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2015

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR YEAR ENDED
DECEMBER 31, 2015



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF CENTENNIAL, COLORADO



For The Year Ended
December 31, 2015

Prepared by:
Finance Department



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CITY OF CENTENNIAL, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2015

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INTRODUCTORY SECTION





June 13, 2016

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

TRANSMITTAL LETTER

Formal Transmittal

The Comprehensive Annual Financial Report (“CAFR”) of the City of Centennial, Colorado for the fiscal year ended December 31, 2015 is hereby formally transmitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, resides with the City. We believe that the data, as presented, is accurate in all material respects, that it is reported in a manner designed to present fairly the financial position and the results of operations of the City, and that all disclosures necessary to enable the reader to gain an understanding of the City’s financial position have been included.

City Profile

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

The City’s Financial Condition

The CAFR includes all financial activities for which the City Council is accountable to the citizens of the City, either by Charter or statute. All applicable funds, departments and offices are included in these financial statements as part of the Primary Government of the City. In addition, the general improvement districts, while legally separate entities, have significant financial and operational relationships with the City and are thus included in the CAFR. Colorado statutes and City Charter require an annual financial statement audit of the City’s accounts and financial records by an independent certified public accountant (“CPA”) as selected by the City Council. The CPA firm of Swanhorst & Company LLC conducted the audit of the City’s financial statements for the year ended December 31, 2015; the resulting Independent Auditors’ Report is presented in the front of the Financial Section of this report.

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

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

The national economy continues on a solid trajectory, propelled by household demand. Domestic demand will continue to be sustained by supporting financial conditions, low energy prices and the stronger dollar. However, the boost from these influences should gradually subside as net exports will continue to be a drag on the economy from sluggish external demand and the strengthening of the dollar. Downward pressure on projected inflation, subdued wages and below target inflation continue to allow monetary policy to remain very accommodative. The US real gross domestic product (GDP) growth rate for 2015 stood at 1.98%.

Colorado's economy continued to improve during 2015 and growth is expected to continue in 2016. These improving conditions are supported by employment growth, with economists in Colorado noting that professional and business services sector led in the new jobs category. Areas that will continue to shed jobs will be in the oil and natural gas industry and principally effect northern counties in the state. In response Weld and other counties have succeeded in diversifying growth in areas such as manufacture and technology. Education and health services will continue to add jobs into 2016. Currently Colorado growth is very dependent upon migration into the state. As a result, Colorado will continue to experience more housing price gains. Colorado ranks within the top five states nationally for population growth, employment growth, wage and salary growth and personal income growth. While the Colorado economy is expected to continue to see growth in 2016, Colorado economists expect 5 or 6% growth for the state.

The local economy continued to experience growth during 2015 with the unemployment rate in Arapahoe County at 5.5% and the job growth rate at 2.96%. Inventory in residential houses in the Denver area increased 6% from 2014, although that increase was still insufficient to keep up with demand. Per the Denver Metro Association of realtors, balanced markets need five to seven months of inventory and the Denver area maintained approximately a few weeks. The median home price in Arapahoe County exceeds the median price across the nation by \$56,500. For residents the prior twelve months appreciation stood at 12.1% compared to the national average of 4.9%.

The City annually prepares an operating budget for each year in accordance with the City Charter, City policies, the Colorado Constitution, and Colorado State Budget Law(s). The City's budget process addresses the guidelines of the Government Finance Officers Association, while also incorporating City Council's goals, ordinances, and resolutions, which provide policy direction that responds to the needs and desires of the community. The City also prepares a Five Year Strategic Plan. The Plan is a projection of future expectations, and encompasses both operating and capital spending as well as revenues. The Five Year Strategic Plan is used for current and future service and infrastructure decision making.

Awards and Acknowledgements

The report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada ("GFOA"). The GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. This is the eighth year the City has been awarded the Certificate of Achievement. The Certificate of Achievement is valid for only one year. We believe that our current CAFR will meet the GFOA's Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility.

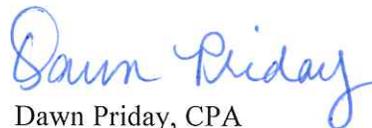
We sincerely appreciate the assistance of all City departments for their efforts throughout the year, and for their help in preparing this report. Additionally, we thank Swanhorst & Company for their assistance and for the professional manner in which they conducted the audit. We also acknowledge the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

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

Respectfully submitted,



John H. Danielson
City Manager



Dawn Priday, CPA
Finance Director/CFO



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Government Finance Officers Association

**Certificate of
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Presented to

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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

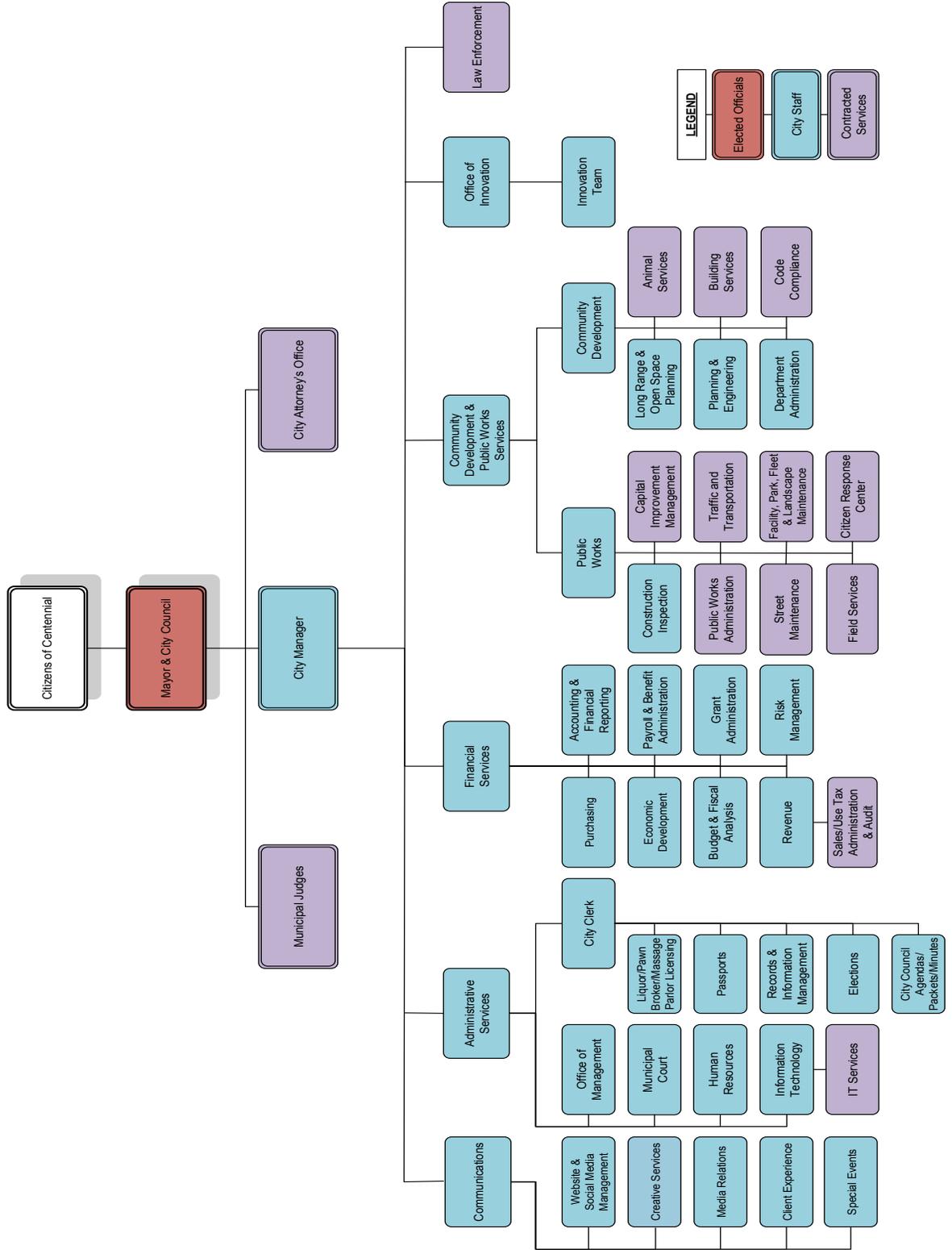
December 31, 2014

Executive Director/CEO



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City of Centennial 2015 Organizational Chart





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2015 Elected Officials & Term of Office

Mayor



Cathy Noon
January 2018

Council District 1



Vorry Moon
January 2016



Kathy Turley
January 2018

Council District 2



Keith Gardner
January 2016



Doris Truhlar
January 2018

Elected Officials and Term of Office (Continued):

Council District 3



Ken Lucas, Mayor Pro Tem
January 2016



Mark Gotto
January 2018

Council District 4

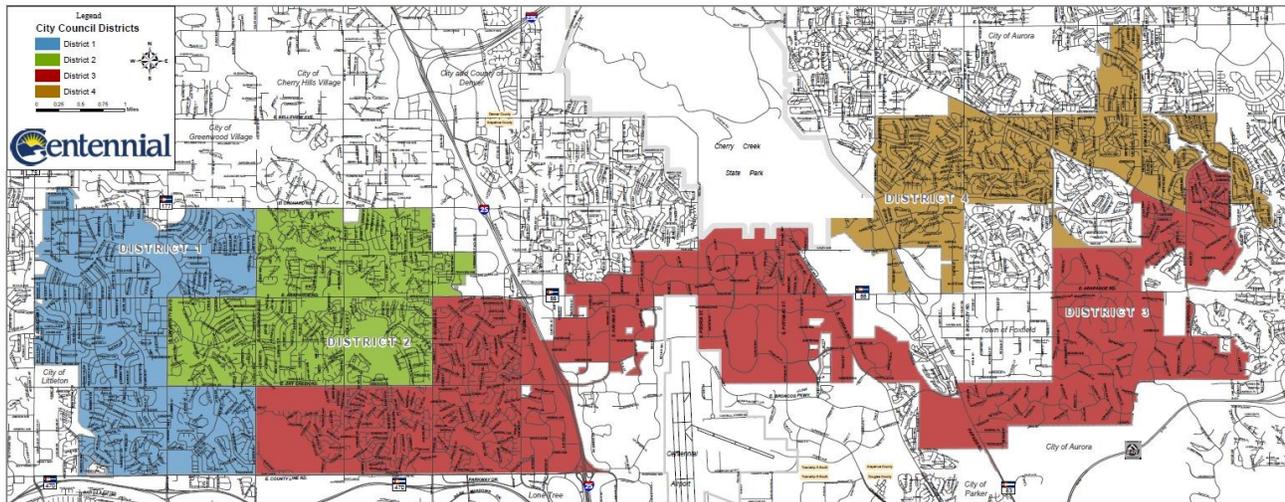


Stephanie Piko
January 2016



Charles Whelan
January 2018

District Map



FINANCIAL SECTION

Financial Section





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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centennial as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Centennial, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Centennial as of December 31, 2015, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters (Required Supplementary Information)

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

Other Matters (Other Information)

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



May 31, 2016

This section of the City of Centennial's Comprehensive Annual Financial Report ("CAFR") offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2015. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, the basic financial statements, and the notes to the financial statements, contained in this report.

I. Financial Highlights

Taken as a whole, the City's increase in net position demonstrates the continued positive overall financial health of the City. One factor contributing to the City's overall financial health is voter approval for temporarily waiving the revenue limits of Article X, Section 20 of the Colorado Constitution from January, 2005 through December, 2015. The use of these revenues is restricted to costs for road and street repair/maintenance, public safety, and open space acquisition/maintenance.

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

At the close of the year, total assets of the City exceeded its liabilities (net position) by \$232.3 million. Unrestricted net position represents \$63.4 million, or 27.2%, of total net position which is available to meet ongoing and future obligations of the City.

- Total net position of the City increased by \$18.6 million, or 8.7%, compared to 2014. This net increase is the result of growth of services provided by the City in areas such as Permit/Plan Review fees and an increase in sales tax received. Additionally, the City has continued to manage costs and reduce expenses in various areas.
- The total cost of all City programs increased \$1.5 million, or 2.0%, to \$71.4 million compared to 2014. The cost of governmental activities program expenses increased \$0.5 million, or 0.8%, to \$67.4 million from 2014. The cost of business-type activities increased by \$0.9 million, or 30.6%, to \$4.0 million in 2015.
- Compared to 2014, total revenues excluding transfers, increased \$10.4 million, or 13.1%, to \$90.0 million. Governmental activities revenue increased \$9.1 million, or 12.0%, to \$85.0 million. The change in these revenues is attributable to an increase in Operating Grants and Contributions (\$0.3 million), Capital Grants and Contributions (\$5.7 million), Sales and Use Tax revenues (\$4.4 million), and Miscellaneous Revenue (\$0.4 million).
- General Fund revenues increased by \$4.2 million, or 6.4%, as compared to the prior year.

- As of the close of the current fiscal year, the City's governmental funds reported an increase in the combined ending fund balances. The combined ending governmental fund balance is \$77.9 million, of which \$35.2 million represents unassigned fund balance. This unassigned fund balance is available for spending at the City's discretion within the purposes specified for the City's funds. It is important to note that the unassigned fund balance represents 48.1% of total governmental expenditures. It is the stated policy of the City to make every effort, even in difficult economic times, to maintain its fund balance for the General Fund at a level equal to no less than 25.0% of annual expenditures plus transfers. The General Fund balance of \$36.5 million is 47.0% of annual expenditures plus transfers.

II. Overview of the Financial Statements

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

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

3. Notes to the Financial Statements

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

III. Government-wide Financial Statement Analysis

Assets

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the City. As of December 31, 2015, the City had total assets of \$262.4 million and the City's assets exceeded its liabilities by \$232.3 million.



The following reflects the City’s Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Assets						
Current and Other Assets	\$ 104,974,633	\$ 86,514,643	\$ 294,130	\$ 293,314	\$ 105,268,763	\$ 86,807,957
Capital Assets	157,122,370	152,471,869	15,015	24,314	157,137,385	152,496,183
Total Assets	262,097,003	238,986,512	309,145	317,628	262,406,148	239,304,140
Liabilities						
Long-term Liabilities	2,677,728	2,722,024	-	-	2,677,728	2,722,024
Other Liabilities	12,123,909	9,381,219	309,145	317,628	12,433,054	9,698,847
Total Liabilities	14,801,637	12,103,243	309,145	317,628	15,110,782	12,420,871
Deferred Inflows of Resources	14,989,154	13,151,162	-	-	14,989,154	13,131,162
Net Position						
Net Investment in						
Capital Assets	157,122,370	152,471,869	15,015	24,314	157,137,385	152,496,183
Restricted	11,690,081	9,528,493	119,355	91,577	11,809,436	9,620,070
Unrestricted	63,493,761	51,731,745	(134,370)	(115,891)	63,359,391	51,615,854
Total Net Position	\$ 232,306,212	\$ 213,732,107	\$ -	\$ -	\$ 232,306,212	\$ 213,732,107

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 \$157.1 million or 59.9%, of total assets. Capital assets being depreciated increased during 2015 by \$1.0 million, or 0.8%, as a result of the completion of capital projects related to streets, traffic signals, park construction, buildings, and the addition of machinery and equipment. Capital assets not being depreciated increased during 2015 by \$7.2 million, or 7.8%, due to the net increase of construction in progress for infrastructure.

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

Long-term Debt

The long-term debt of the City, as detailed in the Notes to the Financial Statements, has decreased slightly overall. The City’s obligation for Compensated Absences increased during 2015 from \$214,495 to \$249,943. During 2015, the City did not enter into any additional long-term debt agreements.

**Management's Discussion and Analysis
for the Year Ended December 31, 2015**



During 2005, the Antelope General Improvement District issued \$3.05 million of general obligation bonds, for which the District has made a principal payment during 2015 of \$75,000 in addition to all scheduled interest payments.

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

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues -						
Charges for Services	\$ 2,891,391	\$ 3,252,258	\$ 4,901,939	\$ 3,596,103	\$ 7,793,330	\$ 6,848,361
Operating Grants and Contributions	6,488,723	6,209,974	-	-	6,488,723	6,209,974
Capital Grants and Contributions	9,147,000	3,480,178	-	-	9,147,000	3,480,178
General Revenue -						
Sales and Use Taxes	46,451,528	42,076,714	-	-	46,451,528	42,076,714
Property Taxes	12,903,382	13,976,189	-	-	12,903,382	13,976,189
Other Taxes	639,194	628,585	-	-	639,194	628,585
Unrestricted Franchise Fees	5,059,425	5,128,961	-	-	5,059,425	5,128,961
Investment Income	186,853	177,993	-	-	186,853	177,993
Intergovernmental revenues not restricted to specific programs	451,599	568,105	-	-	451,599	568,105
Miscellaneous	866,927	445,389	-	-	866,927	445,389
Total Revenues	85,086,022	75,944,346	4,901,939	3,596,103	89,987,961	79,540,449
Expenses						
General Government	13,170,287	11,763,347	-	-	13,170,287	11,763,347
Community Services	23,768,969	22,174,239	-	-	23,768,969	22,174,239
City Infrastructure	24,689,639	24,731,604	-	-	24,689,639	24,731,604
Culture and Recreation	1,044,536	2,546,267	-	-	1,044,536	2,546,267
Urban Redevelopment	4,633,280	5,548,953	-	-	4,633,280	5,548,953
Interest on Long-term Debt	128,631	131,665	-	-	128,631	131,665
Land Use Service Fees	-	-	3,978,514	3,052,575	3,978,514	3,052,575
Total Expenses	67,435,342	66,896,075	3,978,514	3,052,575	71,413,856	69,948,650
Increase (Decrease) Before Transfers	17,650,680	9,048,271	923,425	543,528	18,574,105	9,591,799
Transfers	923,425	543,528	(923,425)	(543,528)	-	-
Increase (Decrease) in Net Position	18,574,105	9,591,799	-	-	18,574,105	9,591,799
Net Position, Beginning of Year	213,732,107	204,140,308	-	-	213,732,107	204,140,308
Net Position, End of Year	\$232,306,212	\$ 213,732,107	\$ -	\$ -	\$232,306,212	\$ 213,732,107

Governmental activities increased the City's net position by \$18.6 million, or 8.7%. Key elements of this net increase are as follows:

- Operating Grants and Contributions increased by \$0.3 million, or 4.5% compared to 2014. Amounts reported in this category include the Highway Users Tax Fund revenue and Road and Bridge Shareback funds.
- Capital Grants and Contributions increased by \$5.7 million, or more than 100%, compared to 2014. Amounts reported in this category include intergovernmental grants and contributions for capital road construction. This increase is a direct result of intergovernmental grants for road construction.
- Sales and Use tax increased by \$4.4 million, or 10.4%. This change is primarily the result of higher revenues in the sales tax base derived from both in-City retailers and out-of-City retailers and compliance audits.
- General government expenses increased \$1.4 million or 12.0%. During 2015, expenses in general government were attributable to costs incurred in association with the Bloomberg Philanthropy Grant and incentive agreements to promote economic development.
- Culture and Recreation expenses decreased \$1.5 million, or 59.0% during the year. During 2014, Open Space funds were primarily utilized for maintenance of Centennial Link Trail, Amphitheatre maintenance, and Centennial Center Park maintenance. Major maintenance occurred in 2014 with Amphitheatre maintenance and Centennial Center Park requiring little maintenance in 2015.

Revenue attributable to Business-type activities increased \$1.3 million, or 36.3%, compared to the prior year as a result of an increase in Building Permit Fees, Building Plan Review Fees and Land Development Applications.

IV. Fund Financial Statement Analysis

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

Revenues

General Fund

- Overall, General Fund revenues increased \$4.2 million, or 6.3%, in 2015 compared to 2014.
 - Sales Tax revenue increased by \$2.6 million or 7.3%. Overall, the City's sales tax base collections have exceeded 2014 collections by \$1.0 million. Sales tax from out-of-City

retailers has increased \$0.7 million over collections in 2014 with an additional 187 out-of-City retailers licensed. Delinquent revenues and compliance audits contributed an additional \$0.8 million in sales tax revenues over the prior year.

- Building Materials Use Tax revenue for 2015 is \$1.2 million, or 55.4% more than collections during 2014. Residential and Commercial permits (New and Remodel) have decreased by 72 and One Stop/Miscellaneous permits have increased by 1,933 when compared to 2014. The total valuation of permits for 2015 has increased by \$81.4 million as compared to 2014 primarily due to One Stop/Miscellaneous and New Commercial permits. Although 2015 had 8 fewer new commercial permits than 2014, the valuation of New Commercial permits increased by \$47.9 million. These commercial construction permits includes buildings at Dry Creek Innova and Panorama Corporate Center. The remaining valuation increase is from One Stop/Miscellaneous permits due to a large hail storm at the end of September 2014.
- Highway User Tax Fund (HUTF) revenue for 2015 is \$0.3 million or 5.2% more than collections during 2014. The percentage share of HUTF revenue is recalculated annually in July and is based on the City's 1) previous year's vehicle registration figure, as certified by the Department of Revenue to the State Treasurer and 2) previous year's miles of open, used and maintained streets as certified to the Treasurer by CDOT. There is an increase in collections during 2015 due to recalculated percentages in July 2014 and July 2015 for the HUTF distributions received during 2015. The total funds available for distribution of HUTF funds were higher during 2015 compared to 2014.
- Automobile Use Tax revenue for 2015 is \$0.5 million, or 11.4% more than amounts collected during 2014. This favorable variance is due to steady sales and registrations of new vehicles to City residents. The auto industry has seen growing consumer demand for new vehicles in 2015 due to a better economy, slightly lower gas prices, available credit and new products. U.S. auto sales reached an all-time high in 2015 and Centennial has seen similar trends in sales.
- Court Fines revenue for 2015 is \$0.3 million or 14.3% less than collections during 2014. This decrease in revenue is due in part to an 8.0% overall reduction in the number of court cases in 2015 compared to 2014. The fines and fees imposed in court cases vary based on the violation. In addition, the Municipal Court was closed for a couple weeks in September 2015 while new software was implemented.

Centennial Urban Redevelopment Authority (CURA) Fund

Centennial Urban Redevelopment Authority Fund revenues decreased by \$0.8 million, or 13.0% as compared to 2014. The decrease in revenues is the result of lower property tax collections in the redevelopment area. A small portion of the properties located in the redevelopment area filed a petition for abatement of property taxes which was approved by the County. The decrease in

property tax collections in the redevelopment area is offset by a \$0.1 million increase in sales tax collection.

Capital Improvement Fund

Capital Improvement Fund revenues increased by \$5.6 million, or over 100% compared to 2014. This increase is attributable to funds received from intergovernmental agreements for the Arapahoe Road – Waco to Himalaya widening project during 2015.

Expenditures

General Fund

- General Fund expenditures and transfers increased \$14.9 million, or 23.6%, in 2015 compared to 2014.
 - General Government expenditures increased \$1.4 million, or 11.7%, compared to 2014. This increase is attributable to the Office of Innovation expenditures for GIS services. Nondepartmental expenditures increased due to incentive agreements for economic development. Public Works and law enforcement expenditures both increased from 2014 due to contracted service obligations. Finance Department expenditures increased from 2014 due to higher expenditures for auditing services related to the City's sales tax program.
 - Community Services expenditures increased \$1.6 million or 7.1% compared to 2014. This increase is attributable to contracted expenditures for public safety.
 - City Infrastructure expenditures increased \$1.1 million or 9.1% compared to 2014. This increase is attributable to higher contracted costs for the City's public work services, work provided for the City's Intelligent Transportation System (ITS), and higher costs for annual snow removal.
 - Transfers from the General Fund to the Capital Improvement Fund increased \$10.4 million or 64.9% compared to 2014. This increase is due to a budget transfer to the Capital Improvement Fund for projects associated with street construction, traffic signals, and street rehabilitation. During 2015 funds were utilized for the City's Street Rehabilitation program and the Arapahoe Road – Waco to Himalaya and the Arapahoe Road – Dry Creek and Smokey Hill construction projects.

Centennial Urban Redevelopment Authority Fund

Centennial Urban Redevelopment Authority Fund expenditures for 2015 decreased \$0.8 million, or 13.0% compared to 2014. As a direct result of decreased revenues, the remittance to Southglenn Metropolitan District also decreased accordingly.

Capital Improvement Fund

Capital Improvement Fund expenditures for 2015 were \$3.9 million, or 36.6% more than expenditures in 2014. This increase is attributable to the new construction for streets and intersections including the Arapahoe Road – Waco to Himalaya widening project and services for construction management.

Fund Balance

The net change in the General Fund balance was a decrease of \$5.9 million, reducing the fund balance to \$36,546,230. As of December 31, 2015, the General Fund fund balance as a percentage of 2015 expenditures and transfers out was 47.0%, which was in compliance with the City's minimum fund balance policy of 25% of expenditures and transfers out.

Economic peaks and planned savings allow the City the opportunity to increase fund balance; strong financial planning in turn, provides financial flexibility during economic downturns. Since incorporation, the City has increased the General Fund fund balance each year, with the exception of 2006 and 2015, where a significant amount was transferred to the Capital Improvement Fund for capital projects. Transfers for capital projects will fund construction on the Arapahoe Road – Waco to Himalaya widening project.

The net change in the Capital Improvement Fund fund balance was an increase of \$18.1 million, or 123.1.5% of 2015 expenditures. The increase in fund balance is primarily due a revised budget transfer for projects associated with street construction, to include the Arapahoe Road - Waco to Himalaya project and interchange construction projects; these projects will be continued through 2015 in the Capital Improvement Fund.

General Fund Budgetary Highlights

In total, the City's General Fund revenues for 2015 were \$3.5 million, or 5.2%, favorable to the amended budget, while total General Fund expenditures and transfers out were \$3.9 million, or 4.7% favorable to the amended budget. During 2015, City Council amended the City's budget for various reasons; the primary reasons are described below.

- Budgeted Sales Tax revenue for 2015 is \$1.7 million, or 4.6 % favorable compared to budget. This favorable variance is the result of higher than anticipated sales tax revenues from out-of-City retailers (\$0.8 million) and in-City retailers (\$0.6 million). These increases are primarily from newly licensed businesses, however a slight increase in sales tax collections from existing businesses also contributes to the variance. Also, contributing to the favorable variance is compliance audit revenue and penalties and interest from late sales tax returns (\$0.2 million).sales tax base (\$1.8 million) and compliance audit (\$0.8 million) revenues, partially offset by an unfavorable variance attributable to sales tax revenue from new business (\$0.4 million).

-
- Budgeted Building Materials Use Tax revenue for 2015 is \$1.2 million, or 50.5% favorable compared to budget. The City had a large increase in re-roofing permits in 2015 due to a hail storm during the fall of 2014. A steady amount of re-roofing permits and resulting use tax has been seen throughout 2015. Also, the City received a large amount of use tax from a few new commercial permits at the end of 2015 for the Dry Creek Innova and Panorama Corporate Center.
 - Budgeted Highway Users Tax Fund revenue for 2015 is \$0.2 million, or 4.8% favorable to budget. According to the Colorado Municipal League, the Highway Users Tax Fund amount available for distribution to all municipalities was projected to slightly decrease from July 2015 through June 2016. The City adjusted the revenue projections accordingly in the 2015 Revised Budget but has not seen a decrease in distribution.
 - Office of Innovation expenditures during 2015 are \$1.0 million or 76.7% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for the year for services to assist the City with collecting necessary network data and project costs to standardize the City's record keeping and asset tracking practices for fiber optic facilities. A portion of these are project related, and therefore are likely that these funds will carry forward in to 2016.
 - Information Technology expenditures during 2015 are \$0.2 million or 25.8% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for information technology outsourcing services, including GIS services, and costs for a comprehensive information technology assessment. As the majority of these funds are set aside for GIS services and information technology assessment, this funding will likely carry over into 2016 to allow for project completion.
 - Finance expenditures during 2015 are \$0.3 million or 13.2% favorable compared to budget. This favorable variance is due to lower than anticipated costs for sales tax audit services, personnel vacancy savings, and costs associated with property/casualty premiums for deductibles.
 - Economic Development expenditures during 2015 are \$0.2 million or 63.9% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for contracted services to assist in the development of an Economic Development strategic plan as well as other projects related to annexations and the recruitment and retention of businesses in the City.
 - Public Works during 2015 are \$0.9 million or 6.8% favorable compared to budget. This favorable variance is primarily due to lower than anticipated costs for public works services and lower than anticipated costs for traffic signal maintenance and street utilities. A portion of these budget savings will likely carry forward in to 2016 as the contractual agreement allows funds to be carried over for the Flexible Services Agreement.

- Facilities and Fleet expenditures during 2015 are \$0.2 million or 14.2% favorable compared to budget. This favorable variance is primarily due to planned expenditures for the Civic Center building improvements that were not completed in 2015. The City will carry forward budgets amounts to 2016.
- Community Development Administration during 2015 are \$0.1 million or 21.5% favorable compared to budget. This favorable variance is primarily the result of lower than anticipated costs for professional services to evaluate and recommend potential park improvement for areas including Dove Valley Park and Kings Point. It is likely that these funds will carry forward in to 2016 in order to complete the projects mentioned.
- City Attorney's Office, City Clerk's office, Human Resource, Nondepartmental, and Communications expenditures were each \$0.1 million favorable compared to their respective budgets. In all cases, this was due to lower than anticipated expenditures.

Economic Factors and Next Year's Budget

The 2016 Budget was developed to provide desired City services at the maximum level possible while maintaining financially responsible practices. While the City has been fortunate to be somewhat resilient to the impact of the downturn in the overall market in prior years, the City remains cautious about the local economy over the next several years. The 2016 and future budgets will respond to the challenge of balancing the on-going maintenance of infrastructure with the community's standards of excellence in public works, public safety, quality of life, and the increasing demands for services and facilities.

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

The total budget for 2016 is \$82,908,575. The total City budget is comprised of the funds listed below. Department directors prepared their 2016 budgets with a zero percent (0%) increase in expenditures over the adopted 2015 budget, excluding increases for salaries, health care costs, and other types of expenditures beyond the control of the City (e.g. gas, asphalt, concrete, and other materials). Increases were also permitted for certain contractual obligations of the City, such as increases required by service providers. The zero percent (0%) increase over the 2015 Adopted Budget has made it more challenging for department directors to absorb cost increases while providing the same high level of service.

The 2016 Adopted Budget includes health care cost increases of 12%, 2%, and 7% for health, vision, and dental insurance costs, respectively, based on estimated projections. These changes

represent an increase from the 2015 Adopted Budget.

General Fund

The Adopted General Fund Budget for 2016 is \$54,703,064, excluding fund transfers. The 2016 General Fund budget represents an increase of 3.8% from the 2015 Adopted Budget. This increase is primarily due to the City's contractual obligation with the public works and law enforcement service providers, and funding for the matching requirement of the Bloomberg Philanthropies Grant. Without the increases for these contractual obligations and grant match, the Adopted 2016 General Fund Budget would have increased approximately 1.3% from the 2015 Adopted Budget.

V. Requests for Information

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

BASIC FINANCIAL STATEMENT



Basic Financial Statement

CITY OF CENTENNIAL, COLORADO
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government		
	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and investments	\$ 83,482,535	\$ 290,677	\$ 83,773,212
Taxes receivable	20,180,932	-	20,180,932
Other receivables	791,748	-	791,748
Intergovernmental receivables	504,222	-	504,222
Prepaid expenses	15,196	3,453	18,649
Capital assets, not being depreciated	99,962,579	-	99,962,579
Capital assets, net of accumulated depreciation	57,159,791	15,015	57,174,806
Total assets	<u>262,097,003</u>	<u>309,145</u>	<u>262,406,148</u>
LIABILITIES			
Accounts payable	5,006,281	283,917	5,290,198
Retainage payable	147,912	-	147,912
Accrued liabilities	1,849,622	25,228	1,874,850
Other liabilities	874,248	-	874,248
Accrued interest payable	10,455	-	10,455
Developer contributions and deposits	4,148,176	-	4,148,176
Non-current liabilities			
Due within one year	87,215	-	87,215
Due in more than one year	2,677,728	-	2,677,728
Total liabilities	<u>14,801,637</u>	<u>309,145</u>	<u>15,110,782</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	<u>14,989,154</u>	<u>-</u>	<u>14,989,154</u>
NET POSITION			
Net investment in capital assets	157,122,370	15,015	157,137,385
Restricted for:			
Emergency reserves	2,438,833	119,355	2,558,188
Parks and open space	7,882,260	-	7,882,260
District infrastructure	934,241	-	934,241
Urban redevelopment	434,747	-	434,747
Unrestricted	63,493,761	(134,370)	63,359,391
Total net position	<u>\$ 232,306,212</u>	<u>\$ -</u>	<u>\$ 232,306,212</u>

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

CITY OF CENTENNIAL, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities:				
General government	\$ 13,170,287	\$ 235,142	\$ -	\$ -
Community services	23,768,969	1,849,415	-	-
City infrastructure	24,689,639	806,834	6,488,723	6,203,014
Culture and recreation	1,044,536	-	-	2,943,986
Urban redevelopment	4,633,280	-	-	-
Interest on long-term debt	128,631	-	-	-
Total governmental activities	<u>67,435,342</u>	<u>2,891,391</u>	<u>6,488,723</u>	<u>9,147,000</u>
Business-type activities:				
Land use	3,978,514	4,901,939	-	-
Total primary government	<u>\$ 71,413,856</u>	<u>\$ 7,793,330</u>	<u>\$ 6,488,723</u>	<u>\$ 9,147,000</u>

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

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

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

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (12,935,145)	\$ -	\$ (12,935,145)
(21,919,554)	-	(21,919,554)
(11,191,068)	-	(11,191,068)
1,899,450	-	1,899,450
(4,633,280)	-	(4,633,280)
(128,631)	-	(128,631)
(48,908,228)	-	(48,908,228)
-	923,425	923,425
(48,908,228)	923,425	(47,984,803)
38,315,195	-	38,315,195
3,542,288	-	3,542,288
12,903,382	-	12,903,382
4,594,045	-	4,594,045
639,194	-	639,194
5,059,425	-	5,059,425
186,853	-	186,853
451,599	-	451,599
866,927	-	866,927
923,425	(923,425)	-
67,482,333	(923,425)	66,558,908
18,574,105	-	18,574,105
213,732,107	-	213,732,107
\$ 232,306,212	\$ -	\$ 232,306,212

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

CITY OF CENTENNIAL, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
ASSETS			
Cash and investments	\$ 39,804,987	\$ 455,356	\$ 34,207,499
Taxes receivable	14,526,929	5,268,730	-
Other receivables	765,837	24,331	-
Intergovernmental receivables	480,048	-	24,174
Prepaid items	15,196	-	-
Total assets	<u>55,592,997</u>	<u>5,748,417</u>	<u>34,231,673</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	4,006,623	45,397	855,450
Retainage payable	-	-	147,912
Accrued liabilities	607,051	-	1,242,571
Other liabilities	874,248	-	-
Developer contributions and deposits	4,148,176	-	-
Total liabilities	<u>9,636,098</u>	<u>45,397</u>	<u>2,245,933</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	9,335,608	5,268,273	-
Grants	75,061	-	19,893
Total deferred inflows of resources	<u>9,410,669</u>	<u>5,268,273</u>	<u>19,893</u>
FUND BALANCE			
Nonspendable:			
Prepaid items	15,196	-	-
Restricted for:			
Emergency reserves	1,359,857	-	978,015
Parks and Open Space	-	-	-
District Infrastructure	-	-	-
Urban Redevelopment	-	434,747	-
Assigned to:			
City infrastructure	-	-	30,987,832
Unassigned	35,171,177	-	-
Total fund balance	<u>36,546,230</u>	<u>434,747</u>	<u>31,965,847</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 55,592,997</u>	<u>\$ 5,748,417</u>	<u>\$ 34,231,673</u>

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

Total Nonmajor Funds	Total Governmental Funds
\$ 9,014,693	\$ 83,482,535
385,273	20,180,932
1,580	791,748
-	504,222
-	15,196
<u>9,401,546</u>	<u>104,974,633</u>
98,811	5,006,281
-	147,912
-	1,849,622
-	874,248
-	4,148,176
<u>98,811</u>	<u>12,026,239</u>
385,273	14,989,154
-	94,954
<u>385,273</u>	<u>15,084,108</u>
-	15,196
100,961	2,438,833
7,882,260	7,882,260
934,241	934,241
-	434,747
-	30,987,832
-	35,171,177
<u>8,917,462</u>	<u>77,864,286</u>
<u>\$ 9,401,546</u>	<u>\$ 104,974,633</u>

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



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**CITY OF CENTENNIAL, COLORADO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2015**

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

Total fund balance - governmental funds		\$ 77,864,286
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	\$ 229,875,232	
Less accumulated depreciation	<u>(72,752,862)</u>	157,122,370

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

94,954

Long-term liabilities, including bonds payable, accrued interest payable, and accrued compensated absences are not due and payable in the current year and, therefore, are not reported in governmental funds.

Bonds payable	\$ (2,515,000)	
Accrued interest payable	(10,455)	
Accrued compensated absences	<u>(249,943)</u>	(2,775,398)

Total net position of governmental activities		<u><u>\$ 232,306,212</u></u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

CITY OF CENTENNIAL, COLORADO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	General Fund	Centennial Urban Redevelopment Authority Fund	Capital Improvement Fund
REVENUES			
Taxes	\$ 54,975,053	\$ 4,608,988	\$ -
Intergovernmental	6,940,322	989,303	6,317,293
Charges for services	2,842,374	-	49,017
Franchise fees	5,059,425	-	-
Investment income	175,555	-	-
Miscellaneous	739,697	24,292	102,938
Total revenues	<u>70,732,426</u>	<u>5,622,583</u>	<u>6,469,248</u>
EXPENDITURES			
Current			
General government	13,003,591	-	-
Community services	23,768,969	-	-
City infrastructure	13,684,740	-	7,260,587
Culture and recreation	-	-	-
Urban redevelopment	-	5,622,583	-
Capital outlay	794,902	-	7,450,169
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>51,252,202</u>	<u>5,622,583</u>	<u>14,710,756</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>19,480,224</u>	<u>-</u>	<u>(8,241,508)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	923,425	-	26,327,286
Transfers out	(26,327,286)	-	-
Total other financing sources (uses)	<u>(25,403,861)</u>	<u>-</u>	<u>26,327,286</u>
NET CHANGE IN FUND BALANCE	(5,923,637)	-	18,085,778
FUND BALANCE - BEGINNING OF YEAR	<u>42,469,867</u>	<u>434,747</u>	<u>13,880,069</u>
FUND BALANCE - END OF YEAR	<u>\$ 36,546,230</u>	<u>\$ 434,747</u>	<u>\$ 31,965,847</u>

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

Total Nonmajor Funds	Total Governmental Funds
\$ 410,063	\$ 59,994,104
2,943,986	17,190,904
-	2,891,391
-	5,059,425
11,298	186,853
-	866,927
<u>3,365,347</u>	<u>86,189,604</u>
-	13,003,591
-	23,768,969
113,846	21,059,173
1,044,536	1,044,536
-	5,622,583
167,144	8,412,215
75,000	75,000
128,906	128,906
<u>1,529,432</u>	<u>73,114,973</u>
<u>1,835,915</u>	<u>13,074,631</u>
-	27,250,711
-	(26,327,286)
-	<u>923,425</u>
1,835,915	13,998,056
<u>7,081,547</u>	<u>63,866,230</u>
<u>\$ 8,917,462</u>	<u>\$ 77,864,286</u>



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**CITY OF CENTENNIAL, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015**

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

Net change in fund balance - total governmental funds	\$	13,998,056
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlay	\$	8,261,177	
Less current year depreciation		<u>(3,610,676)</u>	4,650,501

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.		75,000
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Certain revenues will not be collected for several months after the City's fiscal year end; these revenues are not considered available resources and are deferred in the governmental funds.		(114,279)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued compensated absences	\$	(35,448)	
Change in accrued interest payable		<u>275</u>	(35,173)

Change in net position of governmental activities		<u><u>\$ 18,574,105</u></u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

CITY OF CENTENNIAL, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2015

	Business-Type Activities
	Land Use
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 290,677
Prepaid expenses	3,453
Total current assets	294,130
Noncurrent assets:	
Equipment, net of accumulated depreciation	15,015
Total noncurrent assets	15,015
Total assets	309,145
LIABILITIES	
Current liabilities:	
Accounts payable	283,917
Accrued liabilities	25,228
Total liabilities	309,145
NET POSTION	
Net investment in capital assets	15,015
Restricted for:	
Emergency reserves	119,355
Unrestricted	(134,370)
Total net position	\$ -

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

CITY OF CENTENNIAL, COLORADO
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended December 31, 2015

	Business-Type Activities
	Land Use
OPERATING REVENUE	
Building permits, licenses and fees	\$ 3,999,340
Contractor's licenses and bus shelter fees	319,830
Land use permits and other income	582,769
Total operating revenue	4,901,939
OPERATING EXPENSES	
Personnel services	422,123
Contracted services	3,226,255
Services & supplies	320,837
Depreciation expense	9,299
Total operating expenses	3,978,514
OPERATING INCOME BEFORE TRANSFERS	923,425
Transfers Out	(923,425)
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	-
NET POSITION - END OF YEAR	\$ -

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

CITY OF CENTENNIAL, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended December 31, 2015

	Business-Type Activities
	Land Use
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 4,901,939
Cash paid to employees	(405,163)
Cash paid to vendors	(3,572,323)
Net cash provided by operating activities	924,453
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out	(923,425)
Net cash used by non-capital financing activities	(923,425)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,028
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	289,649
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 290,677
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 923,425
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	9,299
Decrease in prepaid expenses	212
Decrease in accounts payable	(25,443)
Increase in accrued liabilities	16,960
Net adjustments	1,028
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 924,453

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

Notes to the
Financial Statements

NOTES TO THE FINANCIAL STATEMENTS



CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 component units are included in the City’s reporting entity because of the significance of their operational or financial relationship with the City.

General Improvement Districts

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

Centennial Urban Redevelopment Authority

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

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 – DEFINITION OF REPORTING ENTITY (CONTINUED)

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

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

Fire protection services are provided by Littleton Fire Protection District, South Metro-Parker Fire District (merged during 2008), and Cunningham Fire Protection District.

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

Library services are provided by the Arapahoe Library District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (continued)

Government-wide Financial Statements (continued)

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

Fund Financial Statements

All financial transactions of the City are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated in one column as Nonmajor Funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Fund Financial Statements

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

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

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

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

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

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

The City reports the following major proprietary fund:

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

Assets, Liabilities, and Net Position/Fund Balance

Cash and investments

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

Investments are reported at fair value.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Receivables

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

Property taxes receivable

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

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

Prepaid expenses

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

Capital assets

Capital assets, which include property, plant, equipment, and all 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 estimated fair value at the date of donation. Contributed infrastructure by developers or other governmental entities is recorded as capital contributions and additions to the systems at fair value at the date of contribution. Interest accrued during construction is not capitalized.

Intangible assets included in capital assets not being depreciated consist of easements and right of way and are capitalized at historical cost.

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

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Deferred inflows of resources

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

Compensated absences

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

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

Long-term obligations

In the government-wide 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.

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-term obligations (continued)

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

Net Position

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

Fund balance

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

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

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

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

As of December 31, 2015, the City had in place a minimum fund balance policy which states that the overall fund balance of the General Fund shall equal no less than twenty-five percent (25%) of annual expenditures, including transfers. Additionally, the City had in place a ten percent (10%) operating reserve in the General Fund totaling \$7,665,606 calculated on the annual expenditures, including transfers. This is to be used for emergency purposes as designated by City Council. The City of Centennial has not established a formal policy for its use of restricted and unrestricted (committed, assigned, and unassigned) fund balance. However, if expenditures are incurred for a specific purpose, the City uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed amounts, assigned amounts, and finally, by unassigned amounts.

Estimates

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

NOTE 3 - CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2015, follows:

Petty Cash	\$	650
Cash Deposits		13,880,813
Investments		<u>69,891,749</u>
Total		<u>\$83,773,212</u>

Cash Deposits

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

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash Deposits (continued)

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2015, the City had bank deposits of \$14,158,047 collateralized with securities held by the financial institutions' agents, but not in the City's name.

Investments

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

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

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

At December 31, 2015, the City's investment balances were as follows:

Investment	S&P Rating	% of Total	Fair Value	Maturities		
				Less than 1 year	1-2 years	3-5 years
U.S. Agency Securities	AA+	14.20%	\$ 9,927,940	\$ -	\$ 5,506,420	\$ 4,421,520
U.S. Treasury Securities	N/A	4.63%	3,238,558	752,463	2,486,095	-
Corporate Notes	AA+	0.72%	500,295	-	500,295	-
Corporate Notes	AA	2.14%	1,498,165	1,000,250	-	497,915
Wells Fargo Treasury Plus Money Mkt	AAAm	1.43%	1,001,775	1,001,775	-	-
Local Government Investment Pools	AAAm	76.88%	53,725,016	53,725,016	-	-
		100.00%	\$ 69,891,749	\$ 56,479,504	\$ 8,492,810	\$ 4,919,435

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

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

Credit Risk – The City’s investment policy limits investments in U.S. Agency securities to a five year maturity. 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, with a maximum remaining maturity in accordance with the Securities and Exchange Commission’s Rule 2a-7, and either assets of one billion dollars or the highest rating issued by a NRSRO.

Concentration of Credit Risk – The City’s investment policy requires that at no time shall the aggregate investment in corporate notes, commercial paper, and banker’s acceptances exceed 50% of the City’s total investment portfolio. Furthermore, investments in corporate notes and commercial paper shall not individually exceed 25% of the City’s investment portfolio, and no more than 5% of the City’s investment portfolio may be invested in the obligations of any one issuer of corporate debt or commercial paper. Investments in U.S. agency securities shall not exceed 90% of the City’s total portfolio and no more than 30% of the portfolio can be invested in any one issuer of agency securities. As of December 31, 2015 the City held investments in the Federal Home Loan Bank, totaling 6.4% of the total portfolio.

Local Government Investment Pools

As of December 31, 2015, the City had \$53,725,016 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE). The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission’s Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Trusts qualify as 2a-7-like pools and are reported at the net asset value per share, which approximates fair value. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

NOTE 4 – INTERFUND TRANSFERS

The following schedule summarizes the City’s interfund transfer activity for the year ended December 31, 2015.

Transfers Out	Transfers In		
	Capital Improvement Fund	General Fund	Total
General Fund	\$ 26,327,286	\$ -	\$ 26,327,286
Land Use Fund	-	923,425	923,425
	\$ 26,327,286	\$ 923,425	\$ 27,250,711

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4 – INTERFUND TRANSFERS (continued)

The transfer of \$26,327,286 from the General Fund to the Capital Improvement Fund was made to provide necessary funding for 2015 budgeted capital projects. The transfer from the Land Use Fund to the General Fund for \$923,425 was to reimburse the General Fund for past contributions.

NOTE 5 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2015 is as follows:

	<u>Balance at December 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2015</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land, easements, and rights of way	\$ 20,659,190	\$ 1,103,601	\$ -	\$ 21,762,791
Streets - subsurface	69,357,410	-	-	69,357,410
Construction in progress	2,696,577	6,469,310	323,509	8,842,378
Total capital assets, not being depreciated	<u>92,713,177</u>	<u>7,572,911</u>	<u>323,509</u>	<u>99,962,579</u>
Capital assets, being depreciated:				
Streets and sidewalks	70,334,660	306,448	-	70,641,108
Drainage	21,094,588	-	-	21,094,588
Traffic signals	8,330,957	290,929	-	8,621,886
Traffic signs	1,872,290	-	-	1,872,290
Bridges	16,530,480	-	-	16,530,480
Buildings	9,742,829	310,736	-	10,053,565
Comprehensive plan	89,234	-	-	89,234
Equipment	905,840	103,662	-	1,009,502
Total capital assets being depreciated	<u>128,900,878</u>	<u>1,011,775</u>	<u>-</u>	<u>129,912,653</u>
Less accumulated depreciation for:				
Streets and sidewalks	45,729,438	1,977,797	-	47,707,235
Drainage	8,953,504	281,261	-	9,234,765
Traffic signals	5,786,009	439,079	-	6,225,088
Traffic signs	1,619,055	108,768	-	1,727,823
Bridges	5,668,151	403,275	-	6,071,426
Buildings	926,672	267,017	-	1,193,689
Comprehensive plan	23,405	2,231	-	25,636
Equipment	435,952	131,248	-	567,200
Total accumulated depreciation	<u>69,142,186</u>	<u>3,610,676</u>	<u>-</u>	<u>72,752,862</u>
Total capital assets being depreciated, net	<u>59,758,692</u>	<u>(2,598,901)</u>	<u>-</u>	<u>57,159,791</u>
Governmental activities capital assets, net	<u>\$ 152,471,869</u>	<u>\$ 4,974,010</u>	<u>\$ 323,509</u>	<u>\$ 157,122,370</u>

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2014	Increases	Decreases	Balance at December 31, 2015
<u>Business type Activities:</u>				
Capital assets, being depreciated:				
Equipment	\$ 154,176	\$ -	\$ -	\$ 154,176
Total capital assets being depreciated	<u>154,176</u>	<u>-</u>	<u>-</u>	<u>154,176</u>
Less accumulated depreciation for:				
Equipment	129,862	9,299	-	139,161
Total accumulated depreciation	<u>129,862</u>	<u>9,299</u>	<u>-</u>	<u>139,161</u>
Total capital assets being depreciated, net	<u>24,314</u>	<u>(9,299)</u>	<u>-</u>	<u>15,015</u>
Governmental activities capital assets, net	<u>\$ 24,314</u>	<u>\$ (9,299)</u>	<u>\$ -</u>	<u>\$ 15,015</u>

Depreciation expense of the governmental activities was charged to the city infrastructure and general government programs in the amounts of \$3,479,428 and \$131,248, respectively.

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term obligation transactions as of December 31, 2015 are summarized below.

	Balance at December 31, 2014	Additions	Reductions	Balance at December 31, 2015	Due Within One Year
<u>Governmental Activities:</u>					
Bonds payable					
Antelope GID Bonds	\$ 2,590,000	\$ -	\$ 75,000	\$ 2,515,000	\$ 75,000
Total Bonds Payable	<u>2,590,000</u>	<u>-</u>	<u>75,000</u>	<u>2,515,000</u>	<u>75,000</u>
Compensated absences	214,495	331,047	295,599	249,943	12,215
Total long-term obligations	<u>\$ 2,804,495</u>	<u>\$ 331,047</u>	<u>\$ 370,599</u>	<u>\$ 2,764,943</u>	<u>\$ 87,215</u>

General Obligation Bonds

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

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

The bonds were issued for the purposes of: (i) financing or reimbursing all or any part of the costs of acquiring, construction, relocating, installing and providing a system of water pipelines to furnish municipal water service within the District; (ii) providing capitalized interest to pay a portion of debt service on the bonds; and (iii) pay the costs of issuance of the bonds. Although the District issued bonds for the purposes stated above, and has recorded the related obligation, the water system is owned and maintained by the Arapahoe County Water and Wastewater Authority (ACWWA) and therefore no corresponding asset is recorded by the District.

Bonds outstanding and related interest requirements as of December 31, 2015, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 75,000	\$ 125,456	\$ 200,456
2017	80,000	121,987	201,987
2018	85,000	118,287	203,287
2019	90,000	114,356	204,356
2020	95,000	110,194	205,194
2021-2025	525,000	480,251	1,005,251
2026-2030	685,000	334,150	1,019,150
2031-2035	880,000	139,913	1,019,913
Totals	<u>\$ 2,515,000</u>	<u>\$ 1,544,594</u>	<u>\$ 4,059,594</u>

NOTE 7 – OPERATING LEASES

The City leases certain office equipment and storage facilities. Leases related to property not having elements of ownership are classified as operating leases. Lease payments are recorded as expenses or expenditures when due. Total expenditures on such leases for the year ended December 31, 2015 were approximately \$32,710.

The City had leases for certain office equipment through May 2017. Monthly rent is comprised of a base amount and an amount based upon usage. These leases generally do not have purchase options; however, the City may renew the terms of each agreement upon expiration.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

The City entered into construction contracts for various capital projects which are not complete as of December 31, 2015. The total unexpended commitments at December 31, 2015 are \$12,656,871 as detailed below.

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

<u>Projects</u>	<u>Total Contract Amount</u>	<u>Remaining Contract Amount</u>
ARPD Park & Trail Improvements	\$ 185,000	\$ 62,000
Arapahoe Road ITS Improvements	293,834	48,608
Arapahoe Road - Waco/ Himalaya Installation of Conduit & Fiber - Dry Creek to Smoky Hill	11,766,417	8,637,179
Infll Sidewalk Program - SH177 Between County Line and Orchard	503,502	158,267
	67,050	67,050
SSPRD Park & Trail Improvements	915,000	541,483
Arapahoe Road/I-25 Interchange	2,900,000	2,900,000
Smokey Hill & Himalaya Intersection	102,767	6,260
Peakview & Dayton Intersection	156,000	8,723
Civic Center Building Remodel	347,974	227,301
Total	<u>\$ 17,237,544</u>	<u>\$ 12,656,871</u>

Commitments – Economic Development

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

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

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments – Economic Development (continued)

7. Since the reimbursements are payable solely from the sales, use and property tax revenue increments generated by each project area, long-term debt is not required to be reported on the City’s financial statements.

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

Project Name	Maximum Amount Committed⁽¹⁾	Termination of Agreement⁽²⁾	Description of Sharing Agreement	Amount of Tax Shared with Developer⁽³⁾
The Streets at Southglenn	Up To \$85,000,000	11/21/2030	76% of 2.5% Sales Tax Exceeding \$1,937,569 Million Base All Property Tax Increment in Excess of Base	\$3,572,397 \$26,303,351
IKEA Store	\$18,000,000 - Sales Tax No Maximum - Use Tax	07/31/2021	75% of 2.5% Sales Tax for 3 years due to early opening, then 50% of 2.5% Sales Tax for balance of the agreement. 25% of 2.5% Use Tax	\$10,250,972 \$215,601
Centennial Center	Up To \$1,400,000	12/31/2020	50% of 2.5% Sales Tax	\$0
Centennial Promenade	Up to \$13,000,000 – Sales Tax	12/31/2020	50% of 2.5% Sales Tax	\$4,674,693
Viewhouse Centennial	Up to termination of agreement (no maximum amount committed)	8/31/2019	50% of 2.5% Sales Tax if Sales Tax Revenue generated and remitted exceeds \$187,500 annually	\$207,419

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments – Economic Development (continued)

	Maximum Amount Committed⁽¹⁾	Termination of Agreement⁽²⁾	Description of Sharing Agreement	Amount of Tax Shared with Developer⁽³⁾
Centennial East Corporate Center (12 Agreements)	N/A (4)	12/31/2019	100% of Business personal Property Taxes Levied	\$0
			100% Property Tax	\$0
			100% of Construction Use Tax Levied	\$0
			100% of Automobile Use Tax Levied	\$0
			100% of Any Business Licensing Fees	\$175
Dry Creek Corporation	No Maximum- Use Tax	12/31/2024	100% of 2.5% Use Tax	\$137,802
Panorama Corporate Center	No Maximum- Use Tax	12/31/2025	100% of 2.5% Use Tax	\$0
R and R, LLC	No Maximum – Use Tax	12/31/2024	100% of Construction Use Tax for 5 years after Effective Date; 50% of Construction Use Tax for 6 th -10 th years of Agreement	\$0
Jordan-Arapahoe , LLP	No Maximum – Use Tax	12/31/2024	100% of Construction Use Tax for 5 years after Effective Date; 50% of Construction Use Tax for 6 th -10 th years of Agreement	\$0

**CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments – Economic Development (continued)

	Maximum Amount Committed⁽¹⁾	Termination of Agreement⁽²⁾	Description of Sharing Agreement	Amount of Tax Shared with Developer⁽³⁾
Topgolf USA Centennial, LLC	No Maximum-Sales Tax	5 Years After Effective Date of Opening	75% of all Sales Tax Revenue produced by business for first year; 66% for second year; 50% for third-fifth years	\$186,680
Jones District	Up to \$9,500,000-Use Tax	June 16, 2039	100% of 2.5% Use Tax	\$0
Waddill Enterprises, LLC	No Maximum-Sales Tax	One year after Effective Date of Opening	50% of 2.5% Sales Tax	\$0
	No Maximum-Use Tax	Use tax paid in 2014-2018	100% of 2.5% Use Tax	\$50,524

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

Litigation

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

Grants

The City receives revenue from various federal and state grant programs, which are subject to final review and approval 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

CITY OF CENTENNIAL, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

and subject to legal and judicial interpretation. In the opinion of management, the City is in compliance with such provisions. On November 6, 2012, the City's electors approved Ballot Issue Number 2D providing voter authorization for the City to retain and spend revenues derived from any and all sources, in existence at that time or in the future, in excess of the spending or other limitations as set forth in Article X, Section 20 of the Colorado Constitution.

NOTE 9 – EMPLOYEE RETIREMENT PLAN

The City has a defined contribution money purchase pension plan (City of Centennial Money Purchase Plan) authorized by City Council and administered by Principal Financial Group. The City Council is authorized to amend the Plan provisions, and determines the contributions made by the City. The Plan covers all employees of the City. The City contributes on behalf of each participant 10% of earnings for the Plan year. Each participant is required to contribute to the Plan as a condition of participation. Employer contributions vest at 62% upon hiring, with vesting at 71% at year one, 80% at year two, 90% at year three, and 100% at year four. Participant contributions during 2015 were 8% of pre-tax earnings. The City's contributions to the Plan were \$412,923 for the year ending December 31, 2015. There is no liability on the part of the City beyond its annual contribution.

NOTE 10 – RISK MANAGEMENT

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

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

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

NOTE 11 – SUBSEQUENT EVENTS

On March 22, 2016 the Antelope General Improvement District (The "District") issued General Obligation Refunding Bonds, Series 2016, in the amount of \$2,495,000. Proceeds from this issuance were used to refund \$2,515,000 of General Obligation Bonds, Series 2005, originally issued for acquiring, construction, relocation and installation of a system of water pipelines to furnish municipal water service within the District. Principal is due on the bonds each December 1st. Interest accrues at rates varying from 2.0% to 5.0%, and is payable semi-annually on June 1st and December 1st.



REQUIRED SUPPLEMENTARY INFORMATION

Required
Supplementary
Information

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 33,680,751	\$ 36,648,933	\$ 38,315,195	\$ 1,666,262
Use tax	1,648,000	2,354,056	3,542,288	1,188,232
Property tax	8,065,978	7,927,268	7,913,087	(14,181)
Auto use tax	3,680,409	4,298,824	4,594,045	295,221
Other taxes	558,528	603,046	610,438	7,392
Franchise fees	5,136,748	5,085,006	5,059,425	(25,581)
Court fines	1,990,782	1,778,702	1,779,781	1,079
Charges for services	617,676	598,312	1,062,593	464,281
Investment income	188,700	188,700	175,555	(13,145)
Intergovernmental	6,497,361	6,600,994	6,940,322	339,328
Miscellaneous	587,705	1,120,436	739,697	(380,739)
Total revenues	62,652,638	67,204,277	70,732,426	3,528,149
EXPENDITURES				
Current				
General government	9,599,494	10,899,277	9,023,676	1,875,601
Finance & administration	4,447,607	4,840,458	3,979,915	860,543
Community services	24,087,342	23,901,256	23,768,969	132,287
City infrastructure	14,091,196	14,888,324	13,231,068	1,657,256
Planning & development	474,042	578,951	453,672	125,279
Capital outlay	-	-	794,902	(794,902)
Total expenditures	52,699,681	55,108,266	51,252,202	3,856,064
REVENUE OVER (UNDER) EXPENDITURES	9,952,957	12,096,011	19,480,224	7,384,213
OTHER FINANCING SOURCES (USES)				
Transfers in	312,939	426,091	923,425	497,334
Transfers out	(18,995,683)	(26,327,286)	(26,327,286)	-
Total other financing sources (uses)	(18,682,744)	(25,901,195)	(25,403,861)	497,334
NET CHANGE IN FUND BALANCE	(8,729,787)	(13,805,184)	(5,923,637)	7,881,547
FUND BALANCE - BEGINNING OF YEAR	33,824,642	42,469,867	42,469,867	-
FUND BALANCE - END OF YEAR	\$ 25,094,855	\$ 28,664,683	\$ 36,546,230	\$ 7,881,547

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND
 For the Year Ended December 31, 2015**

	<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	\$ 5,396,705	\$ 4,842,756	\$ 4,608,988	\$ (233,768)
Intergovernmental	1,118,209	996,367	989,303	(7,064)
Miscellaneous	150,000	150,000	24,292	(125,708)
Total revenue	<u>6,664,914</u>	<u>5,989,123</u>	<u>5,622,583</u>	<u>(366,540)</u>
EXPENDITURES				
Sales tax sharing pass-thru	1,118,209	996,367	989,303	7,064
Property tax sharing pass-thru	5,396,705	4,842,756	4,539,832	302,924
Professional services	150,000	150,000	93,448	56,552
Contingencies	-	434,747	-	434,747
Total expenditures	<u>6,664,914</u>	<u>6,423,870</u>	<u>5,622,583</u>	<u>801,287</u>
NET CHANGE IN FUND BALANCE	-	(434,747)	-	434,747
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>434,747</u>	<u>434,747</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,747</u>	<u>\$ 434,747</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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



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Combining & Individual
Fund Financial
Statements & Schedule

COMBINING & INDIVIDUAL FUND FINANCIAL STATEMENTS & SCHEDULE



**CITY OF CENTENNIAL, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2015**

	Open Space Fund	Conservation Trust Fund	General Improvement District Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 5,749,064	\$ 2,304,853	\$ 960,776	\$ 9,014,693
Taxes receivable	-	-	385,273	385,273
Other receivables	-	-	1,580	1,580
Total assets	<u>5,749,064</u>	<u>2,304,853</u>	<u>1,347,629</u>	<u>9,401,546</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable	<u>83,046</u>	<u>-</u>	<u>15,765</u>	<u>98,811</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	<u>-</u>	<u>-</u>	<u>385,273</u>	<u>385,273</u>
FUND BALANCE				
Restricted for:				
Emergency reserves	72,323	16,288	12,350	100,961
Parks and Open Space	5,593,695	2,288,565	-	7,882,260
District Infrastructure	-	-	934,241	934,241
Total fund balance	<u>5,666,018</u>	<u>2,304,853</u>	<u>946,591</u>	<u>8,917,462</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 5,749,064</u>	<u>\$ 2,304,853</u>	<u>\$ 1,347,629</u>	<u>\$ 9,401,546</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Open Space Fund	Conservation Trust Fund	General Improvement District Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 410,063	\$ 410,063
Intergovernmental	2,403,040	540,946	-	2,943,986
Investment income	7,711	1,977	1,610	11,298
Total revenues	<u>2,410,751</u>	<u>542,923</u>	<u>411,673</u>	<u>3,365,347</u>
EXPENDITURES				
Current				
City infrastructure	-	-	113,846	113,846
Culture and recreation	920,099	124,437	-	1,044,536
Capital Outlay	167,144	-	-	167,144
Debt service				
Principal	-	-	75,000	75,000
Interest	-	-	128,906	128,906
Total expenditures	<u>1,087,243</u>	<u>124,437</u>	<u>317,752</u>	<u>1,529,432</u>
NET CHANGE IN FUND BALANCE	1,323,508	418,486	93,921	1,835,915
FUND BALANCE - BEGINNING OF YEAR	<u>4,342,510</u>	<u>1,886,367</u>	<u>852,670</u>	<u>7,081,547</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,666,018</u>	<u>\$ 2,304,853</u>	<u>\$ 946,591</u>	<u>\$ 8,917,462</u>

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
For the Year Ended December 31, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Intergovernmental Revenue	\$ 200,800	\$ 6,445,985	\$ 6,317,293	\$ (128,692)
Developer Contributions	187,500	1,912,500	102,938	(1,809,562)
Charges for services	31,817	49,305	49,017	(288)
Total revenue	<u>420,117</u>	<u>8,407,790</u>	<u>6,469,248</u>	<u>(1,938,542)</u>
EXPENDITURES				
Rehabilitation				
Street rehabilitation program	6,600,000	7,030,000	6,897,821	132,179
Major/minor structures	150,000	262,505	43,001	219,504
Professional services	325,000	375,000	319,765	55,235
Capital outlay				
Land Improvements	-	12,603	-	12,603
Streets	3,450,000	21,776,875	6,936,425	14,840,450
Sidewalks	75,000	1,576,544	44,741	1,531,803
Traffic control & signals	715,800	2,317,157	127,791	2,189,366
Major Capital Project Reserve	7,900,000	11,909,440	313,171	11,596,269
Buildings	200,000	3,222,845	28,041	3,194,804
Vista Verde Neighborhood Improvements	-	132,176	-	132,176
Total expenditures	<u>19,415,800</u>	<u>48,615,145</u>	<u>14,710,756</u>	<u>33,904,389</u>
REVENUE OVER (UNDER) EXPENDITURES	(18,995,683)	(40,207,355)	(8,241,508)	31,965,847
OTHER FINANCING SOURCES				
Transfers in	<u>18,995,683</u>	<u>26,327,286</u>	<u>26,327,286</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(13,880,069)	18,085,778	31,965,847
FUND BALANCE - BEGINNING OF YEAR	<u>320,439</u>	<u>13,880,069</u>	<u>13,880,069</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 320,439</u>	<u>\$ -</u>	<u>\$ 31,965,847</u>	<u>\$ 31,965,847</u>

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
OPEN SPACE FUND
For the Year Ended December 31, 2015**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Intergovernmental	\$ 2,170,000	\$ 2,403,040	\$ 2,403,040	\$ -
Investment income	7,515	7,515	7,711	196
Total revenue	<u>2,177,515</u>	<u>2,410,555</u>	<u>2,410,751</u>	<u>196</u>
EXPENDITURES				
Culture and recreation	478,000	493,000	920,099	(427,099)
Capital outlay	1,589,000	3,998,387	167,144	3,831,243
Contingencies	110,515	2,261,676	-	2,261,676
Total expenditures	<u>2,177,515</u>	<u>6,753,063</u>	<u>1,087,243</u>	<u>5,665,820</u>
NET CHANGE IN FUND BALANCE	-	(4,342,508)	1,323,508	5,666,016
FUND BALANCE - BEGINNING OF YEAR	-	4,342,508	4,342,510	2
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,666,018</u>	<u>\$ 5,666,018</u>

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
For the Year Ended December 31, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Intergovernmental	\$ 567,362	\$ 550,544	\$ 540,946	\$ (9,598)
Investment income	3,000	3,000	1,977	(1,023)
Total revenue	570,362	553,544	542,923	(10,621)
EXPENDITURES				
Culture and recreation	2,500	2,500	124,437	(121,937)
Capital outlay	550,000	2,301,820	-	2,301,820
Contingencies	17,862	135,591	-	135,591
Total expenditures	570,362	2,439,911	124,437	2,315,474
NET CHANGE IN FUND BALANCE	-	(1,886,367)	418,486	2,304,853
FUND BALANCE - BEGINNING OF YEAR	-	1,886,367	1,886,367	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 2,304,853	\$ 2,304,853

See the accompanying independent auditors' report.

**CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL IMPROVEMENT DISTRICT FUND
For the Year Ended December 31, 2015**

	<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	\$ 347,153	\$ 381,137	\$ 381,307	\$ 170
Specific ownership tax	16,022	16,022	28,756	12,734
Investment income	1,110	1,110	1,610	500
Total revenue	<u>364,285</u>	<u>398,269</u>	<u>411,673</u>	<u>13,404</u>
EXPENDITURES				
Current				
City infrastructure	318,925	319,435	113,846	205,589
Debt service				
Principal	75,000	75,000	75,000	-
Interest	128,756	128,756	128,906	(150)
Contingencies	-	600,637	-	600,637
Total expenditures	<u>522,681</u>	<u>1,123,828</u>	<u>317,752</u>	<u>806,076</u>
NET CHANGE IN FUND BALANCE	(158,396)	(725,559)	93,921	819,480
FUND BALANCE - BEGINNING OF YEAR	<u>158,396</u>	<u>852,670</u>	<u>852,670</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 127,111</u>	<u>\$ 946,591</u>	<u>\$ 819,480</u>

See the accompanying independent auditors' report.

CITY OF CENTENNIAL, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAND USE FUND
For the Year Ended December 31, 2015

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Building permits, licenses, and fees	\$ 2,400,000	\$ 3,581,650	\$ 3,999,340	\$ 417,690
Contractor's licenses and bus shelter fees	320,000	299,732	319,830	20,098
Land use permits and other income	472,000	481,469	582,769	101,300
Transfers in	412,000	588,514	-	(588,514)
Total revenue	<u>3,604,000</u>	<u>4,951,365</u>	<u>4,901,939</u>	<u>(49,426)</u>
EXPENDITURES				
Personnel services	476,237	458,921	422,123	36,798
Contracted services	2,100,596	3,117,376	3,226,255	(108,879)
Services & supplies	302,228	360,463	320,837	39,626
Transfers out	724,939	1,014,605	923,425	91,180
Total expenditures	<u>3,604,000</u>	<u>4,951,365</u>	<u>4,892,640</u>	<u>58,725</u>
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	9,299	<u>\$ 9,299</u>
ADJUSTMENT TO GAAP BASIS				
Depreciation			<u>(9,299)</u>	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ -</u>	

See the accompanying independent auditors' report.



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STATISTICAL SECTION

Statistical Section



STATISTICAL SECTION OVERVIEW

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

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

OPERATING INFORMATION

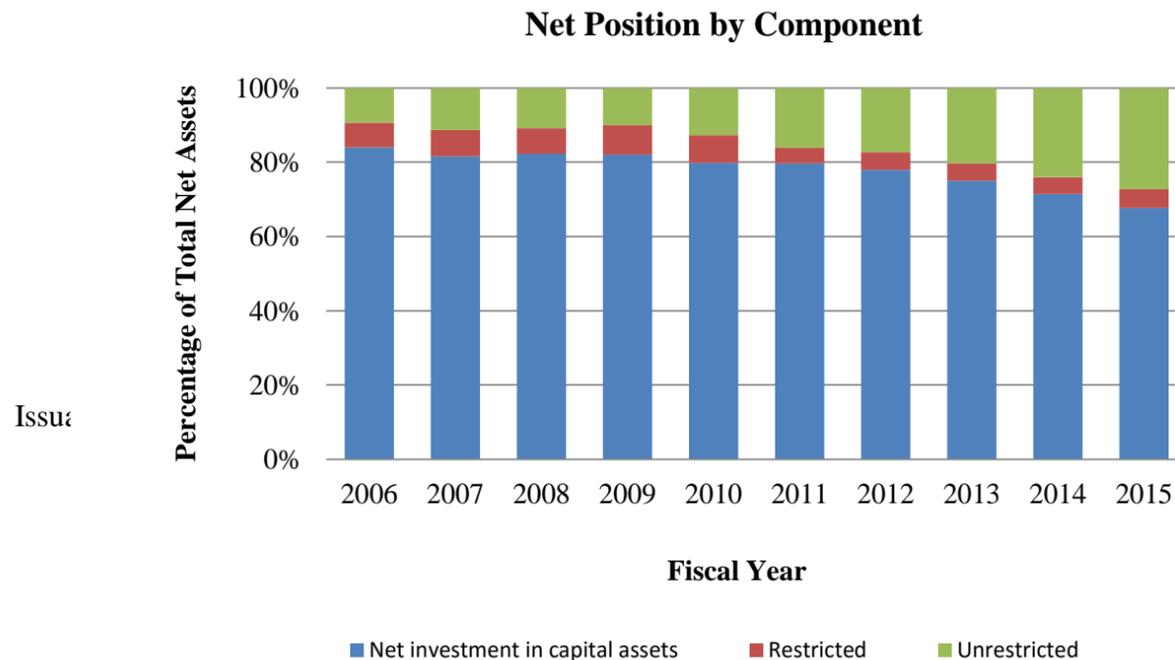
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**TABLE 1
CITY OF CENTENNIAL, COLORADO**

NET POSITION BY COMPONENT

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

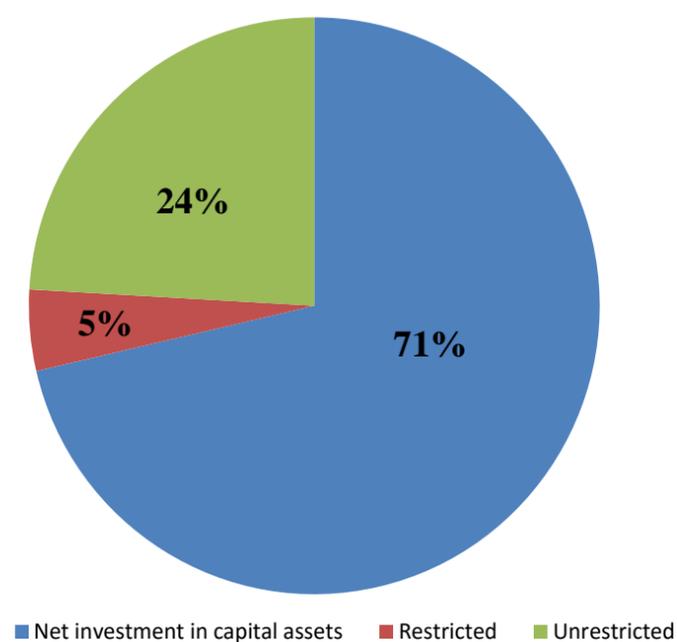
	Fiscal Year		
	2006	2007	2008
Governmental activities			
Net investment in capital assets	\$ 130,732,395	\$ 127,795,949	\$ 134,743,623
Restricted	10,433,346	11,038,753	11,127,772
Unrestricted	14,505,095	17,798,842	17,882,572
Total governmental activities net position	<u>155,670,836</u>	<u>156,633,544</u>	<u>163,753,967</u>
Business-type activities			
Net investment in capital assets	-	-	-
Restricted	-	-	-
Unrestricted	-	-	-
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>
Primary government			
Net investment in capital assets	130,732,395	127,795,949	134,743,623
Restricted	10,433,346	11,038,753	11,127,772
Unrestricted	14,505,095	17,798,842	17,882,572
Total primary government net position	<u>\$ 155,670,836</u>	<u>\$ 156,633,544</u>	<u>\$ 163,753,967</u>



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

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ 137,465,454	\$ 137,094,255	\$ 144,592,118	\$ 150,533,967	\$ 153,105,667	\$ 152,496,183	\$ 157,122,370
13,226,398	12,652,880	7,656,451	9,180,350	9,515,406	9,620,070	11,690,081
17,002,149	22,116,122	29,311,672	33,582,988	41,519,235	51,615,854	63,493,761
167,694,001	171,863,257	181,560,241	193,297,305	204,140,308	213,732,107	232,306,212
96,713	65,256	39,654	31,891	10,592	24,314	15,015
94,714	89,755	88,726	94,106	92,070	91,577	119,355
(191,427)	(155,011)	(128,380)	(125,997)	(102,662)	(115,891)	(134,370)
-	-	-	-	-	-	-
137,562,167	137,159,511	144,631,772	150,565,858	153,116,259	152,520,497	157,137,385
13,321,112	12,742,635	7,745,176	9,274,456	9,607,476	9,711,647	11,809,436
16,810,722	21,961,111	29,183,292	33,456,991	41,416,573	51,499,963	63,359,391
\$ 167,694,001	\$ 171,863,257	\$ 181,560,241	\$ 193,297,305	\$ 204,140,308	\$ 213,732,107	\$ 232,306,212

2015 Net Position



**TABLE 2
CITY OF CENTENNIAL, COLORADO**

CHANGE IN NET POSITION

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

	Fiscal Year		
	2006	2007	2008
Governmental activities			
Expenses			
General government	\$ 4,726,923	\$ 5,533,732	\$ 6,747,868
Community services	19,258,142	20,838,991	21,354,389
City infrastructure	20,548,344	20,656,685	17,720,544
Culture and recreation	154	91,185	84,784
Urban redevelopment	-	607,222	952,348
Interest on long-term debt	155,962	165,240	146,415
Total governmental activities expenses	<u>44,689,525</u>	<u>47,893,055</u>	<u>47,006,348</u>
Program Revenues			
Charges for services			
General government	47,089	47,070	74,780
Community services	1,611,702	2,059,722	2,300,601
City infrastructure	177,056	202,963	354,223
Urban redevelopment	-	683,752	1,979,802
Operating grants and contributions	4,388,857	4,319,189	4,070,855
Capital grants and contributions	3,285,607	4,038,680	5,257,705
Total governmental activities program revenues	<u>9,510,311</u>	<u>11,351,376</u>	<u>14,037,966</u>
Total governmental activities net program expense	<u>35,179,214</u>	<u>36,541,679</u>	<u>32,968,382</u>
General revenues and other changes in net position			
Taxes			
Sales tax	17,570,207	18,736,167	18,620,968
Use tax	1,126,889	1,237,313	3,265,367
Property tax	7,440,169	7,525,978	7,989,318
Auto use tax	3,515,870	3,994,315	3,522,055
Other taxes	957,501	964,459	890,664
Unrestricted franchise fees	4,208,875	4,253,003	4,827,977
Investment income	1,264,658	1,657,727	832,298
Intergovernmental revenues not restricted to specific programs	-	-	-
Issuance of debt	66,093	264,919	534,366
Insurance proceeds	44,783	-	-
Contributions	150,421	-	-
Transfers	(961,648)	(1,129,494)	(394,208)
	<u>35,383,818</u>	<u>37,504,387</u>	<u>40,088,805</u>
	<u>\$ 204,604</u>	<u>\$ 962,708</u>	<u>\$ 7,120,423</u>

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

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ 5,854,992	\$ 5,927,832	\$ 8,491,057	\$ 10,953,334	\$ 12,845,868	\$ 11,763,347	\$ 13,170,287
21,549,041	21,408,592	21,577,444	21,736,983	21,819,639	22,174,239	23,768,969
17,487,628	20,013,733	20,568,461	22,482,836	22,215,397	24,731,604	24,689,639
581,646	367,583	496,048	736,800	2,258,120	2,546,267	1,044,536
519,967	1,231,387	5,000,756	5,843,043	5,159,616	5,548,953	4,633,280
144,466	142,238	139,905	137,299	134,611	131,665	128,631
<u>46,137,740</u>	<u>49,091,365</u>	<u>56,273,671</u>	<u>61,890,295</u>	<u>64,433,251</u>	<u>66,896,075</u>	<u>67,435,342</u>
148,014	208,659	160,262	245,346	251,061	277,175	235,142
2,293,552	2,368,455	2,236,483	2,095,843	2,201,469	2,158,468	1,849,415
486,346	321,054	375,545	387,630	280,918	816,615	806,834
1,293,553	-	-	-	-	-	-
4,308,859	4,847,044	5,111,685	5,354,851	5,959,577	6,209,974	6,488,723
4,741,687	3,947,075	6,654,649	7,872,115	4,849,633	3,480,178	9,147,000
<u>13,272,011</u>	<u>11,692,287</u>	<u>14,538,624</u>	<u>15,955,785</u>	<u>13,542,658</u>	<u>12,942,410</u>	<u>18,527,114</u>
<u>32,865,729</u>	<u>37,399,078</u>	<u>41,735,047</u>	<u>45,934,510</u>	<u>50,890,593</u>	<u>53,953,665</u>	<u>48,908,228</u>
17,992,951	20,624,581	27,917,744	32,782,443	34,569,315	35,673,588	38,315,195
2,001,964	2,060,641	1,677,317	2,003,344	2,987,611	2,279,161	3,542,288
8,132,734	9,506,280	12,930,171	13,301,715	13,391,623	13,976,189	12,903,382
3,084,446	3,064,792	3,178,645	3,458,033	3,747,097	4,123,965	4,594,045
819,445	797,403	519,284	539,677	586,360	628,585	639,194
4,235,611	4,653,673	4,749,865	4,646,174	5,011,913	5,128,961	5,059,425
131,382	84,158	40,173	146,534	69,801	177,993	186,853
255,033	252,382	253,944	267,307	363,051	568,105	451,599
582,696	367,958	277,132	453,685	354,910	445,389	866,927
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(175,466)	408,848	(112,244)	72,662	651,915	543,528	923,425
<u>37,060,796</u>	<u>41,820,716</u>	<u>51,432,031</u>	<u>57,671,574</u>	<u>61,733,596</u>	<u>63,545,464</u>	<u>67,482,333</u>
<u>\$ 4,195,067</u>	<u>\$ 4,421,638</u>	<u>\$ 9,696,984</u>	<u>\$ 11,737,064</u>	<u>\$ 10,843,003</u>	<u>\$ 9,591,799</u>	<u>\$ 18,574,105</u>

TABLE 2
CITY OF CENTENNIAL, COLORADO

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

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

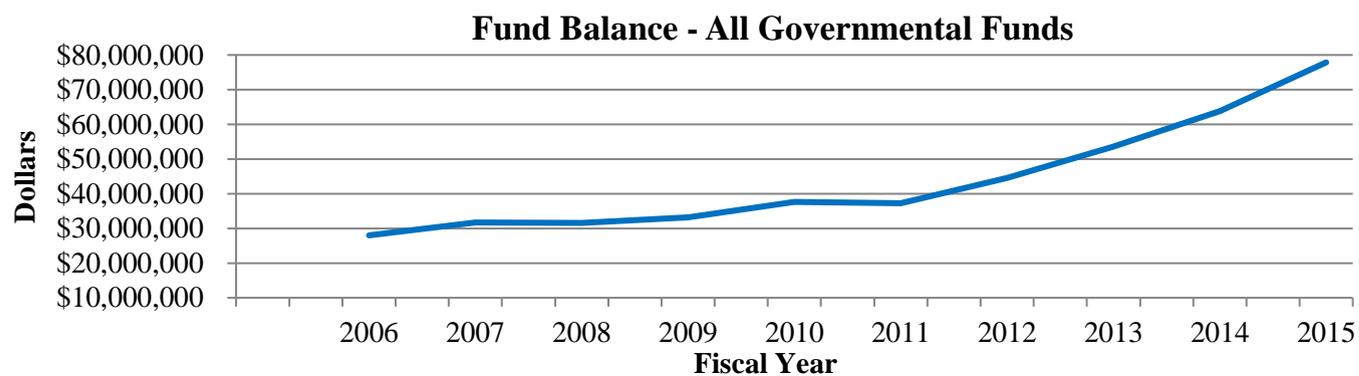
	Fiscal Year		
	2006	2007	2008
<u>Business-type activities</u>			
Expenses			
Land use fund	\$ 3,274,235	\$ 4,029,924	\$ 3,548,937
Total expenses	<u>3,274,235</u>	<u>4,029,924</u>	<u>3,548,937</u>
Revenues			
Land use service fees	2,312,587	2,900,430	3,154,729
Total revenues	<u>2,312,587</u>	<u>2,900,430</u>	<u>3,154,729</u>
Operating income (loss) before transfers	<u>(961,648)</u>	<u>(1,129,494)</u>	<u>(394,208)</u>
Transfers	961,648	1,129,494	394,208
Total business-type activities change in net position	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government change in net position	<u>\$ 204,604</u>	<u>\$ 962,708</u>	<u>\$ 7,120,423</u>

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

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ 3,157,146	\$ 2,991,828	\$ 2,957,524	\$ 3,136,858	\$ 3,068,995	\$ 3,052,575	\$ 3,978,514
<u>3,157,146</u>	<u>2,991,828</u>	<u>2,957,524</u>	<u>3,136,858</u>	<u>3,068,995</u>	<u>3,052,575</u>	<u>3,978,514</u>
2,901,680	3,400,676	2,845,280	3,209,520	3,720,910	3,596,103	4,901,939
<u>2,901,680</u>	<u>3,400,676</u>	<u>2,845,280</u>	<u>3,209,520</u>	<u>3,720,910</u>	<u>3,596,103</u>	<u>4,901,939</u>
(255,466)	408,848	(112,244)	72,662	651,915	543,528	923,425
<u>175,466</u>	<u>(408,848)</u>	<u>112,244</u>	<u>(72,662)</u>	<u>(651,915)</u>	<u>(543,528)</u>	<u>(923,425)</u>
<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 4,115,067</u>	<u>\$ 4,421,638</u>	<u>\$ 9,696,984</u>	<u>\$ 11,737,064</u>	<u>\$ 10,843,003</u>	<u>\$ 9,591,799</u>	<u>\$ 18,574,105</u>

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

	Fiscal Year		
	2006	2007	2008
General fund			
Reserved	\$ 1,350,000	\$ 1,490,558	\$ 1,298,064
Unreserved	13,016,866	13,199,627	13,507,740
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total general fund	<u>14,366,866</u>	<u>14,690,185</u>	<u>14,805,804</u>
All other governmental funds			
Reserved	7,184,418	9,683,858	9,916,754
Unreserved	6,452,295	7,294,171	6,875,088
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Total all other governmental funds	<u>13,636,713</u>	<u>16,978,029</u>	<u>16,791,842</u>
Total all governmental funds	<u>\$ 28,003,579</u>	<u>\$ 31,668,214</u>	<u>\$ 31,597,646</u>



The information for this table was obtained from the Balance Sheet. The City of Centennial incorporated during 2001. Statistical information is presented from 2005 through the current year to correspond with the implementation of GASB Statement No. 34. 2011 Fund balance has been restated. GASB 54 was implemented in 2011.

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ 1,261,298	\$ 1,288,696	\$ -	\$ -	\$ -	\$ -	\$ -
16,806,731	20,701,513	-	-	-	-	-
-	-	13,762	4,009	1,493	12,427	15,196
-	-	1,472,246	1,371,302	1,651,357	1,531,979	1,359,857
-	-	5,301,033	-	-	-	-
-	-	21,536,729	28,276,576	36,514,096	40,925,461	35,171,177
<u>18,068,029</u>	<u>21,990,209</u>	<u>28,323,770</u>	<u>29,651,887</u>	<u>38,166,946</u>	<u>42,469,867</u>	<u>36,546,230</u>
11,981,515	11,379,095	-	-	-	-	-
3,143,991	4,294,525	-	-	-	-	-
-	-	-	-	70,018	70,018	-
-	-	6,184,205	7,809,048	7,864,049	7,996,514	10,330,224
-	-	2,766,780	7,127,165	7,458,280	13,329,831	30,987,832
<u>15,125,506</u>	<u>15,673,620</u>	<u>8,950,985</u>	<u>14,936,213</u>	<u>15,392,347</u>	<u>21,396,363</u>	<u>41,318,056</u>
<u>\$ 33,193,535</u>	<u>\$ 37,663,829</u>	<u>\$ 37,274,755</u>	<u>\$ 44,588,100</u>	<u>\$ 53,559,293</u>	<u>\$ 63,866,230</u>	<u>\$ 77,864,286</u>

TABLE 4
CITY OF CENTENNIAL, COLORADO

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

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

	Fiscal Year		
	2006	2007	2008
Revenues			
Taxes	\$ 30,610,636	\$ 32,458,232	\$ 34,288,372
Intergovernmental	7,674,464	8,153,516	9,120,836
Charges for services	1,835,847	2,993,507	4,709,406
Franchise fees	4,208,875	4,253,003	4,827,977
Investment income	1,264,658	1,657,727	832,298
Miscellaneous	66,093	264,919	534,366
Total revenues	<u>45,660,573</u>	<u>49,780,904</u>	<u>54,313,255</u>
Expenditures			
Current			
General government	4,414,270	5,535,338	6,707,616
Community services	19,456,398	20,877,510	21,354,389
City infrastructure	15,251,848	13,729,987	13,843,150
Culture & recreation	154	91,185	84,784
Urban redevelopment	-	607,222	952,348
Capital Outlay			
General government	-	20,615	7,839,369
Capital improvement	1,115,982	3,948,517	3,006,383
Debt Service			
Principal	1,305,966	15,000	55,000
Interest and fiscal charges	202,124	161,401	146,576
Total expenditures	<u>41,746,742</u>	<u>44,986,775</u>	<u>53,989,615</u>
Revenue over expenditures	<u>3,913,831</u>	<u>4,794,129</u>	<u>323,640</u>
Other Financing Sources (Uses)			
Transfers in	5,058,700	3,880,306	900,000
Transfers out	(6,020,348)	(5,009,800)	(1,294,208)
Contributions	150,421	-	-
Issuance of debt	44,783	-	-
Total other financing sources (uses)	<u>(766,444)</u>	<u>(1,129,494)</u>	<u>(394,208)</u>
Net change in fund balances	<u>\$ 3,147,387</u>	<u>\$ 3,664,635</u>	<u>\$ (70,568)</u>
Debt service as a percent of noncapital expenditures	3.85%	0.43%	0.47%

The information for this table was obtained from the Statement of Revenue, Expenditures, and Changes in Fund Balances. The City of Centennial Incorporated during 2001. Statistical information is presented from 2005 through the current year to correspond with the implementation of GASB Statement No. 34. 2011 fund balance has been restated.

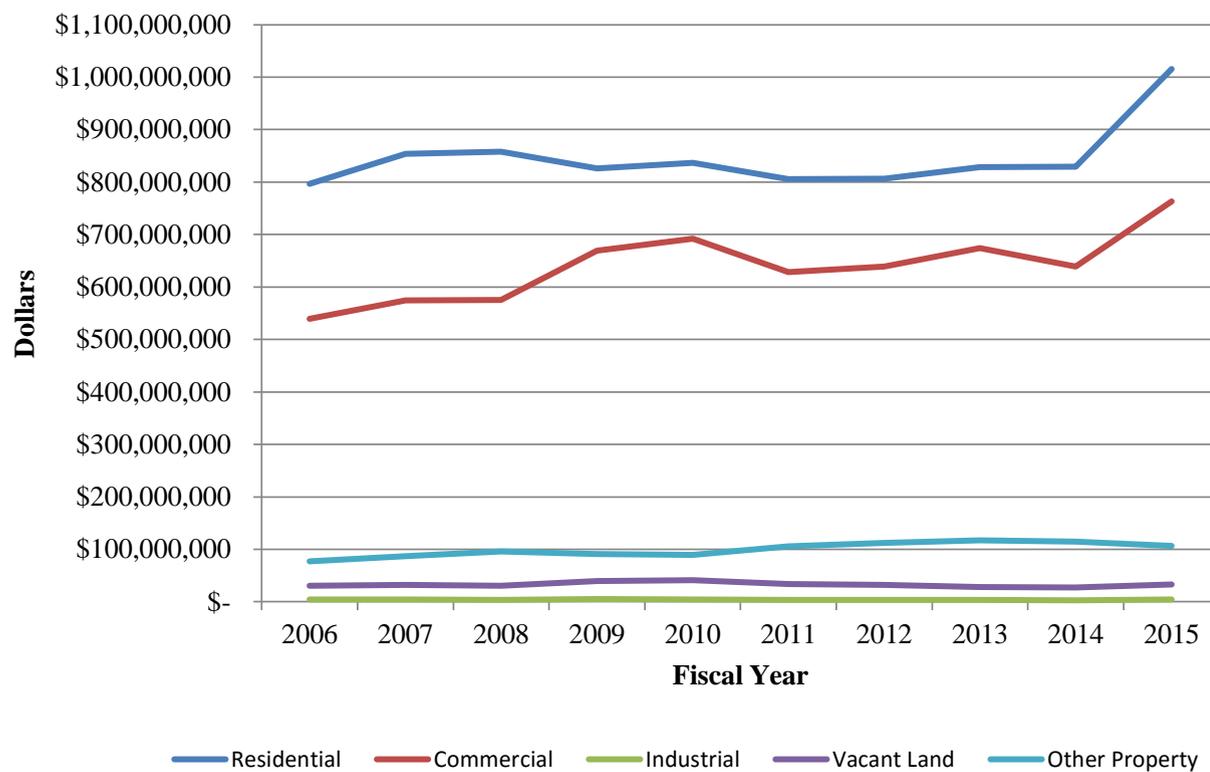
		Fiscal Year											
		2009	2010	2011	2012	2013	2014	2015					
\$	32,031,540	\$	36,053,697	\$	46,223,161	\$	52,085,212	\$	55,282,006	\$	56,681,488	\$	59,994,104
	9,462,623		8,005,719		10,602,518		11,030,082		11,625,012		11,306,613		17,190,904
	4,221,465		2,898,168		2,772,290		2,728,819		2,733,448		2,760,913		2,891,391
	4,235,611		4,653,673		4,749,865		4,646,174		5,011,913		5,128,961		5,059,425
	131,382		84,158		40,173		146,534		69,801		177,993		186,853
	582,696		367,958		277,132		453,685		354,910		936,734		866,927
	<u>50,665,317</u>		<u>52,063,373</u>		<u>64,665,139</u>		<u>71,090,506</u>		<u>75,077,090</u>		<u>76,992,702</u>		<u>86,189,604</u>
	5,837,442		6,053,572		8,433,765		10,929,433		11,434,747		11,640,388		13,003,591
	21,549,041		21,408,592		21,577,444		21,736,983		21,819,639		22,174,239		23,768,969
	11,620,237		16,015,936		16,708,347		18,465,990		19,492,958		20,516,748		21,059,173
	581,646		367,583		496,048		736,800		2,258,120		1,414,462		1,044,536
	421,892		1,231,387		5,000,756		5,843,043		6,010,887		6,463,195		5,622,583
	1,138,228		2,428,907		11,329,499		6,884,042		1,737,119		1,893,131		962,046
	7,540,825		293,519		-		242,000		3,799,486		2,925,214		7,450,169
	60,000		60,000		65,000		65,000		70,000		70,000		75,000
	144,651		142,431		140,121		137,521		134,856		131,916		128,906
	<u>48,893,962</u>		<u>48,001,927</u>		<u>63,750,980</u>		<u>65,040,812</u>		<u>66,757,812</u>		<u>67,229,293</u>		<u>73,114,973</u>
	<u>1,771,355</u>		<u>4,061,446</u>		<u>914,159</u>		<u>6,049,694</u>		<u>8,319,278</u>		<u>9,763,409</u>		<u>13,074,631</u>
	2,483,847		5,882,430		4,686,487		15,004,327		10,433,915		16,505,911		27,250,711
	(2,659,313)		(5,473,582)		(4,798,731)		(14,931,665)		(9,782,000)		(15,962,383)		(26,327,286)
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	<u>(175,466)</u>		<u>408,848</u>		<u>(112,244)</u>		<u>72,662</u>		<u>651,915</u>		<u>543,528</u>		<u>923,425</u>
\$	<u>1,595,889</u>	\$	<u>4,470,294</u>	\$	<u>801,915</u>	\$	<u>6,122,356</u>	\$	<u>8,971,193</u>	\$	<u>10,306,937</u>	\$	<u>13,998,056</u>
	0.51%		0.45%		0.39%		0.35%		0.34%		0.32%		0.32%

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

(Unaudited)

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

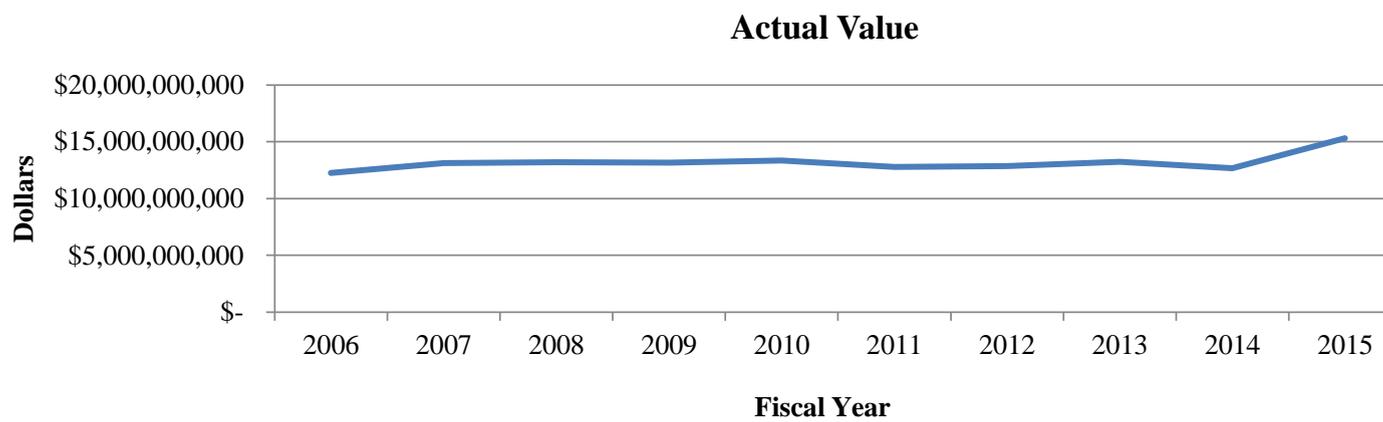
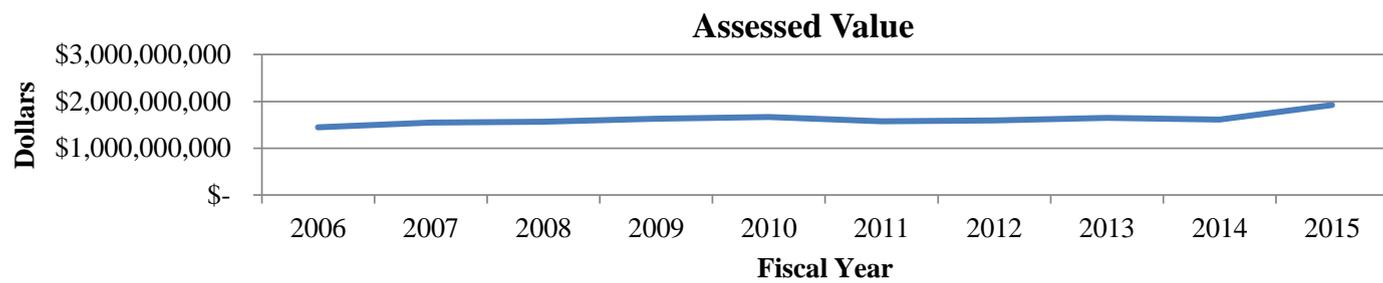
Assessed Value by Property Type



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

Taxable Real and Personal Property

Other Property¹	Total Taxable Assessed Value³	Mill Levy²	Actual Value	Assessed Value as a Percentage of Actual Value
\$ 76,888,530	\$ 1,447,964,430	5.031	\$ 12,251,481,778	11.82%
86,587,340	1,551,697,880	4.958	13,133,258,542	11.82%
95,876,250	1,564,183,520	5.054	13,215,858,210	11.84%
91,294,120	1,631,159,300	5.047	13,150,665,012	12.40%
89,317,930	1,664,047,130	5.077	13,363,879,048	12.45%
105,985,000	1,577,895,580	5.077	12,783,754,657	12.34%
112,373,110	1,593,434,820	5.129	12,843,506,833	12.41%
117,278,110	1,652,352,750	5.073	13,250,414,532	12.47%
114,499,519	1,613,331,573	5.015	12,681,267,675	12.72%
106,858,997	1,922,654,553	5.015	15,296,547,327	12.57%



(1) Includes State assessed.

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

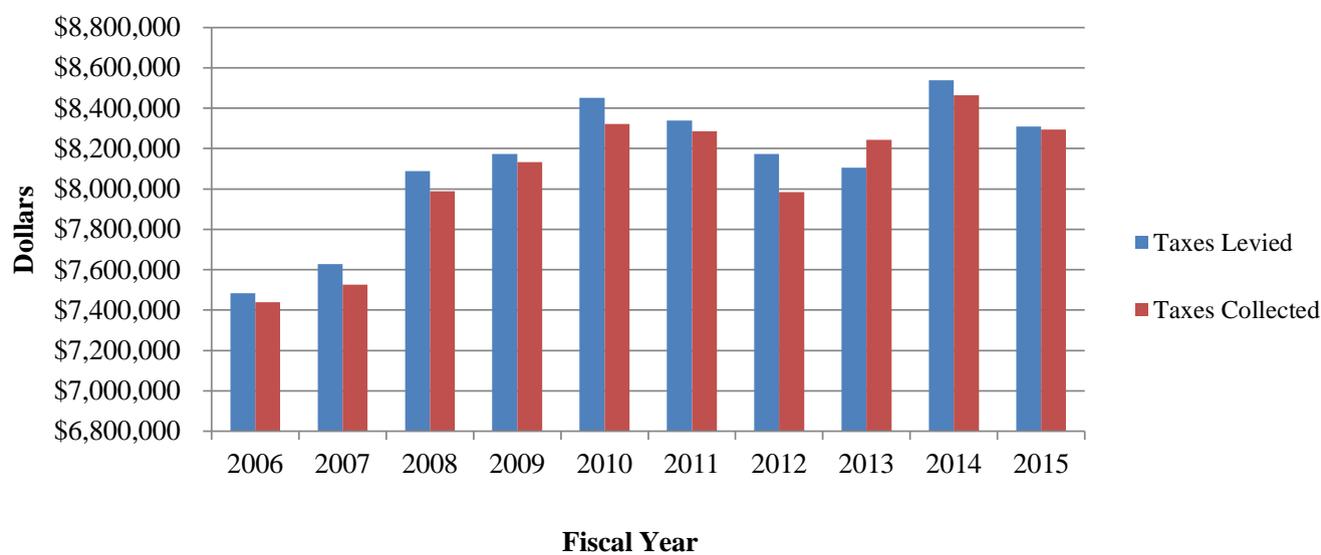
(3) Beginning in 2008, total taxable assessed value includes the valuation of property, included in the Centennial Urban Redevelopment Authority; This amount has been excluded in the City's Certification of Tax.

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

(Unaudited)

Fiscal Year	Taxes Levied for Collection in the Fiscal Year ¹	Collected within the Fiscal Year of the Levy	
		Amount ²	Percentage of Levy
2006	\$ 7,483,962	\$ 7,440,169	99.415%
2007	7,628,936	7,525,978	98.650%
2008	8,088,081	7,989,318	98.779%
2009	8,172,853	8,132,734	99.509%
2010	8,450,787	8,322,818	98.486%
2011	8,339,583	8,286,203	99.360%
2012	8,172,727	7,984,301	97.694%
2013	8,104,801	8,243,117	101.707%
2014	8,538,323	8,463,100	99.119%
2015	8,308,406	8,294,394	99.831%

Taxes Levied Compared to Taxes Collected



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

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

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

The City of Centennial incorporated during 2001. Statistical information is presented from 2005 through the current year to correspond with the implementation of GASB No. 34.

**TABLE 7
CITY OF CENTENNIAL, COLORADO**

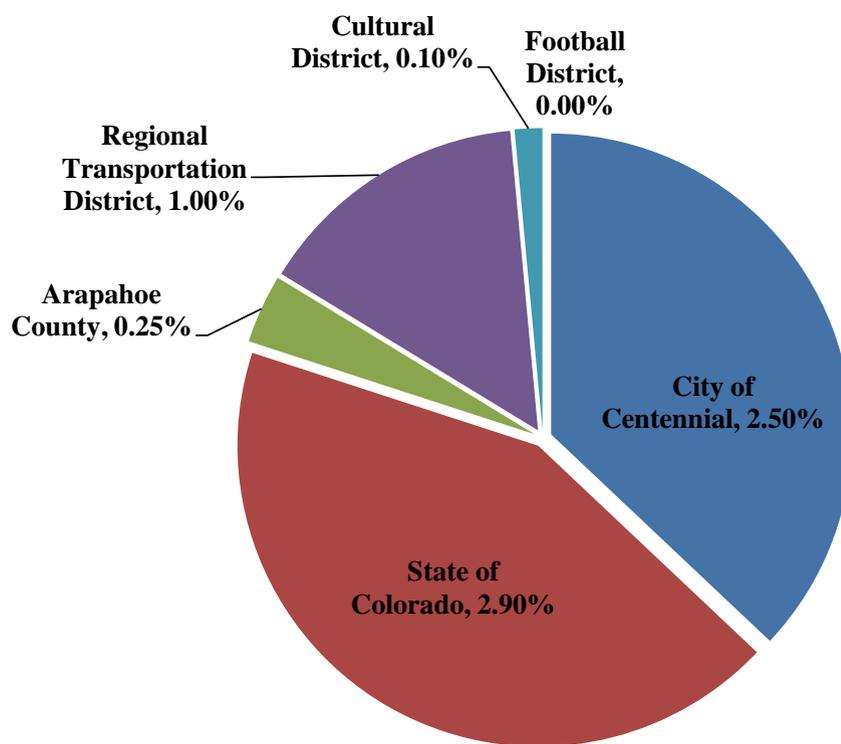
DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	City of Centennial	State of Colorado	Arapahoe County	Regional Transportation District	Cultural District	Football District	Total
2006	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2007	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2008	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2009	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2010	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2011	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2012	2.50%	2.90%	0.25%	1.00%	0.10%	0.10%	6.85%
2013	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%
2014	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%
2015	2.50%	2.90%	0.25%	1.00%	0.10%	0.00%	6.75%

Direct and Overlapping Sales Tax Rates



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

**TABLE 8
CITY OF CENTENNIAL, COLORADO**

GENERAL SALES TAX REVENUE, REMITTERS BY TYPE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Accommodation and Food Service	Support, Waste Management and Remediation Services	Arts, Entertainment and Recreation	Construction	Educational Services
2006	\$ 2,784,120	\$ 208,292	\$ 5,430	\$ 125,629	\$ 48,998
2007	2,907,889	221,959	6,277	167,805	33,423
2008	2,916,546	201,703	11,142	108,623	12,884
2009	2,710,339	128,220	13,916	185,144	29,399
2010	3,154,244	187,868	6,685	242,605	50,597
2011	3,478,385	204,754	50,884	245,183	74,579
2012	3,907,917	235,344	88,912	390,521	76,669
2013	4,393,073	243,380	98,107	303,080	35,123
2014	4,907,666	206,222	123,155	671,418	17,338
2015	5,453,979	243,243	374,477	482,058	18,370

(continued)

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

Finance and Insurance	Healthcare and Social Assistance	Information	Mining	Professional, Scientific and Technical Services
\$ 145,008	\$ 70,079	\$ 2,308,814	\$ 44,370	\$ 366,530
134,518	75,176	2,430,547	44,339	400,002
144,254	79,692	2,488,893	48,218	443,339
129,778	66,424	1,859,609	24,562	244,087
110,647	83,936	2,344,054	28,308	620,785
121,119	96,535	2,498,242	30,980	639,787
147,666	103,892	2,460,400	40,721	1,118,743
205,453	105,989	2,623,327	43,466	883,521
223,940	106,657	2,410,509	59,180	777,654
319,362	95,153	3,529,595	50,744	913,342

(continued)

**TABLE 8
CITY OF CENTENNIAL, COLORADO**

GENERAL SALES TAX REVENUE, REMITTERS BY TYPE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Public Administration	Real Estate, Rental and Leasing	Utilities	Wholesale Trade	Other Remitters	Total
2006	\$ 23,789	\$ 571,768	\$ 935,920	\$ 512,835	\$ 9,418,625	\$ 17,570,207
2007	18,038	579,290	946,226	641,626	10,129,052	18,736,167
2008	17,989	581,958	1,106,171	694,251	9,765,305	18,620,968
2009	28,195	498,303	978,302	328,524	10,768,149	17,992,951
2010	39,197	772,453	1,147,683	699,110	11,136,408	20,624,581
2011	46,140	899,378	1,193,441	809,886	17,528,451	27,917,744
2012	45,575	1,197,449	1,172,699	827,769	20,968,166	32,782,443
2013	46,894	626,742	1,294,802	1,084,729	22,581,629	34,569,315
2014	53,619	1,323,164	1,375,769	1,792,930	21,624,367	35,673,588
2015	55,505	1,657,637	1,331,587	1,592,739	22,197,404	38,315,195

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



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TABLE 9
CITY OF CENTENNIAL, COLORADO
PRINCIPAL PROPERTY TAXPAYERS

2006 and 2015

(Unaudited)

<u>Taxpayer</u>	2006		Percentage of Total City Assessed Value
	Taxable Assessed Value	Ranking	
Crescent Real Estate Funding VIII LP	\$ 7,250,010	1	0.504%
Oppenheimer Funds LLC	7,078,900	2	0.492%
Cascade Investments LLC	6,235,000	3	0.433%
National Digital Television	5,945,010	4	0.413%
California State Teachers	5,896,790	5	0.410%
Marc-Caley LLC	5,220,010	6	0.363%
California State Teachers	5,121,980	7	0.356%
RREEF America REIT II Corporation	4,582,000	8	0.318%
FSP Highland Place I Corp	4,495,000	9	0.312%
Columbia Regency Retail Partners LLC	3,770,000	10	0.262%
Total	<u>\$ 55,594,700</u>		<u>4.539%</u>
	2015		
<u>Taxpayer</u>	Taxable Assessed Value	Ranking	Percentage of Total City Assessed Value
IKEA Property, Inc.	\$ 13,391,620	1	0.830%
GK Peakview Tower, LLC	12,843,230	2	0.796%
Legacy III Centennial, LLC	11,979,900	3	0.743%
GS Centennial, LLC	11,644,080	4	0.722%
Cole of Centennial CO, LLC	8,540,500	5	0.529%
OFI Global Asset Management	7,850,010	6	0.487%
Southglenn Property Holdings, LLC	7,320,470	7	0.454%
Waterview I-III LLC	6,707,990	8	0.416%
GS Centennial, LLC	6,139,590	9	0.381%
National Digital Television	6,003,000	10	0.372%
Total	<u>\$ 92,420,390</u>		<u>5.729%</u>

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

**TABLE 10
CITY OF CENTENNIAL, COLORADO**

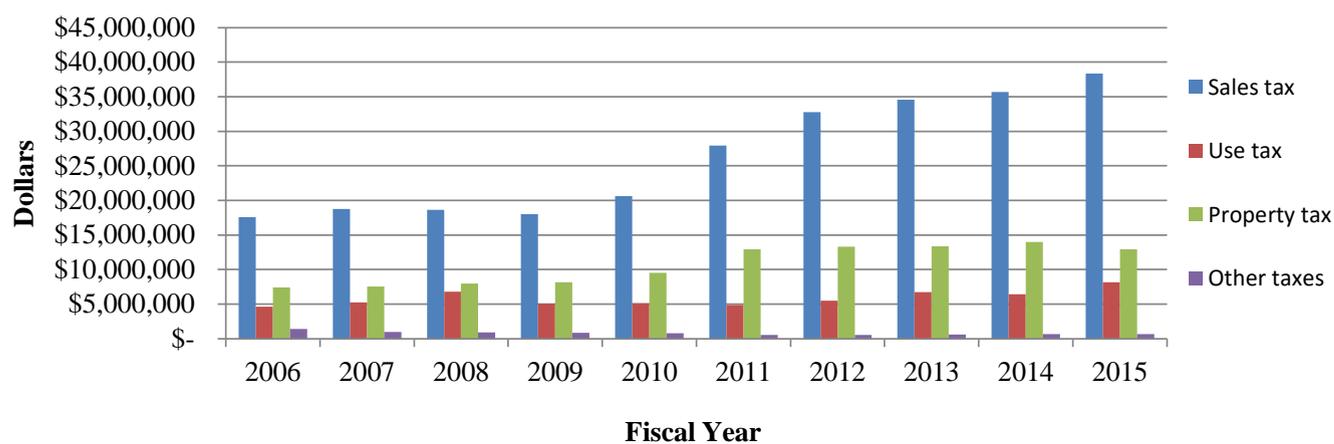
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

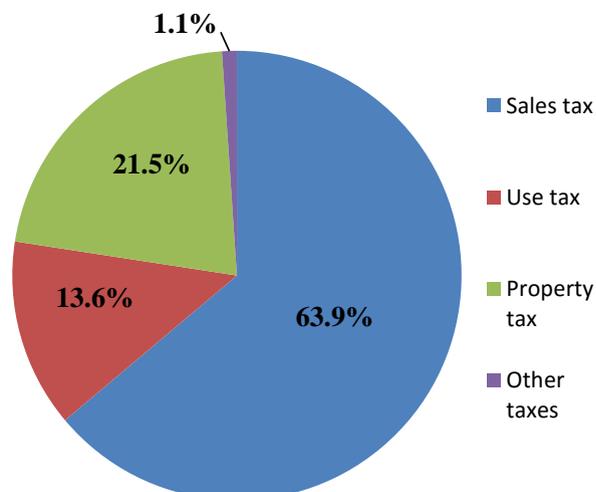
(Unaudited)

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

Tax Revenues By Source



2015 Tax Revenues by Source



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

**TABLE 11
CITY OF CENTENNIAL, COLORADO**

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

LAST TEN FISCAL YEARS

(Unaudited)

	Fiscal Year		
	2006	2007	2008
Outstanding debt by type			
Governmental activities			
General obligation bonds	\$ 3,050,000	\$ 3,035,000	\$ 2,980,000
Total Primary Government outstanding debt	\$ 3,050,000	\$ 3,035,000	\$ 2,980,000
Percentage of personal income ¹	0.1%	0.1%	NA
Per capita ¹	\$ 30	\$ 31	NA
Outstanding general bonded debt			
General obligation bonds	\$ 3,050,000	\$ 3,035,000	\$ 2,980,000
Percentage of personal income ¹	0.1%	0.1%	NA
Per capita ¹	\$ 30	\$ 31	NA
Legal debt margin			
Debt limit ²	\$ 367,544,453	\$ 393,997,756	\$ -
Total net debt applicable to limit	3,050,000	3,035,000	-
Legal debt margin	\$ 364,494,453	\$ 390,962,756	\$ -
Legal debt margin as a percentage of the debt limit	99.2%	99.2%	0.0%

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

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

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

Demographic and economic statistical data was not available for this report from sources consistent with those in prior years. Although the City believes demographic and economic statistics have remained relatively consistent with prior years, "NA" or "Not Applicable" has been reported here as the actual data is not available.

General obligation bond debt reported on this Table represents the debt of Antelope General Improvement District.

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ 2,920,000	\$ 2,860,000	\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000	\$ 2,515,000
\$ 2,920,000	\$ 2,860,000	\$ 2,795,000	\$ 2,730,000	\$ 2,660,000	\$ 2,590,000	\$ 2,515,000
NA	0.1%	NA	0.1%	0.1%	0.1%	0.1%
NA	\$ 28	NA	\$ 27	\$ 26	\$ 24	\$ 23
<u>\$ 2,920,000</u>	<u>\$ 2,860,000</u>	<u>\$ 2,795,000</u>	<u>\$ 2,730,000</u>	<u>\$ 2,660,000</u>	<u>\$ 2,590,000</u>	<u>\$ 2,515,000</u>
NA	0.1%	NA	0.1%	0.1%	0.1%	0.1%
NA	\$ 28	NA	\$ 27	\$ 26	\$ 24	\$ 23
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>						
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**TABLE 12
CITY OF CENTENNIAL, COLORADO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2015

(Unaudited)

Governmental Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Arapahoe Estates Water District	\$ 199,994	100.00%	\$ 199,994
Arapahoe Park & Recreation District	8,510,000	35.86%	3,051,686
Arapahoe Water and Wastewater Authority	129,060,000	44.96%	58,025,376
Centennial 25 Metropolitan District	325,000	100.00%	325,000
Cherry Creek School District No. 5	458,270,000	17.77%	81,434,579
Dove Valley Metropolitan District	48,515,000	42.14%	20,444,221
East Smoky Hill Metropolitan District 1	3,680,000	26.70%	982,560
East Smoky Hill Metropolitan District 2	6,555,000	0.06%	3,933
East Valley Metropolitan District	393,922	100.00%	393,922
Estancia Metropolitan District	4,110,000	100.00%	4,110,000
Goodman Metropolitan District	2,670,000	0.47%	12,549
Havana Water and Sanitation District	3,430,000	8.51%	291,893
Heritage Greens Metropolitan District	3,125,000	100.00%	3,125,000
Inverness Metropolitan Improvement District	4,125,000	0.98%	40,425
Inverness Water & Sanitation District	13,110,000	0.65%	85,215
Littleton Public Schools	141,696,195	36.24%	51,350,701
Liverpool Metropolitan District	2,850,000	61.93%	1,765,005
Panorama Metropolitan District	5,155,000	100.00%	5,155,000
Parker Jordan Metropolitan District	14,815,000	51.38%	7,611,947
Piney Creek Village Metropolitan District	5,910,000	100.00%	5,910,000
Saddle Rock South Metropolitan District	9,155,000	0.21%	19,226
Saddle Rock South Metropolitan District #4	14,720,000	0.15%	22,080
South Suburban Recreation Park District	12,835,000	46.42%	5,958,007
Southeast Public Improvement Metropolitan District	3,130,000	43.44%	1,359,672
Southglenn Metropolitan District	76,160,000	100.00%	76,160,000
Valley Club Pointe Metropolitan District	5,889,352	100.00%	5,889,352
Subtotal Overlapping Debt	\$ 978,394,463		\$ 333,727,343
Antelope Water System Improvement District	2,515,000	100.00%	2,515,000
Subtotal Direct Debt	\$ 2,515,000		\$ 2,515,000
Total Direct and Overlapping Debt	\$ 980,909,463		\$ 336,242,343

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

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

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

Fiscal Year	Population¹	Personal Income	Per Capita Personal Income²	Median Age³	High School Graduation Rates⁴	Unemployment Rate⁵
2006	100,309	\$ 4,961,082,522	\$ 49,458	35.9	78.18%	4.30%
2007	98,826	4,887,736,308	49,458	36.2	78.13%	3.80%
2008	** NA	NA	NA	NA	NA	NA
2009	** NA	NA	NA	NA	NA	NA
2010	100,377	3,878,968,788	38,644	40.5	95.60%	4.80%
2011	** NA	NA	NA	NA	NA	NA
2012	102,603	4,171,222,362	40,654	40.5	96.80%	7.00%
2013	103,743	4,227,734,736	40,752	40.5	96.60%	6.50%
2014	106,114	4,384,948,822	41,323	41.1	88.60%	4.00%
2015	107,201	4,433,404,556	41,356	40.9	92.80%	4.20%

** Demographic and economic statistical data was not available for this report from sources consistent with those in the prior years. Although the City believes demographic and economic statistics have remained relatively consistent with the prior years, "NA" or "Not Applicable" has been reported here as the actual data is not available.

(1) 2006-2007 data was obtained from the Denver Regional Council of Governments (DRCOG). 2010-2012 data was from the US Census Bureau. 2013-2015 data obtained from the US Census Bureau Estimates.

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

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

(4) Data is based upon Colorado Department of Education and is county-wide (Arapahoe County). Graduation rate calculation modified beginning in 2006. 2010 data was calculated based on information from Applied Geographic Solutions. 2012 and 2013 data was obtained from the Bureau of Labor Statistics. Colorado Department of Education.

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

**TABLE 14
CITY OF CENTENNIAL, COLORADO**

PRINCIPAL EMPLOYERS

2015 and 2006

(Unaudited)

<u>Top Ten Employers</u>	<u>2015 Rank</u>	<u>Top Ten Employers</u>	<u>2006 Rank</u>
United Launch Alliance	1	Oppenheimer Management Corporation	1
Oppenheimer Management Corporation	2	US Foodservice, Incorporated	2
United Healthcare	3	Citicorp Diners Club, Incorporated	3
Comcast Corporation	4	Mediaone Group, Incorporated	4
Pearson eCollege	5	Charles Schwab & Co, Inc.	5
Optum	6	Saunders Construction, Inc.	6
Sierra Nevada Corp.	7	Nationwide Mutual Insurance Company	7
Saunders Construction	8	McGraw Hill Incorporated	8
Arrow Electronics	9	Galileo International, Inc.	9
US Foods	10	Advanced Digital Information Corp.	10
	Total		Total
<u>Employees by NAICS Industries</u>	<u>Employees</u>	<u>Employees by NAICS Industries</u>	<u>Employees</u>
Finance and Insurance, and Real Estate, and Rental and Leasing	6,292	Finance and Insurance, and Real Estate, and Rental and Leasing	9,226
Professional, Scientific, and Management, and Administrative, and Waste Management Services	8,703	Professional, Scientific, and Management, and Administrative, and Waste Management Services	9,939
Construction	2,548	Construction	5,058
Retail Trade	5,986	Retail Trade	3,854
Educational Services, and Health Care, and Social Assistance	10,979	Educational Services, and Health Care, and Social Assistance	6,282
Arts, Entertainment, and Recreation, and Accommodation, and Food Services	3,880	Arts, Entertainment, and Recreation, and Accommodation, and Food Services	6,650
Wholesale Trade	1,950	Wholesale Trade	3,504
Information	2,385	Information	2,844
Other Services (except Public Administration)	2,576	Other Services (except Public Administration)	1,304
Public Administration	1,612	Public Administration	1,179
Manufacturing	3,372	Manufacturing	547
Transportation and Warehousing, and Utilities	2,246	Transportation and Warehousing, and Utilities	658
Agriculture, Forestry, Fishing and Hunting, Mining	612	Agriculture, Forestry, Fishing and Hunting, Mining	197
Total	<u>53,141</u>	Total	<u>51,242</u>

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

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

TABLE 15
CITY OF CENTENNIAL, COLORADO
FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31
LAST TEN FISCAL YEARS
(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	5.0	8.0	12.0	13.5	12.5	10.0	13.5	17.3	25.3	24.50
Community services	11.0	11.0	5.0	5.0	6.0	5.0	5.5	4.5	3.0	9.75
Finance & administration	12.0	13.0	13.0	13.0	16.0	17.0	13.5	15.0	17.5	19.50
Planning & development	1.0	9.0	15.5	14.0	14.0	13.0	9.0	8.5	5.0	3.50
City infrastructure	-	-	1.0	1.5	1.5	5.0	5.0	3.0	3.5	6.00
Total	<u>29.0</u>	<u>41.0</u>	<u>46.5</u>	<u>47.0</u>	<u>50.0</u>	<u>50.0</u>	<u>46.5</u>	<u>48.3</u>	<u>54.3</u>	<u>63.25</u>

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Recreation ⁽¹⁾										
Acres of developed park	-	-	-	-	-	-	17.12	17.12	17.12	17.12
Acres of open space parks	-	-	-	-	-	-	54.62	54.62	54.62	54.62
Public Works ⁽²⁾										
Maintenance facility	-	-	-	-	-	-	-	1	1	1
Miles of streets	408	408	408	412	412	412	418	417	428	428
Number of street lights	3,642	3,711	3,979	3,987	3,992	4,057	4,042	4,043	4,222	4,222
Number of fleet vehicles	2	6	6	6	6	6	6	6	6	6
Number of equipment pieces in the fleet	NA									

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

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

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

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



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

	Fiscal Year		
	2006	2007	2008
General Government			
Administrative Services			
Citations processed	14,506	17,837	20,694
Employment applications processed	709	771	764
New hires processed	13	23	22
Computer service requests	185	265	529
Finance			
Accounts payable checks issued ⁽¹⁾	1,567	1,795	1,951
Purchasing card transactions	296	381	680
Sales/use tax accounts ⁽²⁾	4,322	3,597	2,783
Tax audits conducted and completed	NA	NA	NA
City Management			
Ordinances and resolutions approved by City Council	139	160	146
Citizen surveys received	NA	2	-
Community Development			
Building permits issued	3,866	4,329	4,031
Building inspections performed	11,639	13,048	13,187
Code enforcement cases ⁽³⁾	762	1,504	2,085
Public Safety			
Calls for service	48,931	48,876	46,652
Average response time to Priority 1 calls ⁽⁴⁾	6.5	6.6	10.0
Hours spent on proactive patrol ⁽⁵⁾	4.4	4.2	3.7
Total arrests	4,936	4,903	3,525
Public Works			
Vehicles in fleet	2	6	6
Lane miles receiving snow & ice control	89,163	171,042	41,756
Lane miles swept	7,287	5,562	8,467

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

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

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

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

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

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

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

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
21,405	19,372	19,654	18,645	18,794	17,559	16,146
1,906	2,172	1,040	950	907	1,185	1,282
16.5	9.0	9.0	12.0	13.0	17.0	20.0
1,710	1,856	1,250	1,175	1,467	2,146	2,261
2,067	2,131	2,207	2,545	2,928	3,052	3,169
706	812	1,050	1,148	1,105	1,309	1,410
2,922	3,245	3,618	3,855	4,033	4,254	4,460
1	115	91	113	70	64	96
113	119	131	108	133	121	117
-	1	1	1	-	-	3
7,592	6,490	5,151	7,256	5,582	8,649	10,787
14,646	14,600	14,745	15,454	15,859	26,894	30,476
3,581	3,264	2,756	1,539	1,011	922	884
44,770	44,318	45,360	46,086	45,541	48,740	49,410
10.0	10.0	8.6	6.3	4.9	4.4	4.4
3.6	3.6	3.6	1.5	1.3	4.6	4.4
3,490	3,027	3,025	2,572	2,300	2,364	2,377
6	6	6	6	6	6	6
73,009	43,238	66,528	34,584	56,658	55,610	57,310
7,216	4,415	5,811	7,579	8,929	11,122	8,645



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COMPLIANCE SECTION



COMPLIANCE SECTION OVERVIEW

OTHER REPORTS

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



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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Centennial			
		YEAR ENDING : December 2015			
This Information From The Records Of (example - City of _ or County of		Prepared By: Linda Gregory Phone: 303-754-3368			
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,275,159		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	13,176,937		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	260,473		
2. General fund appropriations	11,197,165	b. Snow and ice removal	786,829		
3. Other local imposts (from page 2)	8,931,831	c. Other	0		
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	1,047,302		
5. Transfers from toll facilities		4. General administration & miscellaneous	2,238,141		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,459,746		
a. Bonds - Original Issues		6. Total (1 through 5)	26,197,285		
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)	20,128,996	b. Redemption			
B. Private Contributions		c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	5,872,246	2. Notes:			
D. Receipts from Federal Government (from page 2)	196,043	a. Interest			
E. Total receipts (A.7 + B + C + D)	26,197,285	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)	26,197,285		
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
		26,197,285	26,197,285		0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2015

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

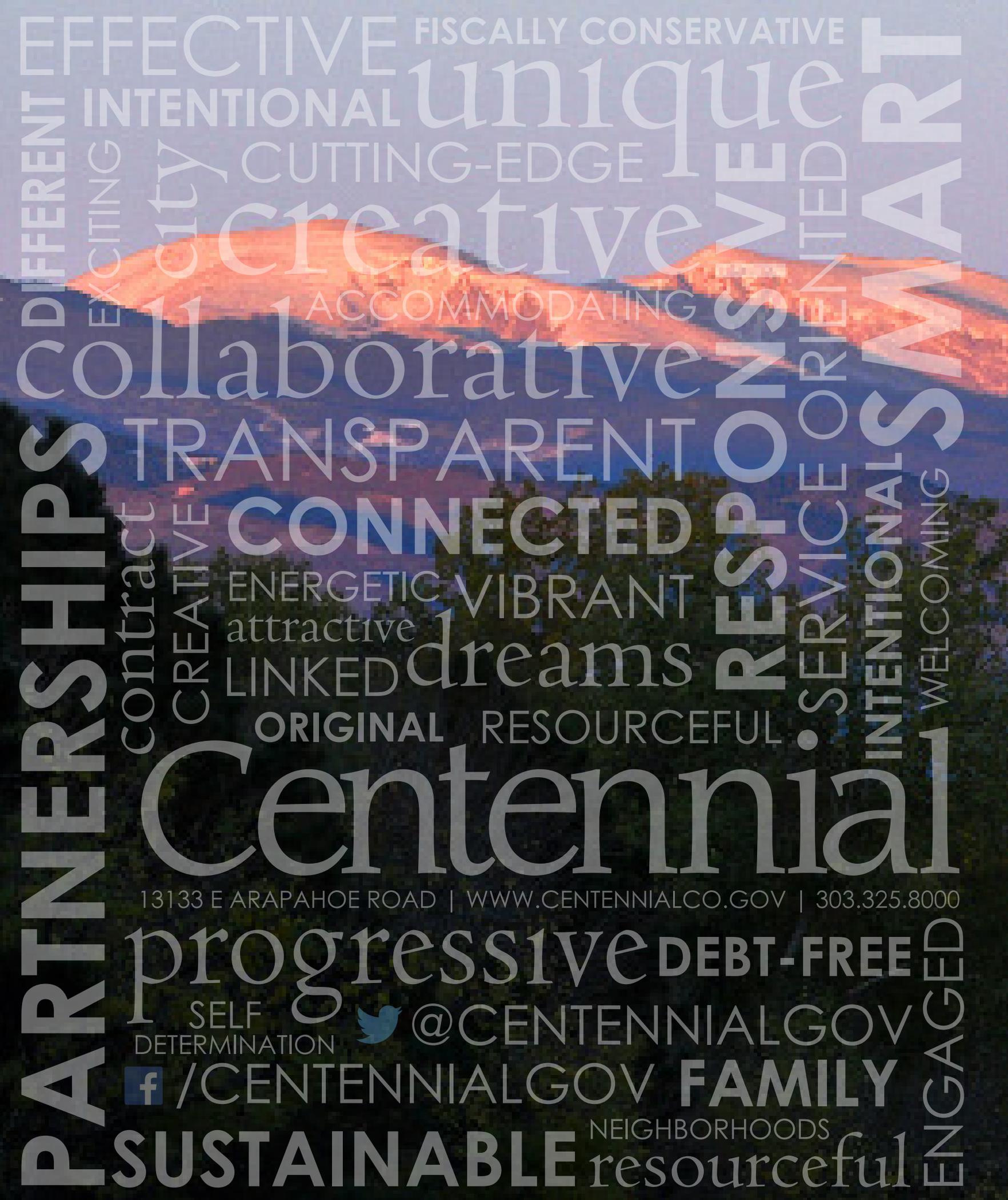
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,800,000	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	310,871	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,820,960	g. Other Misc. Receipts	
6. Total (1. through 5.)	8,931,831	h. Other	0
c. Total (a. + b.)	8,931,831	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	5,300,728	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	571,518	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	196,043
f. Total (a. through e.)	571,518	g. Total (a. through f.)	196,043
4. Total (1. + 2. + 3.f)	5,872,246	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		1,357,449	1,357,449
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		6,642,642	6,642,642
(3). System Preservation		147,277	147,277
(4). System Enhancement & Operation		127,791	127,791
(5). Total Construction (1) + (2) + (3) + (4)	0	6,917,710	6,917,710
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,275,159	8,275,159
			(Carry forward to page 1)

Notes and Comments:



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