20,894,649	17,202,563	16,903,168
	2,450,364	2,283,997		1,143,957	1,410,696	1,469,509
	5,201,692	5,216,214	5,140,138	5,035,121	5,396,494	6,074,415
	759,217	1,843,798	3,124,879	2,209,710	(182,583)	(886,388)
	938,541	247,327	1,236,873	1,216,797	910,183	2,349,025
	83,806,621	91,242,800	89,117,911	96,343,874	100,574,116	110,856,516
	14,606,351	14,474,292	15,275,805	23,168,414	11,217,450	12,307,138
	24,816,782	26,336,562	2,197,430	2,317,972	2,393,921	2,355,441
	30,894,582	24,079,363	23,386,889	25,783,225	25,009,008	29,474,267
	—	—	28,082,194	29,453,500	30,053,397	31,352,394
	1,288,740	625,313	890,125	1,186,026	1,272,625	1,151,385
	5,441,620	5,884,743	5,937,804	5,482,950	5,607,848	5,877,405
	678,348	856,735	523,581	5,288,942	9,368,024	15,237,733
	5,339,500	6,808,288	2,063,344	—	—	—
	90,000	95,000	95,000	100,000	225,000	274,989
	89,875	88,075	85,225	82,375	357,906	313,326
	—	—	—	142,630	—	—
	—	—	—	—	22,900	—
	83,245,798	79,248,371	78,537,397	93,006,034	85,528,079	98,344,078
	560,823	11,994,429	10,580,514	3,337,840	15,046,037	12,512,438
	24,494,532	(835,133)	14,453,666	28,968,804	35,017,462	20,548,198
	(23,850,000)	(22,835,133)	(14,142,021)	(28,797,663)	(34,088,660)	(18,721,000)
	—	—	—	7,136,490	—	—
	644,532	(23,670,266)	311,645	7,307,631	928,802	1,827,198
\$	1,205,355	\$ (11,675,837)	\$ 10,892,159	\$ 10,645,471	\$ 15,974,839	\$ 14,339,636

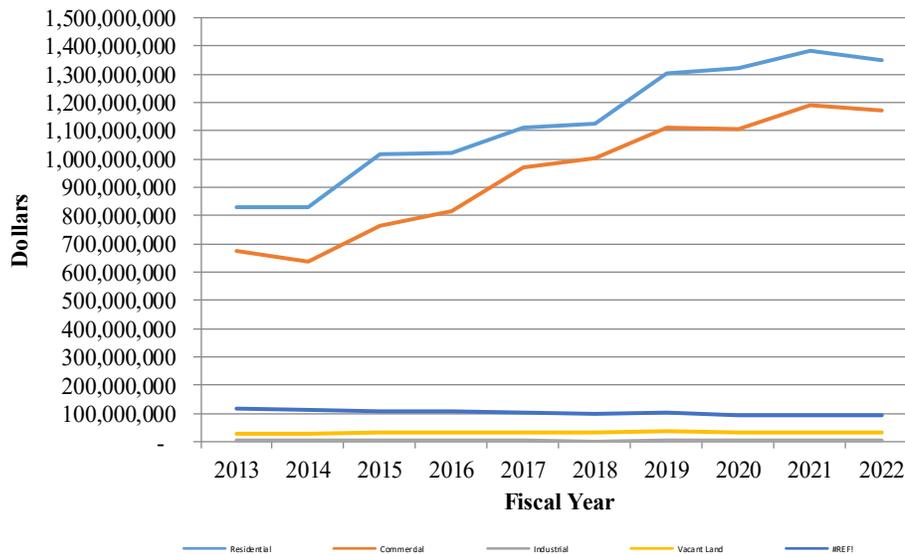
0.23% 0.26% 0.24% 0.37% 0.80% 0.71%

as (total expenditures less capital outlay)

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

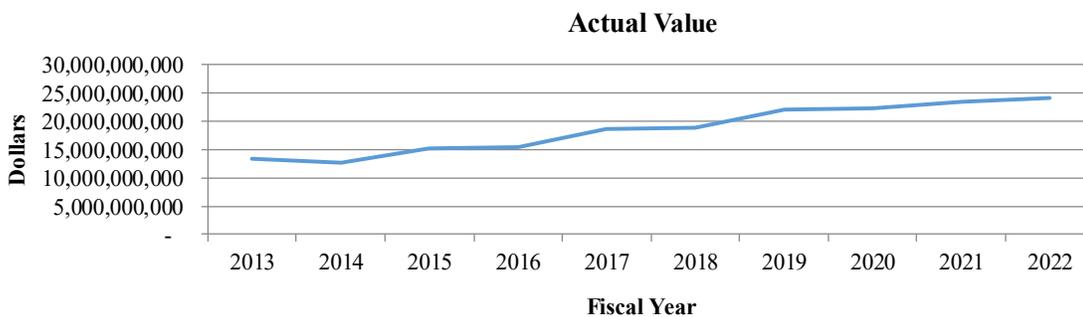
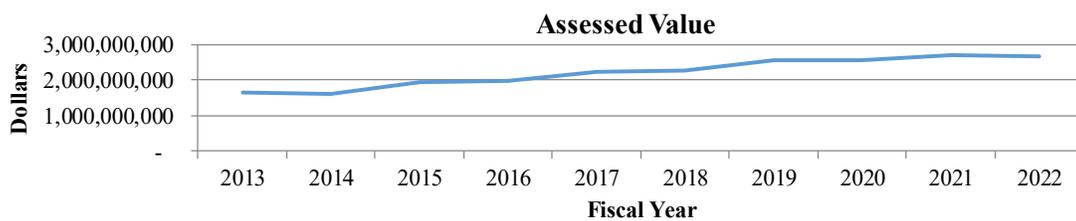
Taxable Real and Personal Property				
Fiscal Year	Residential Property¹	Commercial Property²	Industrial Property	Vacant Land
2013	828,687,270	674,005,480	3,853,830	28,528,060
2014	829,759,643	638,791,805	3,203,964	27,076,642
2015	1,015,627,930	762,947,109	4,518,504	32,702,013
2016	1,019,871,345	814,015,395	3,983,920	31,562,557
2017	1,112,772,144	968,672,714	3,754,593	35,448,815
2018	1,123,395,670	1,002,914,864	2,894,307	33,969,718
2019	1,302,471,291	1,112,726,035	3,489,330	39,601,772
2020	1,322,505,381	1,104,151,307	4,047,890	32,817,618
2021	1,380,491,416	1,188,366,472	3,514,064	32,497,970
2022	1,350,643,405	1,173,090,634	3,699,863	31,512,993

Assessed Value by Property Type



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

Taxable Real and Personal Property				
Other Property³	Total Taxable Assessed Value⁴	Mill Levy	Actual Value	Assessed Value as a Percentage of Actual Value
117,278,110	1,652,352,750	5.073	13,250,414,532	12.47%
114,499,519	1,613,331,573	5.015	12,681,267,675	12.72%
106,858,997	1,922,654,553	5.030	15,296,547,327	12.57%
107,203,490	1,976,636,707	5.026	15,440,461,365	12.80%
104,722,985	2,225,371,251	5.006	18,685,635,379	11.91%
100,287,106	2,263,461,665	5.003	18,903,059,214	11.97%
105,987,930	2,564,276,358	5.002	21,936,670,880	11.69%
91,991,016	2,555,513,212	5.033	22,220,868,997	11.50%
94,579,776	2,699,449,698	5.013	23,359,631,190	11.56%
95,715,792	2,654,662,687	5.013	23,995,493,743	11.06%



(1) Includes Residential and Residential Multi-Family assessed.

(2) Includes Commercial and Commercial Renew Energy assessed.

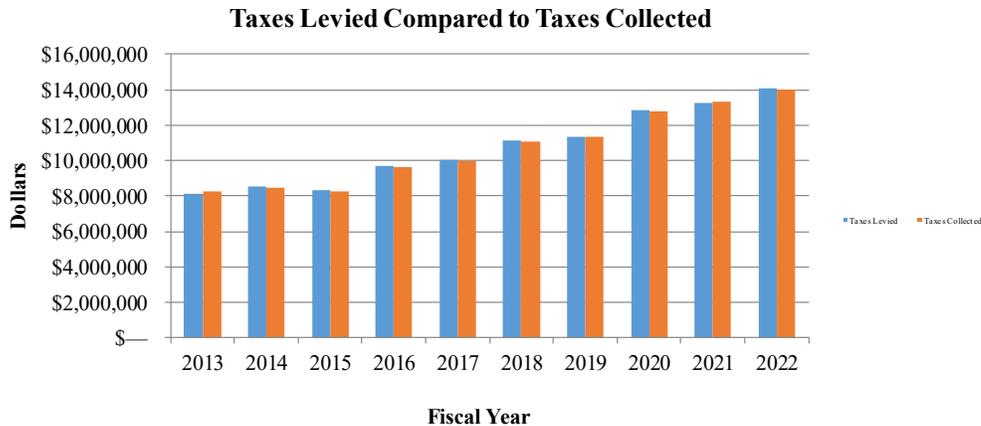
(3) Includes Agricultural, Agricultural Agribusiness, Natural Resource, Producing Mines, Oil and Gas and State assessed.

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

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

(Unaudited)

Fiscal Year	Taxes Levied for Collection in the Fiscal Year ¹	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2013	\$ 8,104,801	\$ 8,243,117	101.707%
2014	8,538,323	8,463,100	99.119%
2015	8,308,406	8,294,394	99.831%
2016	9,720,882	9,646,430	99.234%
2017	10,011,556	10,000,114	99.886%
2018	11,164,661	11,103,326	99.451%
2019	11,367,786	11,315,197	99.537%
2020	12,837,052	12,773,659	99.506%
2021	13,262,206	13,346,487	100.635%
2022	14,062,150	14,010,648	99.634%



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

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

Statistical information is presented from 2013 through the current year and corresponds with the implementation of GASB No. 34.

**TABLE 7
CITY OF CENTENNIAL, COLORADO**

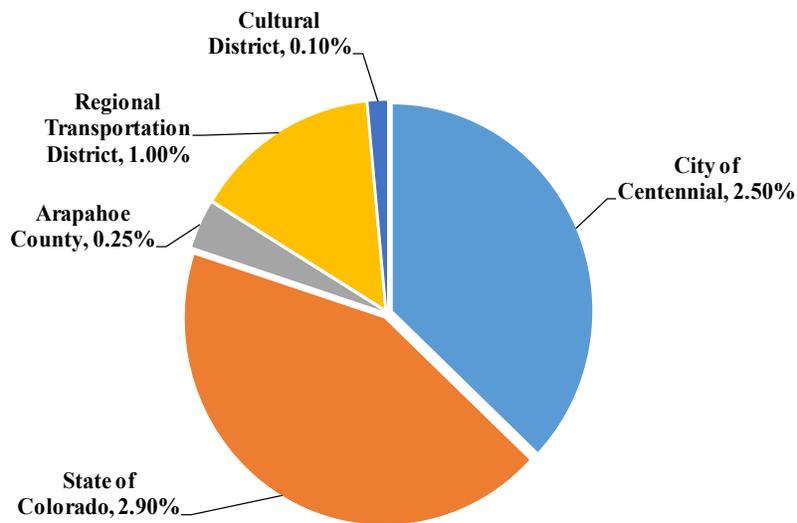
DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	City of Centennial	State of Colorado	Arapahoe County	Regional Transportation District	Cultural District	Total
2013	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2014	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2015	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2016	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2017	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2018	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2019	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2020	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2021	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%
2022	2.50%	2.90%	0.25%	1.00%	0.10%	6.75%

Direct and Overlapping Sales Tax Rates



**TABLE 8
CITY OF CENTENNIAL, COLORADO**

GENERAL SALES TAX REVENUE, REMITTERS BY TYPE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Accommodation and Food Service	Administrative Support, Waste Management and Remediation Services	Arts, Entertainment and Recreation	Construction	Educational Services
2013	4,393,073	243,380	98,107	303,080	35,123
2014	4,907,666	206,222	123,155	671,418	17,338
2015	5,453,979	243,243	374,477	482,058	18,370
2016	5,554,529	254,511	779,653	533,473	20,433
2017	5,836,937	307,217	631,709	470,598	23,352
2018	6,126,189	233,835	545,909	458,780	27,253
2019	6,470,742	229,838	734,506	362,760	37,216
2020	4,691,246	238,745	370,996	405,667	26,392
2021	5,754,802	307,271	596,524	485,676	40,277
2022	6,438,450	400,741	748,871	515,983	52,056

(continued)

Finance and Insurance	Healthcare and Social Assistance	Information	Mining	Professional, Scientific and Technical Services
205,453	105,989	2,623,327	43,466	883,521
223,940	106,657	2,410,509	59,180	777,654
319,362	95,153	3,529,595	50,744	913,342
306,858	109,693	2,384,231	53,296	1,224,532
343,358	115,280	2,609,724	75,898	944,264
381,451	125,240	3,420,275	93,017	1,084,223
410,959	110,862	2,686,330	74,484	1,027,099
385,556	88,482	2,403,571	57,560	988,391
395,886	94,804	2,824,469	88,127	768,099
362,449	88,875	4,346,626	104,397	1,257,624

(continued)

Public Administration	Real Estate, Rental and Leasing	Utilities	Wholesale Trade	Other Remitters	Total
46,894	626,742	1,294,802	1,084,729	22,581,629	34,569,315
53,619	1,323,164	1,375,769	1,792,930	21,624,367	35,673,588
55,505	1,657,637	1,331,587	1,592,739	22,197,404	38,315,195
54,299	1,460,806	1,295,873	1,397,895	23,338,139	38,768,221
49,410	1,607,614	1,371,880	1,601,462	23,459,274	39,447,977
40,889	1,569,077	1,396,634	1,879,993	23,872,288	41,255,053
40,320	1,652,007	1,398,689	2,402,276	23,507,947	41,146,035
44,323	1,717,831	1,320,522	2,615,026	23,087,058	38,441,366
60,990	1,745,439	1,452,899	3,082,286	29,112,758	46,810,307
69,060	1,824,904	1,617,151	4,072,535	30,952,937	52,852,659

TABLE 9
CITY OF CENTENNIAL, COLORADO
PRINCIPAL PROPERTY TAXPAYERS

2013 and 2022

(Unaudited)

<u>Taxpayer</u>	2013		
	<u>Taxable Assessed Value</u>	<u>Ranking</u>	<u>Percentage of Total City Assessed Value</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%
Total	<u>\$ 89,659,011</u>		<u>5.426%</u>
<u>Taxpayer</u>	2022		
	<u>Taxable Assessed Value</u>	<u>Ranking</u>	<u>Percentage of Total City Assessed Value</u>
Drawbridge Panaorama LLC	\$ 22,330,000	1	0.841%
CEGM Centennial LLC	19,115,930	2	0.720%
Cascades Owner LLC	17,347,800	3	0.653%
LPG Geddes LLC	16,547,980	4	0.623%
Peakview Tower Owner LLC	15,471,210	5	0.583%
Ikea Property Inc	14,935,000	6	0.563%
GS Centennial LLC	13,711,200	7	0.516%
HCA-HealthOne LLC	11,405,042	8	0.430%
KCP NNN II Fee Owner 3 LLC	9,937,430	9	0.374%
Tucson Office LLC	9,642,790	10	0.363%
Total	<u>\$ 150,444,382</u>		<u>5.667%</u>

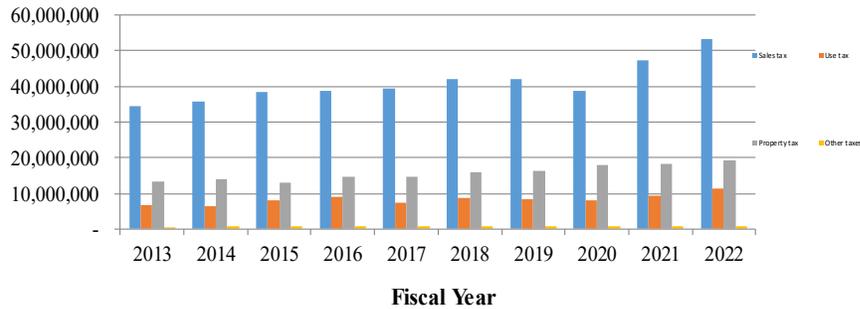
**TABLE 10
CITY OF CENTENNIAL, COLORADO
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

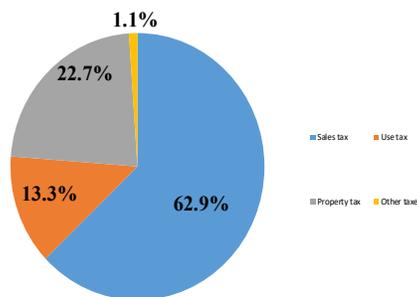
(Unaudited)

Fiscal year	Sales tax	Use tax	Property tax	Other taxes	Total
2013	34,569,315	6,734,708	13,391,623	586,360	55,282,006
2014	35,673,588	6,403,126	13,976,189	628,585	56,681,488
2015	38,315,195	8,136,333	12,903,382	639,194	59,994,104
2016	38,770,237	9,109,114	14,711,539	759,369	63,350,259
2017	39,447,977	7,532,205	14,511,077	872,264	62,363,523
2018	42,143,309	8,703,537	16,071,067	824,236	67,742,149
2019	41,940,230	8,315,421	16,365,571	904,827	67,526,049
2020	38,740,407	8,162,214	18,017,770	923,249	65,843,640
2021	47,184,112	9,497,394	18,120,333	928,454	75,730,293
2022	53,436,560	11,341,196	19,307,243	903,756	84,988,755

Tax Revenues By Source



2022 Tax Revenues by Source



**TABLE 11
CITY OF CENTENNIAL, COLORADO**

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

LAST TEN FISCAL YEARS

(Unaudited)

Outstanding debt by type	2013	2014	2015	2016
Governmental activities				
General obligation bonds	\$2,660,000	\$2,590,000	\$2,515,000	\$2,380,000
Notes from direct borrowings and direct placement				
Bond premiums				
Total Primary Government outstanding debt	<u>\$2,660,000</u>	<u>\$2,590,000</u>	<u>\$2,515,000</u>	<u>\$2,380,000</u>
Percentage of personal income ¹	0.1%	0.0%	0.0%	0.00%
Per capita ¹	\$26	\$24	\$23	\$22
Outstanding general bonded debt				
General obligation bonds	<u>\$2,660,000</u>	<u>\$2,590,000</u>	<u>\$2,515,000</u>	<u>\$2,380,000</u>
Percentage of personal income ¹	0.1%	0.1%	0.0%	0.00%
Per capita ¹	\$26	\$24	\$23	\$22
Legal debt margin				
Debt limit	\$-	\$-	\$-	\$-
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>
Legal debt margin as a percentage of the debt limit	0.0%	0.0%	0.0%	0.00%

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

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

Article XII of the City's Home Rule Charter does not provide a limit on bonded indebtedness; rather, it is left to the discretion of the City Council subject to the constitutional requirements of TABOR or other constitutional provisions.

Demographic and economic statistical data was not available for this report from sources consistent with those

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

2017	2018	2019	2020	2021	2022
\$2,290,000	\$2,195,000	\$2,100,000	\$6,340,000	\$6,200,000	\$6,025,000
			1,955,000	1,870,000	1,780,000
123,196	116,352	109,507	937,200	902,539	867,875
\$2,413,196	\$2,311,352	\$2,209,507	\$9,232,200	\$8,972,539	\$8,672,875
0.10%	0.00%	0.00%	0.10%	0.10%	0.10%
\$22	\$21	\$20	\$83	\$83	\$81
\$2,413,196	\$2,311,352	\$2,209,507	\$9,232,200	\$8,972,539	\$8,672,875
0.10%	0.00%	0.00%	0.10%	0.10%	0.10%
\$22	\$21	\$20	\$83	\$83	\$81
\$-	\$-	\$-	\$-	\$-	\$-
-	-	-	-	-	-
\$-	\$-	\$-	\$-	\$-	\$-
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**TABLE 12
CITY OF CENTENNIAL, COLORADO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2022

(Unaudited)

Governmental Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Arapahoe Park & Recreation District	\$ -	35.86%	-
Arapahoe Water and Wastewater Authority	93,500,000	46.56%	43,533,600
Cherry Creek School District No. 5	607,430,000	17.82%	108,244,026
Dove Valley Metropolitan District	36,405,000	48.28%	17,576,334
East Smoky Hill Metropolitan District 1	2,680,000	26.69%	715,292
East Smoky Hill Metropolitan District 2	3,365,000	0.06%	2,019
Estancia Metropolitan District	4,110,000	100.00%	4,110,000
Heritage Greens Metropolitan District	1,960,000	100.00%	1,960,000
Littleton Public Schools	382,571,195	36.24%	138,643,801
Liverpool Metropolitan District	1,225,000	61.93%	758,643
Panorama Metropolitan District	955,000	100.00%	955,000
Parker Jordan Metropolitan District	-	52.05%	-
Piney Creek Village Metropolitan District	4,545,000	0.10%	4,545
Saddle Rock Metropolitan District	5,230,000	0.21%	10,983
Saddle Rock South Metropolitan District #4	10,825,000	0.15%	16,238
South Suburban Park and Recreation District	36,485,000	46.42%	16,936,337
South Metro Fire District	-	16.85%	-
Southglenn Metropolitan District	60,255,000	100.00%	60,255,000
Valley Club Pointe Metropolitan District	2,250,000	100.00%	2,250,000
Subtotal Overlapping Debt	\$ 1,253,791,195		\$ 395,971,817
Foxridge General Improvement District	1,780,000	100.00%	1,780,000
Willow Creek General Improvement District	5,008,900	100.00%	5,008,900
Antelope Water System Improvement District	1,883,975	100.00%	1,883,975
Subtotal Direct Debt	\$ 8,672,875		\$ 8,672,875
Total Direct and Overlapping Debt	<u>\$ 1,262,464,070</u>		<u>\$ 404,644,692</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 or estimated by City GIS.

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

TABLE 13
CITY OF CENTENNIAL, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Population¹	Personal Income	Per Capita Personal Income²	Median Age³	High School Graduate or Higher⁴	Unemployment Rate⁵
2013	103,743	5,061,620,970	48,790	40.5	96.60%	6.50%
2014	106,114	5,490,656,702	51,743	41.1	88.60%	4.80%
2015	107,201	5,632,876,545	52,545	40.9	92.80%	3.60%
2016	109,726	5,974,800,152	54,452	42.4	92.80%	3.00%
2017	109,932	4,066,681,149	56,642	42.4	92.80%	2.50%
2018	110,227	6,750,632,161	61,243	41.0	93.00%	2.90%
2019	110,882	7,067,729,562	63,741	41.2	92.50%	2.50%
2020	110,937	7,613,606,310	68,630	36.9	92.40%	7.10%
2021	108,152	8,032,124,584	74,267	36.8	92.30%	5.50%
2022	106,966	8,847,157,860	82,710	36.7	92.10%	2.80%

(1) 2013-2022 data was obtained from the US Census Bureau.

(2) Data based upon county-wide (Arapahoe County). 2013-2022 was obtained from Colorado Dept of Labor and Employment, Bureau of Economic Analysis and Arapahoe County.

(3) Data is based upon county-wide (Arapahoe County). Data was obtained from the U.S. Census Bureau. 2013-2022

(4) Data is based upon county-wide (Arapahoe County). 2013 and 2022 data was obtained from the Bureau of Labor Statistics and Colorado Department of Education.

(5) Data is based upon annual rate for regional area Denver-Aurora-Lakewood, CO. 2013 and 2022 data was obtained from the Bureau of Labor Statistics.

**TABLE 14
CITY OF CENTENNIAL, COLORADO**

PRINCIPAL EMPLOYERS

2022 and 2013

(Unaudited)

<u>Top Ten Employers</u>	<u>2022 Rank</u>	<u>Top Ten Employers</u>	<u>2013 Rank</u>
Comcast	1	Oppenheimer Management Corporation	1
United Healthcare	2	Comcast (formerly Mediaone Group, Inc)	2
Arrow Electronics	3	United Launch Alliance	3
Centura Health	4	Pearson eCollege	4
United Launch Alliance (ULA)	5	Connexions, Inc	5
The Travelers Indemnity Company	6	US Foodservice, Inc.	6
Sierra Nevada Corp.	7	Saunders Construction	7
Ring Central	8	AlloSource	8
MasTec Advanced Technologies	9	National CineMedia	9
Nordstrom	10	IKEA Centennial	10
<u>Employees by NAICS Industries</u>	<u>Total Employees 2022*</u>	<u>Employees by NAICS Industries</u>	<u>Total Employees 2013</u>
Finance and Insurance, and Real Estate, and Rental and Leasing	7,075	Finance and Insurance, and Real Estate, and Rental and Leasing	6,292
Professional, Scientific, and Management, and Administrative, and Waste Management Services	15,733	Professional, Scientific, and Management, and Administrative, and Waste Management Services	8,703
Construction	6,596	Construction	2,548
Retail Trade	5,597	Retail Trade	5,986
Educational Services, and Health Care, and Social Assistance	7,078	Educational Services, and Health Care, and Social Assistance	10,979
Arts, Entertainment, and Recreation, and Accommodation, and Food Services	5,005	Arts, Entertainment, and Recreation, and Accommodation, and Food Services	3,880
Wholesale Trade	5,317	Wholesale Trade	1,950
Information	3,458	Information	2,385
Other Services (except Public Administration)	1,532	Other Services (except Public Administration)	2,576
Public Administration	2,137	Public Administration	1,612
Manufacturing	1,586	Manufacturing	3,372
Transportation and Warehousing, and Utilities	1,296	Transportation and Warehousing, and Utilities	2,246
Agriculture, Forestry, Fishing and Hunting, Mining	131	Agriculture, Forestry, Fishing and Hunting, Mining	612
Total	<u>62,541</u>	Total	<u>53,141</u>

*Total Employees by NAICS Industry reflects 2021 figures. Updated figures for 2022 will be provided to the City in Q3 2023. The Classification codes are obtained from the North American Industry Classification System. (NAICS).

**TABLE 15
CITY OF CENTENNIAL, COLORADO**

FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31, 2022

LAST TEN FISCAL YEARS

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	17.3	25.3	24.50	24.50	28.50	34.00	34.00	26.50	24.00	24.00
Community services	4.5	3.0	9.75	9.75	9.75	4.00	4.00	4.00	3.00	3.00
Finance & administration	15.0	17.5	19.50	19.50	18.50	17.00	17.00	31.00	32.50	34.50
Planning & development	8.5	5.0	3.50	3.50	3.50	9.00	9.00	7.00	23.00	23.00
City infrastructure	3.0	3.5	6.00	6.00	6.00	5.00	5.00	6.50	6.50	6.50
Total	48.3	54.3	63.25	63.25	66.25	69.00	69.00	75.00	89.00	91.00

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Recreation ⁽¹⁾										
Acres of developed park	17.12	17.12	17.12	17.12	11.00	11.00	11.00	11.00	11.00	11.00
Acres of open space parks	54.62	54.62	54.62	54.62	107.00	214.00	214.00	214.00	214.00	214.00
Miles of trails	-	-	-	-	-	-	-	-	-	-
Public Works ⁽²⁾										
Maintenance facility	1	1	1	1	1	1	1	1	1	1
Miles of streets	417	428	428	431	431	433	433	433	436	436
Number of street lights	4,043	4,222	4,222	4,222	4,222	4,222	4,222	4,222	4,222	4,222
Number of fleet vehicles	6	6	6	6	7	7	7	8	10	12
Number of equipment pieces in the fleet ⁽³⁾	NA	NA	NA	NA	NA	2	2	2	2	2

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

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

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

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

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

	2013	2014	2015	2016
General Government				
Administrative Services				
Citations processed	18,794	17,559	16,146	13,767
Employment applications processed	907	1,185	1,282	549
New hires processed	13.0	17.0	20.0	14.0
Computer service requests	1,467	2,146	2,261	2,385
Finance				
Accounts payable checks issued ⁽¹⁾	2,928	3,052	3,169	2,985
Purchasing card transactions	1,105	1,309	1,410	2,480
Sales/use tax accounts ⁽²⁾	4,033	4,254	4,460	4,585
Tax audits conducted and completed	70	64	96	96
City Management				
Ordinances and resolutions approved by City Council	133	121	117	121
Citizen surveys received	-	-	3	3
Community Development				
Building permits issued	5,582	8,649	10,787	5,813
Building inspections performed	15,859	26,894	30,476	19,687
Code enforcement cases ⁽³⁾	1,011	922	884	958
Public Safety				
Calls for service	45,541	48,740	49,410	55,502
Average response time to Priority 1 calls ⁽⁴⁾	4.9	4.4	4.4	3.5
Hours spent on proactive patrol ⁽⁵⁾	1.3	4.6	4.4	4.4
Total arrests	2,300	2,364	2,377	2,506
Public Works				
Vehicles in fleet	6	6	6	6
Lane miles receiving snow & ice control ⁽⁶⁾	56,658	55,610	57,310	56,430
Lane miles swept	8,929	11,122	8,645	8,710

(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 with an active sales tax license.

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

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

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

(6) The number of lane miles receiving snow and ice control maintenance is based upon the total number of miles driven

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

2017	2018	2019	2020	2021	2022
11,535	9,041	6,261	5,890	5,052	5,000
239	492	361	455	365	391
7.0	18.0	14.0	14.0	26.0	41.0
1,259	1,724	1,620	1,960	2,350	2,520
3,067	2,783	2,269	2,028	1,915	3,279
2,724	2,760	2,807	1,423	1,572	2,092
4,889	5,090	5,854	6,331	6,740	7,725
79	72	88	83	44	46
90	110	103	72	100	107
3	6	7	7	6	6
5,510	10,395	7,287	6,498	6,519	6,165
23,300	29,390	23,099	21,059	21,372	20,855
1,100	1,129	1,300	1,103	1,150	1,011
53,227	39,759	41,811	43,165	46,768	46,940
4.0	4.2	4.0	4.0	4.0	5.1
4.4	N/A	N/A	N/A	N/A	N/A
2,170	1,835	1,183	973	923	1,177
8	9	9	9	12	12
37,866	45,984	84,543	79,553	47,956	74,891
10,502	10,000	10,900	10,900	10,900	9,500



Compliance Section



CITY OF CENTENNIAL, COLORADO

COMPLIANCE SECTION OVERVIEW

SINGLE AUDIT

A compliance audit in accordance with Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is required for all state and local governments with more than \$750,000 of federal expenditures.

OTHER REPORTS

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



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Centennial, Colorado (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 27, 2023.

Report On Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses, or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

Report On Compliance And Other Matters

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

City's Response To Findings

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

Purpose Of This Report

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

RubinBrown LLP

July 27, 2023

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

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

Report On Compliance The Major Federal Program

Opinion On The Major Federal Program

We have audited City of Centennial, Colorado's (the City) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2022. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis For Opinion On The Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Our responsibility under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities For The Audit Of Compliance section of our report.

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

Responsibilities Of Management For Compliance

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

Auditors' Responsibilities For The Audit Of Compliance

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

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report On Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

RubinBrown LLP

July 27, 2023

CITY OF CENTENNIAL, COLORADO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2022**

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Grantor's Identification Number	Federal Assistance Listing Number	Federal Expenditures	Expenditures To Subrecipients
U.S. Department Of Housing And Urban Development				
Passed Through Arapahoe County:				
Community Development Block Grant	*	14.218		
Subtotal CDBG- Entitlement Grants Cluster			\$ 127,258	—
Total U.S. Department Of Housing And Urban Development			<u>127,258</u>	<u>—</u>
U.S. Department Of Transportation				
Passed Through State Department of Transportation:				
Highway Planning and Construction	18-HA1-XC-00044	20.205		
Subtotal Highway Planning and Construction Cluster			20,002	—
Total U.S. Department Of Housing And Urban Development			<u>20,002</u>	<u>—</u>
U.S. Department Of Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	*	21.027	4,244,773	—
Total U.S. Department Of Treasury			<u>4,244,773</u>	<u>—</u>
Total Expenditures Of Federal Awards			<u>\$ 4,392,033</u>	<u>—</u>

*Unavailable

CITY OF CENTENNIAL, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2022

1. **Organization**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of City of Centennial, Colorado (the City), for the year ended December 31, 2022. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2. **Basis Of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in the accompanying schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

3. **Indirect Costs**

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

CITY OF CENTENNIAL, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2022**

Section I - Summary Of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over the major federal program:

Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditors' report issued on compliance for the major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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Identification of the major federal program:

AL No.

Name Of Federal Program Or Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

\$750,000

Auditee qualified as low-risk auditee?

<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
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CITY OF CENTENNIAL, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended December 31, 2022

Section II - Financial Statement Findings

Finding 2022-001 Material Weakness, Internal Control Over Financial Reporting

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

Condition/Context: During the course of the audit, we noted various adjustments, accruals and deferrals not recorded during the year-end closing process, including omitted capitalization of capital expenditures.

Cause: The City did not have sufficient and consistent finance/accounting department staffing in place throughout the year. The City's accounting software did not function correctly to capture all capital expenditures for capitalization and depreciation of completed construction in progress.

Effect: Certain account balances required revision or corrections during the audit process.

Identification As A Repeat Finding: 2021-001

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

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

CITY OF CENTENNIAL, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For The Year Ended December 31, 2022**

Section III - Federal Award Findings And Questioned Costs

Finding 2022-002

Reporting

Material Weakness, Internal Control Over Compliance and Compliance

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

Federal Agency: U.S. Department Of Treasury

Pass-Through Entity: N/A

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

Condition/Context: In our audit, we noted the City inaccurately reported a certain element of the Performance and Expenditure report.

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

Effect: Without adequate controls over federal expenditures reporting, the City may not detect an error in reporting requirements.

Questioned Costs: N/A

Identification As A Repeat Finding: N/A

Recommendation: We recommend the City improve its internal controls by ensuring the personnel responsible are appropriately trained on federal grant requirements.

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



CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2022

Finding 2022-001

Material Weakness, Internal Control Over Financial Reporting

Personnel Responsible for Corrective Action: Jeff Cadiz, Finance Director

Anticipated Completion Date: August 1, 2023

Corrective Action Plan:

The City agrees with the auditor's recommendation to evaluate the sufficiency of finance/accounting department staffing and accounting software functionality. Management understands the importance of having sufficient and consistent finance and accounting staff throughout the year. The City has recently hired qualified staff, ensures staff are properly trained, and has assigned duties including preparation and review of related accounting information. Additionally, the City has implemented a schedule ensuring accounting functions (including account reconciliations, capital asset record keeping, general journal entries and preparation of financial statements) are performed monthly. To ensure the accounting software is functioning correctly to capture all capital expenditures for capitalization and depreciation, finance staff will work with IT staff and the software provider to identify the issue in the system. If a solution to software functionality cannot be found, the City will manually review all expenditure activity to ensure all capital expenditures are captured and properly capitalized and depreciated.



Finding 2022-002

Material Weakness, Internal Control Over Compliance and Compliance, Reporting

Personnel Responsible for Corrective Action: Jeff Cadiz, Finance Director

Anticipated Completion Date: January 1, 2023

Corrective Action Plan:

The City agrees with the auditor's recommendation to improve its internal controls by ensuring personnel responsible are appropriately trained in federal grant requirements. Additionally, The City has implemented a process that ensures federal expenditure accounting and reporting is reviewed and approved by a second individual to ensure errors are detected and corrected prior to reporting.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2022

Finding 2021-001

Material Weakness, Internal Control Over Financial Reporting

Summary of Prior Audit Finding:

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

Initial Reporting Year: 2021

Status: See 2022-001

Finding 2021-002

Material Weakness, Internal Control Over Compliance, Period of Performance

Summary of Prior Audit Finding:

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

Initial Reporting Year: 2021

Status: Correction Action Taken

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

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/22

This Information From The Records Of: City of Centennial	Prepared By: Sarah Slaga Phone: 303-754-3448
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	10,482,176
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	9,063,060
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,260,965
2. General fund appropriations	(8,936,777)	b. Snow and ice removal	248,583
3. Other local imposts (from page 2)	11,381,834	c. Other	941,689
4. Miscellaneous local receipts (from page 2)	(1,921)	d. Total (a. through c.)	2,451,237
5. Transfers from toll facilities		4. General administration & miscellaneous:	1,522,617
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,675,326
a. Bonds - Original Issues		6. Total (1 through 5)	25,194,416
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,443,136	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	4,426,290	2. Notes:	
D. Receipts from Federal Government (from page 2)	451,437	a. Interest	
E. Total receipts (A.7 + B + C + D)	7,320,863	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	25,194,416

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		7,320,863	25,194,416		(17,873,554)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,800,000	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	486,285	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	8,095,549	g. Other Misc. Receipts	
6. Total (1. through 5.)	11,381,834	h. Other	(1,921)
c. Total (a. + b.)	11,381,834	i. Total (a. through h.)	(1,921)
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,077,351	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	348,939	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	451,437
f. Total (a. through e.)	348,939	g. Total (a. through f.)	451,437
4. Total (1. + 2. + 3.f)	4,426,290	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	0	1,820,045	1,820,045
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	0	7,838,965	7,838,965
(3). System Preservator	0	564,329	564,329
(4). System Enhancement & Operator	0	258,836	258,836
(5). Total Construction (1) + (2) + (3) + (4)	0	8,662,131	8,662,131
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	10,482,176	10,482,176
			(Carry forward to page 1)

Notes and Comments:



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City of Centennial

13133 E. Arapahoe Road , Centennial, Colorado 80112